

Prospectus

\$4,674,561,511 (Approximate)



FannieMae®

Guaranteed Grantor Trust Pass-Through Certificates Fannie Mae Grantor Trust 2005-T2

Carefully consider the risk factors starting on page 9 of this prospectus and on page 16 of the attached offering memorandum. Unless you understand and are able to tolerate these risks, you should not invest in the Offered Certificates.

The Offered Certificates, together with interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae.

Investors should not purchase Offered Certificates before reading this prospectus and the other disclosure documents identified on page 1 of the prospectus.

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

The Offered Certificates

We, the Federal National Mortgage Association (Fannie Mae), will issue and guarantee the Offered Certificates listed in the chart below. The Offered Certificates are being offered by this prospectus. Only the Offered Certificates are offered by this prospectus.

Payments to Certificateholders

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

- interest to the extent described in this prospectus; and
- principal to the extent described in this prospectus.

The rate of principal payments may vary from time to time.

The Fannie Mae Guaranty of the Offered Certificates

We will guarantee that the payments of monthly interest and principal described above are paid to the holders of the Offered Certificates on time. In addition, we guarantee that any outstanding balance of an Offered Class A Certificate will be paid no later than the Final Distribution Date. The Final Distribution Date is the Distribution Date in November 2035.

Our guaranty does not cover various interest shortfalls, basis risks and certain other risks as described herein.

The Trust and its Assets

The trust will own six Collateral Securities, which are described more fully in this prospectus. The Collateral Securities are secured by 25 Underlying Certificates previously issued by third parties, having the characteristics described in the attached offering memorandum. Each Underlying Certificate represents an ownership interest in a trust that consists of fixed-rate and/or adjustable-rate, first and/or second lien, one- to four-family, residential mortgage loans made to borrowers generally with blemished credit histories.

<i>Classes of Certificates</i>	<i>Certificate Group(1)</i>	<i>Original Class Balance</i>	<i>Principal Type</i>	<i>Interest Rate</i>	<i>Interest Type</i>	<i>CUSIP Number</i>
IA1.....	I	\$2,000,000,000	PT	(2) (3)	FLT/AFC	31394CP97
IA2.....	I	\$1,975,899,000	PT	(2) (3)	FLT/AFC	31394C7H9
IA3.....	I	\$698,662,511	PT	(2) (3)	FLT/AFC	31394C7J5
IX.....	I	(4)	NTL	(2) (3)	IO/AFC	31394C7K2

- (1) Certificate Group I relates to one of the two groups of Underlying Certificates, the Group I Underlying Certificates (as defined in the Offering Memorandum). Payments from the other group of Underlying Certificates, the Group II Underlying Certificates (as defined in the Offering Memorandum), are not available to make payments on the Offered Certificates.
- (2) The certificates bear interest at a rate equal to the pass-through rates of interest on the related Collateral Securities. The Collateral Securities each bear interest at a floating rate based on one-month LIBOR, and are subject to various caps.
- (3) Subject to Uncovered Prepayment Interest Shortfalls, Relief Act Shortfalls, Basis Risk Shortfalls and certain other risks as described in the attached offering memorandum.
- (4) Notional balance. This class is an interest only class. The initial notional balance will be \$7,024,257,583.

The dealer specified below will offer the Class IA1 and Class IA3 Certificates from time to time in negotiated transactions at varying prices. Fannie Mae will retain all of the Class IA2 and Class IX Certificates. We expect the settlement date to be May 20, 2005.

RBS Greenwich Capital

May 19, 2005

AVAILABLE INFORMATION

You should purchase the Offered Certificates only if you have read and understood the following documents (the “Disclosure Documents”):

- this prospectus;
- the Offering Memorandum for the Financial Asset Securities Corp. AAA Trust 2005-2 Trust Certificates, Series 2005-2, dated May 19, 2005 (the “Offering Memorandum”), regarding the Collateral Securities, which is attached to, and forms a part of, this prospectus;
- the prospectuses, the prospectus supplements and, to the extent there has been an Underlying Distribution Date with respect to an Underlying Certificate, the April 2005 remittance reports for the Group I Underlying Certificates (the “Underlying Disclosure Documents”); and
- any information incorporated by reference in this prospectus as discussed below under the heading “Incorporation by Reference.”

A compact disc is attached as an exhibit at the end of the Offering Memorandum. The compact disc will contain the Underlying Disclosure Documents.

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

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

In addition, the Disclosure Documents (other than the Underlying Disclosure Documents and any documents that have not yet been filed with the SEC), together with the class factors, are available on our corporate Web site at www.fanniemae.com. The Underlying Disclosure Documents, however, are not available on our Web site.

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

Greenwich Capital Markets, Inc.
600 Steamboat Road
Greenwich, CT 06830
Attention: Legal Department
(telephone (203) 625-2700)

In addition to reading the Disclosure Documents you may wish to review the remittance reports for the Underlying Certificates. They are available on Web sites currently maintained by the related underlying trustee, although Fannie Mae can make no assurances whether any underlying trustee will continue to maintain such Web sites. The remittance reports are not available on our Web site, nor do we plan to post remittance reports from the underlying trustees on our Web site. The addresses of an underlying trustee’s current Web sites may be set forth in the related Underlying Disclosure Documents. We do not intend these Web site addresses to be active links.

INCORPORATION BY REFERENCE

We are incorporating by reference in this prospectus the documents listed below. This means that we are disclosing information to you by referring you to these documents. These documents are considered part of this prospectus, so you should read this prospectus, and any applicable supplements or amendments, together with these documents.

You should rely only on the information provided or incorporated by reference in this prospectus, and any applicable supplements or amendments, together with the other Disclosure Documents.

We incorporate by reference the following documents we have filed, or may file, with the Securities and Exchange Commission ("SEC"):

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2003 ("Form 10-K");
- all other reports we have filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, since the end of the fiscal year covered by the Form 10-K until the date of this prospectus, excluding any information "furnished" to the SEC on Form 8-K; and
- all proxy statements that we file with the SEC and all documents that we file with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, subsequent to the date of this prospectus and prior to the completion of the offering of the Offered Certificates, excluding any information we "furnish" to the SEC on Form 8-K.

Any information incorporated by reference in this prospectus is deemed to be modified or superseded for purposes of this prospectus to the extent information contained or incorporated by reference in this prospectus modifies or supersedes such information. In such case, the information will constitute a part of this prospectus only as so modified or superseded.

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You can obtain copies of the periodic reports we file with the SEC without charge by calling or writing our Office of Investor Relations, Fannie Mae, 3900 Wisconsin Avenue, NW, Washington, DC 20016, telephone: (202) 752-7115. The periodic and current reports that we file with the SEC are also available on our corporate Web site at www.fanniemae.com. Information appearing on our Web site is not incorporated in this prospectus except as specifically stated in this prospectus.

In addition, you may read our SEC filings and other information about Fannie Mae at the offices of the New York Stock Exchange, the Chicago Stock Exchange and the Pacific Exchange. Our SEC filings are also available at the SEC's Web site at www.sec.gov. You also may read and copy any document we file with the SEC by visiting the SEC's Public Reference Room at 450 Fifth Street, NW, Washington, DC 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. Information appearing on the SEC's Web site is not incorporated in this prospectus except as specifically stated in this prospectus.

RECENT DEVELOPMENTS

On December 21, 2004, our Board of Directors (the “Board”) announced the retirement of Chairman and Chief Executive Officer Franklin D. Raines and the resignation of Vice Chairman and Chief Financial Officer J. Timothy Howard. A member of the Board, Stephen B. Ashley, currently is serving as the non-executive chairman of the Board, Vice Chairman and Chief Operating Officer Daniel H. Mudd currently is serving as interim chief executive officer, and Executive Vice President Robert Levin currently is serving as interim chief financial officer. The Board further announced that the Audit Committee of the Board dismissed KPMG LLP as our independent auditor. On January 4, 2005, the Audit Committee of the Board approved the engagement of Deloitte & Touche LLP (“Deloitte”) as our independent auditor. Deloitte will serve as our auditor for each of the fiscal years 2001, 2002, 2003 and 2004.

On December 15, 2004, the Office of the Chief Accountant of the Securities and Exchange Commission (“SEC”) issued a statement (the “Statement”) regarding certain accounting issues relating to Fannie Mae, including determinations by the SEC that we should (i) restate our financial statements to eliminate the use of hedge accounting under Financial Accounting Standard No. 133, Accounting for Derivative Instruments and Hedging Activities (“FAS 133”), (ii) evaluate the accounting under Financial Accounting Standard No. 91, Accounting for Nonrefundable Fees and Costs Associated with Originating or Acquiring Loans and Initial Direct Costs of Leases (“FAS 91”) and restate our financial statements filed with the SEC if the amounts required for correction are material, and (iii) re-evaluate the information prepared under generally accepted accounting principles (“GAAP”) and non-GAAP information that we previously provided to investors. On December 16, 2004, we filed a Current Report on Form 8-K with the SEC that includes a copy of the Statement.

As a result of the SEC's findings, we will restate our financial results from 2001 through June 30, 2004 to comply fully with the SEC's determination. In a Form 12b-25 filed with the SEC on November 15, 2004, we estimated that a loss of hedge accounting under FAS 133 for all derivatives could result in recording into earnings a net cumulative loss on derivative transactions of approximately \$9.0 billion as of September 30, 2004. (We estimate that as of December 31, 2004, this net cumulative after-tax loss was approximately \$8.4 billion.) We also stated that there would be a corresponding decrease to retained earnings and, accordingly, regulatory capital. In a Form 12b-25 filed with the SEC on March 17, 2005, we stated that if we do not qualify for hedge accounting for mortgage commitments accounted for as derivatives since our July 1, 2003 adoption of Financial Accounting Standard No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities (“FAS 149”), we estimate that we would be required to record in earnings a net cumulative after-tax loss related to these commitments of approximately \$2.4 billion as of December 31, 2004. We are working to determine the effect of the restatement, including the effect on each prior reporting period. We expect that the impact will be material to our reported GAAP and core business results for many, if not all, periods and will vary substantially from period to period based on the amount and types of derivatives held and fluctuations in interest rates and volatility. Our restated financial statements also will reflect corrections as a result of our misapplication of FAS 91 for each prior reporting period described above. We also will consider the impact, if any, of the SEC's decision on FAS 91 for periods prior to those described above.

Accordingly, on December 17, 2004, the Audit Committee of the Board concluded that our previously filed interim and audited financial statements and the independent auditor's reports thereon for the periods from January 2001 through the second quarter of 2004 should no longer be relied upon because such financial statements were prepared applying accounting practices that did not comply with GAAP. We have not yet filed our quarterly reports on Form 10-Q for the quarters ended September 30, 2004 and March 31, 2005 or our annual report on Form 10-K for the year ended December 31, 2004. The financial information regarding our anticipated results of operations for the quarter ended September 30, 2004 that was contained in our Form 12b-25 filed on November 15, 2004 and in a Form 8-K filed on

November 16, 2004 was prepared applying the same policies and practices, and, accordingly, should not be relied upon. The Audit Committee has discussed the matters described above and in a Form 8-K filed with the SEC on December 22, 2004 with KPMG LLP, our independent auditor through December 21, 2004.

On September 20, 2004, the Office of Federal Housing Enterprise Oversight (“OFHEO”) delivered its report to the Board of its findings to date of the agency's special examination. Among other matters, the OFHEO report raised a number of questions and concerns about our accounting policies and practices with respect to FAS 91 and FAS 133. On February 23, 2005, we announced that OFHEO notified our Board and management of several additional accounting and internal control issues and questions that OFHEO identified in its ongoing special examination, and directed that these matters be included in the internal reviews by the Board and management and reviewed by Deloitte. OFHEO indicated that it has not completed its review of all aspects of these issues, but has identified policies that it believes appear to be inconsistent with generally accepted accounting principles as well as internal control deficiencies that raise safety and soundness concerns. The issues and questions include the following areas: securities accounting, loan accounting, consolidations, accounting for commitments, and practices to smooth certain income and expense amounts. OFHEO also raised concerns regarding journal entry controls, systems limitations, and database modifications, as well as FAS 149 and new developments relating to FAS 91. A summary of the additional questions raised in OFHEO's ongoing special examination of Fannie Mae has been filed as an exhibit to a Form 8-K that we filed with the SEC on February 23, 2005.

Our Board and management are addressing the issues and questions raised by OFHEO. In addition, the Board designated its Special Review Committee to review the findings of OFHEO's September 2004 special examination report. This review, led by former Senator Warren Rudman of the law firm of Paul, Weiss, Rifkind, Wharton & Garrison (“Paul Weiss”), is focused on: accounting issues, including accounting policies, procedures and controls regarding FAS 91 and FAS 133; organization, structure and governance, including Board oversight and management responsibilities and resources; and executive compensation. Paul Weiss' work continues as it examines these areas and other issues that may arise in the course of its review, reporting regularly to the Board. We will report to OFHEO regarding each of these issues and will continue to work with OFHEO to resolve these matters as part of our ongoing internal reviews and restatement process. In light of the foregoing, management has initiated a comprehensive review of accounting routines and controls, the financial reporting process and the application of GAAP, which will include the issues OFHEO has identified, as well as issues identified by management and/or Deloitte. Management, working with accounting consultants, will develop a view on these issues, which then will be reviewed with the Audit Committee, Deloitte and OFHEO. Upon conclusion of this review, our financial statements will be restated where necessary and submitted to Deloitte for review as part of its audit. We are providing periodic updates to the SEC and the New York Stock Exchange on the restatement. In addition, the SEC and the U.S. Attorney's Office for the District of Columbia are conducting ongoing investigations into these matters.

OFHEO is required to review our capital classification quarterly, and as of September 30, 2004 and December 31, 2004, classified us as “significantly undercapitalized.” As a result of this classification, we submitted a capital restoration plan to OFHEO in January 2005, and on February 23, 2005, we announced that OFHEO approved our proposed capital restoration plan. Under the plan, we detail how we expect to meet our minimum capital requirement on an ongoing basis, as well as achieve OFHEO's 30 percent surplus capital requirement by September 30, 2005. A summary of the capital restoration plan was filed as an exhibit to a Form 8-K that we filed with the SEC on February 23, 2005. On May 19, 2005, OFHEO classified us as “adequately capitalized” as of March 31, 2005. OFHEO has noted that this classification is subject to revision pending the outcome of ongoing accounting reviews, and that this classification does not amend any existing capital restoration plans currently in place between Fannie Mae and OFHEO.

Forms 8-K that we file with the SEC prior to the completion of the offering of the Offered Certificates are incorporated by reference in this prospectus. This means that we are disclosing information to you by referring you to those documents. You should refer to the heading “Incorporation by Reference” above for further details on the information that we incorporate by reference in this prospectus and where to find it.

REFERENCE SHEET

This reference sheet is not a summary of the transaction and does not contain complete information about the Offered Certificates. You should purchase the Offered Certificates only after reading this prospectus in its entirety and each of the additional disclosure documents listed on page 1.

The Fannie Mae Certificates

- The Fannie Mae Certificates will represent beneficial ownership interests in Fannie Mae Grantor Trust 2005-T2 (the “Fannie Mae Trust”).
- The assets of the Fannie Mae Trust will consist of six mortgage-backed securities described in this prospectus (the “Collateral Securities”), which in turn are secured by 25 mortgage-backed securities, having the characteristics described in the Offering Memorandum (the “Underlying Certificates”). The Collateral Securities and the Underlying Certificates were issued by entities unaffiliated with Fannie Mae.
- Each Underlying Certificate is backed by fixed-rate and/or adjustable-rate, first and/or second lien, one- to four-family mortgage loans made to borrowers generally with blemished credit histories.

Offered Classes

This prospectus offers the Fannie Mae Grantor Trust 2005-T2, Guaranteed Grantor Trust Pass-Through Certificates, Class IA1, Class IA2, Class IA3 and Class IX Certificates (collectively, the “Offered Certificates”). The Class IA1, Class IA2 and Class IA3 Certificates collectively are referred to as the “Offered Class A Certificates” in this prospectus.

Corresponding Classes

Each class of certificates offered by this prospectus corresponds to the class of Collateral Securities as follows:

Fannie Mae Grantor Trust Class	Collateral Security Class
IA1	I-A1B
IA2	I-A2
IA3	I-A3B
IX	I-X

In addition, the Collateral Securities include the Class II-A2 and Class II-X Certificates, which correspond to the Class IIA2 and Class IIX Certificates issued by the Fannie Mae Trust but not offered by this prospectus (the “Non-Offered Certificates” and together with the Offered Certificates, the “Fannie Mae Certificates”).

All amounts payable on each class of Collateral Securities will be passed through to the corresponding class of certificates issued by the Fannie Mae Trust. For a description of Fannie Mae's guaranty of the Fannie Mae Certificates, see “*Fannie Mae Guaranty*” in this prospectus.

Certain Characteristics of the Collateral Securities and the Underlying Certificates

You should review the Offering Memorandum for additional information about the nature of the Collateral Securities, Underlying Certificates and the related mortgage loans.

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 payments in the same month). We will publish the class factors for the certificates on or shortly after the Distribution Date in each month.

Settlement Date

We expect to issue the certificates on May 20, 2005 (the “Settlement Date”).

Distribution Date

We will make payments on the classes of Offered Certificates on the third business day following the Underlying Distribution Date. The Underlying Distribution Date, which is the day upon which distributions are made on the Underlying Certificates, is the 25th of each month, or if the 25th is not a business day, the business day following such 25th day.

Book-Entry Certificates

We will issue the Offered Certificates in book-entry form through The Depository Trust Company, which will electronically track ownership of the Offered Certificates and payments on them.

Payments of Interest

On each Distribution Date, we will pay monthly interest on each class of Offered Certificates to the extent described in this prospectus. See “*Description of the Offered Certificates—Payments of Interest*” in this prospectus.

Payments of Principal

On each Distribution Date, we will pay monthly principal on the Offered Certificates, other than the Class IX Certificates, in an amount equal to the principal paid in that month on the corresponding class of Collateral Security. See “*Description of the Offered Certificates—Payments of Principal*” in this prospectus. On any Distribution Date, if the Certificate Principal Balance of any Collateral Security is reduced by a Parity Amount (as defined in the Offering Memorandum), we will pay an amount equal to such Parity Amount to the holders of the related Offered Certificates as principal payments on such Offered Certificates.

The Class IX Certificates are interest only certificates and are not entitled to any distributions in respect of principal.

Guaranty Payments

We guarantee that interest and principal on the Fannie Mae Certificates will be paid as provided above. In addition, we guarantee the payment of the outstanding principal balance of the Fannie Mae Certificates, if any, no later than the final distribution date listed on the cover of this prospectus.

Notwithstanding the foregoing, if the amount of interest paid on any class of Collateral Securities is reduced as a result of Uncovered Prepayment Interest Shortfalls, Relief Act Shortfalls or Basis Risk Shortfalls (each, as defined herein), our guaranty will **not** cover the amount of the reduction.

RISK FACTORS

We describe below some of the risks associated with an investment in the Offered Certificates. Because each investor has different investment needs and a different risk tolerance, you should consult your own financial and legal advisors to determine whether the certificates are a suitable investment for you. In addition to the risks discussed below, you should read the section entitled “Risk Factors” in the Offering Memorandum and the Underlying Disclosure Documents relating to your certificates.

Relation to Collateral Securities

Each Certificate Group relates to a group of Underlying Certificates, and payments on the Collateral Securities in that Certificate Group will not be supported by the Underlying Certificates in the other Certificate Group. An investor in an Offered Certificate should be familiar with and understand completely the Underlying Disclosure Documents for the corresponding classes of Underlying Certificates. However, it should be noted that there may have been material changes in facts and circumstances since the dates that the Underlying Disclosure Documents were prepared. These may include changes in prepayment speeds, prevailing interest rates and other general economic factors. There also may be changes in the relative size of the Underlying Certificates as compared to other classes in the same Underlying Trust Fund. In addition, the characteristics of the underlying mortgage loans will have changed due to voluntary prepayments and involuntary prepayments due to casualty or condemnation, and delinquencies and defaults. As a result of such changes, the usefulness of the information set forth in the Underlying Disclosure Documents may be limited. Payments on the Collateral Securities will be passed through to the related certificateholders as described herein.

Suitability

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

- You should have sufficient knowledge and experience to evaluate the merits and risks of the Offered Certificates and the information contained in this prospectus, the Offering Memorandum and the

Underlying Disclosure Documents for the related class or classes of Underlying Certificates and the other Disclosure Documents.

- You should thoroughly understand the terms of the Offered Certificates.
- You should thoroughly understand the terms of the Underlying Certificates and the mortgage loans that back them.
- You should be able to evaluate (either alone or with the help of a financial advisor) the economic, interest rate and other factors that may affect your investment.
- You should have sufficient financial resources and liquidity to bear all risks associated with the Offered Certificates.
- You should investigate any legal investment restrictions that may apply to you.
- You should exercise particular caution if your circumstances do not permit you to hold the Offered Certificates until maturity.

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. The Offered Certificates generally will not be suitable investments for REMICs. You should get legal advice in determining whether your purchase of the certificates is a legal investment for you or is subject to any investment restrictions.

Yield Considerations

A variety of factors can affect your yield. Your effective yield on the Offered Certificates will depend upon:

- the price you paid for the certificates;
- how quickly or slowly borrowers prepay the mortgage loans backing the Underlying Certificates;
- if and when the mortgage loans backing the Underlying Certificates are liquidated due to borrower defaults, casualties or condemnations affecting the properties securing those loans;
- if and when the mortgage loans backing the Underlying Certificates are repurchased;
- if and when the servicer or master servicer (or any third party identified in the related Underlying Disclosure Documents) exercises its limited right to terminate the Underlying Trust Fund by purchasing the mortgage loans; and
- the actual characteristics of the mortgage loans backing the Underlying Certificates, including the effect of periodic and lifetime caps on the interest rates of any adjustable rate mortgage loan.

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 on the underlying mortgage loans are faster than you expect; or
- if you buy your certificates at a discount and principal payments on the underlying mortgage loans are slower than you expect.

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

Certain assumptions concerning the mortgage loans backing the Underlying Certificates were used in preparing the tabular information set forth in the prospectus. If the actual mortgage loan characteristics differ even slightly from those assumptions, the weighted average lives and yields of the certificates could be affected.

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

Unpredictable timing of last payment may affect your yield. The actual final payment on your class of Offered Certificates may occur earlier, and could occur much earlier, than the final distribution date in November 2035 (the “Final Distribution Date”). If you assumed the actual final payment would occur on the Final Distribution Date, your yield could be lower than you expect.

On each Distribution Date, interest otherwise payable on the Class IX Certificates will be reduced by an amount equal to any Group I Net WAC Rate Carryover Amount. Such an allocation may have the effect of reducing the interest payable on the Class IX Certificates significantly. In some scenarios the Class IX Certificates may not be paid any interest because of the allocation of Group I Net WAC Rate Carryover Amounts to such class. The Fannie Mae guaranty will not cover amounts deducted from interest paid on the Class IX Certificates as a

result of Group I Net WAC Rate Carryover Amounts.

Prepayment Considerations

The rate of principal payments on any Underlying Certificate depends on numerous factors and cannot be predicted. The rate of principal payments on any Underlying Certificate generally will depend on the rate of principal payments on the underlying mortgage loans. Principal payments will occur as a result of scheduled amortization or prepayments. The rate of principal payments is likely to vary considerably from time to time as a result of the liquidation of foreclosed mortgage loans.

It is highly unlikely that the mortgage loans will prepay:

- at the rates we assume;
- at any constant prepayment rate until maturity; or
- at the same rate.

Mortgage loans backing any Underlying Certificate might require that the borrower pay a prepayment premium if the loan is prepaid in full or in part during the period specified in the mortgage note. After the expiration of the applicable prepayment premium period, however, borrowers may prepay the loans at any time without paying a premium. Many of the mortgage loans backing the Underlying Certificates, however, may be prepaid at any time without payment of a prepayment premium. In no event will certificateholders be entitled to any portion of any prepayment premiums paid by borrowers.

Some of the mortgage loans backing the Underlying Certificates provide that the lender can require repayment in full if the borrower sells the property that secures the loan. In this way, property sales by borrowers can affect the rate of prepayment. In addition, if borrowers are able to refinance their loans by obtaining new loans secured by the same properties, any refinancing will affect the rate of prepayment. Furthermore, the sellers of the underlying mortgage loans have

made representations and warranties with respect to the mortgage loans and may have to repurchase the related loans if they fail to conform to those representations and warranties. Any such repurchases also will affect the rate of prepayment.

Once the balances of the mortgage loans backing the Underlying Certificates in the Underlying Trust Fund are reduced to a percentage, generally, 10%, or less than 10%, of the sum of their balances as of the issue date for the related Underlying Certificates (plus, if applicable, initial amounts in pre-funding accounts), the master servicer, or the servicer, the holder of a majority-in-interest of the residual interest in the Underlying Trust Fund, and/or another person, may purchase all the remaining mortgage loans subject to certain restrictions described in the Underlying Disclosure Documents. In addition, the master servicer or a third party insurer identified in the applicable Underlying Disclosure Document may have the option to repurchase mortgage loans that become 90 days or more delinquent. If the mortgage loans are purchased in either of these ways, it would have the same effect as a prepayment in full of the mortgage loans. For a further description of the termination risks, you should read the Underlying Disclosure Documents for the Underlying Certificates.

In general, the rates of prepayment may be influenced by:

- the level of current interest rates relative to the rates borne by the underlying mortgage loans;
- homeowner mobility;
- the general creditworthiness of the borrowers;
- repurchases of mortgage loans; and
- general economic conditions.

Because so many factors affect the rate of prepayment of a pool of mortgage loans, we cannot estimate the prepayment experience of the

mortgage loans backing the Underlying Certificates.

Overcollateralization requirements can accelerate principal payments. Due to the overcollateralization feature of all of the underlying trusts, the rate of principal payments on your class of Offered Certificates may be somewhat faster from time to time than the rates of principal payments on the mortgage loans backing the related Underlying Certificate. A portion of excess interest generated by the mortgage loans in an Underlying Trust Fund may be applied to pay principal on the related Underlying Certificates until the required level of overcollateralization is reached and thereafter excess interest may be used to maintain overcollateralization at the required level.

Reinvestment Risk

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

Market and Liquidity Considerations

It may be difficult to resell your certificates and any resale may occur on adverse terms. 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 Offered Certificates at prices comparable to those available to other investors.

A number of factors may affect the resale of Offered Certificates, including:

- the payment to certificateholders of interest and principal in amounts based on the interest and principal required to be paid on the corresponding classes of the Underlying Certificates;
- the characteristics of the mortgage loans backing the Underlying Certificates;
- past and expected prepayment levels of the mortgage loans backing the Underlying Certificates and comparable loans;
- the outstanding principal amount of the certificates;
- the amount of Offered Certificates offered for resale from time to time;
- any legal restrictions or tax treatment limiting demand for the certificates;
- the availability of comparable securities;
- the level, direction and volatility of interest rates generally; and
- general economic conditions.

Terrorist activities and related military and political actions by the U.S. government could cause reductions in investor confidence and substantial market volatility in real estate and securities markets. It is impossible to predict the extent to which terrorist activities may occur or, if they do occur, the extent of the effect on the certificates. Moreover, it is uncertain what effects any past or future terrorist activities or any related military or political actions on the part of the United States government and others will have on the United States and world financial markets, local, regional and national economies, real estate

markets across the United States, or particular business sectors, including those affecting the performance of mortgage loan borrowers. Among other things, reduced investor confidence could result in substantial volatility in securities markets and a decline in real estate-related investments. In addition, defaults on the mortgage loans could increase, causing early payments of principal to you and, regardless of the performance of the underlying mortgage loans, the liquidity and market value of the certificates may be impaired.

The terrorist attacks in the United States on September 11, 2001 suggest that there is an increased likelihood of future terrorist activity in the United States. In addition, current political and military tensions in the Middle East have resulted in a significant deployment of United States military personnel in the region. Investors should consider the possible effects of past and possible future terrorist attacks and any resulting military response by the United States on the delinquency, default and prepayment experience of the mortgage loans. In accordance with the servicing standard set forth in the pooling and servicing agreements and trust agreements, the master servicer or servicer, as applicable may defer, reduce or forgive payments and delay foreclosure proceedings in respect of mortgage loans to borrowers affected in some way by such past and possible future events.

In addition, the current deployment of United States military personnel in the Middle East and the activation of a substantial number of United States military reservists and members of the National Guard may significantly increase the proportion of mortgage loans whose mortgage rates are reduced by the application of the Servicemembers Civil Relief Act, as amended (the “Relief Act”) and similar state laws. Certain shortfalls in interest collections arising from the application of the Relief Act or any state law providing for similar relief will not be covered by the master servicer, any subservicer or any certificate insurance policy.

Fannie Mae Guaranty Considerations

Protection afforded by the Fannie Mae guaranty is limited. Our Fannie Mae guaranty does not protect

the Offered Certificateholders against (i) any Uncovered Prepayment Interest Shortfalls, (ii) Relief Act Shortfalls or (iii) any Basis Risk Shortfalls.

Without the Fannie Mae guaranty, each class of Offered Certificates would be paid only from the related Collateral Securities. If we fail to perform our guaranty obligations, payments to the related certificateholders would consist solely of payments and other recoveries on the related Collateral Securities to the extent of funds available therefor and in accordance with the terms of the Trust Agreement. If that happened, delinquencies and defaults on the mortgage loans backing the Underlying Certificates could directly affect the amounts that certificateholders would receive each month. Our guaranty is not backed by the full faith and credit of the United States.

DESCRIPTION OF THE OFFERED CERTIFICATES

The material under this heading summarizes certain features of the Offered Certificates. You will find additional information about the Offered Certificates in the other sections of this prospectus. If we use a capitalized term in this prospectus without defining it, you will find the definition of that term in the Trust Agreement.

General

Fannie Mae. We, the Federal National Mortgage Association (“Fannie Mae”), are a federally chartered and stockholder-owned corporation organized and existing under the laws of the United States, under the authority contained in Section 304(d) of the Federal National Mortgage Association Charter Act (12 U.S.C. §1716 *et seq.*), as amended (“Charter Act”). We were established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market. We became a stockholder-owned and privately managed corporation by legislation enacted in 1968.

Structure. We will create the Fannie Mae Grantor Trust specified on the cover of this prospectus (the “Trust”) pursuant to a trust agreement (the “Trust Agreement”), dated as of May 20, 2005 (the “Issue Date”). We will execute the Trust Agreement in our corporate capacity and as trustee (the “Trustee”). We will issue the Offered Certificates specified on the cover page of this prospectus pursuant to the Trust Agreement.

The Grantor Trust Pass-Through Certificates will represent beneficial ownership interests in the Trust. The assets of the Trust will consist of six mortgage-backed securities (the “Collateral Securities”) that are described more fully in the Offering Memorandum attached to this prospectus. The Collateral Securities are themselves secured by 25 REMIC securities that were issued before the issuance of the Offered Certificates (the “Underlying Certificates”). The Underlying Certificates, and the corresponding Certificate Groups, are set forth in the Offering Memorandum.

Authorized Denominations. We will issue the Offered Class A Certificates in minimum denominations of \$1,000 and whole dollar increments, and the Class IX Certificates in minimum denominations of \$100,000 and whole dollar increments.

Characteristics of Certificates. The Certificates will be represented by one or more certificates (the “DTC Certificates”) to be registered at all times in the name of the nominee of The Depository Trust Company (“DTC”), a New York-chartered limited purpose trust company, or any successor or depository selected or approved by us. We refer to the nominee of DTC as the “Holder” or “Certificateholder” of the Offered Certificates. DTC will maintain the DTC Certificates through its book-entry facilities. A Holder is not necessarily the beneficial owner of an Offered Certificate. Beneficial owners ordinarily will hold Offered Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See “Description of the Offered Certificates—Book-Entry Procedures” in this prospectus.

Distribution Date. Beginning on May 31, 2005, we will make payments of principal and interest on the Offered Certificates on the third business day following the Underlying Distribution Date. The “Underlying Distribution Date” is the 25th day of each month or, if the 25th is not a business day (as defined in the related Underlying Disclosure Document), on the first business day after the 25th. We refer to each of these dates as a “Distribution Date.”

