

\$819,663,725 (Approximate) †



**Guaranteed Grantor Trust Pass-Through Certificates
Fannie Mae Grantor Trust 2000-T4**

Consider carefully the risk factors starting on page 6 of this prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

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

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

The Certificates

We, the Federal National Mortgage Association or Fannie Mae, will issue the class of certificates listed in the chart on this page. The certificates will represent ownership interests in the trust assets.

Payments to Certificateholders

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

- interest as described in this prospectus and
- principal as described in this prospectus.

Principal payments on the certificates are likely to fluctuate from month to month and may fluctuate widely.

The Fannie Mae Guaranty

We will guarantee that the payments of monthly interest and principal described in this prospectus are paid to investors on time and that the remaining principal balance, if any, of the class of certificates is paid on the final distribution date shown below.

The Trust and Its Assets

The trust will have an ownership interest in:

- Fannie Mae MBS and
- the right to receive interest payments under a swap arrangement.

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

Class	Original Class Balance†	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
A1 ..	\$819,663,725	PT	(1)	WAC	31359X2J7	February, 2030

(1) Based on COFI plus a margin calculated as described in this prospectus under “Description of the Certificates—Interest Payments on the Certificates.”

† Subject to a variance of plus or minus 5%.

The certificates will be offered from time to time in negotiated transactions at varying prices. We expect the settlement date to be April 28, 2000.

April 6, 2000

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ADDITIONAL INFORMATION

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

- our Prospectus for Guaranteed Mortgage Pass-Through Certificates dated October 1, 1999 (the “MBS Prospectus”); and
- our current Information Statement dated March 30, 2000 and its supplements (the “Information Statement”).

You can obtain the Disclosure Documents by writing us at:

Fannie Mae
3900 Wisconsin Avenue, N.W.
Area 2H-3S
Washington, D.C. 20016

The Disclosure Documents and the class factors for the certificates are available on our website located at <http://www.fanniemae.com>. You can also obtain them by calling the Fannie Mae Helpline at 1-800-237-8627 or 202-752-6547.

REFERENCE SHEET

This reference sheet highlights information contained elsewhere in this prospectus. As a reference sheet, it speaks in general terms without giving details or discussing any exceptions. You should purchase the certificates only after reading this prospectus and each of the other disclosure documents listed on page 3 of this prospectus.

General

- The certificates will represent ownership interests in the trust assets.
- The trust assets will consist of Fannie Mae MBS and the right to receive interest payments under a swap arrangement.
- The mortgage loans underlying the Fannie Mae MBS are first lien, single-family, adjustable rate mortgage loans.
- Monthly interest payments on the certificates will adjust based on the Eleventh District Cost of Funds Index, or COFI. See “Description of the Certificates—Interest Payments on the Certificates—*Weighted Average Coupon Class*” in this prospectus.
- Monthly principal payments on the certificates will be equal to the principal amounts paid on the MBS.
- Any remaining principal balance of the certificates will be paid no later than the final distribution date listed on the cover of this prospectus.

Guaranty Payments

We will guarantee that the payments of monthly interest and principal described in this prospectus are paid to investors on time and that the remaining principal balance, if any, of the class of certificates is paid on the final distribution date specified on the cover of this prospectus.

Assumed Characteristics of the Mortgage Loans Underlying the MBS

The table in Schedule 1 of this prospectus lists certain assumed characteristics of the mortgage loans as of April 1, 2000. However, the actual characteristics of most of the mortgage loans will differ from the weighted averages in Schedule 1, perhaps significantly.

Class Factors

On or shortly after the 11th day of each month, we will publish the class factor for the class of certificates. If you multiply the class factor by the initial principal balance of a certificate, you will obtain the current principal balance of that certificate, after giving effect to the current month’s payment.

Settlement Date

We expect to issue the certificates on April 28, 2000.

Distribution Date

Beginning in May 2000, we will make payments on the certificates on the 25th day of each calendar month, or on the next business day if the 25th is not a business day.

Book-Entry Certificates

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

Interest Rates

During the initial interest accrual period, we expect the certificates to bear interest at the rate of approximately 7.42%. During subsequent interest accrual periods, the certificates will bear interest as described under “Description of the Certificates—Interest Payments on the Certificates—*Weighted Average Coupon Class*” in this prospectus.

The amount of interest we will pay on the certificates on each distribution date will be reduced by the amount of deferred interest on the mortgage loans. Correspondingly, the principal balance of the certificates will be increased by the amount of deferred interest added to the principal balances of the mortgage loans. See “Description of the Certificates—Certain Characteristics of the Mortgage Loans—*Monthly Payments, Amortization and Deferred Interest*” in this prospectus.

Payments of Principal

We will pay monthly principal on the certificates in an amount equal to the principal, if any, paid in that month on the MBS. We will pay the remaining principal balances, if any, of the certificates on the final distribution date shown on the cover of this prospectus.

RISK FACTORS

We describe below some of the risks associated with an investment in the 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.

Suitability

The certificates are not a suitable investment for every investor.

- Before investing, you should have sufficient knowledge and experience to evaluate the merits and risks of the certificates and the information contained in the disclosure documents.
- You should thoroughly understand the terms of the certificates.
- You should thoroughly understand the summary information provided in this prospectus relating to the MBS and the related mortgage loans.
- You should be able to evaluate (either alone or with the help of a financial advisor) the economic and interest rate factors, as well as any other factors, that may affect your investment.
- You should have sufficient financial resources and liquidity to bear all risks associated with the certificates.

Investors whose investment activities are subject to legal investment laws and regulations, or to review by regulatory authorities, may be unable to buy certain certificates. You should 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

Your effective yield on the certificates will depend upon:

- the level of COFI;
- the level of the MBS margin;
- the price you paid for the certificates;
- how quickly or slowly borrowers prepay the mortgage loans backing the MBS;

- if and when such mortgage loans are liquidated due to borrower defaults, casualties or condemnations affecting the properties securing those loans;
- if and when such mortgage loans are repurchased;
- whether Fannie Mae exercises its option to repurchase the certificates;
- the timing and amount of deferred interest that is deducted from the monthly interest on the certificates and added to the principal balance of the certificates; and
- the actual characteristics of such mortgage loans.

The actual yield on your certificates probably will be lower than you expect:

- if the level of COFI is lower than you expect;
- if the level of the MBS margin is lower than you expect;
- if you bought your certificates at a premium and principal payments on the mortgage loans backing the MBS are faster than you expect; or
- if you bought your certificates at a discount and principal payments on the mortgage loans backing the MBS are slower than you expect.

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

Because the certificates do not receive interest immediately following each interest accrual period, they have a lower yield and lower market value than they would if there were no such delay.

Even if the mortgage loans are prepaid at a rate that on average is consistent with your

expectations, variations over time in the prepayment rate of such mortgage loans can 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 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.

As described in this prospectus, interest will accrue on the certificates on the basis of a specified index and the MBS margin. The MBS margin will vary from month to month based upon the weighted average of the net mortgage margins applicable to the mortgage loans underlying the MBS. If mortgages with relatively higher mortgage margins were to prepay or be repurchased from the pool, the MBS margin would decline. In such case, the rate at which interest accrues on the certificates will decline correspondingly.

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

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.

The actual final payment on your certificates may occur earlier than the final distribution date specified on the cover page of this prospectus. If you assumed the actual final payment would occur on the final distribution date, your yield could be lower than you expect.

Prepayment Considerations

The rate of principal payments on the certificates generally will depend on the rate of principal payments on the mortgage loans

backing the MBS. Principal payments will occur as a result of scheduled amortization or prepayments.

It is highly unlikely that the mortgage loans will prepay:

- at the rates we assume in this prospectus,
- at any specified prepayment rate until maturity, or
- at the same rate.

Certain of the mortgage loans provide for the payment of prepayment premiums by the borrowers in the event of full prepayments or certain partial prepayments of principal during specified periods. The prepayment premiums may reduce the likelihood or the amount of prepayments of the mortgage loans during these periods. However, we cannot estimate the prepayment experience of the mortgage loans or how that experience might compare to that of mortgage loans without prepayment premiums. We are unaware of any conclusive data on the prepayment rate of mortgage loans with prepayment premiums.

Although the mortgage loans generally may be assumed by creditworthy purchasers of mortgaged properties from the original borrowers, property sales by borrowers may increase the prepayment rate. For example, if the purchaser of a mortgaged property is not eligible to assume the mortgage loan or chooses not to do so, then the lender can require repayment in full when the original borrower sells the property. In addition, if borrowers are able to refinance their loans by obtaining new loans secured by the same properties, refinancing will affect the rate of prepayment.

In addition, we have the option to repurchase all the certificates when their aggregate outstanding principal balance is less than 5% of their aggregate original principal balance. If we exercise this clean-up option, it will have the effect of a prepayment in full of the underlying mortgage loans.