Record Date. The “Record Date” with respect to the Offered Certificates, for so long as they are in book-entry form, will be the close of business on the last business day of the related Accrual Period, or, if they are no longer in book-entry form, will be the close of business on the last business day of the calendar month preceding the month in which such Distribution Date occurs.

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

Book-Entry Procedures

DTC. DTC is a limited-purpose trust company organized under the laws of the State of New York and is a member of the U.S. Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered under Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities for DTC participants and facilitates the clearance and settlement of transactions between DTC participants through electronic book-entry changes to accounts of DTC participants.

Title to DTC Certificates. The DTC Certificates will be registered at all times in the name of the nominee of DTC. Under its normal procedures, DTC will record the amount of Certificates held by each firm which participates in the book-entry system of DTC (each, a “DTC Participant”), whether held for its own account or on behalf of another person. Initially, we will act as paying agent for the Offered Certificates. We will also perform certain administrative functions in connection with the Offered Certificates.

A “beneficial owner” or an “investor” is anyone who acquires a beneficial ownership interest in the DTC Certificates. As an investor, you will not receive a physical certificate. Instead, your interest will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary (a “financial intermediary”) that maintains an account for you. In turn, the record ownership of the financial intermediary that holds your DTC Certificates will be recorded by DTC. If the intermediary is not a DTC Participant, the record ownership of the intermediary will be recorded by a DTC Participant acting on its behalf. Therefore, you must rely on these various arrangements to transfer your beneficial ownership interest in the DTC Certificates only under the procedures of your financial intermediary and of DTC Participants. In general, ownership of DTC Certificates will be subject to the prevailing rules, regulations and procedures governing the DTC and DTC Participants.

Method of Payment. We will direct payments on the DTC Certificates to DTC in immediately available funds. In turn, DTC will credit the payments to the accounts of the appropriate DTC Participants, in accordance with the DTC’s procedures. These procedures currently provide for payments made in same-day funds to be settled through the New York Clearing House. DTC Participants and financial intermediaries will direct the payments to the investors in DTC Certificates that they represent.

Payments of Interest

Interest. For the purpose of interest payments, the certificates will be categorized as follows:

<u>Abbreviations</u>	<u>Interest Type</u>	<u>Classes</u>
FLT	Floating Rate	IA1, IA2 and IA3
AFC	Available Funds	IA1, IA2, IA3 and IX
IO	Interest Only	IX

Accrual Period. The “Accrual Period” for the Offered Class A Certificates for any Distribution Date will be the period from the previous Distribution Date (or, in the case of the first Distribution Date, the Settlement Date) through the day prior to the current Distribution Date, and for the Class IX Certificates for any Distribution Date will be the period from the Underlying Distribution Date in the calendar month prior to the current Distribution Date (or, in the case of the first Distribution Date, April 25, 2005) to the day prior to the Underlying Distribution Date in the month of the current Distribution Date, and interest will be calculated for (a) the Offered Class A Certificates, on the basis of a 360-day year and the actual number of days in the related Accrual Period and (b) for the Class IX Certificates, on the basis of a 360-day year of twelve 30-day months.

Interest Distribution Amount. On each Distribution Date, we will pay to the Certificateholders an amount of interest equal to the interest amount paid on the related Collateral Security for that Distribution Date.

Payments of Principal

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

<u>Abbreviation</u>	<u>Principal Type</u>	<u>Classes</u>
PT	Pass-Through	IA1, IA2 and IA3
NTL	Notional	IX

Principal Distribution Amount. On each Distribution Date, we will pay to the Offered Class A Certificateholders an amount of principal equal to the principal amount, if any, paid on the related Collateral Security for that Distribution Date. That principal amount will include any amounts paid under the Fannie Mae guaranty in respect of Parity Amounts.

Class Definitions and Abbreviations

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

<u>Abbreviation</u>	<u>Category of Class</u>	<u>Definition</u>
PRINCIPAL TYPES		
PT	Pass-Through	Receives principal payments based on the actual distributions on the corresponding class of Collateral Securities.
NTL	Notional	Has no principal balance and bears interest on a notional balance. The notional balance is used to determine interest distributions on an Interest Only class that is not entitled to principal.
INTEREST TYPES		
AFC	Available Funds	Receives as interest all or a portion of the interest payments made on the related Collateral Securities. However, this amount may be insufficient on any Distribution Date to cover fully the accrued and unpaid interest on the Offered Certificates of this class at its specified interest rate.
FLT	Floating Rate	The corresponding Collateral Security has an interest rate that resets periodically based upon a designated index and that varies directly with changes in the index.
IO	Interest Only	Receives some or all of the interest payments made on the Collateral Securities or other assets of the Trust but no principal. Interest Only classes have a notional balance. A notional balance is the amount used as a reference to calculate the amount of interest due on an Interest Only class.

FANNIE MAE GUARANTY

We guarantee that on each Distribution Date we will pay to the holders of the Offered Certificates amounts (as described herein) with respect to:

- interest in the amount required to be paid on the corresponding class of Collateral Securities; and
- with respect to the Offered Class A Certificates, principal in the amount required to be paid on the corresponding class of Collateral Securities.

On any Distribution Date, if the Certificate Principal Balance of any Collateral Security is reduced by a Parity Amount (as defined in the Offering Memorandum), we will pay an amount equal to such Parity Amount to the holders of the related Offered Certificates as principal payments on such Offered Certificates.

In addition, in the case of each of the Offered Class A Certificates, we guarantee payment of the principal balance that remains outstanding on the applicable Final Distribution Date on the cover page of this prospectus. We do not guarantee the receipt of any payment in respect of principal for the Class IX Certificates as such class has a notional balance.

Notwithstanding the foregoing, if the amount of interest paid on any class of Collateral Securities is reduced as a result of “Basis Risk Shortfall,” “Net WAC Rate Carryover Amounts,” “Net WAC Shortfall,” “Net WAC Cap Carryover,” “Available Funds Cap Shortfall,” “Net Rate Carryover,” “Floating Rate Certificate Carryover” or “Cap Carryover Amounts” (each as defined in the pooling and servicing agreements or trust agreements, as applicable, relating to the Underlying Securities) our guaranty will not cover the amount of the reduction (each such reduction, a “Basis Risk Shortfall”). Similarly, any shortfalls in interest collections arising from the application of the Relief Act or any state law providing for similar relief and any prepayment interest shortfalls not covered by the related servicer or other party will not be covered by our guaranty.

In the event that we pay under our guaranty any amount for which funds were available in accordance with the terms of the Trust Agreement but were not properly applied by us as Trustee, that payment shall be deemed to be a disbursement of funds by the Trustee pursuant to the Trust Agreement and the applicable Offered Certificates and not a payment under our guaranty.

YIELD, PREPAYMENT AND WEIGHTED AVERAGE LIFE CONSIDERATIONS

Structuring Assumptions

Pricing Assumptions. Except where otherwise noted, the information in the tables in this prospectus has been prepared based on the “Structuring Assumptions” found under “*Yield, Prepayment And Maturity Considerations—Weighted Average Lives*” in the Offering Memorandum (collectively, the “Pricing Assumptions”); *provided, however*, that we assume that distribution on the Offered Certificates occur on the 28th day of each month regardless of what the actual Distribution Date may be.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The assumptions used in this prospectus with respect to the prepayments on the mortgage loans backing the Underlying Certificates (the “Base Prepayment Assumptions”) are contained in the related Underlying Disclosure Documents. The assumptions used in the Underlying Disclosure Documents were formulated by the participants in the related underlying transaction and there can be neither any assurance nor expectation that the underlying mortgage loans will actually prepay in a manner consistent with such assumptions.

The model does not purport to be either a historical description of the prepayment experience of any pool of assets or a prediction of the anticipated rate of prepayment of any pool of assets, including the underlying mortgage loans.

Weighted Average Lives of the Offered Certificates

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

- (i) multiplying the amount of the reduction, if any, of the principal balance of such Offered 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;
- (ii) summing the results; and
- (iii) dividing the sum by the aggregate amount of the reductions in principal balance of such Offered Certificate referred to in clause (i).

The weighted average life of each Offered Certificate will be influenced by, among other factors, the rate at which principal payments are made on the mortgage loans backing the Underlying Certificates. For the purpose of the preceding sentence, principal payments include scheduled payments, principal prepayments, liquidations due to default, casualty and condemnation and payments made pursuant to a servicer’s call option. Prepayments on the mortgage loans will be allocated to the Underlying Certificates, and thus, to the Collateral Securities and the Offered Certificates, as described in the Underlying Disclosure Documents, the Offering Memorandum and this prospectus. The effect of these factors may differ as to various classes of Offered Certificates 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 of Offered Certificates.

Maturity Considerations and Final Distribution Date of the Offered Certificates

The original maturities of substantially all the mortgage loans backing the Underlying Certificates are no greater than 30 years. Each mortgage loan related to an Underlying Certificate will provide for amortization of principal according to a schedule that, in the absence of prepayments, would result in repayment of the mortgage loan by its maturity date.

The Final Distribution Date for the Offered Certificates is the Distribution Date in November 2035, which is the Distribution Date in the month following the latest final Distribution Date of any Underlying Certificate. Because distributions in reduction of the Certificate Principal Balance will be dependent on the prepayment experience and performance of the Underlying Mortgage Loans, and the Underlying Mortgage Loans will not prepay at a predictable rate, it is possible that the actual final distribution date for the Offered Certificates could be significantly earlier than the Final Distribution Date. Fannie Mae guarantees that the Certificate Principal Balance of the Offered Certificates will be reduced to zero no later than the Final Distribution Date.

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 percentages of the Base Prepayment Assumptions and the corresponding weighted average lives of such classes. The tables have been prepared on the basis of the Pricing Assumptions.

It is unlikely:

- that the mortgage loans backing the Underlying Certificates will have the interest rates or remaining terms to maturity assumed; or
- that the mortgage loans backing the Underlying Certificates will prepay at any constant percentage of the related Base Prepayment Assumption.

In addition, the diverse remaining terms to maturity of the mortgage loans backing the Underlying Certificates could produce slower or faster principal payments than indicated in the tables at the specified percentages of the Base Prepayment Assumptions. This is the case even if the dispersion of weighted average maturities of the Underlying Certificates are identical to the dispersion of the weighted average maturities specified in the Pricing Assumptions.

Percent of Original Principal Balances Outstanding†

Distribution Date	ClassIA1					ClassIA2				
	Prepayment Assumption					Prepayment Assumption				
	50%	75%	100%	125%	150%	50%	75%	100%	125%	150%
Initial Percent.....	100	100	100	100	100	100	100	100	100	100
April 2006.....	75	63	52	40	28	100	100	100	100	100
April 2007.....	45	22	0	0	0	100	100	97	47	3
April 2008.....	22	0	0	0	0	100	89	34	0	0
April 2009.....	3	0	0	0	0	100	59	24	0	0
April 2010.....	0	0	0	0	0	80	35	3	0	0
April 2011.....	0	0	0	0	0	60	16	0	0	0
April 2012.....	0	0	0	0	0	43	2	0	0	0
April 2013.....	0	0	0	0	0	29	0	0	0	0
April 2014.....	0	0	0	0	0	17	0	0	0	0
April 2015.....	0	0	0	0	0	6	0	0	0	0
April 2016.....	0	0	0	0	0	0	0	0	0	0
April 2017.....	0	0	0	0	0	0	0	0	0	0
April 2018.....	0	0	0	0	0	0	0	0	0	0
April 2019.....	0	0	0	0	0	0	0	0	0	0
April 2020.....	0	0	0	0	0	0	0	0	0	0
April 2021.....	0	0	0	0	0	0	0	0	0	0
April 2022.....	0	0	0	0	0	0	0	0	0	0
April 2023.....	0	0	0	0	0	0	0	0	0	0
April 2024.....	0	0	0	0	0	0	0	0	0	0
April 2025.....	0	0	0	0	0	0	0	0	0	0
April 2026.....	0	0	0	0	0	0	0	0	0	0
April 2027.....	0	0	0	0	0	0	0	0	0	0
April 2028.....	0	0	0	0	0	0	0	0	0	0
April 2029.....	0	0	0	0	0	0	0	0	0	0
April 2030.....	0	0	0	0	0	0	0	0	0	0
April 2031.....	0	0	0	0	0	0	0	0	0	0
April 2032.....	0	0	0	0	0	0	0	0	0	0
April 2033.....	0	0	0	0	0	0	0	0	0	0
April 2034.....	0	0	0	0	0	0	0	0	0	0
April 2035.....	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years) **.....	1.9	1.3	1.0	0.8	0.7	6.8	4.5	3.0	2.0	1.7

Distribution Date	ClassIA3					ClassIX				
	Prepayment Assumption					Prepayment Assumption				
	50%	75%	100%	125%	150%	50%	75%	100%	125%	150%
Initial Percent.....	100	100	100	100	100	100	100	100	100	100
April 2006.....	100	100	100	100	100	85	78	72	65	58
April 2007.....	100	100	100	100	100	68	54	40	26	14
April 2008.....	100	100	100	65	11	54	38	23	9	1
April 2009.....	100	100	100	60	11	43	30	20	8	1
April 2010.....	100	100	100	50	8	36	23	14	7	1
April 2011.....	100	100	76	38	5	30	18	10	5	1
April 2012.....	100	100	53	26	3	25	14	7	3	*
April 2013.....	100	80	38	17	2	21	11	5	2	*
April 2014.....	100	62	27	11	1	18	8	4	1	*
April 2015.....	100	48	19	6	*	15	6	3	1	*
April 2016.....	95	37	14	3	0	12	5	2	*	0
April 2017.....	79	28	9	1	0	10	4	1	*	0
April 2018.....	66	22	6	*	0	9	3	1	*	0
April 2019.....	55	17	3	0	0	7	2	*	0	0
April 2020.....	44	12	1	0	0	6	2	*	0	0
April 2021.....	37	9	*	0	0	5	1	*	0	0
April 2022.....	30	6	0	0	0	4	1	0	0	0
April 2023.....	25	4	0	0	0	3	1	0	0	0
April 2024.....	20	2	0	0	0	3	*	0	0	0
April 2025.....	16	1	0	0	0	2	*	0	0	0
April 2026.....	13	*	0	0	0	2	*	0	0	0
April 2027.....	10	0	0	0	0	1	0	0	0	0
April 2028.....	7	0	0	0	0	1	0	0	0	0
April 2029.....	4	0	0	0	0	1	0	0	0	0
April 2030.....	2	0	0	0	0	*	0	0	0	0
April 2031.....	1	0	0	0	0	*	0	0	0	0
April 2032.....	0	0	0	0	0	0	0	0	0	0
April 2033.....	0	0	0	0	0	0	0	0	0	0
April 2034.....	0	0	0	0	0	0	0	0	0	0
April 2035.....	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years) **.....	15.5	10.8	7.9	5.3	2.7	5.1	3.4	2.5	1.7	1.2

† For the Class IX Certificates, shows percent of original notional balance outstanding.

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

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

Special Yield Considerations with respect to the Class IX Certificates

The yield to maturity on the Class IX Certificates will depend, in general, on (i) the applicable purchase price, (ii) the rate and timing of principal payments on the applicable Collateral Securities, which in turn will depend on the rate and timing of principal payments on the Underlying Certificates and principal payments (including prepayments resulting from refinancing, liquidations of the underlying mortgage loans due to defaults, casualties or condemnations and repurchases) and realized losses on the applicable underlying mortgage loans and (iii) the rate of One-Month LIBOR, as well as other factors. The yield to maturity on the Class IX Certificates also may be reduced upon the payment of any Basis Risk Payments on the Collateral Securities.

Principal payments on the Underlying Certificates will reduce the aggregate Certificate Principal Balance of the applicable Collateral Securities and therefore will reduce the Notional Amount of the applicable Class IX Certificates. Reductions of the Notional Amount of the Class IX Certificates will generally reduce the amount of interest accruing on the Class IX Certificates, and the amount of interest accruing on the Class IX Certificates will decrease more significantly as a result of principal payments on Underlying Certificates with relatively higher pass-through rates. Moreover, because the Offered Certificates, other than the Class IX Certificates, have different pass-through rates and because the classes having comparatively lower pass-through rates are generally entitled to receive all or a disproportionately large share of principal distributions earlier in the life of the Trust, principal payments on the Underlying Certificates may increase the weighted average pass-through rate on the applicable Collateral Securities, further reducing the amount of interest accruing on the Class IX Certificates. Reductions of the amount of interest accruing on the applicable Class IX Certificates will in turn reduce the aggregate amount of distributions on the Class IX Certificates.

Increases in One-Month LIBOR will reduce the amount of interest accruing on the Class IX Certificates, for so long as the applicable Collateral Securities remain outstanding. There can be no assurance that One-Month LIBOR will not increase. The pass-through rates on the Underlying Certificates will generally not increase if One-Month LIBOR increases, and will not therefore offset any increases in One-Month LIBOR. In addition, if the pass-through rate on any of the Collateral Securities is limited by the related Net WAC Rate, the amount of interest accruing on the applicable Class IX Certificates will be reduced to zero on the portion of the Notional Amount equal to the Certificate Principal Balances of the applicable Collateral Securities whose pass-through rates are limited.

To illustrate the significance of the rate of prepayments on the underlying mortgage loans on the yields to maturity on the applicable Class IX Certificates, the following tables indicate the approximate pre-tax yields to maturity of the Class IX Certificates on a corporate bond equivalent basis under the different constant percentages of the Base Prepayment Assumption and different assumed purchase prices indicated. The underlying mortgage loans and the Underlying Certificates will not perform as assumed, and the level of One-Month LIBOR from time to time will not conform to any assumed level. Discrepancies between assumed and actual characteristics and performance underscore the hypothetical nature of the tables, which are provided only to give a general sense of the sensitivity of yields in varying prepayment scenarios at different purchase prices.

The tables below are based on the Structuring Assumptions, including the assumptions regarding the characteristics and performance of the underlying mortgage loans and the Underlying Certificates, which may differ from their actual characteristics and performance, and assuming further that the purchase price of the applicable Class IX Certificates is the indicated percentage of the initial Notional Amount of such Class IX Certificates plus accrued interest from April 25, 2005.

Sensitivity - Yield to Maturity

Purchase Price Percentage	Class IX Percentage of Prepayment Assumption				
	<u>50%</u>	<u>75%</u>	<u>100%</u>	<u>125%</u>	<u>150%</u>
0.25%	55.1%	38.8%	23.9%	9.8%	(16.1%)

Sensitivity - Yield to Call⁽¹⁾

Purchase Price Percentage	Class IX Percentage of Prepayment Assumption				
	<u>50%</u>	<u>75%</u>	<u>100%</u>	<u>125%</u>	<u>150%</u>
0.25%	55.0%	37.7%	17.5%	(8.9%)	(34.9%)

(1) Assumes exercise of the first occurring optional termination right for each Underlying Certificate.

There can be no assurance that the underlying mortgage loans and the Underlying Certificates will have the assumed characteristics, that the pre-tax yields to maturity on the Class IX Certificates will correspond to any of the pre-tax yields to maturity shown in this prospectus, that the level of One-Month LIBOR will remain constant at the assumed level or that the aggregate purchase price of such Class IX Certificates will be as assumed. In addition to any other factors an investor may deem material, each investor must make its own decision as to the appropriate prepayment assumption to be used and the appropriate levels of One-Month LIBOR to be assumed in deciding whether or not to purchase a Class IX Certificate.

THE TRUST AGREEMENT

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

Transfer of Collateral Securities

The Trust Agreement will contain a schedule of securities that will identify the Collateral Securities that are being transferred to the Trust. As Trustee, we will hold, on behalf of the holders of the Offered Certificates, the beneficial interests in the Collateral Securities.

If a liquidation, reorganization, or similar proceeding involving our assets or the assets of the seller were to occur, it is not clear what law would be applicable. As a result, we cannot render a legal opinion about the rights of holders of the Offered Certificates to the Collateral Securities in the event of a proceeding of this type.

Payments on Collateral Securities

The Trust Agreement permits us to hold funds to be used to pay the holders of the Offered Certificates in one of two ways:

- in a trust account with an eligible depository institution (which account may contain other funds that we hold in a trust capacity), or
- as part of our general assets (making appropriate entries crediting such funds to the Trust).

In either instance, we are required to hold all such funds (and all such funds that we have invested) for the holders of the Offered Certificates. Nevertheless, if a liquidation, reorganization or similar proceeding involving our assets were to occur, it is not clear what law would be applicable. As a result, neither we nor our counsel can render a legal opinion about the rights of the holders of the Offered Certificates to those funds in the event of a proceeding of this type.

Prior to each Distribution Date, we will deposit into the trust account or credit in our accounting records, as applicable, an amount equal to the sum of the amounts collected as principal and interest on the Collateral Securities on the related Underlying Distribution Date.

Any amounts received on a Collateral Security and deposited into the trust account or credited in our accounting records generally are available on a Distribution Date to pay (i) interest accrued and distributable on the related Certificates on that date (*i.e.*, excluding any Uncovered Prepayment Interest Shortfalls, Relief Act Shortfalls or Basis Risk Shortfalls) and (ii) principal of the related Certificates reflected in the class factors. We will not include any reinvestment earnings on amounts deposited into the trust account or credited in our accounting records when we calculate payments to holders of the Offered Certificates.

Reports to Certificateholders

We will make available the class factors for each class of Offered Certificates on or shortly after the Distribution Date of each month. If you multiply the class factor for a class of certificates by the

original principal balance of that class of certificates, you will obtain the current principal balance of that class of certificates, after giving effect to the current month's principal payment.

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

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

Certain Matters Regarding Fannie Mae

We may not resign from our duties as Trustee under the Trust Agreement unless a change in law requires it. In no event, however, would any successor take over our guaranty obligations. Even if our other duties under the Trust Agreement should terminate, we would still be obligated under that guaranty.

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

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

If we merge or consolidate with another corporation, the successor corporation will be our successor under the Trust Agreement and will assume all of our obligations under the Trust Agreement, including our guaranty obligations.

Events of Default

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

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

Rights upon Event of Default

If one of the Events of Default under the Trust Agreement has occurred and continues uncorrected, the holders of the Fannie Mae Certificates who own at least 25% of any class have the right

to terminate, in writing, all of our obligations under the Trust Agreement. These obligations include our duties as trustee as well as in our corporate capacity. However, our guaranty obligations will continue in effect. The same proportion of holders of the Fannie Mae Certificates also may appoint, in writing, a successor to assume all of our terminated obligations. This successor will take legal title to the Collateral Securities and the Trust.

Amendment

We may amend the Trust Agreement but without notifying the holders of the Fannie Mae Certificates or obtaining their consent, for any of the following purposes:

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

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

Termination

The Trust Agreement will terminate when the last Collateral Security has been paid off or liquidated, and the proceeds of that security have been paid to holders of the Fannie Mae Certificates.

In no event, however, will the Trust continue beyond the expiration of 21 years from the death of the last survivor of the persons named in the Trust Agreement. We will notify each affected holder of a Fannie Mae Certificate in writing of the termination of the Trust Agreement, and will make the final payment to each person entitled to it.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

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

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

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

Taxation of Beneficial Owners of Offered Certificates

Our special tax counsel, Arnold & Porter LLP, will deliver its opinion that, assuming compliance with the Trust Agreement, the Trust will be classified as a trust under subpart E of part I of subchapter J of the Internal Revenue Code of 1986, as amended (the “Code”) and not as an association taxable as a corporation. The Collateral Securities will be the assets of the Trust. Each beneficial owner of an Offered Certificate will be treated as the beneficial owner of an undivided interest in the corresponding class of Collateral Securities held by the Trust. Consequently, each beneficial owner of an Offered Certificate will be required to report its pro rata share of the income accruing with respect to the corresponding class of Collateral Securities, and a sale or other disposition of an Offered Certificate will constitute a sale or other disposition of a pro rata portion of the corresponding class of Collateral Securities. In addition, each beneficial owner of an Offered Certificate will be required to include in income its allocable share of the expenses paid by the Trust.

Each beneficial owner of an Offered Certificate can deduct its allocable share of the expenses paid by the Trust as provided in section 162 or section 212 of the Code, consistent with its method of accounting. A beneficial owner's ability to deduct its share of these expenses is limited under section 67 of the Code in the case of (i) estates and trusts, and (ii) individuals owning an interest in an Offered Certificate directly or through an investment in a “pass-through entity” (other than in connection with such individual's trade or business). Pass-through entities include partnerships, S corporations, grantor trusts, certain limited liability companies, and nonpublicly offered regulated investment companies, but do not include estates, non-grantor trusts, cooperatives, real estate investment trusts and publicly offered

regulated investment companies. Generally, such a beneficial owner can deduct its share of these costs only to the extent that these costs, when aggregated with certain of the beneficial owner's other miscellaneous itemized deductions, exceed two percent of the beneficial owner's adjusted gross income. For this purpose, an estate or nongrantor trust computes adjusted gross income in the same manner as an individual, except that deductions for administrative expenses of the estate or nongrantor trust (not including expenses of the Trust) that would not have been incurred if the property were not held in such nongrantor trust or estate are allowable in arriving at adjusted gross income. In addition, section 68 of the Code may provide for certain limitations on itemized deductions otherwise allowable for a beneficial owner who is an individual. Further, a beneficial owner may not be able to deduct any portion of these costs in computing its alternative minimum tax liability.

Taxation of the Collateral Securities

The Offering Memorandum discusses tax consequences to holders of the Collateral Securities. The Offering Memorandum states that each holder of a Collateral Security will be deemed to own a REMIC regular interest and the right or obligation to receive payments from the Group I Net WAC Rate Carryover Reserve Account. In addition, because the beneficial owner of a Class I-X Collateral Security generally will be deemed to have paid an amount to receive Basis Risk Payments and will be deemed to have received a premium for the obligation to make payments to the Group I Net WAC Rate Carryover Account, a beneficial owner of a Class I-X Collateral Security may have an initial basis in the REMIC regular interest that differs from the amount paid for the Class IX Certificate. The trustee of the trust that will issue the Class IX Collateral Security will treat these rights and obligations as arising under a notional principal contract. As a result of these obligations, the Class IX Certificate generally will not be a suitable investment for a REMIC. Moreover, the REMIC regular interest corresponding to the Class I-X Collateral Security will be treated as having been issued with original issue discount. Because a beneficial owner of an Offered Certificate will be required to report its pro rata share of the income accruing with respect to the corresponding class of Collateral Securities and will be required to treat the sale or other disposition of an Offered Certificate as the sale or other disposition of a pro rata portion of the corresponding class of Collateral Securities, you should review the discussion in the Offering Memorandum.

The Offering Memorandum states that, taking into account certain assumptions described therein, each Collateral Security (except for the rights to receive Basis Risk Payments or Group I Net WAC Rate Carryover Amounts) will qualify as a "regular interest" in a "real estate mortgage investment conduit" (a "REMIC") within the meaning of the Code. Qualification as a REMIC requires initial and ongoing compliance with certain conditions. The remainder of this discussion assumes that all the requirements for qualification as a REMIC have been, and will continue to be, met with respect to the trust in which the Collateral Securities evidence beneficial ownership interests (the "Underlying Collateral Trust"). If a Collateral Security were to fail to qualify as a regular interest in a REMIC, that Collateral Security might not be accorded the status described under the section of the Offering Memorandum entitled "Certain Federal Income Tax Consequences" and the Underlying Collateral Trust might be taxable as a corporation. You should consult your tax advisors regarding the tax consequences to a beneficial owner of an Offered Certificate if the corresponding class of Collateral Securities were to fail to qualify as regular interests in a REMIC.

Information Reporting and Backup Withholding

Fannie Mae will furnish or make available, within a reasonable time after the end of each calendar year, to each Holder of an Offered Certificate at any time during such year, such information as is required by Treasury regulations and such other information as Fannie Mae deems necessary or desirable to assist Holders in preparing their federal income tax returns, or to enable Holders to make such

information available to beneficial owners or other financial intermediaries for which such Holders hold Offered Certificates as nominees.

Distributions of interest and principal, as well as distributions of proceeds from the sale of Offered Certificates, may be subject to the “backup withholding tax” under section 3406 of the Code if recipients of such distributions fail to furnish to the payor certain information, including their taxpayer identification numbers, or otherwise fail to establish an exemption from such tax. Any amounts deducted and withheld from a distribution to a recipient would be allowed as a credit against such recipient's federal income tax. Furthermore, certain penalties may be imposed by the Internal Revenue Service (“IRS”) on a recipient of distributions that is required to supply information but that does not do so in the proper manner.

Foreign Investors

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

- a citizen or resident of the United States;
- a corporation, partnership or other entity created or organized in or under the laws of the United States or any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of the source of its income; or
- a trust if a court within the United States can exercise primary supervision over its administration and at least one U.S. Person has the authority to control all substantial decisions of the trust.

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

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

These rules do not apply to exempt from taxation interest income allocable to a United States shareholder of a beneficial owner that is a “controlled foreign corporation” described in section 881(c)(3)(C) of the Code. You also should be aware that the IRS might take the position that these rules do not apply to a beneficial owner that also owns 10% or more of the residual interest in the Underlying Collateral Trust or of the voting stock of Fannie Mae.

LEGAL INVESTMENT CONSIDERATIONS

If you are an institution whose investment activities are subject to legal investment laws and regulations or to review by certain regulatory authorities, you may be subject to restrictions on investment in the Offered Certificates. If you are a financial institution that is subject to the jurisdiction of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration or other federal or state agencies with similar authority, you should review any applicable rules, guidelines and regulations prior to purchasing the Offered Certificates. You should also review and consider the applicability of the Federal Financial Institutions Examination Council Supervisory Policy Statement on Securities Activities (to the extent adopted by their respective federal regulators), which, among other things, sets forth guidelines for financial institutions investing in certain types of mortgage-related securities, including securities such as the Offered Certificates. In addition, you should consult your regulators concerning the risk-based capital treatment of any Certificate.

Pursuant to the Secondary Mortgage Market Enhancement Act of 1984 (“SMMEA”), securities that we issue (such as the Offered Certificates) will be legal investments for entities created under the laws of the United States or any state whose authorized investments are subject to state regulation to the same extent as obligations issued or guaranteed as to principal and interest by the United States or any agency or instrumentality thereof. Under SMMEA, if a state enacted legislation prior to October 4, 1991 specifically limiting the legal investment authority of any such entities with respect to securities that we issue or guaranty, such securities will constitute legal investments for such entities only to the extent provided in such legislation. Certain states have adopted such legislation prior to the October 4, 1991 deadline. **You should consult your own legal advisors in determining whether and to what extent the Offered Certificates constitute legal investments or are subject to restrictions on investment and whether and to what extent the Offered Certificates can be used as collateral for various types of borrowings.**

LEGAL OPINION

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

ERISA CONSIDERATIONS

General

The following is a summary of certain considerations associated with an investment in the Offered Certificates on behalf of a plan subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) (such as employer-sponsored pension and profit sharing plans) and other types of benefit plans and arrangements subject to Section 4975 of the Code (such as individual retirement accounts). ERISA and the Code also impose these requirements on some entities in which these benefit plans or arrangements invest. We refer to these plans, arrangements and entities, collectively, as “Plans.”

A fiduciary considering investing assets of a plan in an Offered Certificate should consult its legal advisor about ERISA, fiduciary and other legal considerations before making such an investment. Specifically, before authorizing an investment in the Offered Certificates, any such fiduciary should, after considering the plan’s particular circumstances, determine whether the investment is appropriate under the plan’s governing documents and whether the investment is appropriate under the fiduciary standards

of ERISA or other applicable law, including standards with respect to prudence, diversification and delegation of control and the prohibited transaction provisions of ERISA and the Code.