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

- the level of current interest rates relative to the rates borne by the mortgage loans backing the MBS,

- homeowner mobility,
- the existence of prepayment premiums,
- the general creditworthiness of the borrowers,
- borrower sophistication regarding the benefits of refinancing,
- solicitation for refinancing by lenders,
- repurchases of mortgage loans from the related mortgage loan pools, and
- general economic conditions.

The rate of principal payments is likely to vary considerably over time. 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 MBS.

Repurchases Due to Conversion to Fixed Rate Loans

A number of mortgage loans underlying the MBS are convertible to fixed-rate mortgage loans at the option of the related borrowers during certain periods. Borrowers may choose to exercise that option under a variety of circumstances. For example, borrowers may exercise the conversion option during periods of rising interest rates as they seek to limit their exposure to higher rates. By contrast, if rates decline significantly, borrowers also may exercise their conversion option in order to secure fixed-rate mortgage loans at competitive rates. The existence of periodic and lifetime caps also may affect the likelihood of conversion. We will repurchase any mortgage loan for which the conversion option is exercised. Any such repurchase will have the effect of a prepayment in full of that mortgage loan. Substantial numbers of such repurchases could significantly reduce the weighted average life of the certificates.

Repurchases Due to Breach of Representations and Warranties

The financial institutions that sell us the mortgage loans backing the MBS make certain representations and warranties covering the loans. If there is a material breach of these representations and warranties, we may choose

to repurchase the affected loans. Our repurchase of mortgage loans will have the same effect on the certificateholders as borrower prepayments.

Repurchases Due to Delinquency

We may repurchase from any pool of mortgage loans backing the MBS those loans that are delinquent by at least four consecutive monthly payments. Our repurchase of mortgage loans will have the same effect on the certificateholders as borrower prepayments.

Reinvestment Risk

Generally, a borrower may prepay a mortgage loan at any time, although the borrower might have to pay a prepayment premium under certain circumstances. As a result, we cannot predict the rate of principal distributions on the MBS or on the certificates. The 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 the 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

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

A number of factors may affect the resale of certificates, including:

- the characteristics of the mortgage loans in the underlying pools;

- past and expected prepayment levels of the mortgage loans and comparable loans;
- the outstanding principal amount of the certificates;
- the amount of certificates offered for resale from time to time;
- any legal restrictions, regulatory requirements 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.

Fannie Mae Guaranty Considerations

If we were unable to perform our guaranty obligations, certificateholders would receive only principal payments and other recoveries on the underlying mortgage loans and interest payments under the swap arrangement or from the underlying mortgage loans. If that happened, delinquencies and defaults on the mortgage loans could directly affect the amounts that certificateholders would receive each month.

DESCRIPTION OF THE CERTIFICATES

The material under this heading summarizes certain features of the Certificates. You will find additional information about the Certificates in the other sections of this prospectus as well as in the Trust Agreement. 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

Structure. We will create the Fannie Mae Grantor Trust specified on the cover of this prospectus (the “Trust”) pursuant to a trust agreement dated as of April 1, 2000 (the “Trust Agreement”). We will execute the Trust Agreement in our corporate capacity and in our capacity as trustee (in that capacity, the “Trustee”). We will issue the Certificates specified on the cover of this prospectus pursuant to the Trust Agreement.

The Guaranteed Grantor Trust Pass-Through Certificates offered by this prospectus (the “Certificates”) will represent beneficial ownership interests in the Trust. The assets of the Trust will consist of:

- certain Fannie Mae Guaranteed Mortgage Pass-Through Certificates (the “MBS”), and
- the right to receive interest payments under the swap arrangement discussed below under “—Calculation of COFI—*Swap Arrangement.*”

Each MBS represents a beneficial ownership interest in a pool (each, a “Pool”) of first lien, single-family, adjustable rate residential mortgage loans (the “Mortgage Loans”) having the characteristics described herein.

Fannie Mae Guaranty. We guarantee that on each Distribution Date we will pay to Certificateholders:

- the amount of interest specified under “Description of the Certificates—Interest Payments on the Certificates” in this prospectus,
- the amount of principal specified under “Description of the Certificates—Principal Payments on the Certificates” in this prospectus, and
- the remaining principal balance, if any, of the Certificates on the Final Distribution Date specified on the cover of this prospectus, whether or not we have received sufficient payments on the MBS.

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

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

If we were unable to perform our guaranty obligations, Certificateholders would receive only the principal payments and other recoveries on the Mortgage Loans and interest payments under the swap arrangement or from the Mortgage Loans. If that happened, delinquencies and defaults on the Mortgage Loans 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.** We alone are responsible for making payments on our guaranty. See “Description of Certificates—The Fannie Mae Guaranty” in the MBS Prospectus.

Characteristics of Certificates. We will issue the Certificates in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. We refer to entities whose names appear on the book-entry records of a Federal Reserve Bank as having had Certificates deposited in their accounts as “Holders” or “Certificateholders.” A Holder is not necessarily the beneficial owner of a Certificate. Beneficial owners ordinarily will “hold” Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations.

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

Distribution Date. Beginning in May 2000, we will make payments of principal and interest on the Certificates on the 25th day of each month or, if the 25th is not a business day, on the first business day after the 25th. We refer to each such date as a “Distribution Date”. A “business day” is any day other than:

- a Saturday or a Sunday, or
- any day on which either the Federal Reserve Bank of New York or the Federal Reserve Bank of Boston authorizes banking institutions in the Second or First Federal Reserve Banking District, respectively, to be closed.

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

Class Factors. On or shortly after the 11th day of each month, we will publish a class factor (carried to eight decimal places) for the Class of Certificates. When the class factor is multiplied by the original principal balance of a Certificate, the product will equal the current principal balance of that Certificate after taking into account payments on the Distribution Date in that month.

Fannie Mae Repurchase Option. On any Distribution Date when the aggregate principal balance of the Certificates is less than 5% of their aggregate original principal balance, we have the right to purchase from Certificateholders all the Certificates at a price equal to their outstanding principal balance on that date.

MBS Clean-up Calls. We have the right to repurchase the Mortgage Loans underlying any Fannie Mae MBS if the principal balance of that Pool is less than 1% of its original level. The exercise of any MBS clean-up call will have the same effect on the Certificates as a prepayment in full of the affected Mortgage Loans. See “Description of Certificates—Termination” in the MBS Prospectus.

Mandatory Certificate Exchange. In the event that the Cost of Savings Index is no longer used to calculate interest on the Mortgage Loans and a replacement index is the same as that used to calculate interest payments on the Certificates at the time of such replacement, the Trust will terminate. In such case, each of the Certificates will be exchanged for pro rata interests in the MBS and Certificateholders will thereafter be holders of the MBS.

Termination of the Trust. The Trust will terminate on the earliest to occur of:

- the Final Distribution Date,
- the Distribution Date on which the remaining principal amount of the MBS is passed through to Certificateholders,
- a replacement of the Index, as described in the immediately preceding paragraph, or
- the delivery of written notice from 100% of the Certificateholders instructing the Trustee to terminate the Trust.

The MBS

We expect the MBS to have the characteristics listed on Schedule 1 of this prospectus and the general characteristics described in the MBS Prospectus. The MBS provide that principal and interest on the related Mortgage Loans are passed through monthly, typically beginning in the month after we issue the MBS. The Mortgage Loans are conventional, adjustable rate Mortgage Loans secured by first mortgages or deeds of trust on one- to four-family (“single family”) residential properties. These Mortgage Loans have original maturities of up to 30 years. See “The Mortgage Pools” and “Yield Considerations” in the MBS Prospectus.

We will pay interest on each MBS on each Distribution Date at a rate equal to the weighted average of the interest rates (the “Mortgage Interest Rates”) of the Mortgage Loans underlying that MBS, weighted on the basis of the respective Stated Principal Balances of those Mortgage Loans as of the beginning of the related Interest Accrual Period, less the applicable servicing and guaranty fees (which may vary from Mortgage Loan to Mortgage Loan).

The amount of interest that we pay on each MBS on each Distribution Date will be further reduced by the amount, if any, of Deferred Interest (as described below) added to the principal balances of the related Mortgage Loans as of the first day of the month of that Distribution Date. Correspondingly, the principal balance of each MBS will be increased by the amount of Deferred Interest added to the principal balances of the related Mortgage Loans. See “— Certain Characteristics of the Mortgage Loans — *Monthly Payments, Amortization and Deferred Interest*” in this prospectus.

The “Stated Principal Balance” of a Mortgage Loan is the principal balance we use in calculating the then outstanding principal balances of the MBS. The Stated Principal Balance may differ from the actual principal balance for a number of reasons, including supplemental payments that we make on delinquent Mortgage Loans under our guaranty obligations and delays in the distribution of certain Mortgage Loan receipts.