Regulations promulgated under ERISA by the U.S. Department of Labor (the “Plan Asset Regulations”) generally provide that when a plan acquires an interest in an entity that is neither a publicly offered security nor a security issued by an investment company registered under the Investment Company Act of 1940, the plan’s assets include both the security and an undivided interest in each of the underlying assets of the issuer unless it is established that an exception under the Plan Asset Regulations applies. The application of this general rule could cause the sponsor, trustee and other servicers of a mortgage pool to be subject to the fiduciary responsibility rules of ERISA and could cause an investment in certificates representing an interest in the mortgage pool to be a prohibited transaction under ERISA or the Code.

The Plan Asset Regulation provides that the general rule stated above does not apply to a plan’s acquisition of a guaranteed governmental mortgage pool certificate. The definition of “guaranteed governmental mortgage pool certificate” includes certificates which are “backed by, or evidencing an interest in specified mortgages or participation interests therein” and are guaranteed by Fannie Mae as to the payment of interest and principal. Under the Plan Asset Regulations, investment by a Plan in a “guaranteed governmental mortgage pool certificate” does not cause the assets of the Plan to include the mortgages underlying the certificate or cause the sponsor, trustee and other servicers of the mortgage pool to be subject to the fiduciary responsibility provisions of ERISA or section 4975 of the Code in providing services with respect to the mortgages in the pool. At the time the regulation was originally issued, certificates similar to the Offered Certificates did not exist. However, we have been advised by our counsel, Hunton & Williams LLP that the Offered Certificates qualify under the definition of “guaranteed governmental mortgage pool certificates” and, as a result, the purchase and holding of Offered Certificates by Plans will not cause the Collateral Securities or the assets of Fannie Mae to be subject to the fiduciary requirements of ERISA or to the prohibited transaction requirements of ERISA and the Code.

PLAN OF DISTRIBUTION

The Dealer proposes to offer the Class IA1 and the Class IA3 Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. Greenwich Capital Markets, Inc. is referred to in this prospectus as the “Dealer.” The Dealer may effect these transactions to or through other dealers.

We plan to retain the remaining Offered Certificates for our own account.

LEGAL MATTERS

Fannie Mae will be represented by Hunton & Williams LLP and, with respect to federal tax matters, by Arnold & Porter LLP. McKee Nelson LLP will provide legal representation to the Dealer.

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THIS PRIVATE OFFERING MEMORANDUM IS NOT TO BE SHOWN OR GIVEN TO ANY PERSON OTHER THAN THE PERSON WHOSE NAME APPEARS BELOW AND IS NOT TO BE COPIED OR OTHERWISE REPRODUCED IN ANY MANNER WHATSOEVER. FAILURE TO COMPLY WITH THIS DIRECTIVE CAN RESULT IN A VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED.

FINANCIAL ASSET SECURITIES CORP.
Depositor

\$4,250,570,512
AAA TRUST 2005-2
TRUST CERTIFICATES, SERIES 2005-2

Class A1	\$3,551,908,000 Initial Certificate Principal Balance⁽¹⁾	Variable Rate⁽²⁾⁽³⁾
Class A3	\$ 698,662,512 Initial Certificate Principal Balance⁽¹⁾	Variable Rate⁽²⁾⁽³⁾

⁽¹⁾ Subject to a permitted variance of plus or minus 5%.

⁽²⁾ Determined as described herein.

⁽³⁾ Subject to a cap as described herein.

OFFERING MEMORANDUM

CONFIDENTIAL

This numbered copy is for the exclusive use of the entity named below, and should be returned to Financial Asset Securities Corp. (the "Depositor") or to Greenwich Capital Markets, Inc. (the "Initial Purchaser") immediately upon request.

Name

Copy No. (Shown in Red)

If the above number does not appear in red, there is a presumption that this Offering Memorandum (the "Memorandum") has been improperly reproduced and circulated, in which case, the Depositor and the Initial Purchaser disclaim any responsibility for its contents and use.

No person has been authorized to give any information or to make any representations other than those contained in this Memorandum and, if given or made, such information or representations must not be relied upon. The delivery of this Memorandum at any time does not imply that the information herein is correct as of any time subsequent to its date.

This Memorandum has been prepared by the Depositor for the use of the Initial Purchaser solely in connection with the offering of the Class A1 Certificates and the Class A3 Certificates (collectively, the "Offered Certificates") described herein to the person named above. Neither the Depositor nor the Initial Purchaser has authorized or assumed any liability for any use of this Memorandum in connection with any other offer or sale of such Offered Certificates by any other person.

The Offered Certificates described herein may only be offered to "qualified institutional buyers" as defined under Rule 144A ("Rule 144A") under the Securities Act of 1933, as amended (the "Securities Act"), in transactions exempt from the registration requirements under the Securities Act. See "Private Placement" herein.

It is anticipated that the purchase by the Initial Purchaser of the Offered Certificates will take place on or about May 20, 2005 (the "Closing Date"). It is expected that delivery of the Offered Certificates will be made in book-entry form through the facilities of The Depository Trust Company.

The information contained herein is confidential and may not be reproduced in whole or in part.

May 19, 2005

 **RBS Greenwich Capital**

AAA TRUST 2005-2
Trust Certificates, Series 2005-2

The Trust

- will consist primarily of the two groups of asset-backed pass-through certificates identified below (the “Group I Underlying Certificates” and the “Group II Underlying Certificates” as applicable, and collectively, the “Underlying Certificates”), each such Underlying Certificate representing the percentage ownership interest specified below in a class of asset-backed pass-through certificates previously issued by the issuer specified below; and
- will be represented by nine classes of trust certificates, but only the Class A1 and Class A3 Certificates are offered by this Memorandum.

The Offered Certificates

- will represent beneficial ownership interests in the Trust and will receive distributions from the assets of the Trust; and
- will receive monthly distributions one business day following the related underlying distribution date, commencing on May 26, 2005.

The AAA Trust 2005-2, Trust Certificates, Series 2005-2 (the “Certificates”) will consist of the following nine classes of Certificates: (i) the Class A1 Certificates, which will be comprised of the I-A1A and II-A1 Components, the Class I-A1B Certificates, the Class I-A2 Certificates, the Class II-A2 Certificates, the Class A3 Certificates, which will be comprised of the I-A3A and II-A3 Components, and the Class I-A3B Certificates (collectively, the “Class A Certificates”); (ii) the Class I-X Certificates; (iii) the Class II-X Certificates (together with the Class I-X Certificates, the “Class X Certificates”); and (iv) the Class R Certificates. The I-A1A Component, the Class I-A1B Certificates, the Class I-A2 Certificates, the I-A3A Component and the Class I-A3B Certificates are referred to together herein as the “Group I Class A Certificates.” The II-A1 Component, the Class II-A2 Certificates and the II-A3 Component are referred to together herein as the “Group II Class A Certificates.” The Class A Certificates and the Class X Certificates are referred to together herein as the “Regular Certificates.” The Class R Certificates are sometimes referred to herein as the “Residual Certificates.” Only the Class A1 Certificates and the Class A3 Certificates (collectively, the “Offered Certificates”) are being offered hereby. A description of the Certificates, other than the Offered Certificates, is being included to help you better understand the rights and interests of the Offered Certificates.

The Certificates will evidence the entire beneficial ownership interest in the trust (the “Trust”), consisting primarily of the following two groups of Underlying Certificates:

Group I Underlying Certificates

Transaction	Class	Ownership %	Balance as of the Cut-off Date
ABFC 05-HE1	A1SS	100.00%	\$ 473,076,985
ABSC 05-HE1	A1	100.00%	\$ 377,036,233
ABSC 05-HE3	A1	100.00%	\$ 266,900,000
ACE 04-HE3	A1A	100.00%	\$ 392,996,269
AMSI 05-R1	A1A	100.00%	\$ 276,959,384
AMSI 05-R2	A1A	100.00%	\$ 255,552,706
CWABS 05-1	3AV2	100.00%	\$ 160,132,000
FHLT 04-D	2A	100.00%	\$ 189,478,819
FHLT 05-1	1A1	46.91%	\$ 350,349,157
LBMLT 05-2	1A1	50.00%	\$ 522,255,500
MLMI 05-NC1	A1A	100.00%	\$ 472,201,331
MLMI 05-WMC1	A1A	100.00%	\$ 727,633,813
MSAC 05-HE2	A2SS	100.00%	\$ 356,377,319
PPSI 04-WWF1	A1B	100.00%	\$ 363,308,000
PPSI 04-WWF1	A1C	100.00%	\$ 893,023,821
SAIL 04-10	A1	100.00%	\$ 427,364,807
SAIL 04-10	A2	100.00%	\$ 108,156,000
SVHE 04-WMC1	1A1	100.00%	\$ 185,790,803
SVHE 05-1	IA1	100.00%	\$ 225,664,639
Total			\$7,024,257,584

Group II Underlying Certificates

Transaction	Class	Ownership %	Balance as of the Cut-off Date
MSAC 04-NC8	A1	100.00%	\$ 442,407,786
MSAC 04-WMC3	A1SS	100.00%	\$ 295,953,692
MSAC 05-HE1	A1SS	100.00%	\$ 311,529,146
MSAC 05-NC1	A1SS	100.00%	\$ 402,208,312
MSAC 05-WMC1	A1SS	100.00%	\$ 408,705,594
MSAC 05-WMC2	A1SS	100.00%	\$ 377,326,911
Total			\$2,238,131,440

The class of asset-backed pass-through certificates to which each Underlying Certificate belongs is referred to herein as the related “Underlying Class.” The Group I Underlying Certificates were issued between October 2004 and April 2005 and the Group II Underlying Certificates were issued between November 2004 and March 2005. Each Underlying Certificate represents an ownership interest in a trust fund relating to its series (each, an “Underlying Trust Fund”) which consists primarily of a pool relating to its series (each, a “Mortgage Pool”) of mortgage loans secured by first liens or by first and second liens on one-to four-family residential real properties. With respect to each Underlying Trust Fund, the mortgage loans in the related Mortgage Pool are referred to herein as the related “Underlying Mortgage Loans.” With respect to each Underlying Trust Fund, the asset-backed pass-through certificates evidencing interests in such Underlying Trust Fund, including the related Underlying Certificates, are referred to herein as the related “Series Certificates.”

On the Closing Date, the Underlying Certificates will be deposited into the Trust for the benefit of the Certificateholders. The Trust will be created pursuant to a trust agreement (the “Trust Agreement”), to be dated as of the Closing Date, among the Depositor as depositor, Fannie Mae, as guarantor (the “Guarantor”) and Deutsche Bank National Trust Company, as trustee (the “Trustee”). A copy of the Trust Agreement, without exhibits, will be available upon request from the Trustee at Deutsche Bank National Trust Company, 1761 East St. Andrew Place, Santa Ana, California 92705, Attention: Trust Administration – GC051R. Capitalized terms used herein but not defined herein have the meanings ascribed to them in the Trust Agreement.

INVESTORS INTERESTED IN PURCHASING THE OFFERED CERTIFICATES SHOULD REVIEW IN CONJUNCTION WITH THIS MEMORANDUM, WITH RESPECT TO EACH APPLICABLE UNDERLYING CERTIFICATE, THE RELATED DISCLOSURE EXHIBITS, WHICH CONSIST OF:

- THE PROSPECTUS AND PROSPECTUS SUPPLEMENT (TOGETHER, THE RELATED “UNDERLYING PROSPECTUS”) PURSUANT TO WHICH SUCH UNDERLYING CERTIFICATE WAS ORIGINALLY OFFERED TO THE PUBLIC OR THE PRIVATE PLACEMENT MEMORANDUM, OFFERING CIRCULAR OR OFFERING MEMORANDUM PURSUANT TO WHICH SUCH UNDERLYING CERTIFICATE WAS ORIGINALLY OFFERED (COLLECTIVELY, THE “PRIVATE OFFERING DOCUMENTS”) AND
- THE APRIL 2005 UNDERLYING DISTRIBUTION DATE STATEMENT (THE RELATED “APRIL 2005 UNDERLYING DISTRIBUTION DATE STATEMENT”) PROVIDED TO HOLDERS OF THE RELATED SERIES CERTIFICATES, IF SUCH SERIES CERTIFICATES HAVE HAD THEIR FIRST DISTRIBUTION DATE.

THE DISCLOSURE EXHIBITS ARE ATTACHED HERETO AS EXHIBIT A.

EACH OF THE UNDERLYING CERTIFICATES WAS ISSUED PURSUANT TO AN UNDERLYING POOLING AND SERVICING AGREEMENT OR UNDERLYING TRUST AGREEMENT (THE RELATED “UNDERLYING AGREEMENT”). THE RESPECTIVE UNDERLYING AGREEMENTS ARE AVAILABLE BY REQUEST TO: DEUTSCHE BANK NATIONAL TRUST COMPANY, 1761 EAST ST. ANDREW PLACE, SANTA ANA, CALIFORNIA 92705, ATTENTION: TRUST ADMINISTRATION – GC051R, TO THE EXTENT THAT DEUTSCHE BANK NATIONAL TRUST COMPANY IS IN POSSESSION OF SUCH DOCUMENTS.

IN ADDITION, PROSPECTIVE INVESTORS IN THE OFFERED CERTIFICATES SHOULD CAREFULLY REVIEW “RISK FACTORS” HEREIN FOR A DESCRIPTION OF CERTAIN RISKS ASSOCIATED WITH OWNING THE OFFERED CERTIFICATES. PROSPECTIVE INVESTORS SHOULD ALSO REVIEW “YIELD ON THE CERTIFICATES” HEREIN FOR A DESCRIPTION OF FACTORS THAT WILL IMPACT THE YIELD TO MATURITY OF THE OFFERED CERTIFICATES.

THE SOLE SOURCE OF PAYMENTS ON THE OFFERED CERTIFICATES IS THE PROCEEDS OF THE APPLICABLE ASSETS IN THE TRUST. THE OFFERED CERTIFICATES DO NOT REPRESENT AN INTEREST IN OR OBLIGATION OF THE DEPOSITOR, THE INITIAL PURCHASER OR THE TRUSTEE, OR ANY OF THEIR RESPECTIVE AFFILIATES. NONE OF THE OFFERED CERTIFICATES, THE UNDERLYING CERTIFICATES OR THE UNDERLYING MORTGAGE LOANS ARE INSURED OR GUARANTEED BY ANY GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR BY THE DEPOSITOR, THE INITIAL PURCHASER, THE TRUSTEE, OR ANY OF THEIR RESPECTIVE AFFILIATES.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE SECURITIES OFFERED HEREBY. THIS MEMORANDUM SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE OFFERED CERTIFICATES, IN ANY STATE OR OTHER JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF SUCH STATE OR OTHER JURISDICTION. THE DELIVERY OF THIS MEMORANDUM AT ANY TIME DOES NOT IMPLY THAT INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS MEMORANDUM.

THE OFFERED CERTIFICATES DESCRIBED HEREIN MAY ONLY BE OFFERED TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED UNDER RULE 144A IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT. THE TRANSFER OF THE OFFERED CERTIFICATES IS SUBJECT TO CERTAIN CONDITIONS AS DESCRIBED HEREIN. SEE “RISK FACTORS—LACK OF LIQUIDITY; RESTRICTIONS ON TRANSFER” AND “THE CERTIFICATES—TRANSFER AND EXCHANGE OF CERTIFICATES” HEREIN.

The Initial Purchaser may from time to time offer the Offered Certificates as described under "Private Placement" herein.

FOR NEW HAMPSHIRE RESIDENTS ONLY: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE ATTORNEY GENERAL OR THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE ATTORNEY GENERAL OR THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

THIS MEMORANDUM IS FURNISHED TO THE PERSON WHOSE NAME APPEARS ON THE COVER HEREOF ON A CONFIDENTIAL BASIS SOLELY FOR THE PURPOSE OF EVALUATING THE INVESTMENT OFFERED HEREBY. THE INFORMATION CONTAINED HEREIN MAY NOT BE REPRODUCED OR USED IN WHOLE OR IN PART FOR ANY OTHER PURPOSE. THIS MEMORANDUM HAS BEEN PREPARED BY THE DEPOSITOR FOR THE USE SOLELY IN CONNECTION WITH THE INITIAL OFFERING OF THE OFFERED CERTIFICATES DESCRIBED HEREIN BY THE INITIAL PURCHASER TO ONE OR MORE PURCHASERS. NEITHER THE DEPOSITOR NOR THE INITIAL PURCHASER HAS AUTHORIZED OR ASSUMED ANY LIABILITY FOR ANY USE OF THIS MEMORANDUM IN CONNECTION WITH ANY OTHER OFFER OR SALE OF THE OFFERED CERTIFICATES BY ANY OTHER PERSON. THE INFORMATION CONTAINED HEREIN IS CONFIDENTIAL.

AN INVESTOR OR POTENTIAL INVESTOR IN THE CERTIFICATES (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF SUCH PERSON OR ENTITY) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION, THE TAX TREATMENT AND TAX STRUCTURE OF THE TRANSACTION (AS DEFINED IN UNITED STATES TREASURY REGULATION SECTION 1.6011-4) AND ALL DIRECTLY RELATED MATERIALS OF ANY KIND, INCLUDING OPINIONS OR OTHER TAX ANALYSES, THAT ARE PROVIDED TO SUCH PERSON OR ENTITY. HOWEVER, SUCH PERSON OR ENTITY MAY NOT DISCLOSE ANY OTHER INFORMATION RELATING TO THIS TRANSACTION UNLESS SUCH INFORMATION IS DIRECTLY RELATED TO SUCH TAX TREATMENT AND TAX STRUCTURE.

THIS MEMORANDUM HAS BEEN PREPARED BY THE DEPOSITOR. THE INITIAL PURCHASER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS MEMORANDUM, AND NOTHING HEREIN SHALL BE DEEMED TO CONSTITUTE SUCH A REPRESENTATION OR WARRANTY BY THE INITIAL PURCHASER OR ANY PROMISE OR REPRESENTATION AS TO THE FUTURE PERFORMANCE OF THE OFFERED CERTIFICATES, THE TRUST, THE UNDERLYING CERTIFICATES OR THE UNDERLYING MORTGAGE LOANS.

IT IS EXPECTED THAT INVESTORS INTERESTED IN PARTICIPATING IN THIS PRIVATE OFFERING WILL CONDUCT AN INDEPENDENT INVESTIGATION OF THE RISKS POSED BY AN INVESTMENT IN THE OFFERED CERTIFICATES. OFFICERS OF THE DEPOSITOR WILL BE AVAILABLE TO ANSWER QUESTIONS CONCERNING THE TRUST AND WILL, UPON REQUEST, MAKE AVAILABLE SUCH OTHER INFORMATION AS INVESTORS MAY REASONABLY REQUEST. THE TRUST AGREEMENT CONTAINS THE PROVISIONS, AMONG OTHER THINGS, THAT GOVERN THE OFFERED CERTIFICATES AND THE DISTRIBUTIONS THEREON AND THAT DEFINE THE DUTIES AND OBLIGATIONS OF THE DEPOSITOR AND THE TRUSTEE. BECAUSE THE FORM OF THE TRUST AGREEMENT IS ATTACHED HERETO AND MADE A PART HEREOF, DESCRIPTIONS OF MANY OF SUCH PROVISIONS ARE NOT REPEATED ELSEWHERE IN THIS MEMORANDUM. INVESTORS INTERESTED IN PURCHASING ANY CLASS OF OFFERED CERTIFICATES ARE THEREFORE STRONGLY URGED TO REVIEW THE TRUST AGREEMENT, A COPY OF WHICH WILL BE AVAILABLE,

UPON REQUEST FROM THE TRUSTEE AT DEUTSCHE BANK NATIONAL TRUST COMPANY, 1761 EAST ST. ANDREW PLACE, SANTA ANA, CALIFORNIA 92705, ATTENTION: TRUST ADMINISTRATION – GC051R. IN ADDITION, INVESTORS SHOULD FAMILIARIZE THEMSELVES WITH THE CHARACTERISTICS OF THE APPLICABLE UNDERLYING CERTIFICATES AND THE UNDERLYING MORTGAGE LOANS RELATED THERETO THAT ARE SET FORTH IN THE DISCLOSURE EXHIBITS ATTACHED HERETO AS EXHIBIT A.

INVESTORS WHOSE INVESTMENT AUTHORITY IS SUBJECT TO LEGAL RESTRICTIONS SHOULD CONSULT THEIR OWN LEGAL ADVISORS TO DETERMINE WHETHER AND TO WHAT EXTENT THE OFFERED CERTIFICATES CONSTITUTE LEGAL INVESTMENTS FOR THEM. THE OFFERED CERTIFICATES WILL NOT BE “MORTGAGE RELATED SECURITIES” FOR PURPOSES OF THE SECONDARY MORTGAGE MARKET ENHANCEMENT ACT OF 1984 (“SMMEA”).

THERE IS CURRENTLY NO SECONDARY MARKET FOR THE OFFERED CERTIFICATES, AND THERE CAN BE NO ASSURANCE THAT A SECONDARY MARKET WILL DEVELOP OR, IF IT DOES DEVELOP, THAT IT WILL PROVIDE HOLDERS OF THE OFFERED CERTIFICATES WITH LIQUIDITY OF INVESTMENT OR WILL CONTINUE FOR THE LIFE OF THE OFFERED CERTIFICATES.

To the extent statements contained herein do not relate to historical or current information, this Memorandum may be deemed to consist of forward looking statements that involve risks and uncertainties that may adversely affect the distributions to be made on, or the yields of, the Offered Certificates, some of which risks and uncertainties are discussed under “Risk Factors” and “Yield on the Certificates” herein. As a consequence of the foregoing, no assurance can be given as to the actual distributions on, or the yields of, the Offered Certificates.

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SUMMARY OF MEMORANDUM

The following summary is a broad overview of the Offered Certificates and does not contain all of the information that you should consider in making your investment decision. To understand all of the terms of the Offered Certificates, read carefully this entire Memorandum, including the applicable Disclosure Exhibits attached hereto as Exhibit A.

This summary provides an overview of certain calculations, cash flow priorities and other information to aid your understanding and is qualified by the full description of these calculations, cash flow priorities and other information in this Memorandum. Some of the information consists of forward-looking statements relating to future economic performance or projections and other financial items. Forward-looking statements are subject to a variety of risks and uncertainties that could cause actual results to differ from the projected results. Those risks and uncertainties include, among others, general economic and business conditions, regulatory initiatives and compliance with governmental regulations and various other matters, all of which are beyond our control. Accordingly, what actually happens may be very different from what we project in our forward-looking statements.

Title of Series

AAA Trust 2005-2, Trust Certificates, Series 2005-2.

Certificates

On the Closing Date, the Depositor will issue two classes of Certificates, the Class A1 Certificates and the Class A3 Certificates, both of which are being offered by this Memorandum (collectively, the "Offered Certificates"). In addition, the Depositor will issue seven additional classes of Certificates: the Class I-A1B Certificates, the Class I-A2 Certificates and the Class II-A2 Certificates (collectively with the Class I-A2 Certificates, the "Class A2 Certificates"), the Class I-A3B Certificates, the Class I-X Certificates, the Class II-X Certificates (collectively with the Class I-X Certificates, the "Class X Certificates") and the Class R Certificates (collectively, the "Non-Offered Certificates"), which are not being offered hereby. The Offered Certificates and the Non-Offered Certificates are collectively referred to herein as the "Certificates." A description of the Non-Offered Certificates is included in this Memorandum to provide a better understanding of the rights and interests of the Offered Certificates.

The Offered Certificates will have the initial Certificate Principal Balances shown on the cover of this Memorandum, and will be entitled to distributions of interest and principal, payable in the priorities described in this Memorandum.

The Non-Offered Certificates, other than the Class X Certificates, will have the approximate initial Certificate Principal Balances set forth below and will be entitled to distributions of interest and principal, payable in the priorities described in this Memorandum. The Class X Certificates will have the approximate initial Notional Balances set forth below and will be entitled to distributions of interest

only, payable in the priorities described in this Memorandum.

Class I-A1B	\$2,000,000,000
Class I-A2	\$1,975,899,000
Class I-A3B	\$ 698,662,511
Class II-A2	\$ 337,257,000
Class I-X	\$7,024,257,583
Class II-X	\$2,238,131,440

Solely for purposes of determining distributions of principal and interest on the certificates, the Class A1 Certificates will be comprised of two components: the I-A1A Component and the II-A1 Component, which will have initial component principal balances of \$2,127,118,000 and \$1,424,790,000, respectively. Payments of principal and interest on the I-A1A Component will be based on collections from the Group I Underlying Certificates. Payments of principal and interest on the II-A1 Component will be based on collections from the Group II Underlying Certificates. The holder of a Class A1 Certificate may not transfer any component separately.

The I-A1A Component, I-A3A Component and the Class I-A1B, Class I-A2 and Class I-A3B Certificates will be entitled to payments of principal and interest based on collections from the Group I Underlying Certificates. The II-A1 Component, the Class II-A2 Certificates and the II-A3 Component will be entitled to payment of principal and interest based in collections from the Group II Underlying Certificates.

Solely for purposes of determining distributions of principal and interest on the certificates, the Class A3 Certificates will be comprised of two components: the I-A3A Component and the II-A3 Component, which will have initial component principal balances

of \$222,578,072 and \$476,084,440, respectively. Payments of principal and interest on the I-A3A Component will be based on collections from the Group I Underlying Certificates. Payments of principal and interest on the II-A3 Component will be based on collections from the Group II Underlying Certificates. The holder of a Class A3 Certificate may not transfer any component separately.

The Class X Certificates are interest-only certificates and will not have certificate principal balances, but will accrue interest on their respective Notional Amounts. The Notional Amounts of the Class I-X Certificates and Class II-X Certificates, as of any date of determination, are equal to the aggregate Certificate Principal Balance and Component Principal Balance of the Group I Class A Certificates and Group II Class A Certificates, respectively. The Class X Certificates will be entitled to distributions of interest, payable in the priorities described in this Memorandum. The Class X Certificates are not being offered by this Memorandum.

The Class R Certificates will not have a certificate principal balance or notional amount and will not be entitled to distributions of interest or principal, but may be entitled to distributions of other amounts, payable in the priorities described in this Memorandum. It is not expected that there will be distribution on the Class R Certificates. The Class R Certificates represent the residual interests in the Trust. The Class R Certificates are not being offered by this Memorandum.

The Non-Offered Certificates, other than the Class R Certificates, are being delivered to Fannie Mae as partial consideration for the sale of the Underlying Certificates to the Depositor. Fannie Mae will place such certificates in a trust backing certain Fannie Mae Guaranteed Grantor Trust Certificates that are not being offered hereby and will be separately offered.

Depositor

Financial Asset Securities Corp., a Delaware corporation and an affiliate of the Initial Purchaser. The Depositor will deposit the Underlying Certificates into the Trust. See "The Depositor" in this Memorandum.

Trustee

Deutsche Bank National Trust Company, a national banking association. See "Trust Agreement—The Trustee" in this Memorandum.

Guarantor

Fannie Mae, a federally chartered and stockholder-owned corporation organized and existing under the law of the United States.

Distribution Dates

Distributions on the Underlying Certificates are made on the 25th day of each month or, if such day is not a business day, the next succeeding business day. With respect to any Underlying Certificates, the date each month on which distributions are made thereon is referred to herein as the "Underlying Distribution Date" for such Underlying Certificates. Distributions on the Certificates will be made on each Distribution Date. The "Distribution Date" for the Certificates will be the first Business Day following the latest Underlying Distribution Date in any month (beginning with the Underlying Distribution Date in May 2005), commencing on May 26, 2005.

Basis Risk Payment

Payments, if any, made on an Underlying Certificate in respect of "Basis Risk Shortfall," "Net WAC Rate Carryover Amounts," "Net WAC Shortfall," "Net WAC Cap Carryover," "Available Funds Cap Shortfall," "Net Rate Carryover," "Floating Rate Certificate Carryover" and "Cap Carryover Amounts" (each as defined in the related Underlying Agreement) (each such payment, a "Basis Risk Payment") will be deposited in the related Net WAC Rate Carryover Reserve Account and will be available for distribution to the extent of any applicable Unpaid Interest Shortfall Amounts and any Group I Net WAC Rate Carryover Amount or Group II Net WAC Carryover Amount, as applicable, on the Class A Certificates in the related Group as set forth in this Memorandum.

Record Dates

The Record Date for each Distribution Date with respect to the Offered Certificates, so long as they are in book-entry form, will be the close of business on the last business day of the related accrual period. The Record Date for each Class of Certificates, if such certificates are definitive certificates will be the close of business on the last business day of the calendar month preceding the month in which such Distribution Date occurs.

Closing Date

On or about May 20, 2005.

Cut-off Date

With respect to the Underlying Certificates, April 25, 2005 (after giving effect to distributions on the Underlying Certificates on or prior to such date).

Underlying Certificates

The Underlying Certificates are identified on the inside cover hereof. The Group I Underlying Certificates were issued between October 2004 and April 2005 and the Group II Underlying Certificates were issued between November 2004 and March 2005. The Group I Underlying Certificates have an aggregate principal balance as of the Cut-off Date equal to approximately \$7,024,257,584 and the Group II Underlying Certificates have an aggregate principal balance as of the Cut-off Date equal to approximately \$2,238,131,440. With respect to each Underlying Class, the date on which such class was issued is referred to herein as the related "Issue Date." Each Underlying Certificate represents an ownership interest in the related Underlying Trust Fund, which consists primarily of the related Mortgage Pool. Each Underlying Class, together with the other classes of the related series, was issued on the related Issue Date pursuant to a pooling and servicing agreement or trust agreement (each, an "Underlying Agreement") for such series.

Each Underlying Class is a senior class of asset-backed pass-through certificates of the related series. As of the date of this Memorandum, each Underlying Class (i) is rated "AAA" by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P"), (ii) is rated "Aaa" by Moody's Investors Service, Inc. ("Moody's"), (iii) is rated "AAA" by Fitch Ratings ("Fitch"), if rated by Fitch and (iv) is rated "AAA" by Dominion Bond Rating Service ("DBRS"), if rated by DBRS. As of the date of this Memorandum, each Underlying Class is rated by at least two of these rating agencies.

Each Underlying Certificate bears interest at a variable interest rate, subject to a limit which is calculated as described in the related Prospectus Supplement or Private Offering Document and which is generally determined for each Underlying Distribution Date based on the weighted average of the mortgage rates of all the Underlying Mortgage Loans in the related Underlying Trust Fund or of a designated subset of the Underlying Mortgage Loans in the related Underlying Trust Fund (less all fees and expenses of the related Underlying Trust Fund).

Distributions on each Underlying Certificate are backed primarily by amounts received by the related

Underlying Trust Fund in respect of adjustable-rate and fixed-rate mortgage loans held in such Underlying Trust Fund.

Information about each Underlying Certificate, including the original principal balance thereof, the principal balance thereof as of the Cut-off Date, the applicable interest rate, the applicable Issue Date and the applicable first Underlying Distribution Date, is set forth under "The Underlying Certificates" herein. In addition, with respect to the Group I Underlying Certificates and the Group II Underlying Certificates, as applicable, for information about the credit enhancement provided under the related Underlying Agreement for each Underlying Class, about the cashflow priorities and provisions affecting each Underlying Class and about other aspects of an investment in each Underlying Class, investors in the Offered Certificates should review the related Underlying Prospectus or Private Offering Document included among the applicable Disclosure Exhibits attached hereto as Exhibit A. In addition, certain limited information about the performance of the Underlying Class with respect to each Underlying Certificate and the other asset-backed pass-through certificates of the same series, about the performance of the related Mortgage Pool and about the status of applicable credit enhancement is found in the related April 2005 Underlying Distribution Date Statements included among the Disclosure Exhibits and investors should review this information as well.

The Underlying Trust Funds

The Underlying Mortgage Loans

Each Underlying Certificate represents an ownership interest in a trust fund relating to its series (each, an "Underlying Trust Fund"), which consists primarily of a pool relating to its series (each, a "Mortgage Pool") of fixed-rate and adjustable-rate mortgage loans secured by first liens or by first and second liens on one-to four-family residential real properties. With respect to each Underlying Trust Fund, the mortgage loans in the related Mortgage Pool are referred to herein as the related "Underlying Mortgage Loans." With respect to each Underlying Trust Fund, the asset-backed pass-through certificates evidencing interests in such Underlying Trust Fund, including the related Underlying Certificates, are referred to herein as the related "Series Certificates."