The “MBS Margin” for the MBS at any time is equal to the weighted average of the Net Mortgage Margins for the Mortgage Loans. The “Net Mortgage Margin” for any Mortgage Loan at any time is equal to the related Mortgage Margin (defined below) for that Mortgage Loan less the applicable servicing and guaranty fees and further reduced to account for the effect of any applicable interest rate adjustment cap. The MBS Margin will be affected by lifetime interest rate adjustment caps, and will also be subject to differences in the amortization schedules, prepayment rates and maturity dates of Mortgage Loans with differing Net Mortgage Margins. These differences will cause the MBS Margin to change over time.

Certain Characteristics of the Mortgage Loans

General

The Mortgage Loans are amortizing loans having original maturities of up to 30 years. They bear interest at rates that vary in response to the Cost of Savings Index (described below) and adjust at periodic intervals as described below. Subject to any applicable adjustment caps, each Mortgage

Interest Rate at any time generally will be equal to the sum of a specified percentage, or “Mortgage Margin,” and the index level then applicable to that loan. The Mortgage Loans generally provide for a maximum Mortgage Interest Rate. The Mortgage Loans also provide for periodic adjustments of scheduled payments in order to fully amortize by their respective stated maturities.

The Index

The Mortgage Interest Rate for each Mortgage Loan will vary in response to movement in the Cost of Savings Index (the “Index”). The Index represents the weighted average of the interest rates in effect, as of the last calendar day of each month, on the deposit accounts of the federally insured depository institution subsidiaries of Golden West Financial Corporation (“GDW”), as made available on the 15th calendar day of the following month. In calculating the Index, GDW:

- includes all the items and adjustments that it uses to calculate the line item currently called “cost of deposits” in GDW’s quarterly and annual reports to shareholders as well as in other financial reports distributed by GDW,
- excludes deposit accounts owned by GDW and its federally insured depository institution subsidiaries or other affiliates, and
- makes adjustments that it deems accurate and appropriate.

On each Mortgage Interest Rate change date, the Index value most recently available on that date is used to calculate the Mortgage Interest Rate. Thus, the Index value for any month will be applied to Mortgage Loans having Mortgage Interest Rate change dates beginning on the 15th calendar day of the following month. Because deposits mature at various times and their costs can react in different ways to changing conditions, the Index does not necessarily reflect current market rates on new deposit accounts with similar maturities. Indeed, sometimes the Index does not even move in the same direction as current market rates, because as longer term deposits mature and are renewed at current rates, the Index is still affected by the differential between the old and new rates on the deposits.

The following table lists historical values for the Index since January 1994. Each Index value listed below represents the calculated value in effect as of the last calendar day of each specified month.

<u>Month</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
January	4.75%	4.63%	5.04%	5.01%	5.15%	4.82%	3.89%
February	4.78	4.60	5.02	4.99	5.08	4.99	3.84
March	4.84	4.58	5.02	4.98	5.01	5.14	3.79
April	*	4.55	5.03	5.00	4.97	5.27	3.76
May	*	4.52	5.01	5.07	4.93	5.33	3.77
June	*	4.50	4.99	5.10	4.92	5.32	3.82
July	*	4.47	4.95	5.10	4.93	5.30	3.88
August	*	4.48	4.92	5.09	4.92	5.25	3.94
September	*	4.50	4.91	5.08	4.95	5.22	4.05
October	*	4.56	4.85	5.07	4.96	5.18	4.17
November	*	4.64	4.79	5.04	4.96	5.16	4.34
December	*	4.69	4.67	5.04	4.98	5.15	4.57

* Not yet available

If the Index becomes unavailable, an alternative index will be determined in accordance with the terms of the related mortgage note (the “Mortgage Note”).

Mortgage Interest Rate Changes and Cap on Mortgage Interest Rate

The Mortgage Interest Rate for each Mortgage Loan will be adjusted monthly, subject to the applicable interest rate cap. The Mortgage Interest Rate will not exceed the maximum Mortgage Interest Rate specified in the related Mortgage Note. The maximum Mortgage Interest Rates range from approximately 11.95% to 12.50%, with a weighted average of approximately 12.13% at the Issue Date. There is no minimum Mortgage Interest Rate for any Mortgage Loan other than its Mortgage Margin. If a Mortgage Loan is assumed in connection with a sale or transfer of the related mortgaged property, the maximum Mortgage Interest Rate will be the greater of:

- the maximum Mortgage Interest Rate in the related Mortgage Note, or
- the Mortgage Interest Rate in effect at the time of sale or transfer plus five percentage points.