Each Underlying Trust Fund consists of adjustable-rate and fixed-rate mortgage loans. These mortgage loans may provide some cross-collateralization to other certificates of the same series that receive their distributions primarily from other subsets of the

related Underlying Mortgage Loans, and the related Underlying Certificate may have some cross-collateralization provided to it by other subsets of the related Underlying Mortgage Loans. See the Disclosure Exhibits for additional information about the Mortgage Pools and related aspects of the structure of each underlying transaction.

Substantially all of the Underlying Mortgage Loans are mortgage loans that were underwritten to underwriting standards that do not conform to the customary credit and other guidelines typically applied by banks and other primary lending institutions. See the Underlying Prospectuses or Private Offering Documents for information about the underwriting standards pursuant to which the Underlying Mortgage Loans were originated and other aspects of the nature of the Underlying Mortgage Loans.

The April 2005 Underlying Distribution Date Statements set forth as of the dates specified in such statements the delinquency status of the related Underlying Mortgage Loans and the cumulative realized losses, foreclosures in process and mortgaged properties acquired by the related Underlying Trust Fund with respect to defaulted related Underlying Mortgage Loans, if the certificates related to such Underlying Mortgage Loans have had their first distribution date, and are attached hereto as Exhibit A.

The Underlying Originators

Some information about the originator or originators of the Underlying Mortgage Loans (the “Underlying Originators”) in each Underlying Trust Fund is found in the Underlying Prospectuses and Private Offering Documents.

The Underlying Servicers

Information about the servicers and master servicers as applicable of the Underlying Mortgage Loans (the “Underlying Servicers”), as of the Issue Dates of the Underlying Certificates, is found in the Underlying Prospectuses and Private Offering Documents. There can be no assurance that the information about such servicers, as of the Issue Dates of the Underlying Certificates, that is found in the Underlying Prospectuses and Private Offering Documents remains accurate and complete as of the date hereof.

Underlying Distribution Dates

The Underlying Distribution Date for the Underlying Certificates is the 25th day of each month or, if such day is not a business day (as defined in the related Underlying Agreement), the next succeeding business day. The related Distribution Date for the Certificates each month will be the first Business Day following the latest Underlying Distribution Date in any month.

Distributions on the Certificates

General

The Trustee will make distributions on the Certificates on each Distribution Date to the holders of record of such Certificates as of the related Record Date.

Interest Distributions

Each Certificate or Component will accrue interest on its Certificate Principal Balance or Component Principal Balance, respectively. The pass-through rate for each class or component of the Group I Class A Certificates or Group II Class A Certificates will be a per annum rate equal to the lesser of (i) the sum of one-month LIBOR plus the related margin set forth below and (ii) the Group I Net WAC Rate or Group II Net WAC Rate, as applicable. The Class A1 and Class A3 Certificates will be entitled to distributions of interest based on the accrual of their respective components, subject to the applicable Net WAC Rate.

Class or Component	Margin
I-A1A	0.10%
I-A1B	0.01%
II-A1	0.10%
I-A2	0.12%
II-A2	0.12%
I-A3A	0.30%
I-A3B	0.21%
II-A3	0.30%

The pass-through rate for the Class I-X Certificates for any Distribution Date is a per annum rate equal to the excess, if any, of (i) twelve multiplied by the percentage equivalent of a fraction, the numerator of which is (x) interest on each Group I Underlying Certificate at the applicable pass-through rate thereon on the certificate principal balance thereof immediately prior to the related Underlying Distribution Date, and the denominator of which is (y) the Notional Amount of the Class I-X Certificates

for such Distribution Date, over (ii) the weighted average of the pass-through rates of the Group I Class A Certificates for such Distribution Date (adjusted, in the case of the Guaranteed Certificates, by the addition of the Guarantor Fee Rate).

The pass-through rate for the Class II-X Certificates for any Distribution Date is a per annum rate equal to the excess, if any, of (i) twelve multiplied by the percentage equivalent of a fraction, the numerator of which is (x) interest on each Group II Underlying Certificate at the applicable pass-through rate thereon on the certificate principal balance thereof immediately prior to the related Underlying Distribution Date, and the denominator of which is (y) the Notional Amount of the Class II-X Certificates for such Distribution Date, over (ii) the weighted average of the pass-through rates of the Group II Class A Certificates for such Distribution Date (adjusted, in the case of the Guaranteed Certificates, by the addition of the Guarantor Fee Rate).

The Group I Net WAC Rate is the weighted average of the interest rates of the Group I Underlying Certificates minus, in the case of the Guaranteed Certificates, the Guarantor Fee Rate (adjusted to reflect the accrual of interest on the basis of a 360-day year and the actual number of days in the applicable accrual period). The Group I Net WAC Rate Carryover Amount is equal to the sum of (i) the excess, if any, of (a) the amount of interest that would have accrued on such class of Group I Class A Certificates over (b) the amount of interest actually accrued on such class of Group I Class A Certificates based on the Group I Net WAC Rate and (ii) the unpaid portion of any Group I Net WAC Rate Carryover Amount from the prior Distribution Date together with accrued interest thereon.

The Group II Net WAC Rate is the weighted average of the interest rates of the Group II Underlying Certificates minus, in the case of the Guaranteed Certificates, the Guarantor Fee Rate (adjusted to reflect the accrual of interest on the basis of a 360-day year and the actual number of days in the applicable accrual period). The Group II Net WAC Rate Carryover Amount is equal to the sum of (i) the excess, if any, of (a) the amount of interest that would have accrued on such class of Group II Class A Certificates over (b) the amount of interest actually accrued on such class of Group II Class A Certificates based on the Group II Net WAC Rate and (ii) the unpaid portion of any Group II Net WAC Rate Carryover Amount from the prior Distribution Date together with accrued interest thereon.

The Guarantor Fee Rate is the rate set forth in the Trust Agreement. With respect to each Distribution Date, the Guarantor Fee is an amount equal to the product of the Guarantor Fee Rate multiplied by the aggregate certificate principal balance of the related Guaranteed Certificates (other than the Class X Certificates) immediately prior to the related Distribution Date multiplied by a fraction, the numerator of which is the actual number of days in the related accrual period and the denominator of which is 360.

The accrual period for the Offered Certificates for any Distribution Date is the period from the previous Distribution Date (or, in the case of the first Distribution Date, the Closing Date) through the day prior to the current Distribution Date, the accrual period for the Class A Certificates, other than the Offered Certificates, is the period from the third business day following the previous Underlying Distribution Date (or, with respect to the first Distribution Date, the Closing Date) through the day prior to the third business day following the Underlying Distribution Date in the calendar month of the current Distribution Date and the accrual period for the Class X Certificates for any Distribution Date is the period from the Underlying Distribution Date in the calendar month preceding the Distribution Date (or, in the case of the first Distribution Date, from April 25, 2005) through the day prior to the Underlying Distribution Date in the calendar month of the current Distribution Date, and interest will be calculated for (a) the Class A Certificates, on the basis of a 360-day year and the number of days in the applicable accrual period and (b) with respect to the Class X Certificates on the basis of a 360-day year of twelve 30-day months.

The Group I Class A Certificates and Group II Class A Certificates will accrue interest on their respective Certificate Principal Balances or Component Principal Balances outstanding immediately prior to each Distribution Date.

The Class X Certificates will accrue interest on their respective Notional Amounts outstanding immediately prior to each Distribution Date.

The Class R Certificates do not have a pass-through rate and will not be entitled to distributions of interest.

See “The Certificates— Pass-Through Rates” and “—Allocation of Available Funds” in this Memorandum.

Principal Distributions

Principal will be distributed to the holders of the Class A Certificates on each Distribution Date in the amounts and priorities described under “The Certificates— Allocation of Available Funds” in this Memorandum.

The Class R Certificates do not have a certificate principal balance and will not be entitled to distributions of principal.

Distribution Priorities

In general, funds available on any Distribution Date for distribution from payments and other amounts received on the Underlying Certificates on the related Underlying Distribution Date, after payment of any amounts payable or reimbursable to the Trustee and the Guarantor Fee, will be distributed on the Certificates in the following order:

With respect to payments and other amounts received on the Group I Underlying Certificates:

(i) to pay interest on the Group I Class A Certificates and the Class I-X Certificates, on a *pro rata* basis based on their respective entitlements to interest;

(ii) to pay any Group I Net WAC Rate Carryover Amount on the Group I Class A Certificates, on a *pro rata* basis based on their respective entitlements to interest;

(iii) to pay principal on the Group I Class A Certificates, in the amounts and priorities described under “The Certificates— Allocation of Available Funds” in this Memorandum;

(iv) to reimburse the Guarantor for any amounts owed to it under the Trust Agreement; and

(v) to the Class R Certificates, any remaining amounts.

With respect to the payments and other amounts received on the Group II Underlying Certificates:

(i) to pay interest on the Group II Class A Certificates and the Class II-X Certificates, on a *pro rata* basis based on their respective entitlements to interest;

(ii) to pay any Group II Net WAC Rate Carryover Amount on the Group II Class A Certificates, on a *pro rata* basis based on their respective entitlements to interest;

(iii) to pay principal on the Group II Class A Certificates, in the amounts and priorities described under “The Certificates— Allocation of Available Funds” in this Memorandum;

(iv) to reimburse the Guarantor for any amounts owed to it under the Trust Agreement; and

(v) to the Class R Certificates, any remaining amounts.

See “The Certificates—Allocation of Available Funds” in this Memorandum for additional information.

Credit Enhancement

The Trust does not provide any forms of credit enhancement to any of the Offered Certificates.

For important information about the credit enhancement provided for each Underlying Class, investors in the applicable Offered Certificates should review the related Underlying Prospectus and Private Offering Document included among the Disclosure Exhibits attached hereto as Exhibit A.

Allocation of Losses

Each Underlying Certificate belongs to a senior class of securities relating to the Underlying Trust Fund. Most of the Underlying Agreements do not permit the allocation of realized losses on the related Underlying Mortgage Loans to the related senior securities including the related Underlying Class; however, investors in the Offered Certificates should realize that under certain scenarios there will not be enough interest and principal received on the related Underlying Mortgage Loans to distribute to the related Underlying Class all interest and principal amounts to which such Underlying Class is then entitled.

The Trust Agreement permits allocation of losses to the Certificates as described under “Description of the Certificates—Allocation of Losses”

Early Termination

The Certificates are not subject to any optional termination. However, with respect to each Underlying Certificate, the person or persons specified in the related Underlying Agreement may, at such person’s or persons’ option, purchase from the applicable Underlying Trust Fund all of the related Underlying Mortgage Loans, or a related subset of the related Underlying Mortgage Loans,

after the aggregate principal balance of such Underlying Mortgage Loans or such subset of such Underlying Mortgage Loans is less than or equal to, generally, 10% of the aggregate principal balance thereof (plus any original prefunding amount, if applicable) as of the original cut-off date for such series as described in the related Underlying Prospectus. If any of these optional purchases is exercised, the related Underlying Certificate may receive a significant principal distribution or may receive its final distribution. Accordingly, each exercise of any such optional purchase will result in an accelerated principal payment on the applicable Class A Certificates (and a corresponding reduction of the Notional Amount of the applicable Class X Certificates). If the last remaining outstanding Underlying Certificate receives its final distribution in connection with any such optional purchase, the Certificates will be retired and the Trust terminated.

See the Underlying Prospectuses and the Private Offering Documents for additional information.

Tax Status

Elections will be made to treat designated portions of the Trust (exclusive of any Basis Risk Payments and the Net WAC Rate Carryover Reserve Accounts, as described more fully herein) as one or more real estate mortgage investment conduits for federal income tax purposes.

See “Certain Federal Income Tax Consequences” in this Memorandum for additional information.

Ratings

The Class A1 and Class A3 Certificates will initially be rated “AAA” by Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. (“S&P”), “Aaa” by Moody’s Investors Service, Inc. (“Moody’s”) and “AAA” by Dominion Bond Rating Service (“DBRS”). S&P, Moody’s and DBRS are referred to herein as the “Rating Agencies.”

A security rating does not address the frequency of prepayments on the Underlying Mortgage Loans, the receipt of any amounts from the related Net WAC Carryover Reserve Account or the corresponding effect on yield to investors in the Offered Certificates. See “Yield on the Certificates” and “Ratings” in this Memorandum.

Legal Investment

The Offered Certificates will **not** constitute “mortgage related securities” for purposes of the Secondary Mortgage Market Enhancement Act of 1984 (“SMMEA”). See “Legal Investment” herein.

ERISA Considerations

It is expected that the Regular Certificates may be purchased by a pension or other employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”), so long as certain conditions are met. A fiduciary of an employee benefit plan must determine that the purchase of a certificate is consistent with its fiduciary duties under applicable law and does not result in a nonexempt prohibited transaction under applicable law. See “ERISA Considerations” herein.

AVAILABLE INFORMATION

The Trustee has undertaken to make available, on behalf of the Depositor and the Trust, to any holder of an Offered Certificate or prospective transferee thereof, the information (to the extent such information is specified to it by the Depositor, and is in the Trustee's possession or is reasonably available to the Trustee) necessary to satisfy the requirements of paragraph (d)(4) of Rule 144A under the Securities Act.

NOTICE TO INVESTORS

Because of the following restrictions, purchasers of Certificates are advised to consult legal counsel prior to purchasing or making any offer, resale, pledge or other transfer of the Certificates offered hereby.

The Offered Certificates have not been registered under the Securities Act, or registered or qualified under any applicable state securities laws. Neither the Depositor nor any other person is required to so register or qualify the Offered Certificates or to provide registration rights to any investor therein.

The Offered Certificates are being offered only to "qualified institutional buyers" ("Qualified Institutional Buyers") within the meaning of Rule 144A under the Securities Act, in transactions exempt from the registration requirements of the Securities Act. The Offered Certificates are subject to restrictions on transferability and resale and may not be transferred or resold except (i) as permitted under the Securities Act in accordance with Rule 144A thereunder, (ii) pursuant to the requirements of, or an exemption under, applicable state securities laws and (iii) in accordance with the other restrictions on transfer set forth in the Trust Agreement and described below. The Trust Agreement will provide that no transfer of any Offered Certificate will be registered by the Trustee unless certain required certifications are provided to the Trustee, at the expense of the transferor and transferee, with respect to their compliance with the foregoing restrictions. With respect to the Offered Certificates that are in book-entry form, for so long as such Offered Certificates are book-entry certificates, investors transferring interests in such Offered Certificates will be deemed to have made such certifications.

As further described herein, the Regular Certificates or interests therein may be sold or transferred to Plans subject to ERISA and the Code or to entities purchasing on behalf of or with the assets of Plans only if certain conditions are met. The Residual Certificates may not be sold or transferred to any Plan or to any transferee acting on behalf of a Plan or investing Plan assets. See "ERISA Considerations" herein.

If a purchaser is acquiring any Offered Certificate or interest therein as a fiduciary or agent for one or more accounts, such purchaser will be required to deliver to the Trustee a certification (or in the case of any Offered Certificate transferred in book-entry form, will be deemed to have certified) to the effect that it has (i) sole investment discretion with respect to each such account and (ii) full power to make the foregoing acknowledgments, representations, warranties, certifications and agreements with respect to each such account as set forth in this "Notice to Investors."

RISK FACTORS

The following information, which you should carefully consider, identifies certain significant sources of risk associated with an investment in the Offered Certificates.

Prospective investors should review the Risk Factors in each applicable Underlying Prospectus or Private Offering Document and the following factors in connection with the purchase of the Offered Certificates:

Limited Information regarding the Underlying Certificates and the Underlying Mortgage Loans

The information about each Underlying Certificate and the related Underlying Mortgage Loans disclosed in this Memorandum has been obtained from the related Underlying Prospectus or Private Offering Document prepared in connection with the initial offering of such Underlying Certificate as well as from reports and other

information received from the related Underlying Trustee. Such information has not been independently verified by the Depositor, and the Trustee will not have any responsibility to prospective investors in the Offered Certificates for the accuracy or completeness of such information or its sufficiency for any purpose. While each Underlying Prospectus or Private Offering Document contains information as of the dates of those documents, investors in the Offered Certificates should be aware that changes may have occurred since the preparation of those documents and that the composition of the related asset pool may have changed. As a result, there may be differences between the current characteristics of the Underlying Mortgage Loans and the characteristics described in connection with the issuance of the related Underlying Certificates. The Depositor did not prepare any of the Underlying Agreements or Underlying Prospectuses or Private Offering Documents, and the Depositor does not make any representation as to the accuracy or completeness of information provided in those documents. Prospective investors are advised to consider the limited nature of such available information in evaluating the suitability of any investment in the Offered Certificates.

Nature of the Underlying Mortgage Loans

Substantially all of the Underlying Mortgage Loans in the Underlying Trust Funds are mortgage loans that were underwritten to underwriting standards that do not conform to the customary credit and other guidelines typically applied by banks and other primary lending institutions. As a result, delinquencies and liquidation proceedings are more likely with these Underlying Mortgage Loans than with mortgage loans that satisfy such credit and other guidelines. In the event Underlying Mortgage Loans become delinquent or subject to liquidation, there may be delays in distributions and/or losses on the related Underlying Certificates if the credit enhancement features of the related Underlying Trust Fund are insufficient to ameliorate such delays and losses. Any such delays or losses would in turn affect the performance of the applicable Offered Certificates. See the Underlying Prospectuses and Private Offering Documents for information about the underwriting standards pursuant to which the Underlying Mortgage Loans were originated and other aspects of the nature of the Underlying Mortgage Loans.

Geographic Concentration Risk

The conditions below will have a disproportionate impact on the Underlying Mortgage Loans based on the geographic location of the related mortgaged properties:

- Economic conditions in states with high concentrations of Underlying Mortgage Loans may affect the ability of mortgagors to repay their loans on time even if such conditions do not affect real property values.
- Declines in the residential real estate markets in the states with high concentrations of Underlying Mortgage Loans may reduce the values of mortgaged properties located in those states, which would result in an increase in loan-to-value ratios.
- Any increase in the market value of mortgaged properties located in the states with high concentrations of Underlying Mortgage Loans would reduce loan-to-value ratios and could, therefore, make alternative sources of financing available to mortgagors at lower interest rates, which could result in an increased rate of prepayment of the Underlying Mortgage Loans.
- Mortgaged properties located in some areas may be particularly susceptible to certain types of hazards, such as earthquakes, floods, mudslides and other natural disasters for which there may or may not be insurance.

For statistical information about the geographic distribution of the Underlying Mortgage Loans at the time of the issuance of the related Underlying Certificates, see the Underlying Prospectuses and Private Offering Documents. There can be no assurance that the geographic distribution of the mortgaged properties remains proportionate to such distribution at the time of the issuance of the related Underlying Certificates.

Delinquent Mortgage Loans Risk

For recent information about the level of delinquencies for each Mortgage Pool, investors should review the April 2005 Underlying Distribution Date Statements included among the Disclosure Exhibits attached hereto. Many of the Mortgage Pools are pools of relatively newly originated mortgage loans. In addition, many of the Mortgage Pools were securitized in relatively recent securitizations. The delinquency rates of some or all of the Mortgage Pools may increase substantially as such Mortgage Pools become more seasoned.

Additional Risks Associated with the Underlying Mortgage Loans

For a discussion of additional risks associated with the Underlying Mortgage Loans, see the Underlying Prospectuses and Private Offering Documents under the headings “Risk Factors” and under the headings where the related Mortgage Pool is discussed generally.

Terrorist Attacks and Military Action Could Adversely Affect the Yield on the Offered Certificates

The terrorist attacks in the United States on September 11, 2001 suggest that there is an increased likelihood of future terrorist activity in the United States. In addition, current political tensions and military operations in the Middle East have resulted in a significant deployment of United States military personnel in the region. Investors should consider the possible effects of past and possible future terrorist attacks and any resulting military response by the United States on the delinquency, default and prepayment experience of the Underlying Mortgage Loans and on the performance of the Underlying Certificates and the Offered Certificates. In accordance with the servicing standard set forth in each Underlying Agreement, the related Underlying Servicer may defer, reduce or forgive payments and delay foreclosure proceedings in respect of Underlying Mortgage Loans to borrowers affected in some way by past and possible future events.

In addition, the current deployment of United States military personnel in the Middle East and the activation of a substantial number of United States military reservists and members of the National Guard may significantly increase the proportion of Underlying Mortgage Loans whose mortgage rates are reduced by the application of the Servicemembers Civil Relief Act (the “Relief Act”) or state laws providing for similar relief. Certain shortfalls in interest collections arising from the application of the Relief Act or any state law providing for similar relief will generally not be covered or advanced by the related Underlying Servicer and, in the case of the Underlying Certificates, may not be covered by any applicable credit enhancement for the related Underlying Class.

Violation of Various Federal and State Laws May Result in Losses Being Incurred by the Underlying Trust Funds

Applicable state laws generally regulate interest rates and other charges, require certain disclosure, and require licensing of each Underlying Originator of the Underlying Mortgage Loans. In addition, other state laws, public policy and general principles of equity relating to the protection of consumers, unfair and deceptive practices and debt collection practices may apply to the origination, servicing and collection of the Underlying Mortgage Loans.

The Underlying Mortgage Loans are also subject to federal laws, including:

- the federal Truth-in-Lending Act and Regulation Z promulgated thereunder, which require certain disclosures to the borrowers regarding the terms of the Underlying Mortgage Loans;
- the Equal Credit Opportunity Act and Regulation B promulgated thereunder, which prohibit discrimination on the basis of age, race, color, sex, religion, marital status, national origin, receipt of public assistance or the exercise of any right under the Consumer Credit Protection Act, in the extension of credit;

- the Fair Credit Reporting Act, which regulates the use and reporting of information related to the borrowers' credit experience;
- the Depository Institutions Deregulation and Monetary Control Act of 1980, which preempts certain state usury laws; and
- the Alternative Mortgage Transaction Parity Act of 1982, which preempts certain state lending laws which regulate alternative mortgage transactions.

Violations of certain provisions of these federal laws may limit the ability of the related Underlying Servicer to collect all or part of the principal of or interest on the Underlying Mortgage Loans and in addition could subject the related Underlying Trust Fund to damages and administrative enforcement and could result in the mortgagors' rescinding the Underlying Mortgage Loans against either the related Underlying Trust Fund or subsequent holders of the Underlying Mortgage Loans.

Some mortgage loans, known as High Cost Loans, may be subject to special rules, disclosure requirements and other provisions that were added to the federal Truth-in-Lending Act by the Home Ownership and Equity Protection Act of 1994 (the "Homeownership Act"), if such trust assets were originated on or after October 1, 1995, are not loans made to finance the purchase of the mortgaged property and have interest rates or origination costs in excess of certain prescribed levels. The Homeownership Act requires certain additional disclosures, specifies the timing of those disclosures and limits or prohibits inclusion of certain provisions in mortgages subject to the Homeownership Act. Purchasers or assignees of any High Cost Loan, including any trust, could be liable under federal law for all claims and subject to all defenses that the borrower could assert against the originator of the High Cost Loan, under the federal Truth-in-Lending Act or any other law, unless the purchaser or assignee did not know and could not with reasonable diligence have determined that the loan was subject to the provisions of the Homeownership Act. Remedies available to the borrower include monetary penalties, as well as rescission rights if appropriate disclosures were not given as required or if the particular mortgage includes provisions prohibited by the law. The maximum damages that may be recovered under these provisions from an assignee, including any trust, is the remaining amount of indebtedness plus the total amount paid by the borrower in connection with the home loan.

In addition to the Homeownership Act, a number of legislative proposals have been introduced at both the federal and state level that are designed to discourage predatory lending practices. Some states have enacted, or may enact, laws or regulations that prohibit inclusion of some provisions in home loans that have interest rates or origination costs in excess of prescribed levels, and require that borrowers be given certain disclosures prior to the consummation of the home loans. In some cases, state law may impose requirements and restrictions greater than those in the Homeownership Act. An Underlying Originator's failure to comply with these laws could subject the Underlying Trust Fund, and other assignees of the Underlying Mortgage Loans, to monetary penalties and could result in the borrowers rescinding the Underlying Mortgage Loans against either the Underlying Trust Fund or subsequent holders of the Underlying Mortgage Loans.

Lawsuits have been brought in various states making claims against assignees of High Cost Loans for alleged violations of state law. Named defendants in these cases include numerous participants within the secondary mortgage market, including some securitization trusts.

Unpredictability of Prepayments on the Underlying Mortgage Loans and Effect on Yields

The Underlying Mortgage Loans may be repaid in whole or in part at any time. We cannot predict the rate at which borrowers will repay the Underlying Mortgage Loans. A prepayment of an Underlying Mortgage Loan may result in a prepayment on the related Underlying Certificate, which in turn would result in an accelerated principal payment on the applicable Class A Certificates (and a corresponding reduction of the Notional Amount of the applicable Class X Certificates).

- If you purchase Class A Certificates at a discount and principal is repaid slower than you anticipate, then your yield may be lower than you anticipate.

- If you purchase Class A Certificates at a premium and principal is repaid faster than you anticipate, then your yield may be lower than you anticipate.
- The rate of prepayments on the Underlying Mortgage Loans will be sensitive to prevailing interest rates. Generally, if prevailing interest rates decline significantly below the interest rates on the Underlying Mortgage Loans, the Underlying Mortgage Loans are more likely to prepay than if prevailing interest rates remain above the interest rates on such Underlying Mortgage Loans. Conversely, if prevailing interest rates rise significantly, prepayments on the Underlying Mortgage Loans may decrease.
- The seller of the related Underlying Mortgage Loans to the depositor of such Underlying Mortgage Loans under each Underlying Agreement or another party to the underlying transaction may be required to repurchase related Underlying Mortgage Loans from the applicable Underlying Trust Fund in the event certain breaches of representations and warranties have not been cured.
- The person or persons specified in the related Underlying Agreement may, at such person's or persons' option, purchase from the applicable Underlying Trust Fund all of the related Underlying Mortgage Loans, or a related subset of the related Underlying Mortgage Loans, after the aggregate principal balance of such Underlying Mortgage Loans or such subset of such Underlying Mortgage Loans is less than, generally, 10% of the aggregate principal balance thereof (plus any original prefunding amount, if applicable) as of the original cut-off date for the related Series Certificates as described in the related Underlying Prospectus or Private Offering Document. If any of these optional purchases is exercised, the related Underlying Certificate may receive a significant principal distribution or may receive its final distribution. Accordingly, each exercise of any such optional purchase will result in an accelerated principal payment on the applicable Class A Certificates (and a corresponding reduction of the Notional Amount of the applicable Class X Certificates).
- If principal prepayments on the Underlying Mortgage Loans result in a faster than expected rate of principal payments on the Underlying Certificates, this will have an adverse effect on the yield to investors in the applicable Class X Certificates and could result in the failure of investors in such Class X Certificates to fully recover their initial investments.

The multiple class structure of the Offered Certificates causes the yield of certain classes to be particularly sensitive to changes in the rates of prepayment of the related Underlying Mortgage Loans and other factors

The yield to maturity on the Class A Certificates will be sensitive to fluctuations in the level of one-month LIBOR. The pass-through rates on the Class A Certificates will vary with one-month LIBOR, and will be subject to a limit as described under “—The Pass-Through Rates on the Class A Certificates are Subject to a Limit” below. Prospective investors in such Certificates should consider fully the risks associated with an investment therein.

With respect to payments and other amounts received on the Group I Underlying Certificates, (i) the I-A1A Component and the Class I-A1B Certificates, *pro rata*, (ii) the Class I-A2 Certificates and (iii) the I-A3A Component and the Class I-A3B Certificates, *pro rata*, will receive distributions of principal sequentially, in that order and only after the Certificate Principal Balances or Component Principal Balances, as applicable, of the classes of Group I Class A Certificates with a lower numerical designation have been reduced to zero. As a result, the weighted average lives of the Class I-A2 Certificates, I-A3A Component and Class I-A3B Certificates are likely to be longer than would otherwise be the case.

With respect to payments and other amounts received on the Group II Underlying Certificates, the II-A1 Component, the Class II-A2 Certificates and the II-A3 Component will receive distributions of principal sequentially, in that order and only after the Certificate Principal Balances or Component Principal Balances, as applicable, of the classes of Group II Class A Certificates with a lower numerical designation have been reduced to

zero. As a result, the weighted average lives of the Class II-A2 Certificates and II-A3 Component are likely to be longer than would otherwise be the case.

Distributions of principal will be made on the Class I-A2 Certificates when the Component Principal Balance of the I-A1A Component and the Certificate Principal Balance of the Class I-A1B Certificate have been reduced to zero and distributions of principal will be made on the Class II-A2 Certificates when the Component Principal Balance of the II-A1 Component has been reduced to zero, in each case, rather than when the Certificate Principal Balance of the Class A1 Certificates, in its entirety, has been reduced to zero. Under these circumstances, the Class I-A2 or Class II-A2 Certificates may receive distributions of principal before the Certificate Principal Balance of the Class A1 Certificates has been reduced to zero.

The market values of the classes of Class A Certificates remaining outstanding the longest will be influenced to a greater degree by changes in market interest rates or market yields for similar securities, and such classes will also be susceptible to a greater degree to the risks of shortfalls, delays or losses.

The Pass-Through Rates on the Class A Certificates are Subject to a Limit

The Class A Certificates accrue interest at pass-through rates based on a one-month LIBOR index plus a specified margin, but the pass-through rates for every such class or component are subject to a limit. Such limit is referred to in this Memorandum as the Group I Net WAC Rate or the Group II Net WAC Rate, and for any Distribution Date is the weighted average of the interest rates of the applicable Underlying Certificates (without respect to any Basis Risk Payments) for the related Underlying Distribution Date minus, in the case of the Guaranteed Certificates, the Guarantor Fee Rate (adjusted to reflect the accrual of interest on the basis of a 360-day year and the actual number of days in the applicable accrual period).

If Underlying Certificates in a group with relatively higher interest rates pay principal at a faster pace than Underlying Certificates in a group with relatively lower interest rates, the pass-through rates on the Group I Class A Certificates or Group II Class A Certificates are more likely to be subject to the Group I Net WAC Rate limit and Group II Net WAC Rate limit, as applicable. In addition, each Underlying Certificate bears interest at an interest rate subject to a limit which is calculated as set forth in the related Underlying Agreement and described in the Underlying Prospectus or Private Offering Document and which is generally determined for each Underlying Distribution Date based on the weighted average of the mortgage rates of all the Underlying Mortgage Loans in the related Underlying Trust Fund or of a designated subset of the Underlying Mortgage Loans in the related Underlying Trust Fund (less all fees and expenses of the related Underlying Trust Fund). If the interest rates on any of the Underlying Certificates are limited, the pass-through rates on the Group I Class A Certificates or Group II Class A Certificates are more likely to be subject to the Group I Net WAC Rate limit or Group II Net WAC Rate limit, respectively. For information on the factors that may limit the interest rates on the Underlying Certificates, see the Underlying Prospectuses and Private Offering Documents.

The Class A Certificates will also be affected by fluctuations in one-month LIBOR. If one-month LIBOR increases, the pass-through rate on the Class A Certificates is more likely to be subject to the Group I Net WAC Rate or Group II Net WAC Rate limits, as applicable.

The Offered Certificates are Obligations of the Trust Only

The Offered Certificates will not represent an ownership interest in or obligation of the Depositor, the Trustee or any of their respective affiliates. Neither the Offered Certificates nor the Underlying Certificates will be guaranteed or insured by any governmental agency or instrumentality, or by the Depositor, the Trustee or any of their respective affiliates. Proceeds of the assets included in the Trust will be the sole source of payments on the Offered Certificates, and there will be no recourse to the Depositor, the Trustee or any other entity in the event that such proceeds are insufficient or otherwise unavailable to make all payments provided for under the Offered Certificates.

Lack of Liquidity; Restrictions on Transfer

The Initial Purchaser may make a secondary market in the Offered Certificates, but it has no obligation to do so. There is no assurance that such a secondary market will develop or, if it develops, that it will continue. Consequently, investors may not be able to sell the Offered Certificates readily or at prices that will enable them to realize their desired yields. The market values of the Offered Certificates are likely to fluctuate; these fluctuations may be significant and could result in significant losses to investors.