Monthly Payments, Amortization and Deferred Interest

The amount of the borrower’s monthly payment (the “Monthly Payment Amount”) is subject to change on each anniversary of the first payment due date. Each new Monthly Payment Amount will be set at the amount necessary to pay interest at the Mortgage Interest Rate calculated based on the most recent Index value available as of 45 days before the payment due date for the month preceding the month in which the first payment in the new amount is due, and to fully amortize the outstanding principal balance of the Mortgage Loan on a level debt service basis over the remainder of its term. However, the Monthly Payment Amount may never increase or decrease by more than 7.5% of the prior Monthly Payment Amount, except as described below.

Because of this method of calculating the Monthly Payment Amount, the payment change limitations, and the fact that the Mortgage Interest Rate changes more often than the Monthly Payment Amount, it is likely that some of the interest that accrues and would otherwise be payable will be deferred if the Index increases. Any interest that is deferred in this manner (“Deferred Interest”) will be added to the outstanding principal balance of the Mortgage Loan. Future interest accruals will be computed on the higher outstanding balance. Notwithstanding the 7.5% payment decrease limitation, if any Deferred Interest remains outstanding as of an annual payment change date, the Monthly Payment Amount may not decrease. Because the initial amortization schedule for a Mortgage Loan is based on a rate (the “Initial Mortgage Interest Rate”) that may bear no relation to then-prevailing interest rates, a relatively low Initial Mortgage Interest Rate is likely to produce more Deferred Interest during the first five or ten years (depending on the terms of the related Mortgage Note) than is an Initial Mortgage Interest Rate that is higher.

In addition, if the Index decreases, it is likely that the portion of the Monthly Payment Amount that is allocable to principal will exceed the amount of principal required to fully amortize the Mortgage Loan on a level debt service basis to its stated maturity. Any such excess will be applied in reduction of principal, thereby amortizing the Mortgage Loans faster than would be the case if the Index did not decrease.

Deferral of interest and faster amortization also may result from the fact that the Mortgage Interest Rate used to determine a new Monthly Payment Amount probably will not correspond to the Mortgage Interest Rate in effect during the two or three months immediately prior to the Monthly Payment Amount change date. This may result in a Monthly Payment Amount that either:

- will not fully amortize the Mortgage Loan on a level debt service basis during its remaining term at the then-current Mortgage Interest Rate, or
- will be more than sufficient to fully amortize the Mortgage Loan on a level debt service basis during its remaining term at the then-current Mortgage Interest Rate.

On either the fifth or the tenth anniversary of the first payment due date (as specified in the related Mortgage Note), every five years thereafter, and on the final scheduled payment change date, the 7.5% payment change limitation described above will not apply. At those times, a new Monthly Payment Amount will be set that will fully amortize the Mortgage Loan on a level debt service basis during the remaining term at the Mortgage Interest Rate calculated using the most recent Index value available as of 45 days before the payment due date for the month preceding the month in which the first payment in the new amount is due. As discussed above, however, the Monthly Payment Amount will never be decreased when there is any outstanding Deferred Interest. If the Monthly Payment Amount in the final year of the Mortgage Loan is insufficient to fully amortize the Mortgage Loan, there will be a final payment equal to the final month's accrued interest plus the remaining unpaid principal balance that will be due on the stated maturity date.

If at any time, additions of Deferred Interest to principal would cause the outstanding principal balance of a Mortgage Loan to exceed either 110% or 125% (as specified in the related Mortgage Note) of its original principal balance, then an unscheduled payment increase will take effect (not subject to the 7.5% payment change limitation). The amount due thereafter will be the amount that:

- would pay all interest if it were to continue to accrue at the Mortgage Interest Rate in effect at the time of the change, and
- would fully amortize the outstanding principal balance of the Mortgage Loan on a level debt service basis over the remainder of its term.

It is possible, however, that Deferred Interest could once again be added to principal, following another Mortgage Interest Rate change. If that happens, the Monthly Payment Amount will be changed only:

- in the manner described above, if additions of Deferred Interest would again cause the outstanding principal balance of the Mortgage Loan to exceed 110% or 125% (as applicable) of its original principal balance, or
- on the next annual payment change date.