The secondary markets for asset-backed securities have experienced periods of illiquidity and can be expected to do so in the future. Illiquidity can have a severely adverse effect on the prices of securities that are especially sensitive to prepayment, credit, or interest rate risk, or that have been structured to meet the investment requirements of limited categories of investors.

The liquidity of the Offered Certificates may also be affected by present uncertainties and future unfavorable determinations concerning legal investment. The Offered Certificates will not constitute “mortgage related securities” for purposes of SMMEA.

The Offered Certificates will not be registered under the Securities Act or the securities laws of any other jurisdiction. The Offered Certificates may be offered only to Qualified Institutional Buyers in transactions exempt from the registration requirements under the Securities Act. As described herein under “The Certificates—Restrictions on Transfer of the Offered Certificates,” no sale, pledge or other transfer of any Offered Certificate or any interest therein may be made by any person unless such transfer is in compliance with the terms and provisions of the Trust Agreement and only in a transaction that does not require registration under the Securities Act or the securities laws of any state. The transferor and transferee of any interest in an Offered Certificate that is in book-entry form will be deemed to have made certain representations as set forth in the Trust Agreement. Neither the Depositor nor the Initial Purchaser will register the Offered Certificates under the Securities Act, register or qualify the Offered Certificates under the securities laws of any state or other jurisdiction or provide registration rights to any purchaser.

As further described herein, the Offered Certificates or interests therein may be sold or transferred to Plans subject to ERISA and the Code or to entities purchasing on behalf of or with the assets of Plans only if certain conditions are met. See “ERISA Considerations” herein.

The Ratings of the Offered Certificates Could Be Reduced or Withdrawn

In general, the ratings of the Offered Certificates address credit risk and do not address the likelihood of prepayments or of the receipt of any amounts from the related Net WAC Rate Carryover Reserve Account.

Each Rating Agency rating the Offered Certificates may change or withdraw its initial ratings at any time in the future if, in its judgment, circumstances warrant a change.

A change in the ratings of any of the Underlying Certificates could adversely affect the ratings of the Offered Certificates.

None of the Depositor, the Trustee, the Initial Purchaser, the Guarantor or any of their respective affiliates or any other person will have any obligation to take any action to maintain the ratings of the Offered Certificates.

If any Rating Agency reduces or withdraws its ratings on Offered Certificates, the liquidity and market value of such Offered Certificates is likely to be reduced.

Investment in the Offered Certificates May Not Be Appropriate for Some Investors

The Offered Certificates are highly complex securities. Any investment decision to acquire the Offered Certificates requires a careful analysis not only of the Offered Certificates themselves, but also the applicable

Underlying Certificates and Underlying Mortgage Loans. For the reasons described in this Memorandum, the yields and the aggregate amount and timing of distributions on the Underlying Certificates, and consequently the Offered Certificates, may be subject to material variability from period to period and over the lives of the Underlying Certificates. An investment in the Offered Certificates involves substantial risks and uncertainties and should be considered only by highly sophisticated investors with substantial investment experience with similar types of securities.

THE CERTIFICATES

General

The Certificates will be issued pursuant to the Trust Agreement. Set forth below are summaries of the specific terms and provisions pursuant to which the Offered Certificates will be issued. The following summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the provisions of the Trust Agreement. When particular provisions or terms used in the Trust Agreement are referred to, the actual provisions (including definitions of terms) are incorporated by reference.

On the Closing Date, the Depositor will issue: (i) the Class A1 Certificates, the Class I-A1B Certificates, the Class I-A2 Certificates, the Class II-A2 Certificates, the Class A3 Certificates and the Class I-A3B Certificates (collectively, the “Class A Certificates”); (ii) the Class I-X Certificates; (iii) the Class II-X Certificates (together with the Class I-X Certificates, the “Class X Certificates”); and (iv) the Class R Certificates. The Class A1 Certificates and the Class A3 Certificates are collectively referred to herein as the “Offered Certificates”. The Class I-A1B Certificates, the Class I-A2 Certificates, the Class II-A2 Certificates, the Class I-A3B Certificates, the Class I-X Certificates, the Class II-X Certificates and the Class R Certificates are collectively referred to herein as the “Non-Offered Certificates.” The Offered Certificates and the Non-Offered Certificates are collectively referred to herein as the “Certificates.” Only the Offered Certificates are offered hereby.

The Class A1 Certificates will be comprised of the I-A1A Component and the II-A1 Component. The Class A3 Certificates will be comprised of the I-A3A Component and the II-A3 Component. The holder of the Class A1 or Class A3 Certificates may not transfer any component separately.

The I-A1A Component, the Class I-A1B Certificate, the Class I-A2 Certificate, the I-A3A Component and the Class I-A3B Certificate are sometimes referred to together herein as the “Group I Class A Certificates.” The II-A1 Component, the Class II-A2 Certificates and the II-A3 Component are sometimes referred to together herein as the “Group II Class A Certificates.” The Group I Class A Certificates and the Class I-X Certificates are sometimes referred to together herein as the “Group I Regular Certificates.” The Group II Class A Certificates and the Class II-X Certificates are sometimes referred to together herein as the “Group II Regular Certificates.” The Group I Regular Certificates and the Group II Regular Certificates are sometimes referred to together herein as the “Regular Certificates.” The Class R Certificates are sometimes referred to herein as the “Residual Certificates.”

The Class A Certificates will have the initial Certificate Principal Balances shown on the cover of this Memorandum. On any date of determination, the Certificate Principal Balance of the Class A1 Certificates will equal the aggregate of the Component Principal Balances of the I-A1A and II-A1 Components. On any date of determination, the Certificate Principal Balance of the Class A3 Certificates will equal the aggregate of the Component Principal Balances of the I-A3A and II-A3 Components. The I-A1A, II-A1, I-A3A and II-A3 Components will have initial Component Principal Balances equal to \$2,127,118,000, \$1,424,790,000, \$222,578,072 and \$476,084,440, respectively. The Class A Certificates will be entitled to distributions of interest and principal, payable in the priorities described under “— Allocation of Available Funds” below.

The Class X Certificates are interest-only certificates and will not have certificate principal balances, but will accrue interest on their respective Notional Amounts. The Notional Amount of the Class I-X Certificates as of any date of determination is equal to the aggregate Certificate Principal Balance and Component Principal Balance of the Group I Class A Certificates. The Notional Amount of the Class II-X Certificates as of any date of determination is equal to the aggregate Certificate Principal Balance and Component Principal Balance of the Group

II Class A Certificates. The Class X Certificates will be entitled to distributions of interest, payable in the priorities described under “— Allocation of Available Funds” below.

The Class R Certificates will not have a certificate principal balance or notional amount and will not be entitled to distributions of interest or principal, but may be entitled to distributions of other amounts, payable in the priorities described under “— Allocation of Available Funds” below. The Class R Certificates represent the residual interests in the Trust.

Each Certificate will represent certain undivided, fractional ownership interests in the Trust created and held pursuant to the Trust Agreement, subject to the limits and the priority of distribution described herein.

The Regular Certificates (for so long as they are in book-entry form, the “Book-Entry Certificates”) will be issued, maintained and transferred on the book-entry records of The Depository Trust Company (“DTC”) and its Participants (as defined herein) in minimum denominations of \$50,000 initial Certificate Principal Balance, for the Regular Certificates other than the Class X Certificates, and of \$100,000 initial Notional Amount for the Class X Certificates and, in each case, integral multiples of \$1.00 in excess thereof.

The Book-Entry Certificates will initially be represented by one or more global certificates registered in the name of a nominee of DTC (together with any successor clearing agency selected by the Depositor, the “Clearing Agency”), except as provided below. The Depositor has been informed by DTC that DTC’s nominee will be Cede & Co. (“Cede”). No person acquiring an interest in any class of the Book-Entry Certificates (a “Certificate Owner”) will be entitled to receive a certificate representing such person’s interest, except as set forth below under “— Definitive Certificates”. Unless and until a certificate is issued in physical, fully registered, definitive form (a “Definitive Certificate”) under the limited circumstances described herein, all references to actions by Certificateholders with respect to the Book-Entry Certificates shall refer to actions taken by DTC upon instructions from its Participants, and all references herein to distributions, notices, reports and statements to Certificateholders with respect to the Book-Entry Certificates shall refer to distributions, notices, reports and statements to DTC or Cede, as the registered holder of the Book-Entry Certificates, for distribution to Certificate Owners in accordance with DTC procedures. See “—Registration of the Book-Entry Certificates” and “—Definitive Certificates” herein.

All distributions to holders of the Certificates, other than the final distribution on any class of Certificates, will be made on each Distribution Date by or on behalf of the Trustee to the persons in whose names such Certificates are registered at the close of business on each Record Date. The “Record Date” with respect to the Offered Certificates, for so long as they are in book-entry form, will be the close of business on the last day in the related Accrual Period, or, if they are no longer in book-entry form, will be the close of business on the last business day of the calendar month preceding the month in which such Distribution Date occurs. The final distribution on any class of Certificates will be made in like manner, but only upon presentment and surrender of such Certificates at the office specified in the notice to Certificateholders of such final distribution.

Registration of the Book-Entry Certificates

DTC is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities for its participating organizations (“Participants”) and to facilitate the clearance and settlement of securities transactions between Participants through electronic book entries, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers (including the Initial Purchaser), banks, trust companies and clearing corporations. Indirect access to the DTC system is also available to others such as banks, brokers, dealers, and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (“Indirect Participants”).

Certificate Owners that are not Participants or Indirect Participants but desire to purchase, sell or otherwise transfer ownership of, or other interests in, the Book-Entry Certificates may do so only through Participants and Indirect Participants. In addition, Certificate Owners will receive all distributions of principal of and interest on the Book-Entry Certificates from the Trustee through DTC and Participants. The Trustee will forward payments to DTC

in same day funds and DTC will forward such payments to Participants in next day funds settled through the New York Clearing House. Each Participant will be responsible for disbursing such payments to Indirect Participants or to Certificate Owners. Unless and until Definitive Certificates are issued, it is anticipated that the only Certificateholder of the Book-Entry Certificates will be Cede, as nominee of DTC. Certificate Owners will not be recognized by the Trustee as Certificateholders, as such term is used in the Trust Agreement and Certificate Owners will be permitted to exercise the rights of Certificateholders only indirectly through DTC and its Participants.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the “Rules”), DTC is required to make book-entry transfers of Book-Entry Certificates among Participants and to receive and transmit distributions of principal of, and interest on, the Book-Entry Certificates. Participants and Indirect Participants with which Certificate Owners have accounts with respect to the Book-Entry Certificates similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Certificate Owners. Accordingly, although Certificate Owners will not possess Definitive Certificates, the Rules provide a mechanism by which Certificate Owners through their Participants and Indirect Participants will receive payments and will be able to transfer their interest.

Because DTC can only act on behalf of Participants, who in turn act on behalf of Indirect Participants and on behalf of certain banks, the ability of a Certificate Owner to pledge Book-Entry Certificates to persons or entities that do not participate in the DTC system, or to otherwise act with respect to such Certificates, may be limited due to the absence of physical certificates for the Book-Entry Certificates. In addition, under a book-entry format, Certificate Owners may experience delays in their receipt of payments since distribution will be made by the Trustee on behalf of the Trustee to Cede, as nominee for DTC.

Under the Rules, DTC will take action permitted to be taken by a Certificateholder under the Trust Agreement only at the direction of one or more Participants to whose DTC account the Book-Entry Certificates are credited. Additionally, under the Rules, DTC will take such actions with respect to specified Voting Rights only at the direction of and on behalf of Participants whose holdings of Book-Entry Certificates evidence such specified Voting Rights. DTC may take conflicting actions with respect to Voting Rights to the extent that Participants whose holdings of Book-Entry Certificates evidence such Voting Rights authorize divergent action.

However, DTC’s ability to perform properly its services is also dependent upon other parties, including but not limited to, issuers and their agents, as well as third party vendors from whom DTC licenses software and hardware, and third party vendors on which DTC relies for information or the provision of services, including telecommunication and electrical utility service providers, among others.

According to DTC, the foregoing information with respect to DTC has been provided to the asset-backed securities industry for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind.

The Depositor, the Trustee, the Guarantor and the Initial Purchaser will have no liability for any action taken by DTC or its nominee or any Participant, including, without limitation, actions for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Book-Entry Certificates held by Cede, as nominee for DTC, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Definitive Certificates

With respect to the Regular Certificates, Definitive Certificates will be issued to Certificate Owners or their nominees, respectively, rather than to DTC or its nominee, only if (i) the Depositor advises the Trustee in writing that DTC is no longer willing or able to discharge properly its responsibilities as Clearing Agency with respect to the Book-Entry Certificates and the Depositor is unable to locate a qualified successor or (ii) after the occurrence of an event of default under the Trust Agreement, Certificate Owners representing in the aggregate not less than 51% of the Voting Rights of the Book-Entry Certificates advise the Trustee and DTC through Participants, in writing, that

the continuation of a book-entry system through DTC (or a successor thereto) is no longer in the Certificate Owners' best interest.

Upon the occurrence of any event described in the immediately preceding paragraph, the Trustee is required to notify all Certificate Owners through Participants of the availability of Definitive Certificates. Upon surrender by DTC of the Definitive Certificates representing the Book-Entry Certificates and receipt of instructions for re-registration, the Trustee will reissue the Book-Entry Certificates as Definitive Certificates issued in the respective principal amounts owned by individual Certificate Owners, and thereafter the Trustee will recognize the holders of such Definitive Certificates as Certificateholders under the Trust Agreement. Such Definitive Certificates will be issued in minimum denominations of \$50,000 (\$100,000 for the Class X Certificates), except that any beneficial ownership represented by a Book-Entry Certificate in an amount less than \$50,000 (\$100,000 for the Class X Certificates) immediately prior to the issuance of a Definitive Certificate shall be issued in a minimum denomination equal to the amount of such beneficial ownership.

Restrictions on Transfer of the Offered Certificates

The Offered Certificates will not be registered under the Securities Act, or the securities laws of any other jurisdiction. The sale, pledge or other transfer of any Offered Certificate or any interest therein will be subject to the restrictions described under "Notice to Investors" in this Memorandum. The Offered Certificates bear a legend referring to the transfer restrictions thereof. Any holder of an Offered Certificate desiring to effect any transfer of an Offered Certificate or interest therein shall agree to indemnify the Trustee and the Depositor against any liability that may result if the transfer is not made in accordance with federal securities laws, applicable state securities laws and the provisions of the Trust Agreement. Neither the Depositor nor the Initial Purchaser will register the Offered Certificates under the Securities Act, register or qualify the Offered Certificates under the securities laws of any state or other jurisdiction or provide registration rights to any purchaser.

Allocation of Available Funds

Distributions to holders of the Certificates will be made on each Distribution Date from Available Funds. With respect to any Distribution Date, the "Available Funds" will be equal to the aggregate amount of distributions received by the Trustee on the Underlying Certificates on the related Underlying Distribution Date (net of any Basis Risk Payments), net of any Extraordinary Trust Expenses, if any.

(a) On each Distribution Date, the Trustee shall withdraw from the Distribution Account the Available Funds with respect to the Group I Underlying Certificates and make the following disbursements and transfers in the following order of priority:

- (i) from the portion of Available Funds that represents interest received on the Group I Underlying Certificates, to the Guarantor, the Guarantor Fee, based on the Certificate Principal Balances of the Guaranteed Certificates related to the Group I Underlying Certificates (other than the Class I-X Certificates);
- (ii) from the remaining portion of Available Funds that represents interest received on the Group I Underlying Certificates, concurrently, on a *pro rata* basis based on the entitlement of each such class to such interest, (a) to the holders of each class of the Group I Class A Certificates, the Interest Distribution Amount for each such class for such Distribution Date and (b) to the holders of the Class I-X Certificates, the Class I-X Interest Distribution Amount for such Distribution Date;
- (iii) from the remaining portion of Available Funds that represents interest received on the Group I Underlying Certificates, to the Group I Net WAC Rate Carryover Reserve Account, an amount equal to the lesser of (A) the Interest Distribution Amount for the Class I-X Certificates for such Distribution Date and (B) the Group I Net WAC Rate Carryover Amount for the Group I Class A Certificates for such Distribution Date;

- (iv) to the holders of the Group I Class A Certificates, the Principal Distribution Amount for such Distribution Date, allocated among the classes or components of Group I Class A Certificates as described below;
- (v) to the Guarantor, any amounts owed thereto with respect to the Group I Class A Certificates and the Class I-X Certificates pursuant to the Trust Agreement; and
- (vi) to the holders of the Class R Certificates, any remaining amount, as provided in the Trust Agreement.

With respect to the Group I Class A Certificates, all principal distributions of the Principal Distribution Amount will be distributed *first*, to the holders of the I-A1A Component and the Class I-A1B Certificates, *pro rata* based on Component Principal Balance and Certificate Principal Balance, until their respective Component Principal Balance and Certificate Principal Balance have been reduced to zero; *second*, to the holders of the Class I-A2 Certificates, until the Certificate Principal Balance of the Class I-A2 Certificates has been reduced to zero; and *third*, to the holders of the I-A3A Component and the Class I-A3B Certificates, *pro rata* based on Component Principal Balance and Certificate Principal Balance, until their respective Component Principal Balance and Certificate Principal Balance have been reduced to zero.

On each Distribution Date, to the extent of any Unpaid Interest Shortfall Amounts with respect to the Group I Class A Certificates, the Trustee will withdraw from the Group I Net WAC Rate Carryover Reserve Account any applicable Basis Risk Payments and include such amounts in Available Funds for such Distribution Date.

In addition, on each Distribution Date, after making the distributions of the Available Funds as described above, the Trustee will withdraw from the Group I Net WAC Rate Carryover Reserve Account the lesser of (x) the Group I Net WAC Rate Carryover Amount for such Distribution Date and (y) the amount on deposit in such account (including any amount deposited therein pursuant to subclause (a)(iii) above on such Distribution Date), and will distribute the amount so withdrawn from the Group I Net WAC Rate Carryover Reserve Account concurrently, to each Class and Component of Group I Class A Certificates, the related Group I Net WAC Rate Carryover Amount remaining undistributed, on a *pro rata* basis based on such respective remaining Group I Net WAC Rate Carryover Amounts. The Class A1 and Class A3 Certificates will be entitled to receive Group I Net WAC Carryover Amounts to the extent that the I-A1A Component and the I-A3A Component, respectively, are entitled to receive such amounts.

(b) On each Distribution Date, the Trustee shall withdraw from the Distribution Account the Available Funds with respect to the Group II Underlying Certificates and make the following disbursements and transfers in the following order of priority:

- (i) from the portion of Available Funds that represents interest received on the Group II Underlying Certificates, to the guarantor, the Guarantor Fee, based on the Certificate Principal Balances of the Guaranteed Certificates related to the Group II Underlying Certificates (other than the Class II-X Certificates);
- (ii) from the remaining portion of Available Funds that represents interest received on the Group II Underlying Certificates, concurrently, on a *pro rata* basis based on the entitlement of each such class to such interest, (a) to the holders of each class of the Group II Class A Certificates, the Interest Distribution Amount for each such class for such Distribution Date and (b) to the holders of the Class II-X Certificates, the Class II-X Interest Distribution Amount for such Distribution Date;
- (iii) from the remaining portion of Available Funds that represents interest received on the Group II Underlying Certificates, to the Group II Net WAC Rate Carryover Reserve Account, an amount equal to lesser of (A) the Interest Distribution Amount for the Class II-

X Certificates for such Distribution Date and (B) the Group II Net WAC Rate Carryover Amount for the Group II Class A Certificates for such Distribution Date;

- (iv) to the holders of the Group II Class A Certificates, the Principal Distribution Amount for such Distribution Date, allocated among the classes or components of Group II Class A Certificates as described below;
- (v) to the Guarantor, any amounts owed thereto with respect to the Group II Class A Certificates and Class II-X Certificates pursuant to the Trust Agreement; and
- (vi) to the holders of the Class R Certificates, any remaining amount, as provided in the Trust Agreement.

With respect to the Group II Class A Certificates, all principal distributions of the Principal Distribution Amount will be distributed *first*, to the holders of the II-A1 Component, until the Component Principal Balance of the II-A1 Component has been reduced to zero; *second*, to the holders of the Class II-A2 Certificates, until the Certificate Principal Balance of the Class II-A2 Certificates has been reduced to zero; and *third*, to the holders of the II-A3 Component, until the Component Principal Balance of the II-A3 Component has been reduced to zero.

On each Distribution Date, to the extent of any Unpaid Interest Shortfall Amounts with respect to the Group II Class A Certificates, the Trustee will withdraw from the Group II Net WAC Rate Carryover Reserve Account any applicable Basis Risk Payments and include such amounts in Available Funds for such Distribution Date.

In addition, on each Distribution Date, after making the distributions of the Available Funds as described above, the Trustee will withdraw from the Group II Net WAC Rate Carryover Reserve Account the lesser of (x) the Group II Net WAC Rate Carryover Amount for the Group II Class A Certificates for such Distribution Date and (y) the amount on deposit in such account (including any amount deposited therein pursuant to subclause (b)(iii) above on such Distribution Date), and will distribute the amount so withdrawn from the Group II Net WAC Rate Carryover Reserve Account concurrently, to each Class of Group II Class A Certificates, the related Group II Net WAC Rate Carryover Amount remaining undistributed, on a *pro rata* basis based on such respective remaining Group II Net WAC Rate Carryover Amounts. The Class A1 and Class A3 Certificates will be entitled to receive Group II Net WAC Carryover Amounts to the extent that the II-A1 Component and the II-A3 Component, respectively, are entitled to receive such amounts.

Basis Risk Payments

Basis Risk Payments for each Group will be deposited in the related Net WAC Rate Carryover Reserve Account and will be available for distribution to the extent of any applicable Unpaid Interest Shortfall Amounts and any Group I Net WAC Rate Carryover Amount or Group II Net WAC Carryover Amount, as applicable, on the applicable Class A Certificates as set forth in this Memorandum.

Definitions

The “Accrual Period” for the Offered Certificates (including each Component) for any Distribution Date will be the period from the previous Distribution Date (or, in the case of the first Distribution Date, the Closing Date) through the day prior to the current Distribution Date, for the Class A Certificates, other than the Offered Certificates, for any Distribution Date, will be the period from the third business day following the preceding Underlying Distribution Date (or, in the case of the first Distribution Date, the Closing Date) through the day prior to the third business day following the Underlying Distribution Date in the calendar month of the current Distribution Date and for the Class X Certificates for any Distribution Date will be the period from the Underlying Distribution Date in the calendar month prior to the current Distribution Date (or, in the case of the first Distribution Date, the Cut-off Date) to the day prior to the Underlying Distribution Date in the month of the current Distribution Date, and interest will be calculated for (a) the Class A Certificates, on the basis of a 360-day year and the actual

number of days in the related Accrual Period and (b) for the Class X Certificates, on the basis of a 360-day year of twelve 30-day months.

The “Certificate Principal Balance” of any class of the Class A Certificates immediately prior to any Distribution Date will be equal to the Certificate Principal Balance thereof on the Closing Date reduced by the sum of all amounts actually distributed in respect of principal of such class on all prior Distribution Dates and as further reduced by any allocation of realized losses thereto as described under “—Allocation of Losses”.

The “Class I-X Interest Distribution Amount” for any Distribution Date equals the excess, if any, of (x) the Interest Distribution Amount with respect to the Class I-X Certificates for such Distribution Date over (y) the Group I Net WAC Rate Carryover Amount for such Distribution Date.

The “Class II-X Interest Distribution Amount” for any Distribution Date equals the excess, if any, of (x) the Interest Distribution Amount with respect to the Class II-X Certificates for such Distribution Date over (y) the Group II Net WAC Rate Carryover Amount for such Distribution Date.

The “Component Principal Balance” of any of the I-A1A Component, II-A1 Component, I-A3A Component and II-A3 Component immediately prior to any Distribution Date will be equal to the Component Principal Balance thereof on the Closing Date reduced by the sum of all amounts actually distributed in respect of principal of such component on all prior Distribution Dates and as further reduced by any allocation of realized losses thereto as described under “—Allocation of Losses”.

“Extraordinary Trust Expenses” are unanticipated expenses of the Trust, including any amounts reimbursable to the Trustee (other than the Trustee Fee) or the Depositor pursuant to the terms of the Trust Agreement and certain taxes that may be payable by the Trust as described under “Certain Federal Income Tax Consequences” herein. Extraordinary Trust Expenses, however, do not include expenses payable or paid by any Underlying Trust Fund to the Trustee acting in its capacity as trustee with respect to such Underlying Trust Fund.

Extraordinary Trust Expenses will be reimbursable to the Trustee from the Distribution Account prior to making any distributions therefrom.

The “Group I Net WAC Rate” for any Distribution Date and any class of Group I Class A Certificates is the weighted average of the interest rates of the Group I Underlying Certificates (without respect to any applicable Basis Risk Payments) minus, with respect to the Guaranteed Certificates, the Guarantor Fee Rate, and adjusted to take into account the accrual period for the Underlying Certificates, appropriately adjusted for the applicable Accrual Period.

The “Group I Net WAC Rate Carryover Amount” for any class of Group I Class A Certificates for any Distribution Date is an amount equal to the sum of (i) the excess, if any, of (x) the amount of interest such class of Certificates or Components would have been entitled to receive on such Distribution Date had such per annum Pass-Through Rate been One-Month LIBOR plus the fixed margin designated herein over (y) the amount of interest such class of Certificates or Components accrued for such Distribution Date at the actual Pass-Through Rate for such class for such Distribution Date and (ii) the unpaid portion of any Group I Net WAC Rate Carryover Amount for such class from the prior Distribution Date together with interest accrued on such unpaid portion for the most recently ended Accrual Period for such class at a per annum rate equal to One-Month LIBOR plus the fixed margin designated herein.

The “Group II Net WAC Rate” for any Distribution Date and any class of Group II Class A Certificates is the weighted average of the interest rates of the Group II Underlying Certificates (without respect to any applicable Basis Risk Payments) minus, in the case of the Guaranteed Certificates, the Guarantor Fee Rate, and adjusted to take into account the accrual period for the Underlying Certificates, appropriately adjusted for the applicable Accrual Period.

The “Group II Net WAC Rate Carryover Amount” for any class of the Group II Class A Certificates for any Distribution Date is an amount equal to the sum of (i) the excess, if any, of (x) the amount of interest such class of Certificates or Components would have been entitled to receive on such Distribution Date had such per annum Pass-Through Rate been One-Month LIBOR plus the fixed margin designated herein over (y) the amount of interest such class of Certificates or Components accrued for such Distribution Date at the actual Pass-Through Rate for such class for such Distribution Date and (ii) the unpaid portion of any Group II Net WAC Rate Carryover Amount for such class from the prior Distribution Date together with interest accrued on such unpaid portion for the most recently ended Accrual Period for such class at a per annum rate equal to One-Month LIBOR plus the fixed margin designated herein.

The “Guaranteed Certificates” are the Class I-A1B, Class I-A2, Class I-A3B, Class II-A2, Class I-X and Class II-X Certificates.

The “Guarantor Fee” will be an amount equal to the product of (i) the product of the Guarantor Fee Rate and the Certificate Principal Balance of each class of Guaranteed Certificates immediately prior to such Distribution Date and (ii) a fraction, the numerator of which is the actual number of days in the related Interest Accrual Period and the denominator of which is 360.

The “Guarantor Fee Rate” will be the per annum percentage set forth in the Trust Agreement.

The “Interest Distribution Amount” for any Distribution Date and any class of Certificates or Component (other than the Class R Certificates) equals the sum of (i) the Monthly Interest Distribution Amount for such class or Component for such Distribution Date and (ii) any Unpaid Interest Shortfall Amount for such class or component for such Distribution Date.

The “Monthly Interest Distribution Amount” for any Distribution Date and any class of Certificates or Component (other than the Class R Certificates) equals the amount of interest accrued during the related Accrual Period at the related Pass-Through Rate for such Accrual Period on the Certificate Principal Balance, Component Principal Balance or Notional Amount (as applicable) of such class or component immediately prior to such Distribution Date, less such Certificate’s or Component’s *pro rata* share of any prepayment interest shortfalls allocated to the related Underlying Certificates. The Monthly Interest Distribution Amount for any Distribution Date and the Class A1 and Class A3 Certificates equals the amount of interest accrued during the related Accrual Period at the related Pass-Through Rate for such Accrual Period on the Component Principal Balances of the I-A1A and II-A1 Components and the I-A3A and II-A3 Components, respectively.

The “Notional Amount” of (i) the Class I-X Certificates immediately prior to any Distribution Date will be equal to the aggregate Certificate Principal Balance and Component Principal Balance of the Group I Class A Certificates immediately prior to such Distribution Date and (ii) the Class II-X Certificates immediately prior to any Distribution Date will be equal to the aggregate Certificate Principal Balance and Component Principal Balance of the Group II Class A Certificates immediately prior to such Distribution Date.

The “Pass-Through Rate” for each class of the Certificates (other than the Class R Certificates) or Component and any Distribution Date will be:

- in the case of the Group I Class A Certificates or Group II Class A Certificates, the lesser of (i) a per annum rate equal to One-Month LIBOR plus the fixed margin set forth below and (ii) the Group I Net WAC Rate or Group II Net WAC Rate for such Distribution Date, as applicable;
- in the case of the Class I-X Certificates, a per annum rate equal to the excess, if any, of (i) twelve multiplied by the percentage equivalent of a fraction, the numerator of which is (x) interest on each Group I Underlying Certificate at the applicable interest rate thereon on the certificate principal balance thereof immediately prior to the related Underlying Distribution Date, and the denominator of which is (y) the Notional Amount of the Class I-X Certificates for such Distribution Date, over (ii) the weighted average of the Adjusted Pass-Through Rates of the Group

I Class A Certificates for such Distribution Date, adjusted to reflect the Accrual Period for the Class I-X Certificates; and

- in the case of the Class II-X Certificates, a per annum rate equal to the excess, if any, of (i) twelve multiplied by the percentage equivalent of a fraction, the numerator of which is (x) interest on each Group II Underlying Certificate at the applicable interest rate thereon on the certificate principal balance thereof immediately prior to the related Underlying Distribution Date, and the denominator of which is (y) the Notional Amount of the Class II-X Certificates for such Distribution Date, over (ii) the weighted average of the Adjusted Pass-Through Rates of the Group II Class A Certificates for such Distribution Date, adjusted to reflect the Accrual Period for the Class II-X Certificates.

With respect to each Class of Guaranteed Certificates, the “Adjusted Pass-Through Rate” for any Distribution Date is equal to the sum of (i) the Pass-Through Rate for such Class and (ii) the Guarantor Fee Rate. With respect to the Class A1 and Class A3 Certificates, the “Adjusted Pass-Through Rate” for any Distribution Date will equal the Pass-Through Rate for such Class.

The fixed margin for each class of Group I Class A Certificates and Group II Class A Certificates is as follows:

Class or Component	Margin
I-A1A	0.10%
I-A1B	0.01%
II-A1	0.10%
I-A2	0.12%
II-A2	0.12%
I-A3A	0.30%
I-A3B	0.21%
II-A3	0.30%

The “Principal Distribution Amount” for any Distribution Date is equal to the aggregate amount distributed in respect of principal on the Group I Underlying Certificates or Group II Underlying Certificates, as applicable, on the related Underlying Distribution Date.

On the Closing Date, the Trustee will establish an account with respect to each Group, referred to in this Memorandum as the “Group I Net WAC Rate Carryover Reserve Account” and “Group II Net WAC Carryover Reserve Account”, as applicable, from which distributions in respect of Unpaid Interest Shortfall Amounts (to the extent of applicable Basis Risk Payments), Group I Net WAC Rate Carryover Amounts and Group II Net WAC Rate Carryover Amounts will be made. The Net WAC Rate Carryover Reserve Accounts will be assets of the Trust but not of any REMIC.

The “Unpaid Interest Shortfall Amount” means

- with respect to any class or component of Class A Certificates and the first Distribution Date, zero, and for any subsequent Distribution Date, the amount, if any, by which (A) the sum of (1) the Monthly Interest Distribution Amount for such class or component for the immediately preceding Distribution Date and (2) the outstanding Unpaid Interest Shortfall Amount, if any, for such class or component for such preceding Distribution Date exceeds (B) the aggregate amount distributed on such class or component in respect of interest in respect of the Interest Distribution Amount for such class or component on such preceding Distribution Date, plus interest on the amount of such interest unpaid, to the extent permitted by law, at the Pass-Through Rate for such class for the most recently ended Accrual Period for such class; and

- with respect to the Class X Certificates and the first Distribution Date, zero, and for any subsequent Distribution Date, the amount, if any, by which (A) the sum of (1) the Monthly Interest Distribution Amount for such class for the immediately preceding Distribution Date and (2) the outstanding Unpaid Interest Shortfall Amount, if any, for such class for such preceding Distribution Date exceeds (B) the aggregate amount distributed pursuant to clauses (a)(ii) and (a)(iii) or (b)(ii) and (b)(iii), as applicable, under “—Allocation of Available Funds” above on such preceding Distribution Date.

Allocation of Losses

Each Underlying Certificate belongs to a senior class of securities relating to the Underlying Trust Fund. Most of the Underlying Agreements do not permit the allocation of realized losses on the related Underlying Mortgage Loans to the related senior securities including the related Underlying Class; however investors in the Offered Certificates should realize that under certain scenarios there will not be enough interest and principal received on the related Underlying Mortgage Loans to distribute to the related Underlying Class all interest and principal amounts to which such Underlying Class is then entitled.

Pursuant to the Trust Agreement, the Certificate Principal Balance or the Component Principal Balance of any Certificates will be reduced to the extent of any Parity Amount for the related group. With respect to any Distribution Date, the “Parity Amount” for a group of Certificates is the aggregate, for such group of Underlying Certificates, of the excess of (a) the aggregate Certificate Principal Balance and Component Principal Balance for each related Class A Certificate (as reduced by any Parity Amount allocated to such certificates on prior Distribution Dates and any principal to be paid to such certificates on that Distribution Date from sources other than the guaranty provided by Fannie Mae) over (b) the sum of the Trust Percentage multiplied by the Underlying Formula Principal Amount for each related Underlying Certificate for such Distribution Date.

With respect to any Distribution Date, the “Underlying Formula Principal Amount” for a group of Underlying Certificates shall be an amount equal to the product of (i) the aggregate unpaid principal balance of the Underlying Mortgage Loans in the loan group relating to each Underlying Certificate and (ii) the applicable Participation Percentage.

With respect to any Distribution Date and Underlying Certificate, the “Participation Percentage” shall be a fraction, the numerator of which is the outstanding certificate principal balance for the entire Class of such Underlying Certificate (whether or not the entire Class is owned by the Trust) and the denominator of which is the aggregate outstanding certificate principal balance for the entire Class of such Underlying Certificate (whether or not the entire Class is owned by the Trust) and all other classes of the related Underlying Transaction that receive principal from the same group of Underlying Mortgage Loans on a senior or *pari passu* basis with such Underlying Certificate, except for classes that are *pari passu* until the occurrence of a sequential trigger event based on losses or performance, each determined after giving effect to principal distributions on the related Underlying Distribution Date.

With respect to any Distribution Date and each Underlying Certificate, other than the FHLT 05-1, Class 1A1, and LBMLT 05-2, Class 1A1, the “Trust Percentage” shall be 100%. With respect to any Distribution Date and the FHLT 05-1, Class 1A1, the “Trust Percentage” shall be 46.91%. With respect to any Distribution Date and the LBMLT 05-2, Class 1A1, the “Trust Percentage” shall be 50.00%.

To the extent any Parity Amount is allocated to a Guaranteed Certificate, the Guarantor guarantees payment of such amount. The Guarantor does not guarantee any payments on any Class of Certificates, other than the Guaranteed Certificates. As a result, any reduction of a class of Offered Certificates by amounts in respect of the Parity Amount will result in less principal being payable on such class and a lower yield on such class.

Calculation of One-Month LIBOR

With respect to each Accrual Period (other than the first Accrual Period) and the Class A Certificates, on the second business day preceding each Underlying Distribution Date for the Underlying Transactions (each such date, an “Interest Determination Date”), the Trustee will determine One-Month LIBOR for such Accrual Period. “One-Month LIBOR” means, as of any Interest Determination Date, the London interbank offered rate for one-month U.S. dollar deposits which appears on Telerate Page 3750 (as defined herein) as of 11:00 a.m. (London time) on such date. If such rate does not appear on Telerate Page 3750, the rate for that day will be determined on the basis of the offered rates of the Reference Banks (as defined herein) for one-month U.S. dollar deposits, as of 11:00 a.m. (London time) on such Interest Determination Date. The Trustee will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If on such Interest Determination Date two or more Reference Banks provide such offered quotations, One-Month LIBOR for the related Accrual Period shall be the arithmetic mean of such offered quotations (rounded upwards if necessary to the nearest whole multiple of 0.0625%). If on such Interest Determination Date fewer than two Reference Banks provide such offered quotations, One-Month LIBOR for the related Accrual Period shall be the higher of (x) One-Month LIBOR as determined on the previous Interest Determination Date and (y) the Reserve Interest Rate (as defined herein). One-Month LIBOR for the first Accrual Period shall be 3.02000%

As used in this section, “business day” means a day on which banks are open for dealing in foreign currency and exchange in London and New York City; “Telerate Page 3750” means the display page currently so designated on the Moneyline Telerate Capital Markets Report (or such other page as may replace that page on that service for the purpose of displaying comparable rates or prices); “Reference Banks” means leading banks selected by the Trustee, after consultation with the Depositor, and engaged in transactions in Eurodollar deposits in the international Eurocurrency market (i) with an established place of business in London, (ii) which have been designated as such by the Trustee and (iii) not controlling, controlled by, or under common control with, the Depositor; and “Reserve Interest Rate” shall be the rate per annum that the Trustee determines to be either (i) the arithmetic mean (rounded upwards if necessary to the nearest whole multiple of 0.0625%) of the one-month U.S. dollar lending rates which two or more New York City banks selected by the Trustee, after consultation by the Depositor, are quoting on the relevant Interest Determination Date to the principal London offices of leading banks in the London interbank market or, (ii) in the event that the Trustee can determine no such arithmetic mean because fewer than two New York City banks have provided such quotes, the lowest one-month U.S. dollar lending rate which two or more New York City banks selected by the Trustee, after consultation by the Depositor, are quoting on such Interest Determination Date to leading European banks.

The establishment of One-Month LIBOR on each Interest Determination Date by the Trustee and the Trustee’s calculation of the rate of interest applicable to the each class of Class A Certificates for the related Accrual Period shall (in the absence of manifest error) be final and binding.

Reports to Certificateholders

On each Distribution Date the Trustee will provide or make available to each holder of a Certificate, a statement based upon information received from the Underlying Trustees generally setting forth, among other things:

- (i) the amount of the distribution to be made on such Distribution Date to the Holders of each class of Certificates and Component allocable to principal for such Distribution Date;
- (ii) the amount of the distribution to be made on such Distribution Date to the Holders of each class of Certificates and Component allocable to interest and the aggregate amount of Interest Distribution Amount for such class;
- (iii) the Certificate Principal Balance and Component Principal Balance of each class of the Class A Certificates and the Notional Amount of each class of the Class X Certificates, in each case after giving effect to the distributions made on such Distribution Date;

- (iv) Available Funds for such Distribution Date for each of Group I and Group II;
- (v) With respect to the Group I Underlying Certificates and the Group II Underlying Certificates, the following information, to the extent contained in the distribution reports provided by the Underlying Trustees, to the holders of the Underlying Classes for the related Underlying Distribution Date: (i) 30-59 day, 60+ day and 90+ day delinquency percentages, (ii) foreclosure percentages, (iii) REO percentages, (iv) bankruptcy percentages, (v) current loss balances and percentages, (vi) cumulative loss balances and percentages, (vii) Underlying Trust Fund name, class, original balance, current balance, current factor, current coupon, current enhancement provided by subordination, senior mezzanine support, total credit enhancement, current overcollateralization amount and current overcollateralization target amount;
- (vi) [reserved];
- (vii) the Extraordinary Trust Expenses for such Distribution Date;
- (viii) the Senior Enhancement Percentage for each Underlying Trust Fund, to the extent that such information is contained in the distribution reports provided by the Underlying Trustees;
- (ix) the overcollateralization percentage for each Underlying Trust Fund, to the extent that such information is contained in the distribution reports provided by the Underlying Trustees;
- (x) whether a Trigger Event is in place for each Underlying Trust Fund, to the extent that such information is contained in the distribution reports provided by the Underlying Trustees;
- (xi) the senior percentage and the mezzanine percentage for each Underlying Trust Fund, to the extent that such information is contained in the distribution reports provided by the Underlying Trustees; and
- (xii) the Group I Net WAC Rate Carryover Amount and Group II Net WAC Rate Carryover Amount for the applicable Class A Certificates, if any, for such Distribution Date and the respective amounts thereof remaining unpaid after distributions to the Holders of the Class A Certificates in payment thereof on such Distribution Date.

The Trustee will make such statement (and at its option any additional files containing the same information) available each month to holders of the Certificates and certain other interested parties via the Trustee's website, which is presently located at <https://www.tss.db.com/invr>. Persons that are unable to use the Trustee's website are entitled to have a paper copy mailed to them via first class mail by calling the Trustee at (800) 735-7777. The Trustee will have the right to change the way such reports are made available in order to make distribution of the applicable information more convenient and/or more accessible to the above parties and to the Certificateholders. The Trustee will provide timely and adequate information to such parties and to the Certificateholders regarding any such change.

THE UNDERLYING CERTIFICATES

All of the information contained herein with respect to each Underlying Certificate is based solely on (i) information contained in the Prospectus Supplement and Prospectus (together, the "Underlying Prospectus") filed by the related issuer in connection with the initial offering of such Underlying Certificate to the public or the Private Placement Memorandum, Offering Circular and Offering Memorandum (together the "Private Offering Documents") used in connection with the offering of the Underlying Certificate and (ii) information obtained from the monthly statement received from the related Underlying Trustee in connection with the April 2005 Underlying Distribution Date (the related "April 2005 Underlying Distribution Date Statement"). None of the Depositor, the Trustee, the Guarantor or the Initial Purchaser

make any representation or warranty as to the accuracy or completeness of such information. Prospective investors are advised to consider the limited nature of such available information when evaluating the suitability of any investment in the Offered Certificates.

The Underlying Certificates are identified on the inside cover of this Memorandum. The Group I Underlying Certificates were issued between October 2004 and April 2005 and the Group II Underlying Certificates were issued between November 2004 and March 2005. The Group I Underlying Certificates have an aggregate principal balance as of April 25, 2005, after taking into account distributions on the Underlying Certificates on such date (the “Cut-off Date”), equal to approximately \$7,024,257,584 and the Group II Underlying Certificates have an aggregate principal balance as of the Cut-off Date equal to approximately \$2,238,131,440. With respect to each Underlying Class, the date on which such class was issued is referred to herein as the related “Issue Date.” Each Underlying Certificate represents an ownership interest in the related Underlying Trust Fund which consists primarily of the related Mortgage Pool. Each Underlying Class, together with the other classes of the related series, was issued on the related Issue Date pursuant to a pooling and servicing agreement or trust agreement (each, an “Underlying Agreement”) for such series.

Distributions on the Underlying Certificates are made each Underlying Distribution Date in the amounts determined as provided in the related Underlying Agreement and described in the related Underlying Prospectus and Private Offering Document, and such distributions will only be made from, and to the extent of, funds available for such distributions as provided in the related Underlying Agreement and described in the related Underlying Prospectus and Private Offering Document.

Each Underlying Class is a senior class of asset-backed pass-through certificates of the related series. As of the date of this Memorandum, each Underlying Class (i) is rated “AAA” by Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. (“S&P”), (ii) is rated “Aaa” by Moody’s Investors Service, Inc. (“Moody’s”), (iii) is rated “AAA” by Fitch Ratings (“Fitch”), if rated by Fitch and (iv) is rated “AAA” by Dominion Bond Rating Service (“DBRS”), if rated by DBRS. As of the date of this Memorandum, each Underlying Class is rated by at least two of these rating agencies.

Each Underlying Certificate bears interest at an interest rate subject to a limit which is calculated as set forth in the related Underlying Agreement and described in the related Underlying Prospectus or Private Offering Document and which is generally determined for each Underlying Distribution Date based on the weighted average of the mortgage rates of all the Underlying Mortgage Loans in the related Underlying Trust Fund or of a designated subset of the Underlying Mortgage Loans in the related Underlying Trust Fund.

With respect to the Underlying Certificates, the related Underlying Trust Funds consist primarily of adjustable-rate and fixed-rate mortgage loans. These Underlying Mortgage Loans may to varying degrees provide cross-collateralization to asset-backed pass-through certificates of the same series that represent interests primarily in other subpools of Underlying Mortgage Loans held by the same Underlying Trust Fund, and in turn these Underlying Classes may to varying degrees be cross-collateralized by, and therefore represent interests in, other subpools of Underlying Mortgage Loans held by the same Underlying Trust Fund.

The Group I Underlying Certificates have the characteristics, as of the Cut-off Date, as set forth in the table below:

Transaction	Class	Current Class Balance ⁽¹⁾	Original Class Balance	Factor ⁽¹⁾	Coupon ⁽²⁾	Ownership %	CUSIP	Depositor	Master Servicer	Trustee ⁽³⁾	Closing Date	First Pay Date	AAA Rating Providers
ABFC 05-HE1	A1SS	473,076,985	488,803,000	0.967827	3.065%	100.00%	04542BKK7	Asset Backed Funding Corporation	Wells Fargo Bank, N.A.	JPM	3/30/2005	4/25/2005	S&P/Fitch/Moody's
ABSC 05-HE1	A1	377,036,233	392,600,000	0.960357	3.153%	100.00%	04541GPC0	Asset Backed Securities Corporation	Saxon Mortgage Services Inc.	US Bank	2/4/2005	3/25/2005	S&P/Fitch/Moody's/DBRS
ABSC 05-HE3	A1	266,900,000	266,900,000	1.000000	3.100%	100.00%	04541GQN5	Asset Backed Securities Corporation	Countrywide Home Loans Servicing LP	WFBNA	4/4/2005	5/25/2005	S&P/Fitch/Moody's
ACE 04-HE3	A1A	392,996,269	464,234,000	0.846548	3.200%	100.00%	004421HJ5	Ace Securities Corp.	Wells Fargo Bank, N.A.	HSBC	10/29/2004	11/26/2004	S&P/Moody's
AMSI 05-R1	A1A	276,959,384	286,178,000	0.967787	3.155%	100.00%	03072SXQ3	Amerquest Mortgage Securities Inc.	Amerquest Mortgage Company	DB	2/23/2005	3/25/2005	S&P/Fitch/Moody's
AMSI 05-R2	A1A	255,552,706	258,089,000	0.990173	3.165%	100.00%	03072SYJ8	Amerquest Mortgage Securities Inc.	Amerquest Mortgage Company	DB	3/24/2005	4/25/2005	S&P/Fitch/Moody's/DBRS
CWABS 05-1	3AV2	160,132,000	160,132,000	1.000000	3.100%	100.00%	126673WV0	CWABS, Inc.	Countrywide Home Loans Servicing LP	BONY	3/30/2005	4/25/2005	S&P/Moody's
FHLT 04-D	2A	189,478,819	221,475,000	0.855531	3.220%	100.00%	35729PFY1	Fremont Mortgage Securities Corporation	Wells Fargo Bank, N.A.	HSBC	11/23/2004	12/27/2004	S&P/Moody's
FHLT 05-1	1A1	350,349,157	353,440,000	0.991255	3.080%	46.91%	35729PHW3	Fremont Mortgage Securities Corporation	Litton Loan Servicing LP	DB	3/29/2005	4/25/2005	S&P/Fitch/Moody's
LBMLT 05-2	1A1	522,255,500	522,255,500	1.000000	3.060%	50.00%	542514KL7	Long Beach Securities Corp.	Long Beach Mortgage Company	DB	4/5/2005	5/25/2005	S&P/Fitch/Moody's
MLMI 05-NC1	A1A	472,201,331	533,682,000	0.884799	3.230%	100.00%	59020URJ6	Merrill Lynch Mortgage Investors, Inc.	Wells Fargo Bank, N.A.	DB	1/31/2005	2/25/2005	S&P/Moody's
MLMI 05-WMC1	A1A	727,633,813	837,359,000	0.868963	3.220%	100.00%	59020UQQ1	Merrill Lynch Mortgage Investors, Inc.	Wells Fargo Bank, N.A.	HSBC	1/27/2005	2/25/2005	S&P/Moody's
MSAC 05-HE2	A2SS	356,377,319	366,742,000	0.971738	3.070%	100.00%	61744CMW3	Morgan Stanley ABS Capital I Inc.	HomEq Servicing Corporation/Countrywide Home Loans Servicing LP/Option One Mortgage Corporation	DB	3/30/2005	4/25/2005	S&P/Fitch/Moody's
PPSI 04-WWF1	A1B	363,308,000	363,308,000	1.000000	3.350%	100.00%	70069FDV6	Park Place Securities Inc.	Wells Fargo Bank, N.A.	Wachovia	11/12/2004	12/27/2004	S&P/Fitch/Moody's
PPSI 04-WWF1	A1C	893,023,821	1,000,000,000	0.893024	3.213%	100.00%	70069FDW4	Park Place Securities Inc.	Wells Fargo Bank, N.A.	Wachovia	11/12/2004	12/27/2004	S&P/Fitch/Moody's
SAIL 04-10	A1	427,364,807	509,471,000	0.838840	3.120%	100.00%	86358ENR3	Structured Asset Securities Corporation	Aurora Loan Services Inc.	Lasalle	10/29/2004	11/26/2004	S&P/Moody's
SAIL 04-10	A2	108,156,000	108,156,000	1.000000	3.380%	100.00%	86358ENS1	Structured Asset Securities Corporation	Aurora Loan Services Inc.	Lasalle	10/29/2004	11/26/2004	S&P/Moody's
SVHE 04-WMC1	1A1	185,790,803	202,860,000	0.915857	3.150%	100.00%	83611MBQ0	Financial Asset Securities Corp.	Saxon Mortgage Services Inc.	DB	12/23/2004	1/25/2005	S&P/Moody's
SVHE 05-1	1A1	225,664,639	241,800,000	0.933270	3.130%	100.00%	83611MCG1	Financial Asset Securities Corp.	Select Portfolio Servicing, Inc.	DB	2/28/2005	3/25/2005	S&P/Fitch/Moody's

(1) Based on the April 2005 Underlying Distribution Date Statement.

(2) Subject to a related underlying net WAC cap.

(3) "JPM" shall mean "JPMorgan Chase Bank, N.A.;" "US Bank" shall mean "U.S. Bank National Association;" "WFBNA" shall mean "Wells Fargo Bank, N.A.;" "HSBC" shall mean "HSBC Bank USA, National Association;" "DB" shall mean "Deutsche Bank National Trust Company;" "BONY" shall mean "The Bank of New York;" "Wachovia" shall mean "Wachovia Bank, National Association;" and "LaSalle" shall mean "LaSalle Bank National Association."

The Group II Underlying Certificates have characteristics, as of the Cut-off Date, as forth in the tables below:

Transaction	Class	Current Class Balance ⁽¹⁾	Original Class Balance	Factor ⁽¹⁾	Coupon ⁽²⁾	Ownership %	CUSIP	Depositor	Master Servicer/Service	Trustee ⁽³⁾	Closing Date	First Pay Date	AAA Rating Providers
MSAC 04-NC8	A1	442,407,786	533,155,000	0.829792	3.210%	100.00%	61744CHK5	Morgan Stanley ABS Capital I Inc.	Chase Manhattan Mortgage Corporation/Countrywide Home Loans Servicing LP	DB	11/17/2004	12/27/2004	S&P/Fitch/Moody's
MSAC 04-WMC3	A1SS	295,953,692	323,051,000	0.916121	3.255%	100.00%	61744CKF2	Morgan Stanley ABS Capital I Inc.	Countrywide Home Loans Servicing LP	DB	12/21/2004	1/25/2005	S&P/Fitch/Moody's
MSAC 05-HE1	A1SS	311,529,146	334,795,000	0.930507	3.178%	100.00%	61744CKX3	Morgan Stanley ABS Capital I Inc.	HomEq Servicing Corporation/Countrywide Home Loans Servicing LP/Option One Mortgage Corporation	DB	1/26/2005	2/25/2005	S&P/Fitch/Moody's
MSAC 05-NC1	A1SS	402,208,312	427,202,000	0.941494	3.300%	100.00%	61744CMD5	Morgan Stanley ABS Capital I Inc.	Chase Home Finance LLC/HomEq Servicing Corporation	DB	2/25/2005	3/25/2005	S&P/Fitch/Moody's
MSAC 05-WMC1	A1SS	408,705,594	425,115,000	0.961400	3.273%	100.00%	61744CLP9	Morgan Stanley ABS Capital I Inc.	Countrywide Home Loans Servicing LP	DB	2/24/2005	3/25/2005	S&P/Fitch/Moody's
MSAC 05-WMC2	A1SS	377,326,911	384,485,000	0.981383	3.255%	100.00%	61744CNL6	Morgan Stanley ABS Capital I Inc.	Countrywide Home Loans Servicing LP	WFBNA	3/30/2005	4/25/2005	S&P/Fitch/Moody's/DBRS

(1) Based on the April 2005 Underlying Distribution Date Statement.

(2) Subject to a related underlying net WAC cap.

(3) "DB" shall mean "Deutsche Bank National Trust Company" and "WFBNA" shall mean "Wells Fargo Bank, N.A."

For important information about the credit enhancement provided under the related Underlying Agreement for each Underlying Class, about the cashflow priorities and provisions affecting each Underlying Class and about other aspects of an investment in each Underlying Class, investors in the applicable Offered Certificates should review the related Underlying Prospectus or Private Offering Document included among the Disclosure Exhibits attached hereto as Exhibit A. In addition, certain limited information about the performance of the Underlying Class and the other asset-backed pass-through certificates of the same series, about the performance of the related Mortgage Pool and about the status of applicable credit enhancement is found in the April 2005 Underlying Distribution Date Statements included among the Disclosure Exhibits, and investors should review this information as well.

THE MORTGAGE LOANS

All of the information contained herein with respect to the Underlying Mortgage Loans is based solely on (i) information contained in the related Underlying Prospectus or Private Offering Document, as applicable and (ii) information obtained from the related April 2005 Underlying Distribution Date Statement. None of the Depositor, the Trustee, the Guarantor or the Initial Purchaser will make any representation or warranty as to the accuracy or completeness of such information. Prospective investors are advised to consider the limited nature of such available information when evaluating the suitability of any investment in the Offered Certificates.

General

Each Underlying Certificate represents an ownership interest in the related Underlying Trust Fund which consists primarily of a pool relating to its series (each, a “Mortgage Pool”) of mortgage loans secured by first liens or by first and second liens on one-to four-family residential real properties. With respect to each Underlying Trust Fund, the mortgage loans in the related Mortgage Pool are referred to herein as the related “Underlying Mortgage Loans.”

Distributions on each Underlying Certificate are backed primarily by amounts received by the related Underlying Trust Fund in respect of adjustable-rate and fixed-rate mortgage loans held in such Underlying Trust Fund, as described under “The Underlying Certificates” herein. These adjustable-rate and fixed-rate mortgage loans may provide some cross-collateralization to other certificates of the same series that receive their distributions primarily from other subsets of the related Underlying Mortgage Loans, and the related Underlying Certificate may have some cross-collateralization provided to it by other subsets of the related Underlying Mortgage Loans. See the Disclosure Exhibits for additional information about the Mortgage Pools and related aspects of the structure of each underlying transaction.

Origination and Underwriting

Each Underlying Mortgage Loan was originated with credit, appraisal and underwriting guidelines applied by the related Underlying Originator to evaluate the prospective borrower’s credit standing and repayment ability and the value and adequacy of the mortgaged property as collateral in accordance with applicable federal and state laws and regulations. Underwriting policies applied to the Underlying Mortgage Loans are described in the Underlying Prospectuses and Private Offering Documents. Substantially all of the Underlying Mortgage Loans are mortgage loans that were underwritten to underwriting standards that do not conform to the customary credit and other guidelines typically applied by banks and other primary lending institutions. See the Underlying Prospectuses and Private Offering Documents for information about the underwriting standards pursuant to which the Underlying Mortgage Loans were originated and other aspects of the nature of the Underlying Mortgage Loans. In addition, some information about the originator or originators of the Underlying Mortgage Loans in each Underlying Trust Fund is found in the Underlying Prospectuses and Private Offering Documents.

Servicing

Information about the servicers of the Underlying Mortgage Loans, as of the Issue Dates of the Underlying Certificates, is found in the Underlying Prospectuses and Private Offering Documents.

With respect to the other Underlying Servicers, there can be no assurance that the information about such servicers, as of the Issue Dates of the Underlying Certificates, that is found in the Underlying Prospectuses and Private Offering Documents remains accurate and complete as of the date hereof.

Selected Underlying Mortgage Loan Data

The tables in each Underlying Prospectus and Private Offering Documents summarize certain characteristics of the related Underlying Mortgage Loans as of the dates specified therein. The information set forth therein may no longer be representative of the characteristics of the related Underlying Mortgage Loans as of the date hereof. Limited recent information about the Underlying Mortgage Loans is shown in the April 2005 Underlying Distribution Date Statements. These statements, among other things, set forth as of the dates specified in such statements the delinquency status of the related Underlying Mortgage Loans and the cumulative realized losses, foreclosures in process and mortgaged properties acquired by the related Underlying Trust Fund with respect to defaulted related Underlying Mortgage Loans.

THE DEPOSITOR

Financial Asset Securities Corp. (the “Depositor”), is a Delaware corporation organized on August 2, 1995, for the limited purpose of acquiring, owning and transferring mortgage assets and selling interests in those assets or bonds secured by those assets. The Depositor is an indirect, limited purpose finance subsidiary of Royal Bank of Scotland Plc and an affiliate of the Initial Purchaser. The Initial Purchaser is a registered broker-dealer engaged in the U.S. government securities market and related capital markets business. The Depositor maintains its principal office at 600 Steamboat Road, Greenwich, Connecticut 06830 and its telephone number is (203) 625-2700. Neither the Depositor nor any of its affiliates will insure or guarantee distributions on the securities of any series.

TRUST AGREEMENT

General

The Certificates are issued pursuant to a Trust Agreement dated as of May 20, 2005 (the “Trust Agreement”), among the Depositor, the Guarantor and the Trustee. The Trust created under the Trust Agreement will consist of (i) the Underlying Certificates and include all distributions thereon payable after the Closing Date and (ii) the Net WAC Rate Carryover Reserve Accounts and the rights of the Trustee to Basis Risk Payments.

The Trustee

Deutsche Bank National Trust Company, a national banking association, will act as Trustee for the Certificates pursuant to the Trust Agreement. The Trustee’s corporate trust offices are located at 1761 East St. Andrew Place, Santa Ana, California 92705, Attention: Trust Administration – GC051R.

The principal compensation to be paid to the Trustee in respect of its obligations under the Trust Agreement will be an amount equal to a fee (the “Trustee Fee”) payable each month equal to one day’s earnings on the amounts on deposit in the Distribution Account with respect to the related Distribution Date.

The Trust Agreement will provide that the Trustee and any director, officer, employee or agent of the Trustee will be indemnified by the Trust and will be held harmless against any loss, liability or expense (not including expenses, disbursements and advances incurred or made by the Trustee, including the compensation and the expenses and disbursements of its agents and counsel, in the ordinary course of the Trustee’s performance in

accordance with the provisions of the Trust Agreement) incurred by the Trustee in connection with any pending or threatened claim or legal action arising out of or in connection with the acceptance or administration of its obligations and duties under the Trust Agreement, other than any loss, liability or expense incurred by reason of willful misfeasance, bad faith or negligence in the performance of the Trustee's duties under the Trust Agreement or as a result of a breach, or by reason of reckless disregard, of the Trustee's obligations and duties under the Trust Agreement.

Assignment of the Underlying Certificates

On the Closing Date, the Depositor will transfer or cause to be transferred to the Trustee the ownership of the Underlying Certificates. The Trustee will be entitled to receive distributions in respect of the Underlying Certificates, beginning with the Underlying Distribution Date in May 2005.

Actions in Respect of the Underlying Certificates

If at any time the Trustee, as the holder of an Underlying Certificate, is requested in such capacity to take any action or to give any consent, approval or waiver, including without limitation in connection with an amendment of the related Underlying Agreement or if an event of default occurs under such Underlying Agreement with respect to the Underlying Servicer or the Underlying Trustee thereunder, the Trust Agreement provides that the Trustee, in its capacity as holder of such Underlying Certificate, will request the direction of all holders of the Certificates, may take action in connection with the enforcement of any rights and remedies available to it in such capacity with respect thereto and will be protected in acting in accordance with the written directions of a majority of the holders of Certificates of each affected class.

Voting Rights

At all times, 98% of all Voting Rights will be allocated among all holders of the Class A Certificates in proportion to the then outstanding Certificate Principal Balances of their respective certificates, 1% of all Voting Rights will be allocated among the holders of the Class X Certificates in proportion to the interests in such class evidenced by their respective certificates and 1% of all Voting Rights will be allocated among holders of the Class R Certificates in proportion to the percentage interests in such class evidenced by their respective certificates.

Amendment

The Trust Agreement may be amended by the Depositor, the Guarantor and the Trustee (i) to cure any ambiguity; (ii) to correct or supplement any provision therein which may be defective or inconsistent with any other provision therein; (iii) to add to the duties of the Depositor; or (iv) to make any other revisions with respect to matters or questions arising under the Trust Agreement which are not inconsistent with the provisions thereof; provided, that such action will not adversely affect in any material respect the interests of any holders of the Certificates that have not consented to such amendment. No such amendment will be deemed to adversely affect in any material respect the interests of any Certificateholder who shall have consented thereto. Furthermore, no such amendment will be deemed to adversely affect in any material respect the interests of any Certificateholder if each Rating Agency shall have confirmed that such amendment will not result in the reduction or withdrawal of the then-applicable rating of the Regular Certificates by such Rating Agency. The Trustee will not be entitled to consent to an amendment to the Trust Agreement without having first received an opinion of counsel to the effect that such amendment is permitted under the terms of the Trust Agreement and will not cause any REMIC constituting part of the Trust to fail to qualify as a REMIC.

In addition, the Trust Agreement may be amended by the Depositor, the Trustee, the Guarantor and the holders of at least 66 2/3% of the percentage interest of any class of Certificates affected thereby for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Trust Agreement or of modifying in any manner the rights of the holders of any class of Certificates; provided, however, that no such amendment may (i) reduce in any manner the amount of, or delay the timing of, distributions required to be made on

any class of Certificates without the consent of the holders of all such Certificates; (ii) adversely affect in any material respect the interests of the holders of any class of Certificates in a manner other than as described in clause (i) above, without the consent of the holders of such class evidencing percentage interests aggregating at least 66 2/3% or without confirmation from each Rating Agency that such amendment will not result in the reduction or withdrawal of the then-applicable rating of the Regular Certificates by such Rating Agency; or (iii) reduce the aforesaid percentage of aggregate outstanding principal amounts of Certificates, the holders of which are required to consent to any such amendment, without the consent of the holders of all such Certificates.