Prepayment Premiums

The Mortgage Notes for approximately 76% of the Mortgage Loans (by Stated Principal Balance as of the Issue Date) permit the holder to charge the borrower a premium if the borrower makes a prepayment of principal, in whole or in part, within a specified time frame. Generally, the Mortgage Notes provide that the holder can charge a premium of 2% of the original loan balance if the borrower makes a prepayment of principal during the period of 36 or 48 months (as specified in the related Mortgage Note) from the date of the Mortgage Note and the aggregate amount of all prepayments made over a 12-month period exceeds 20% of the original principal amount of the Mortgage Note. The holder may charge the premium whether or not a prepayment arises in connection with the sale of the mortgaged property. We will retain all prepayment premiums. The Certificateholders are not entitled to any prepayment premiums paid by borrowers.

Convertible Mortgage Loans

The Mortgage Notes for approximately 29% of the Mortgage Loans (by Stated Principal Balance as of the Issue Date) may be converted to fixed-rate mortgage loans at the option of the borrowers during certain periods beginning with the twelfth scheduled payment due date and ending with the eighty-eighth scheduled payment due date. As described in the MBS Prospectus, we will repurchase any converted Mortgage Loan from the related Pool. Accordingly, the weighted average life of the Certificates may be shortened to some degree relative to securities evidencing interests in similar pools where no such option to convert and obligation to repurchase exists.

Final Data Statement

At the time we issue the Certificates, we will prepare a Final Data Statement containing certain information, including the Pool number, CUSIP number, issue date, latest loan maturity date, original certificate balance, current certificate balance, current weighted average coupon (“WAC”), current weighted average term to maturity (“WAM”), MBS Margin and Weighted Average Months to Rate Adjustment for each of the related MBS, in each case based on the Stated Principal Balances of the Mortgage Loans as of the Issue Date, along with the weighted average of all the current WACs and the weighted average of all the current WAMs as of the Issue Date. You may obtain the Final Data Statement from our website located at <http://www.fanniemae.com> or by calling us in Washington, D.C. at 1-800-237-8627 or 202-752-6547. The contents of the Final Data Statement and other data specific to the Certificates are available in electronic form by calling us at 1-800-752-6440 or 202-752-6000.

Interest Payments on the Certificates

Category. For the purpose of interest payments, the Certificates fall into the Weighted Average Coupon category. See “—Class Definitions and Abbreviations” below.

General. We will pay interest on the Certificates at the annual interest rate described below, subject to the limitations described below. We calculate interest based on a 360-day year consisting of twelve 30-day months. We pay interest monthly on each Distribution Date beginning in May 2000.

Interest Accrual Period. Interest to be paid on each Distribution Date will accrue on the Certificates during the one-month period beginning on the 15th day of the second month preceding the month in which the Distribution Date occurs. We refer to each such period as an “Interest Accrual Period.”

Weighted Average Coupon Class. During the initial Interest Accrual Period, we expect the Certificates to bear interest at the annual rate of approximately 7.42%. During each subsequent Interest Accrual Period, the Certificates will bear interest at an annual rate equal to the sum of:

- COFI (calculated as described below), and
- the MBS Margin for that Interest Accrual Period.

As described under “—The MBS,” the MBS Margin is calculated to account for the effect of any applicable interest rate adjustment caps on the Mortgage Interest Rates.

In addition, the amount of interest that we pay on each Distribution Date will be reduced by the amount, if any, of Deferred Interest added to the principal balances of the Mortgage Loans as of the first day of the month of that Distribution Date. Correspondingly, the principal balance of the Certificates will be increased by the amount of Deferred Interest added to the principal balances of the Mortgage Loans. See “—Certain Characteristics of the Mortgage Loans—*Monthly Payments, Amortization and Deferred Interest*” in this prospectus.

Changes in COFI will affect the yield on the Certificates. These changes may not correspond to changes in mortgage interest rates. Lower mortgage interest rates could occur while an increase in the level of COFI occurs. Similarly, higher mortgage interest rates could occur while a decrease in the level of COFI occurs.

Calculation of COFI

General. The “COFI Index Determination Date” for the Certificates means the second business day before the first day of each Interest Accrual Period.

We will identify the most recently announced Eleventh District Cost of Funds Index (“COFI”) on each COFI Index Determination Date using the method described below. The COFI value that we identify on each COFI Index Determination Date and the interest rate that we determine for the Certificates for the related Interest Accrual Period will be final and binding, absent manifest error. You may obtain each such interest rate by telephoning us in Washington, D.C. at 1-800-237-8627 or 202-752-6547.