Termination

The Certificates are not subject to any optional termination. However, with respect to each Underlying Certificate, the person or persons specified in the related Underlying Agreement may, at such person's or persons' option, purchase from the applicable Underlying Trust Fund all of the related Underlying Mortgage Loans, or a related subset of the related Underlying Mortgage Loans, after the aggregate principal balance of such Underlying Mortgage Loans or such subset of such Underlying Mortgage Loans is less than, generally, 10% of the aggregate principal balance thereof (plus any original prefunding amount, if applicable) as of the original cut-off date for such series as described in the related Underlying Prospectus or Private Offering Document. If any of these optional purchases is exercised, the related Underlying Certificate may receive a significant principal distribution or may receive its final distribution. Accordingly, each exercise of any such optional purchase will result in an accelerated principal payment on the applicable Class A Certificates (and a corresponding reduction of the Notional Amount of the applicable Class X Certificates). If the last remaining outstanding Underlying Certificate receives its final distribution in connection with any such optional purchase, the Certificates will be retired and the Trust terminated.

See the Underlying Prospectuses and Private Offering Documents for additional information.

ASSET SALE AGREEMENT

The Underlying Certificates will be sold to the Depositor pursuant to the Asset Sale Agreement, dated as of May 20, 2005, between Fannie Mae and the Depositor.

YIELD, PREPAYMENT AND MATURITY CONSIDERATIONS

General

The rate of principal payments, the aggregate amount of distributions and the yields to maturity of the Offered Certificates will be related to the rate and timing of payments of principal on the applicable Underlying Certificates, which in turn is related to the rate and timing of payments of principal on the applicable Underlying Mortgage Loans. The rate of principal payments on the Underlying Mortgage Loans will in turn be affected by the amortization schedules of the Underlying Mortgage Loans and by the rate of principal prepayments (including for this purpose prepayments resulting from refinancing, liquidations of the Underlying Mortgage Loans due to defaults, casualties or condemnations and repurchases).

The rate of principal payments (including prepayments) on pools of mortgage loans may vary significantly over time and may be influenced by a variety of economic, geographic, social and other factors, including changes in mortgagors' housing needs, job transfers, unemployment, mortgagors' net equity in the mortgaged properties and servicing decisions. In general, if prevailing interest rates were to fall significantly below the mortgage rates on the Underlying Mortgage Loans, the Underlying Mortgage Loans could be subject to higher prepayment rates than if prevailing interest rates were to remain at or above the mortgage rates on the Underlying Mortgage Loans. Conversely, if prevailing interest rates were to rise significantly, the rate of prepayments on the Underlying Mortgage Loans would generally be expected to decrease. The Underlying Mortgage Loans may be subject to a greater rate of principal prepayments in a low interest rate environment.

The yield to maturity of the Offered Certificates will also be sensitive to the rate at which principal is distributed on the applicable Underlying Certificates, which in turn is sensitive to defaults on the applicable Underlying Mortgage Loans. If a purchaser of an Offered Certificate calculates its anticipated yield based on an assumed rate of default and amount of losses that is lower than the default rate and amount of losses actually incurred, its actual yield to maturity may be different than that so calculated. In general, the earlier a loss occurs, the greater is the effect on an investor's yield to maturity. There can be no assurance as to the delinquency, foreclosure or loss experience with respect to the Underlying Mortgage Loans.

Because distributions of principal will be made to the holders of the Class A Certificates in the manner and priorities described in this Memorandum, the yield to maturity on such classes of Certificates will be sensitive to the rates of prepayment and realized losses on the applicable Underlying Mortgage Loans experienced both before and after the commencement of principal distributions on such classes.

Certain of the Underlying Mortgage Loans provide for prepayment charges. Investors should conduct their own analysis of the effect, if any, that this may have on the prepayment performance of the Underlying Mortgage Loans.

Expected Final Distribution Date

The expected final distribution date for the Offered Certificates is the distribution date in November 2035, which is the distribution date in the month following the latest final distribution date of any Underlying Certificate. Since distributions in reduction of the Certificate Principal Balance will be dependent on the prepayment experience and performance of the Underlying Mortgage Loans and the Underlying Mortgage Loans will not prepay at a predictable rate, it is possible that the actual final distribution date for the Offered Certificates could be significantly earlier or later than the expected final distribution date set forth above.

Weighted Average Lives

The timing of changes in the rate of principal prepayments on the Underlying Mortgage Loans may significantly affect an investor's actual yield to maturity, even if the average rate of principal prepayments is consistent with such investor's expectation. In general, the earlier a principal prepayment on the Underlying Mortgage Loans occurs, the greater the effect of such principal prepayment on an investor's yield to maturity. The effect on an investor's yield of principal prepayments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the issuance of the Offered Certificates may not be offset by a subsequent like decrease (or increase) in the rate of principal prepayments.

The weighted average life of an Offered Certificate is the average amount of time that will elapse from the Closing Date until each dollar of principal is scheduled to be repaid to the investors in such Offered Certificate. Because it is expected that there will be prepayments and defaults on the Underlying Mortgage Loans, the actual weighted average lives of the classes of the Offered Certificates are expected to vary substantially from the weighted average lives indicated in the tables entitled "Percent of Original Certificate Principal Balance Outstanding."

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

The assumptions used in this Memorandum with respect to the prepayments on the Underlying Mortgage Loans are contained in the related Underlying Prospectus or Private Offering Document (the "Base Prepayment Assumption"), which are included among the Disclosure Exhibits attached hereto as Exhibit A. The assumptions used in the Disclosure Exhibits were formulated by the participants in the related Underlying Transaction and there can be neither any assurance nor expectation that the Underlying Mortgage Loans will actually prepay in a manner consistent with such assumptions.

The model does not purport to be either a historical description of the prepayment experience of any pool of assets or a prediction of the anticipated rate of prepayment of any pool of assets, including the Underlying Mortgage Loans.

Each of the Prepayment Scenarios in the table below assumes the respective percentage of the Base Prepayment Assumptions. The column with the heading “100%” shown in the table below assumes that the Underlying Mortgage Loans prepay in accordance with the Base Prepayment Assumptions set forth in the related Underlying Disclosure Document. Each of the other columns assumes that the Underlying Mortgage Loans prepay at a rate equal to the percentage shown at the top of the column multiplied by the related Base Prepayment Assumptions, subject to any caps reflected in the related Underlying Disclosure Document.

The tables entitled “Percent of Original Certificate Principal Balance Outstanding” were prepared on the basis of the assumptions in the following paragraph and the tables set forth below. There are certain differences between the Underlying Certificates characteristics and Underlying Mortgage Loans characteristics included in such assumptions and the characteristics of the actual Underlying Certificates and the actual Underlying Mortgage Loans. Any such discrepancy may have an effect upon the percentages of Initial Certificate Principal Balances outstanding and weighted average lives of the Class A Certificates set forth in the table. In addition, since the Underlying Certificates and the Underlying Mortgage Loans have characteristics that differ from those assumed in preparing the tables entitled “Percent of Original Certificate Principal Balance Outstanding,” distributions of principal may be made earlier or later than indicated in such tables.

The percentages and weighted average lives in the tables entitled “Percent of Original Certificate Principal Balance Outstanding” were determined assuming that (the “Structuring Assumptions”):

- (i) the closing date for the Offered Certificates occurs on May 20, 2005 and the Offered Certificates were sold to investors on such date,
- (ii) distributions on the Underlying Certificates are made on the 25th day of each month regardless of the day on which the Underlying Distribution Date actually occurs, commencing in May 2005 and in each case in accordance with the allocation of the related available funds as described in the related Underlying Prospectus,
- (iii) the prepayment rates are the indicated percentages of the prepayment assumptions described in the Underlying Prospectuses and Private Offering Documents,
- (iv) prepayments include thirty days’ interest thereon,
- (v) there is no substitution or repurchase of any Underlying Mortgage Loan and no early termination is exercised,
- (vi) scheduled payments for all Underlying Mortgage Loans are received on the first day of each month, commencing in May 2005, the principal portion of such payments being computed prior to giving effect to prepayments received in the previous month, payment on the Underlying Mortgage Loans are calculated on the basis of twelve 30-day months and there are no losses or delinquencies with respect to such Underlying Mortgage Loans,
- (vii) all Underlying Mortgage Loans prepay at the same rate and all such payments are treated as prepayments in full of individual Underlying Mortgage Loans, with no shortfalls in collection of interest, and there are no shortfalls as a result of the application of the Relief Act,
- (viii) such prepayments are received on the last day of each month, commencing in April 2005,

- (ix) distributions on the Offered Certificates are made on the 26th day of each month regardless of the day on which the Distribution Date actually occurs, commencing in May 2005, in accordance with the description of the allocation of Available Funds set forth herein,
- (x) One-Month LIBOR is equal to 3.04000% per annum and remains constant, Six-Month LIBOR is equal to 3.39000% per annum and remains constant and One-Year CMT is equal to 3.31000% and remains constant,
- (xi) There is no failure to pay by any cap counterparty supplying any interest rate cap or yield maintenance agreement relating to the Underlying Certificates,
- (xii) no Extraordinary Trust Expenses are incurred by the Trust and no similar expenses are incurred by any Underlying Trust Fund,
- (xiii) there are no prepayment penalties paid, and
- (xiv) the trust consists of the hypothetical mortgage loans described on Exhibit B hereto.

Nothing contained in the Structuring Assumptions should be construed as a representation that the Underlying Mortgage Loans will not experience delinquencies or losses.

Percent of Original Certificate Principal Balance Outstanding⁽¹⁾

Distribution Date	Class A1					Class A3				
	Base Prepayment Assumption									
	50%	75%	100%	125%	150%	50%	75%	100%	125%	150%
Initial Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
April 27, 2006	74	62	50	38	27	100	100	100	100	100
April 27, 2007	47	25	4	0	0	100	100	100	100	98
April 27, 2008	25	2	0	0	0	100	100	100	71	22
April 27, 2009	6	0	0	0	0	100	100	100	68	21
April 27, 2010	*	0	0	0	0	100	100	85	50	20
April 27, 2011	0	0	0	0	0	100	95	63	35	14
April 27, 2012	0	0	0	0	0	100	82	45	24	9
April 27, 2013	0	0	0	0	0	100	65	33	16	6
April 27, 2014	0	0	0	0	0	95	51	24	11	3
April 27, 2015	0	0	0	0	0	85	40	17	7	1
April 27, 2016	0	0	0	0	0	76	32	13	4	0
April 27, 2017	0	0	0	0	0	64	25	9	2	0
April 27, 2018	0	0	0	0	0	54	19	7	*	0
April 27, 2019	0	0	0	0	0	45	15	4	0	0
April 27, 2020	0	0	0	0	0	36	11	2	0	0
April 27, 2021	0	0	0	0	0	30	9	*	0	0
April 27, 2022	0	0	0	0	0	25	7	*	0	0
April 27, 2023	0	0	0	0	0	21	5	0	0	0
April 27, 2024	0	0	0	0	0	17	3	0	0	0
April 27, 2025	0	0	0	0	0	14	1	0	0	0
April 27, 2026	0	0	0	0	0	11	*	0	0	0
April 27, 2027	0	0	0	0	0	9	0	0	0	0
April 27, 2028	0	0	0	0	0	7	0	0	0	0
April 27, 2029	0	0	0	0	0	5	0	0	0	0
April 27, 2030	0	0	0	0	0	3	0	0	0	0
April 27, 2031	0	0	0	0	0	1	0	0	0	0
April 27, 2032	0	0	0	0	0	0	0	0	0	0
April 27, 2033	0	0	0	0	0	0	0	0	0	0
April 27, 2034	0	0	0	0	0	0	0	0	0	0
April 27, 2035	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years) to Maturity ⁽²⁾	2.0	1.3	1.0	0.8	0.7	14.4	10.1	7.5	5.4	3.3
Weighted Average Life (years) to 10% Cleanup Call ⁽²⁾	2.0	1.3	1.0	0.8	0.7	12.3	8.3	6.1	4.3	2.7

⁽¹⁾ Rounded to the nearest whole percentage.

⁽²⁾ The weighted average life of any class of Certificates is determined by (i) multiplying the assumed reduction, if any, in the principal amount on each Distribution Date on such class of Certificates by the number of years from the date of issuance of the Certificates to the related Distribution Date, calculated on an actual/360 basis, (ii) summing the results and (iii) dividing the sum by the initial Certificate Principal Balance of such Class of Certificates.

* Indicates a value greater than 0.0% and less than 0.5%.

The Underlying Mortgage Loans and the Underlying Certificates may not perform in accordance with the Structuring Assumptions because the Underlying Mortgage Loans have characteristics that do not conform to those assumed in the Structuring Assumptions and because the Underlying Mortgage Loans may not behave as assumed in the Structuring Assumptions. Any such discrepancy may have an effect upon the percentages of the initial Certificate Principal Balances outstanding (and the weighted average lives) of the Class A Certificates set forth in the tables above. The Mortgage Pools will experience losses. In addition, the Underlying Mortgage Loans will not experience prepayments at any constant rate or at any other specified rate and the Underlying Mortgage Loans will not behave in any uniform manner. The Underlying Mortgage Loans have different interest rates and different maturities and will be influenced unevenly by various factors. One-Month LIBOR is unlikely to remain constant at the assumed rate.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

General

The following is a general discussion of the anticipated material federal income tax consequences of the purchase, ownership and disposition of the Offered Certificates. This discussion has been prepared with the advice of McKee Nelson LLP, counsel to the Depositor. This discussion is directed solely to Certificateholders that hold the Offered Certificates as capital assets within the meaning of Section 1221 of the Code and does not purport to discuss all federal income tax consequences that may be applicable to particular categories of investors, some of which (such as banks, insurance companies and foreign investors) may be subject to special rules. Further, the authorities on which this discussion, and the opinion referred to below, are based are subject to change or differing interpretations, which could apply retroactively. Taxpayers and preparers of tax returns (including those filed by any real estate mortgage investment conduit or other issuer) should be aware that under applicable Treasury regulations a provider of advice on specific issues of law is not considered an income tax return preparer unless the advice (i) is given with respect to events that have occurred at the time the advice is rendered and is not given with respect to the consequences of contemplated actions, and (ii) is directly relevant to the determination of an entry on a tax return. Accordingly, taxpayers should consult their own tax advisors and tax return preparers regarding the preparation of any item on a tax return, even where the anticipated tax treatment has been discussed herein. In addition to the federal income tax consequences described herein, potential investors should consider the state and local tax consequences, if any, of the purchase, ownership and disposition of the Offered Certificates. See “State and Other Tax Consequences” herein. Certificateholders are advised to consult their own tax advisors concerning the federal, state, local or other tax consequences to them of the purchase, ownership and disposition of the Offered Certificates offered hereunder. “Certificateholder” and “Holder” are defined as the beneficial owner of an Offered Certificate.

The opinions below were not written and not intended to be used and cannot be used by any taxpayer for purposes of avoiding United States federal income tax penalties that may be imposed. The advice is written to support the promotion or marketing of the transactions. Each taxpayer should seek advice based on the taxpayer’s particular circumstances from an independent tax advisor.

The following discussion is based in part upon the rules governing original issue discount that are set forth in Sections 1271-1273 and 1275 of the Code and in the Treasury regulations issued thereunder (the “OID Regulations”), and in part upon Sections 860A-860G of the Code (the “REMIC Provisions”) and the Treasury regulations issued thereunder (the “REMIC Regulations”). The OID Regulations do not adequately address certain

issues relevant to, and in some instances provide that they are not applicable to, securities such as the Offered Certificates.

The following discussion assumes that the rights and obligations of the Offered Certificates to receive payments of Net WAC Rate Carryover Amounts, will be treated as rights and obligations under one or more notional principal contracts rather than as a partnership for federal income tax purposes. Treatment of such rights as a partnership interest could result in differed timing and character consequences to all Offered Certificateholders and withholding tax consequences to Offered Certificateholders who are non-U.S. Persons. Prospective investors in the certificates should consult their tax advisors regarding the appropriate tax treatment of the right to receive payments of Net WAC Rate Carryover Amounts.

Classification of the REMICs

Upon the issuance of the Certificates, McKee Nelson LLP, counsel to the Depositor, will deliver its opinion generally to the effect that, assuming compliance with all provisions of the Trust Agreement and the Underlying Agreements and that each Underlying Certificate qualifies as a REMIC (other than rights to Basis Risk Payments or Net WAC Rate Carryover Amounts), then in its opinion each of the designated portions of the Trust (exclusive of any Basis Risk Payments and the Net WAC Rate Carryover Reserve Accounts) that elects to be treated as a “REMIC” will each qualify as a real estate mortgage investment conduit (“REMIC”) under the Code. For federal income tax purposes (a) the separate certificated or non-certificated regular interests in each REMIC will be the “regular interests” in such REMIC, (b) the Residual Certificates will represent the sole class of “residual interests” in each of the related REMICs and (c) the Regular Certificates (exclusive of any right or obligation of the holders of such Certificates to receive distributions from the related Net WAC Rate Carryover Reserve Account in respect of Basis Risk Payments and Net WAC Rate Carryover Amounts) will be generally treated as representing ownership of debt instruments of a REMIC.

If an entity electing to be treated as a REMIC, such as the portions of the Trust (exclusive of any Basis Risk Payments and the Net WAC Rate Carryover Reserve Accounts), fails to comply with one or more of the ongoing requirements of the Code for such status during any taxable year, the Code provides that the entity will not be treated as a REMIC for such year and thereafter. In that event, such entity may be taxable as a corporation under Treasury regulations, and the related REMIC Certificates may not be accorded the status or given the tax treatment described below. If a REMIC that issued an Underlying Certificate fails to qualify as a REMIC at any time the Underlying Certificate is outstanding, such failure would cause each REMIC created by the Trust Agreement to fail to qualify as a REMIC if such Underlying Certificate represented more than a *de minimis* amount of the assets of the REMIC considered to own that Underlying Certificate and if it represented only a *de minimis* amount of assets would result in a prohibited transaction tax on the REMIC owning such Underlying Certificate equal to 100% of the income from such Underlying Certificate. Although the Code authorizes the Treasury Department to issue regulations providing relief in the event of an inadvertent termination of REMIC status, no such regulations have been issued. Any such relief, moreover, may be accompanied by sanctions, such as the imposition of a corporate tax on all or a portion of the Trust’s income for the period in which the requirements for such status are not satisfied. The Trust Agreement will include provisions with respect to the Trust designed to maintain each REMIC’s status as a REMIC under the REMIC Provisions. It is not anticipated that the status of the Trust (exclusive of any Basis Risk Payments and the Net WAC Rate Carryover Reserve Accounts) as a REMIC will be inadvertently terminated.

Each holder of an Offered Certificate is deemed to own an undivided beneficial ownership interest in two assets, a REMIC regular interest and the right to receive payments from the related Net WAC Rate Carryover Reserve Account in respect of any Group I Net WAC Rate Carryover Amounts or Group II Net WAC Rate Carryover Amounts, as applicable. None of any Basis Risk Payments or the Net WAC Rate Carryover Reserve Accounts are assets of any REMIC. The treatment of amounts received by a holder of an Offered Certificate under such Certificateholder’s right to receive Group I Net WAC Rate Carryover Amounts or Group II Net WAC Rate Carryover Amounts, as applicable, will depend on the portion, if any, of such Certificateholder’s purchase price allocable thereto. Under the REMIC Regulations, each holder of an Offered Certificate must allocate its purchase price for such Certificate between its undivided interest in the regular interest of the related REMIC and its undivided interest in the right to receive payments from the related Net WAC Rate Carryover Reserve Account in

respect of any Group I Net WAC Rate Carryover Amounts or Group II Net WAC Rate Carryover Amounts, as applicable, in accordance with the relative fair market values of each property right. The Trustee will be directed to treat distributions made to the holders of the Offered Certificates with respect to Group I Net WAC Rate Carryover Amounts or Group II Net WAC Rate Carryover Amounts, as applicable, as includible in income based on the regulations relating to notional principal contracts (the “Notional Principal Contract Regulations”). The OID Regulations provide that the Trust’s allocation of the issue price is binding on all holders unless the holder explicitly discloses on its tax return that its allocation is different from the Trust’s allocation. For tax reporting purposes, the Trustee will be directed to treat the right to receive payments from the related Net WAC Rate Carryover Reserve Account in respect of any Group I Net WAC Rate Carryover Amounts or Group II Net WAC Rate Carryover Amounts as having an insubstantial value. Under the REMIC Regulations, the Trustee is required to account for the REMIC regular interest and the right to receive payments from the related Net WAC Rate Carryover Reserve Account in respect of any Group I Net WAC Rate Carryover Amounts or Group II Net WAC Rate Carryover Amounts as discrete property rights. Holders of the Offered Certificates are advised to consult their own tax advisors regarding the allocation of issue price, timing, character and source of income and deductions resulting from the ownership of such Certificates. Treasury regulations have been promulgated under Section 1275 of the Code generally providing for the integration of a “qualifying debt instrument” with a hedge if the combined cash flows of the components are substantially equivalent to the cash flows on a variable rate debt instrument. However, such regulations specifically disallow integration of debt instruments subject to Section 1272(a)(6) of the Code. Therefore, holders of the Offered Certificates will be unable to use the integration method provided for under such regulations with respect to those Certificates. If the Trustee’s treatment of payments of any Group I Net WAC Rate Carryover Amounts or Group II Net WAC Rate Carryover Amounts is respected, ownership of the right to Group I Net WAC Rate Carryover Amounts or Group II Net WAC Rate Carryover Amounts will entitle the owner to amortize the separate price paid for the right to Group I Net WAC Rate Carryover Amounts or Group II Net WAC Rate Carryover Amounts under the Notional Principal Contract Regulations.

Characterization of Investments in REMIC Certificates

With respect to the Offered Certificates, the following two paragraphs are relevant to such Certificates exclusive of the respective rights of the Holders of such Certificates to receive certain payments outside the related REMIC.

The Offered Certificates (exclusive of the right to receive any Group I Net WAC Rate Carryover Amounts or Group II Net WAC Rate Carryover Amounts, as applicable) will be treated as assets described in Section 7701(a)(19)(C) of the Code and “real estate assets” under Section 856(c)(4)(A) of the Code generally in the same proportion that the assets of the Trust would be so treated. Moreover, if 95% or more of the assets of a REMIC qualify for any of the foregoing treatments at all times during a calendar year, the Offered Certificates will qualify for the corresponding status in their entirety for that calendar year. The determination as to the percentage of a REMIC’s assets that constitute assets described in the foregoing sections of the Code will be made with respect to each calendar quarter based on the average adjusted basis of each category of the assets held by the REMIC during such calendar quarter. The Trustee will report those determinations to Certificateholders in the manner and at the times required by applicable Treasury regulations.

In addition, interest on the Offered Certificates will be treated as “interest on obligations secured by mortgages on real property” under Section 856(c)(3)(B) of the Code generally to the extent that such Offered Certificates are treated as “real estate assets” under Section 856(c)(4)(A) of the Code.

Amounts held in the Net WAC Rate Carryover Reserve Accounts may not be treated as assets described in the foregoing sections of the Code. Moreover, the Offered Certificates will be “qualified mortgages” within the meaning of Section 860G(a)(3) of the Code if transferred to another REMIC on its startup day in exchange for a regular or residual interest therein. However, as mentioned above, no portion of a Holder’s basis or income allocable to the right to receive Net WAC Rate Carryover Amounts will qualify for such treatment. As a result, the Offered Certificates are not suitable investments for inclusion in another REMIC in their entirety.

Taxation of Owners of Offered Certificates

References under this subheading to the Offered Certificates refer to those Certificates exclusive of the right, if any, of the holders of the Offered Certificates to receive payments from the related Net WAC Rate Carryover Reserve Account.

General. Except as otherwise stated in this discussion, the Offered Certificates will be treated for federal income tax purposes as debt instruments issued by a REMIC, and, not as ownership interests in the related REMIC or the assets of any REMIC. Moreover, holders of Offered Certificates that otherwise report income including stated interest under a cash method of accounting will be required to report income with respect to the Offered Certificates under an accrual method.

Original Issue Discount. For federal income tax reporting purposes, the Offered Certificates may, depending on their issue price, be treated as having been issued with original issue discount.

Any holders of Certificates issued with original issue discount generally will be required to include original issue discount in income as it accrues, in accordance with the method described below, in advance of the receipt of the cash attributable to such income. In addition, Section 1272(a)(6) of the Code provides special rules applicable to any Certificates issued with original issue discount. Regulations have not been issued under that section.

Section 1272(a)(6) of the Code requires that a prepayment assumption be used with respect to the collateral underlying debt instruments in computing the accrual of original issue discount if payments under such debt instruments may be accelerated by reason of prepayments of other obligations securing such debt instruments, and that adjustments be made in the amount and rate of accrual of such discount to reflect differences between the actual prepayment rate and such prepayment assumption. Such prepayment assumption is to be determined in a manner prescribed in Treasury regulations; however, as noted above, those regulations have not been issued. The Conference Committee Report (the "Committee Report") of the Tax Reform Act of 1986 indicates that the regulations will provide that the prepayment assumption used with respect to a Certificate for federal income tax purposes must be the same as that used in pricing the initial offering of such Certificate. The prepayment assumption that will be used in determining the rate of accrual of original issue discount, if any, for federal income tax purposes (the "Tax Prepayment Assumption") will be 100% of the Base Prepayment Assumption. No representation is made that the Underlying Mortgage Loans will prepay at that percentage of the Base Prepayment Assumption or at any other rate.

A subsequent purchaser of an Offered Certificate that purchases such Certificate at a cost (excluding any portion of such cost attributable to accrued qualified stated interest) less than its remaining stated redemption price will also be required to include in gross income the daily portions of any original issue discount with respect to such Certificate. However, each such daily portion will be reduced, if such cost is in excess of its "adjusted issue price," in proportion to the ratio such excess bears to the aggregate original issue discount remaining to be accrued on such Offered Certificate. The adjusted issue price of an Offered Certificate on any given day equals the sum of (i) the adjusted issue price (or, in the case of the first accrual period, the issue price) of such Certificate at the beginning of the accrual period which includes such day and (ii) the daily portions of original issue discount for all days during such accrual period prior to such day.

If the method for computing original issue discount described above results in a negative amount for any period with respect to a Certificateholder, the amount of original issue discount allocable to that period would be zero and the Certificateholder will be permitted to offset that negative amount only against future original issue discount, if any, attributable to those Certificates.

Market Discount. A Certificateholder that purchases an Offered Certificate at a market discount, that is, at a purchase price less than its remaining stated principal amount or, will recognize gain upon receipt of each distribution representing stated redemption price. In particular, under Section 1276 of the Code such a Certificateholder generally will be required to allocate the portion of each such distribution representing stated

redemption price first to accrued market discount not previously included in income, and to recognize ordinary income to that extent. A Certificateholder may elect to include market discount in income currently as it accrues rather than including it on a deferred basis in accordance with the foregoing. If made, such election will apply to all market discount bonds acquired by such Certificateholder on or after the first day of the first taxable year to which such election applies. In addition, the OID Regulations permit a Certificateholder to elect to accrue all interest, discount (including *de minimis* market or original issue discount) in income as interest, and to amortize premium, based on a constant yield method. If such an election were made with respect to an Offered Certificate with market discount, the Certificateholder would be deemed to have made an election to include currently market discount in income with respect to all other debt instruments having market discount that such Certificateholder acquires during the taxable year of the election or thereafter, and possibly previously acquired instruments. Similarly, a Certificateholder that made this election for a Certificate that is acquired at a premium would be deemed to have made an election to amortize bond premium with respect to all debt instruments having amortizable bond premium that such Certificateholder owns or acquires. See “—Taxation of Owners of Offered Certificates—Premium” below. Each of these elections to accrue interest, discount and premium with respect to a Certificate on a constant yield method or as interest may not be revoked without the consent of the IRS.

However, market discount with respect to an Offered Certificate will be considered to be *de minimis* for purposes of Section 1276 of the Code if such market discount is less than 0.25% of the remaining stated redemption price of such Offered Certificate multiplied by the number of complete years to maturity remaining after the date of its purchase. In interpreting a similar rule with respect to original issue discount on obligations payable in installments, the OID Regulations refer to the weighted average maturity of obligations, and it is likely that the same rule will be applied with respect to market discount, presumably taking into account the Tax Prepayment Assumption. If market discount is treated as *de minimis* under this rule, it appears that the actual discount would be treated as described in the first sentence of the preceding paragraph. Such treatment may result in discount being included in income at a slower rate than discount would be required to be included in income using the method described above.

Section 1276(b)(3) of the Code specifically authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments, the principal of which is payable in more than one installment. Until regulations are issued by the Treasury Department, certain rules described in the Committee Report apply. The Committee Report indicates that in each accrual period market discount on Offered Certificates should accrue, at the Certificateholder’s option: (i) on the basis of a constant yield method, (ii) in the case of an Offered Certificate issued without original issue discount, in an amount that bears the same ratio to the total remaining market discount as the stated interest paid in the accrual period bears to the total amount of stated interest remaining to be paid on the Offered Certificate as of the beginning of the accrual period or (iii) in the case of an Offered Certificate issued with original issue discount, in an amount that bears the same ratio to the total remaining market discount as the original issue discount accrued in the accrual period bears to the total original issue discount remaining on the Offered Certificate at the beginning of the accrual period. Moreover, the Tax Prepayment Assumption is used in calculating the accrual of market discount. Because the regulations referred to in this paragraph have not been issued, it is not possible to predict what effect such regulations might have on the tax treatment of an Offered Certificate purchased at a discount in the secondary market.

To the extent that Offered Certificates provide for monthly or other periodic distributions throughout their term, the effect of these rules may be to require market discount to be includible in income at a rate that is not significantly slower than the rate at which such discount would accrue if it were original issue discount. Moreover, in any event, a holder of an Offered Certificate generally will be required to treat a portion of any gain on the sale or exchange of such Certificate as ordinary income to the extent of the market discount accrued to the date of disposition under one of the foregoing methods, less any accrued market discount previously reported as ordinary income.

Further, under Section 1277 of the Code, a holder of an Offered Certificate may be required to defer a portion of its interest deductions for the taxable year attributable to any indebtedness incurred or continued to purchase or carry an Offered Certificate purchased with market discount. For these purposes, the *de minimis* rule referred to above applies. Any such deferred interest expense would not exceed the market discount that accrues

during such taxable year and is, in general, allowed as a deduction not later than the year in which such market discount is includible in income. If such holder elects to include market discount in income currently as it accrues on all market discount instruments acquired by such holder in that taxable year or thereafter, the interest deferral rule described above will not apply.

Premium. An Offered Certificate purchased at a cost (excluding any portion of such cost attributable to accrued qualified stated interest) greater than its remaining stated redemption price will be considered to be purchased at a premium. The holder of such an Offered Certificate may elect under Section 171 of the Code to amortize such premium under the constant yield method over the life of the Certificate. If made, such an election will apply to all debt instruments having amortizable bond premium that the holder owns or subsequently acquires. Amortizable premium will be treated as an offset to interest income on the related debt instrument, rather than as a separate interest deduction. The OID Regulations also permit Certificateholders to elect to include all interest, discount and premium in income based on a constant yield method, further treating the Certificateholder as having made the election to amortize premium generally. See “—Taxation of Owners of Offered Certificates—Market Discount” above. The Committee Report states that the same rules that apply to accrual of market discount (which rules will require use of a prepayment assumption for accruing market discount with respect to Offered Certificates without regard to whether such Certificates have original issue discount) will also apply in amortizing bond premium under Section 171 of the Code. It is possible that the use of an assumption that there will be no prepayments may be required in calculating the amortization of premium. Whether any holder of the Offered Certificates will be treated as holding a certificate with amortizable bond premium will depend on such Certificateholder’s purchase price and the distributions remaining to be made on such Certificate at the time of its acquisition by such Certificateholder. Holders of such classes of Certificates should consult their tax advisors regarding the possibility of making an election to amortize such premium.

Sales of Offered Certificates. If an Offered Certificate is sold, the selling Certificateholder will recognize gain or loss equal to the difference between the amount realized on the sale and its adjusted basis in the Offered Certificate. The adjusted basis of an Offered Certificate generally will equal the cost of such Offered Certificate to such Certificateholder, increased by income reported by such Certificateholder with respect to such Offered Certificate (including market discount) and reduced (but not below zero) by distributions on such Offered Certificate received by such Certificateholder and by any amortized premium. Except as provided in the following four paragraphs, any such gain or loss will be capital gain or loss, provided such Offered Certificate is held as a capital asset (generally, property held for investment) within the meaning of Section 1221 of the Code.

Gain from the sale of an Offered Certificate that might otherwise be capital gain will be treated as ordinary income to the extent such gain does not exceed the excess, if any, of (i) the amount that would have been includible in the seller’s income with respect to such Offered Certificate assuming that income had accrued thereon at a rate equal to 110% of the “applicable Federal rate” (generally, a rate based on an average of current yields on Treasury securities having a maturity comparable to that of the Certificate based on the application of the Tax Prepayment Assumption to such Certificate, which rate is computed and published monthly by the IRS), determined as of the date of purchase of such Offered Certificate, over (ii) the amount of ordinary income actually includible in the seller’s income prior to such sale. In addition, gain recognized on the sale of an Offered Certificate by a seller who purchased such Offered Certificate at a market discount will be taxable as ordinary income in an amount not exceeding the portion of such discount that accrued during the period such Offered Certificate was held by such holder, reduced by any market discount included in income under the rules described above under “—Taxation of Owners of Offered Certificates—Market Discount” and “—Premium.”

Except as described below, the Offered Certificates will be “evidences of indebtedness” within the meaning of Section 582(c)(1) of the Code, so that gain or loss recognized from the sale of an Offered Certificate by a bank or thrift institution to which such section applies will be ordinary income or loss.

A portion of any gain from the sale of an Offered Certificate that might otherwise be capital gain may be treated as ordinary income to the extent that such Certificate is held as part of a “conversion transaction” within the meaning of Section 1258 of the Code. A conversion transaction generally is one in which the taxpayer has taken two or more positions in the same or similar property that reduce or eliminate market risk, if substantially all of the

taxpayer's return is attributable to the time value of the taxpayer's net investment in such transaction. The amount of gain so realized in a conversion transaction that is recharacterized as ordinary income generally will not exceed the amount of interest that would have accrued on the taxpayer's net investment at 120% of the appropriate "applicable Federal rate" at the time the taxpayer enters into the conversion transaction, subject to appropriate reduction for prior inclusion of interest and other ordinary income items from the transaction.

Finally, a taxpayer may elect to have net capital gain taxed at ordinary income rates rather than capital gains rates in order to include such net capital gain in total net investment income for the taxable year, for purposes of the rule that limits the deduction of interest on indebtedness incurred to purchase or carry property held for investment to a taxpayer's net investment income.

Upon the sale of an Offered Certificate, the amount of the sale allocated to the selling Certificateholder's right to receive payments from the related Net WAC Rate Carryover Reserve Account in respect of any Basis Risk Payments and any Group I Net WAC Rate Carryover Amounts or Group II Net WAC Rate Carryover Amounts, as applicable, would be considered a "termination payment" under the Notional Principal Contract Regulations allocable to the related Certificate. An Offered Certificateholder will have gain or loss from such a termination of the right to receive payments from the related Net WAC Rate Carryover Reserve Account in respect of any Basis Risk Payments and any Group I Net WAC Rate Carryover Amounts or Group II Net WAC Rate Carryover Amounts, as applicable, equal to (i) any termination payment it received or is deemed to have received minus (ii) the unamortized portion of any amount paid (or deemed paid) by the Certificateholder upon entering into or acquiring its interest in the right to receive payments from the related Net WAC Rate Carryover Reserve Account in respect of any Basis Risk Payments and any Group I Net WAC Rate Carryover Amounts or Group II Net WAC Rate Carryover Amounts, as applicable.

Gain or loss realized upon the termination of the right to receive payments from the related Net WAC Rate Carryover Reserve Account in respect of any Basis Risk Payments and any Net WAC Rate Carryover Amounts will generally be treated as capital gain or loss. Moreover, in the case of a bank or thrift institution, Code Section 582(c) would not apply to treat such gain or loss as ordinary.

Prohibited Transactions and Other Possible REMIC Taxes

The Code imposes a tax on REMICs equal to 100% of the net income derived from "prohibited transactions" (a "Prohibited Transactions Tax"). In general, subject to certain specified exceptions, a prohibited transaction means the disposition of an Underlying Mortgage Loan, the receipt of income from a source other than an Underlying Mortgage Loan or certain other permitted investments, the receipt of compensation for services, or gain from the disposition of an asset purchased with the payments on the Underlying Mortgage Loans for temporary investment pending distribution on the Offered Certificates. It is not anticipated that any REMIC created by the Underlying Agreement will engage in any prohibited transactions in which it would recognize a material amount of net income.

In addition, certain contributions to a REMIC made after the day on which the REMIC issues all of its interests could result in the imposition of a tax on the REMIC equal to 100% of the value of the contributed property (a "Contributions Tax"). The Underlying Agreement will include provisions designed to prevent the acceptance of any contributions that would be subject to such tax.

REMICs also are subject to federal income tax at the highest corporate rate on "net income from foreclosure property," determined by reference to the rules applicable to real estate investment trusts. "Net income from foreclosure property" generally means gain from the sale of a foreclosure property that is inventory property and gross income from foreclosure property other than qualifying rents and other qualifying income for a real estate investment trust. It is not anticipated that any REMIC created by the Underlying Agreement will recognize "net income from foreclosure property" subject to federal income tax.

Termination

The Trust will terminate immediately after the Distribution Date following receipt by the Trust of the final payment in respect of last outstanding Underlying Certificate or upon a sale of the Trust's assets following the adoption by the applicable REMICs of a plan of complete liquidation.

Reporting and Other Administrative Matters

Solely for purposes of the administrative provisions of the Code, each REMIC will be treated as a partnership. The Trustee will file REMIC federal income tax returns on behalf of each REMIC, and under the terms of the Trust Agreement, will be irrevocably appointed by the holder of the largest percentage interest in each class of the Residual Certificates as its agent to perform all of the duties of the "tax matters person" with respect to the related REMIC in all respects.

Reporting of interest income, including any original issue discount, with respect to Offered Certificates is required annually, and may be required more frequently under Treasury regulations. These information reports generally are required to be sent to individual holders of REMIC "regular interests" and the IRS; holders of Offered Certificates that are corporations, trusts, securities dealers and certain other non-individuals will be provided interest and original issue discount income information and the information set forth in the following paragraph upon request in accordance with the requirements of the applicable regulations. The information must be provided by the later of 30 days after the end of the quarter for which the information was requested, or two weeks after the receipt of the request.

As applicable, the Offered Certificate information reports will include a statement of the adjusted issue price of the Offered Certificate at the beginning of each accrual period. In addition, the reports will include information required by regulations with respect to computing the accrual of any market discount. Because exact computation of the accrual of market discount on a constant yield method would require information relating to the holder's purchase price that the REMIC may not have, such regulations only require that information pertaining to the appropriate proportionate method of accruing market discount be provided. See "—Taxation of Owners of Offered Certificates—Market Discount."

The responsibility for complying with the foregoing reporting rules will be borne by the Trustee.

Backup Withholding With Respect to REMIC Certificates

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

Foreign Investors in REMIC Certificates

A Regular Certificateholder that is not a "United States person" (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States in addition to its ownership of an Offered Certificate will not be subject to United States federal income or withholding tax in respect of a distribution on an Offered Certificate, provided that the holder complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the Certificateholder under penalties of perjury, certifying that such Certificateholder is not a United States person and providing the name and address of such Certificateholder). This statement is generally made on IRS Form W-8BEN and must be updated within 30 days after any required information has changed or by the end of the third calendar year beginning after the

statement was last delivered. For these purposes, “United States person” means a citizen or resident of the United States, an entity treated for U.S. federal income tax purposes as a corporation or a partnership created or organized in, or under the laws of, the United States or any state thereof or the District of Columbia (except, in the case of a partnership entity, to the extent regulations are adopted that provide otherwise) or an estate whose income is subject to United States federal income tax regardless of its source, or a trust if a court within the United States is able to exercise primary supervision over the administration of the Trust and one or more United States persons have the authority to control all substantial decisions of the Trust. To the extent prescribed in regulations by the Secretary of the Treasury, a trust which was in existence on August 20, 1996 (other than a trust treated as owned by the grantor under subpart E of part I of subchapter J of chapter 1 of the Code), and which was treated as a United States person on August 19, 1996, may elect to continue to be treated as a United States person notwithstanding the previous sentence. It is possible that the IRS may assert that the foregoing tax exemption should not apply with respect to an Regular Certificate held by a Residual Certificateholder that owns directly or indirectly a 10% or greater interest in the Residual Certificates. If the holder does not qualify for exemption, distributions of interest, including distributions in respect of accrued original issue discount, to such holder may be subject to a tax rate of 30%, subject to reduction under any applicable tax treaty.

Special rules apply to partnerships, estates and trusts, and in certain circumstances certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

In addition, in certain circumstances, the foregoing rules will not apply to exempt a United States shareholder of a controlled foreign corporation from taxation on such United States shareholder’s allocable portion of the interest income received by such controlled foreign corporation.

Further, it appears that an Regular Certificate would not be included in the estate of a non-resident alien individual and would not be subject to United States estate taxes. However, Certificateholders who are non-resident alien individuals should consult their tax advisors concerning this question.

STATE AND OTHER TAX CONSEQUENCES

In addition to the federal income tax consequences described in “Certain Federal Income Tax Consequences” herein, potential investors should consider the state and local tax consequences of the acquisition, ownership, and disposition of the Offered Certificates offered hereunder. State tax law may differ substantially from the corresponding federal tax law, and this discussion does not purport to describe any aspect of the tax laws of any state or other jurisdiction. Therefore, prospective investors should consult their own tax advisors with respect to the various tax consequences of investments in the Offered Certificates.

USE OF PROCEEDS

Fannie Mae will sell the Underlying Certificates to the Depositor and the Depositor will convey the Underlying Certificates to the Trust in exchange for and concurrently with the delivery of the Offered Certificates. Net proceeds from the sale of the Offered Certificates, together with certain of the Non-Offered Certificates, to the Initial Purchaser will be applied by the Depositor to the purchase of the Underlying Certificates from Fannie Mae. Such net proceeds, together with certain of the Non-Offered Certificates, will represent the purchase price to be paid by the Depositor to Fannie Mae for the Underlying Certificates.

PRIVATE PLACEMENT

Subject to the terms and conditions set forth in the Certificate Purchase Agreement, dated May 20, 2005 (the “Certificate Purchase Agreement”), the Depositor has agreed to sell, and Greenwich Capital Markets, Inc. (the “Initial Purchaser”) has agreed to purchase, the Offered Certificates. The Initial Purchaser is obligated to purchase all Offered Certificates of the respective classes offered hereby if it purchases any. The Initial Purchaser is an affiliate of the Depositor.

The Initial Purchaser has advised the Depositor that it proposes to place the Offered Certificates purchased by it privately with “qualified institutional buyers” as defined under Rule 144A in transactions exempt from the registration requirements under the Securities Act.

Placement of the Offered Certificates by the Initial Purchaser may be effected from time to time in one or more negotiated transactions, or otherwise, at varying prices to be determined at the time of sale. Any profit on the resale of the Offered Certificates by the Initial Purchaser may be deemed to be discounts and commissions paid to such Initial Purchaser under the Securities Act. The Offered Certificates are offered subject to receipt and acceptance by the Initial Purchaser, to prior sale and to the Initial Purchaser’s right to reject any order in whole or in part and to withdraw, cancel or modify the offer without notice.

The Depositor has agreed to indemnify the Initial Purchaser against certain civil liabilities, including liabilities under the Securities Act, or to contribute to payments the Initial Purchaser may be required to make in respect thereof.

It is expected that delivery of the Book-Entry Certificates will be made through the facilities of DTC and that delivery of the Class R Certificates will be made in physical, fully-registered, definitive form, in each case on or about the Closing Date.

SECONDARY MARKET AND ADDITIONAL INFORMATION

There is currently no secondary market for the Offered Certificates and there can be no assurance that a secondary market for the Offered Certificates will develop or, if it does develop, that it will continue. The Initial Purchaser may make a secondary market in the Offered Certificates, but the Initial Purchaser has no obligation to do so. Neither the Depositor nor the Initial Purchaser will register the Offered Certificates under the Securities Act, register or qualify the Offered Certificates under the securities laws of any state or other jurisdiction or provide registration rights to any purchaser. The primary source of information available to investors concerning the Offered Certificates will be the monthly statements made available to Certificateholders as set forth in the Trust Agreement, which will include information as to the outstanding principal balance of the Offered Certificates, and the Trustee shall make available, on behalf of the Depositor and the Trust, to any Certificateholder or prospective transferee thereof, upon request, the information necessary to satisfy the requirements of paragraph (d)(4) of Rule 144A, to the extent such information has been specified to the Trustee by the Depositor, and is in the Trustee’s possession or is reasonably available to the Trustee. There can be no assurance that any additional information regarding the Offered Certificates will be available to Certificateholders. In addition, the Depositor is not aware of any source through which price information about the Offered Certificates will be generally available to Certificateholders on an ongoing basis. The limited nature of such information regarding the Offered Certificates available to Certificateholders may adversely affect the liquidity of the Offered Certificates, even if a secondary market for the Offered Certificates becomes available.

LEGAL MATTERS

Certain legal matters relating to the Offered Certificates will be passed upon for the Depositor and the Initial Purchaser by McKee Nelson LLP, New York, New York.

RATINGS

The Class A1 Certificates and Class A3 Certificates will initially be rated “AAA” by Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. (“S&P”), “Aaa” by Moody’s Investors Service, Inc. (“Moody’s”) and “AAA” by Dominion Bond Rating Service (“DBRS”). S&P, Moody’s and DBRS are referred to herein as the “Rating Agencies.”

The ratings of each Rating Agency assigned to asset-backed pass-through certificates address the likelihood of the receipt by certificateholders of all distributions to which such certificateholders are entitled. The rating

process addresses structural and legal aspects associated with asset-backed pass-through certificates, including the nature of the underlying assets. The ratings assigned to asset-backed pass-through certificates do not represent any assessment of the likelihood that principal prepayments will be made by the borrowers or the degree to which such prepayments will differ from that originally anticipated. The ratings of the Regular Certificates do not address the possibility that holders thereof might suffer a lower than anticipated yield due to non-credit events. The ratings of the Class A1 Certificates and the Class A3 Certificates do not address the likelihood of receipt by holders of such Certificates of any Group I Net WAC Rate Carryover Amounts or Group II Net WAC Rate Carryover Amounts, as applicable.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organization. Each security rating should be evaluated independently of any other security rating. In the event that the ratings initially assigned to the Regular Certificates are subsequently reduced or withdrawn for any reason, no person or entity is obligated to provide any additional credit support or credit enhancement with respect to the Offered Certificates.

The Depositor has not requested that any Rating Agency rate any class of the Offered Certificates other than as stated above. However, there can be no assurance as to whether any other Rating Agency will rate any class of the Offered Certificates, or, if it does, what rating would be assigned by such other Rating Agency. A rating on any class of the Offered Certificates by another Rating Agency, if assigned at all, may be lower than the ratings assigned to the classes of the Regular Certificates as stated above.

LEGAL INVESTMENT

The appropriate characterization of the Offered Certificates under various legal investment restrictions, and thus the ability of investors subject to these restrictions to purchase Offered Certificates, is subject to significant interpretive uncertainties.

Institutions whose investment activities are subject to review by certain regulatory authorities hereafter may be or may become subject to restrictions on investment in the Offered Certificates, and such restrictions may be retroactively imposed. The Federal Financial Institutions Examination Council, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Office of Thrift Supervision (the “OTS”) and the National Credit Union Administration (the “NCUA”) have adopted guidelines, and have proposed policies, regarding the suitability of investments in various types of derivative mortgage-backed securities, including securities such as the Offered Certificates.

For example, on April 23, 1998, the Federal Financial Institutions Examination Council issued a revised supervisory policy statement (the “1998 Policy Statement”) applicable to all depository institutions, setting forth guidelines for investments in “high-risk mortgage securities.” The 1998 Policy Statement has been adopted by the Federal Reserve Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the NCUA and the OTS with an effective date of May 26, 1998. The 1998 Policy Statement rescinds a 1992 policy statement that had required, prior to purchase, a depository institution to determine whether a mortgage derivative product that it is considering acquiring is high-risk, and, if so, that the proposed acquisition would reduce the institution’s overall interest rate risk. The 1998 Policy Statement eliminates former constraints on investing in certain “high-risk” mortgage derivative products and substitutes broader guidelines for evaluating and monitoring investment risk. In addition, the NCUA has issued regulations governing federal credit union investments which prohibit investment in certain specified types of securities, which may include the Offered Certificates. The NCUA has indicated that its regulations will take precedence over the Policy Statement. Similar policy statements and regulations have been issued by other regulators having jurisdiction over other types of depository institutions.

The OTS has issued Thrift Bulletins 73a, entitled “Investing in Complex Securities” (“TB 73a”), which is effective as of December 18, 2001 and applies to savings associations regulated by the OTS, and 13a, entitled “Management of Interest Rate Risk, Investment Securities, and Derivatives Activities” (“TB 13a”), which is effective as of December 1, 1998, and applies to thrift institutions regulated by the OTS.

One of the primary purposes of TB 73a is to require savings associations, prior to taking any investment position, to determine that the investment position meets applicable regulatory and policy requirements (including those set forth TB 13a (see below)) and internal guidelines, is suitable for the institution, and is safe and sound. OTS recommends, with respect to purchases of specific securities, additional analysis, including, among others, analysis of repayment terms, legal structure, expected performance of the issuer and any underlying assets as well as analysis of the effects of payment priority, with respect to a security which is divided into separate tranches with unequal payments, and collateral investment parameters, with respect to a security that is prefunded or involves a revolving period. TB 73a reiterates the OTS's due diligence requirements for investing in all securities and warns that if a savings association makes an investment that does not meet the applicable regulatory requirements, the savings association's investment practices will be subject to criticism, and the OTS may require divestiture of such securities. The OTS also recommends, with respect to an investment in any "complex securities," that savings associations should take into account quality and suitability, interest rate risk, and classification factors. For the purposes of each of TB 73a and TB 13a, "complex security" includes among other things any collateralized mortgage obligation or real estate mortgage investment conduit security, other than any "plain vanilla" mortgage pass-through security (that is, securities that are part of a single class of securities in the related pool that are non-callable and do not have any special features). Accordingly, all classes of the Offered Certificates would likely be viewed as "complex securities." With respect to quality and suitability factors, TB 73a warns (i) that a savings association's sole reliance on outside ratings for material purchases of complex securities is an unsafe and unsound practice, (ii) that a savings association should only use ratings and analyses from nationally recognized rating agencies in conjunction with, and in validation of, its own underwriting processes, and (iii) that it should not use ratings as a substitute for its own thorough underwriting analyses. With respect the interest rate risk factor, TB 73a recommends that savings associations should follow the guidance set forth in TB 13a.

One of the primary purposes of TB 13a is to require thrift institutions, prior to taking any investment position, to (i) conduct a pre-purchase portfolio sensitivity analysis for any "significant transaction" involving securities or financial derivatives, and (ii) conduct a pre-purchase price sensitivity analysis of any "complex security" or financial derivative. The OTS recommends that while a thrift institution should conduct its own in-house pre-acquisition analysis, it may rely on an analysis conducted by an independent third-party as long as management understands the analysis and its key assumptions. Further, TB 13a recommends that the use of "complex securities with high price sensitivity" be limited to transactions and strategies that lower a thrift institution's portfolio interest rate risk. TB 13a warns that investment in complex securities by thrift institutions that do not have adequate risk measurement, monitoring and control systems may be viewed by the OTS examiners as an unsafe and unsound practice.

Neither the Depositor nor the Initial Purchaser makes any representations as to the proper characterization of the Offered Certificates for legal investment or other purposes, or as to the ability of particular investors to purchase the Offered Certificates under the applicable legal investment restrictions. These uncertainties may adversely affect the liquidity of the Offered Certificates. Accordingly, all institutions whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements or review by regulatory authorities should consult with their own legal advisors in determining whether and to what extent the Offered Certificates constitute legal investments or are subject to investment, capital or other restrictions. The Offered Certificates will not be "mortgage related securities" for purposes of the Secondary Mortgage Market Enhancement Act of 1984 ("SMMEA").

ERISA CONSIDERATIONS

General

Section 406 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") prohibits, and Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") imposes adverse tax consequences on, certain transactions between a pension, profit-sharing or other employee benefit plan or other retirement plan or arrangement that is subject to Title I of ERISA or Section 4975 of the Code, including a so-called "Keogh" plan, or an individual retirement account, educational savings account, or any entity deemed to hold the assets of the foregoing, including insurance company general and separate accounts (each a "Benefit Plan"). ERISA

also imposes certain duties on persons who are fiduciaries of Benefit Plans subject to ERISA, including the requirements of investment prudence and diversification, and the requirement that investments of any such Benefit Plan be made in accordance with the documents governing the Benefit Plan. Under ERISA, any person who exercises any authority or control respecting the management or disposition of the assets of a Benefit Plan is considered to be a fiduciary of the Benefit Plan.

Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), and certain church plans (as defined in Section 3(33) of ERISA), if no election has been made under Section 410(d) of the Code, are not subject to ERISA requirements. Accordingly, assets of those plans may be invested in the Offered Certificates subject to the provisions of applicable federal law, and in the case of any plan that is qualified under Section 401(a) of the Code and exempt from taxation under Section 501(a) of the Code, the restrictions imposed under Section 503 of the Code. Governmental plans are not subject to ERISA requirements but may be subject to state or local laws substantially similar to ERISA or Section 4975 of the Code (“Similar Law”).

In addition to imposing general fiduciary standards, ERISA and Section 4975 of the Code prohibit a broad range of “prohibited transactions” involving assets of Benefit Plans and, as relevant here, the acquisition, holding and disposition of the Offered Certificates between a Benefit Plan and persons that are “parties in interest” as described in Section 3(14) of ERISA or “disqualified persons” as described in Section 4975 of the Code (collectively, “parties in interest”) with respect to such Benefit Plan and impose taxes and/or other penalties under ERISA and/or Section 4975 of the Code on such transactions, unless a statutory or regulatory exception or administrative exemption applies.

Moreover, certain transactions involving the assets of a trust might be deemed to constitute prohibited transactions under ERISA and the Code with respect to a Benefit Plan that purchases certificates issued by that trust if assets of such trust were deemed to be assets of the Benefit Plan. Under a regulation issued by the United States Department of Labor (the “DOL”) (the “Plan Assets Regulation”), the assets of a trust would be treated as plan assets of the Benefit Plan for the purposes of ERISA and Section 4975 of the Code if the Benefit Plan acquired an “equity interest” in the trust and none of the exceptions contained in the Plan Assets Regulation was applicable. An equity interest is defined under the Plan Assets Regulation as an interest other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. A certificate will normally be treated as an equity interest for these purposes.

Underwriter Exemption Applicable to Purchases of Offered Certificates

The DOL has granted to the Initial Purchaser an individual administrative exemption, Prohibited Transaction Exemption 90-59 as most recently amended and restated by Prohibited Transaction Exemption 2002-41 (the so-called “Underwriter Exemption” or the “Exemption”), from certain of the prohibited transaction rules of Section 406 of ERISA and the related excise tax provisions of Section 4975 of the Code with respect to the initial purchase, holding and subsequent resale by Benefit Plans of asset-backed and mortgage-backed securities, such as the Offered Certificates, issued by entities, such as the Trust, that hold certain fixed pools of obligations of the type held by the Trust and the servicing of the Trust and its assets, provided that the conditions and requirements of the Exemption are met. The Exemption applies to the Initial Purchaser when it or its affiliate acts as the sole underwriter, manager or co-manager of an underwriting syndicate or is the selling or placement agent of Offered Certificates which meet the terms and conditions generally described below.

Among the conditions which must be satisfied for Benefit Plans acquiring Offered Certificates to be eligible for relief under the Exemption are:

- (1) at the time of the acquisition, the class of Offered Certificates acquired by the Benefit Plan has received a rating rated in one of the four highest generic rating categories by Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., Moody’s Investors Service, Inc., or Fitch Ratings (each a “Rating Agency”);
- (2) the Trustee is not an affiliate of the Depositor;

- (3) the Offered Certificates evidence ownership in those assets of the Trust designated in the Exemption, including those such as the Underlying Certificates, provided the Underlying Securities satisfied the conditions for exemptive relief under an exemption amended by Prohibited Transaction Exemption 2002-41 or under any other substantially similar exemption or successor thereto;
- (4) the Benefit Plan is an “accredited investor,” as defined in Rule 501(a)(1) of Regulation D under the Securities Act;
- (5) the acquisition of the Offered Certificates by a Benefit Plan is on terms, including the price for the Offered Certificates, that are at least as favorable to the Benefit Plan as they would be in an arm’s length transaction with an unrelated party;
- (6) the sum of all payments made to and retained by the underwriter or placement agent in connection with the distribution of the Offered Certificates represents not more than reasonable compensation for underwriting or placing the Offered Certificates;
- (7) the sum of all payments made to and retained by the Depositor pursuant to the sale of the assets of the Trust to the Trust represents not more than the fair market value of those assets;
- (8) assets of the type included as assets of the Trust have been included in other investment pools; and certificates evidencing interests in those other pools have been both: (i) rated in one of the four highest generic rating categories by a Rating Agency and (ii) purchased by investors other than Benefit Plans for at least one year prior to a Benefit Plan’s acquisition of Offered Certificates in reliance upon the Exemption.

The Depositor believes that the conditions of the Exemption, other than those within the control of the investor, will be satisfied so that the Offered Certificates may be purchased by Benefit Plans. However, a fiduciary of a Benefit Plan contemplating purchasing a Offered Certificate must make its own determination that the general and specific conditions of the Exemption will be satisfied.

The rating of a Offered Certificate may change. If its rating declines below the lowest permitted rating, the Offered Certificate will no longer be eligible for relief under the Exemption (although a Benefit Plan that had purchased a Offered Certificate when it had a permitted rating would not be required by the Exemption to dispose of it). However, in such circumstances a Offered Certificate may be eligible for purchase by a Benefit Plan investor which is an insurance company general account, pursuant to Prohibited Transaction Class Exemption 95-60 Sections I and III.

In addition, in the event that the Offered Certificateholders were ever to become the direct owners of an undivided interest in the Underlying Certificates, any Benefit Plan investors could be deemed to be engaging in prohibited transactions with the certain parties in interest related to the operation, management and servicing of the Underlying Trust Funds and obligors with respect to the Underlying Mortgage Loans. While the offering documents for the Underlying Certificates indicate that such Securities may be eligible for exemptive relief under a predecessor to Prohibited Transaction Exemption 2002-41, the fiduciary of any Benefit Plan investors should satisfy themselves that such relief would be available in such event.

If the general conditions of the Exemption are satisfied, the Exemption may provide an exemption from the restrictions imposed by Sections 406(a) and 407(a) of ERISA (as well as the excise taxes imposed by Sections 4975(a) and (b) of the Code by reason of Sections 4975(c) (1)(A) through (D) of the Code) in connection with the direct or indirect sale, exchange, transfer, holding or the direct or indirect acquisition or disposition in the secondary market of Offered Certificates by Benefit Plans. However, no exemption is provided from the restrictions of Sections 406(a)(1)(E), 406(a)(2) and 407 of ERISA for the acquisition or holding of a Offered Certificate on behalf of an Excluded Benefit Plan by any person who has discretionary authority or renders investment advice with respect to the assets of that Excluded Benefit Plan. An Excluded Benefit Plan is a Benefit Plan sponsored by the Trustee, the Depositor, an underwriter or a placement agent.

Further, if certain specific conditions of the Exemption are satisfied, the Exemption may provide an exemption from the restrictions imposed by Sections 406(a), 406(b) and 407(a) of ERISA, and the taxes imposed by Sections 4975(a) and (b) of the Code by reason of Section 4975(c) of the Code for transactions in connection with the servicing of the Trust. The Depositor expects that the specific conditions of the Exemption required for this purpose will be satisfied for the Offered Certificates so that the Exemption would provide an exemption from the restrictions imposed by Sections 406(a), 406(b) and 407(a) of ERISA (as well as the excise taxes imposed by Sections 4975(a) and (b) of the Code by reason of Section 4975(c) of the Code) for transactions in connection with the servicing of the Trust provided that the general conditions of the Exemption are satisfied.

The Exemption also may provide an exemption from the restrictions imposed by Sections 406(a) and 407(a) of ERISA, and the taxes imposed by Section 4975(a) and (b) of the Code by reason of Sections 4975(c)(1)(A) through (D) of the Code if those restrictions are deemed to otherwise apply merely because a person is deemed to be a "party in interest" (within the meaning of Section 3(14) of ERISA) or a "disqualified person" (within the meaning of Section 4975(e)(2) of the Code) with respect to an investing Benefit Plan by virtue of providing services to the Benefit Plan (or by virtue of having certain specified relationships to that person) solely as a result of the Benefit Plan's ownership of Offered Certificates.

Additional Fiduciary Considerations

The Depositor, the Trustee, the Initial Purchaser or their affiliates may be the sponsor of, or investment advisor with respect to, one or more Benefit Plans. Because these parties may receive certain benefits in connection with the sale or holding of Offered Certificates, the purchase of Offered Certificates using Benefit Plan assets over which any of these parties or their affiliates has investment authority might be deemed to be a violation of a provision of Title I of ERISA or Section 4975 of the Code. Accordingly, Offered Certificates may not be purchased using the assets of any Benefit Plan if any of the Depositor, the Trustee or the Initial Purchaser or their affiliates has investment authority for those assets, or is an employer maintaining or contributing to the Benefit Plan, unless an applicable prohibited transaction exemption is available to cover such purchase.

Insurance companies contemplating the investment of general account assets in the Offered Certificates should consult with their legal advisors with respect to the applicability of Section 401(c) of ERISA, and the DOL regulations issued thereunder regarding the potential application to, and exemption from, the fiduciary and prohibited transaction provisions of ERISA and/or Section 4975 of the Code to such accounts.

Prospective Benefit Plan investors in Offered Certificates should consult with their legal advisors concerning the impact of ERISA and the Code (or the affect of any Similar Law on plans not subject to ERISA or Section 4975 of the Code), the prohibited transaction rules that may apply to them and the potential consequences in their specific circumstances, prior to making an investment in Offered Certificates. Each Benefit Plan fiduciary should also determine whether under the general fiduciary standards of investment prudence and diversification, an investment in the Offered Certificates is appropriate for the Benefit Plan, taking into account the overall investment policy of the Benefit Plan and the composition of the Benefit Plan's investment portfolio.

The sale of any of the Offered Certificates to a Benefit Plan will not constitute a representation by the Depositor, the Initial Purchaser or the Trustee that such an investment meets all relevant legal requirements relating to investments by Benefit Plans generally or by any particular Benefit Plan, or that such an investment is appropriate for Benefit Plans generally or for any particular Benefit Plan.

FINANCIAL ASSET SECURITIES CORP.
Depositor

\$4,250,570,512

AAA TRUST 2005-2
TRUST CERTIFICATES, SERIES 2005-2

Class A1	\$3,551,908,000 Initial Certificate Principal Balance	Variable Rate
Class A3	\$ 698,662,512 Initial Certificate Principal Balance	Variable Rate

OFFERING MEMORANDUM

CONFIDENTIAL

MAY 19, 2005

✱ RBS Greenwich Capital

No one is authorized to give any information or to make any representation in connection with this offering other than those contained in this prospectus or any other Disclosure Document referred to in this prospectus. You must not rely on any unauthorized information or representation. This prospectus and any other Disclosure Document referred to in this prospectus do not constitute an offer or solicitation with regard to any securities other than the Offered Certificates or an offer or solicitation with regard to the Offered Certificates if it is illegal to make such an offer or solicitation to you under state law. By delivering this prospectus and the other Disclosure Documents at any time, no one implies that the information contained in this prospectus or the other Disclosure Documents is correct after the date of this prospectus or the applicable other Disclosure Document.

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

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\$4,674,561,511
(Approximate)



Pass-Through Certificates
Fannie Mae Grantor Trust 2005-T2

PROSPECTUS

RBS Greenwich Capital

May 19, 2005