Calculation Method. COFI is published by the Federal Home Loan Bank of San Francisco.¹ COFI represents the monthly weighted average costs of funds for savings institutions in Arizona, California and Nevada that are members of the Eleventh Federal Home Loan Bank District. COFI for a given month reflects the interest costs paid by these member institutions on all types of funds that they held (such as savings deposits, time deposits, advances from the Federal Home Loan Bank of San Francisco, repurchase agreements and all other borrowings). COFI is calculated by dividing the costs of funds by the average of the total funds outstanding at the end of that month and the prior month. That result is then annualized and adjusted to reflect the actual number of days in that month. Sometimes, before these calculations are made, the component figures have to be adjusted to neutralize the effect of events such as a member institution leaving the Eleventh District or acquiring an institution outside the Eleventh District. COFI is also weighted to reflect the relative amounts of each type of funds that the member institutions held at the end of that month.

Because these funds mature at various times and their costs can react in different ways to changing conditions, COFI does not necessarily reflect current market rates on new liabilities with similar maturities. Indeed, sometimes COFI does not even move in the same direction as current market rates, because as longer term deposits and borrowings mature and are renewed at current rates, COFI is still affected by the differential between the old and new rates on these deposits and borrowings.

The following table lists historical values for COFI since January 1994. Each value listed for COFI is the weighted average cost of funds for the particular month, but the index value is not published until the last working day of the following month.²

<u>Month</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
January	4.901%	4.608%	4.987%	4.821%	5.033%	4.747%	3.710%
February	4.967	4.562	4.968	4.759	4.975	4.925	3.687
March	*	4.519	4.917	4.780	4.874	5.007	3.629
April	*	4.490	4.903	4.822	4.841	5.064	3.672
May	*	4.480	4.881	4.864	4.823	5.141	3.726
June	*	4.504	4.881	4.853	4.809	5.179	3.804
July	*	4.500	4.911	4.887	4.819	5.144	3.860
August	*	4.562	4.899	4.904	4.839	5.133	3.945
September	*	4.608	4.882	4.941	4.834	5.111	4.039
October	*	4.666	4.762	4.957	4.839	5.116	4.187
November	*	4.773	4.691	4.949	4.835	5.119	4.367
December	*	4.852	4.655	4.963	4.842	5.059	4.589

* Not yet available

If COFI for a given month is announced on or before the tenth day of the second following month, we will determine the interest rate for the Interest Accrual Period commencing in that second following month based on that COFI value. For example, if COFI for May is announced on or before July 10, interest accrued on the Certificates for the Interest Accrual Period starting in July and payable in September will be based on that May index value. If COFI is not announced until later, the interest rate for that Interest Accrual Period will be based on COFI for the third preceding month.

If, on the tenth day of the month in which any Interest Accrual Period begins, the most recently announced COFI value relates to a month prior to the third preceding month, from then on we will determine the interest rate of the Certificates based on the National Cost of Funds Index value for the

¹ COFI is published in the monthly Federal Home Loan Bank of San Francisco Bulletin. You can obtain a copy by writing to the Office of Public Information, Federal Home Loan Bank of San Francisco, P.O. Box 7948, 600 California Street, San Francisco, California 94120 or by calling 415-616-1000. You can also obtain COFI by calling 888-396-2634 or 415-616-2600.

² The Federal Home Loan Bank of San Francisco has stated in its Information Bulletin that COFI for a given month “will be announced on or near the last working day” of the following month. However, it has also stated that it “cannot guarantee the announcement” of COFI on an exact date.

third preceding month (or the fourth preceding month if the National Cost of Funds Index was not published by the tenth day of that Interest Accrual Period). The “National Cost of Funds Index” means the National Monthly Median Cost of Funds Ratio to SAIF-Insured Institutions published by the Office of Thrift Supervision.³

If, however, on the tenth day of the month in which any Interest Accrual Period begins, the most recently published National Cost of Funds Index value relates to a month prior to the fourth preceding month, from then on we will determine the interest rate based on the London interbank offered rate (“LIBOR”), calculated under the “BBA Method.” Under the BBA Method, LIBOR is calculated based on the Interest Settlement Rate of the British Bankers’ Association (“BBA”) for one-month U.S. dollar deposits. The “Interest Settlement Rate” is found on Telerate page 3750 as of 11:00 a.m. (London time) on that date. Currently, it is based on rates quoted by 16 BBA-designated banks as being, in their view, the offered rate at which these deposits are being quoted to prime banks in the London interbank market. The Interest Settlement Rate is calculated by eliminating the four highest rates and the four lowest rates, averaging the eight remaining rates, carrying the percentage result to six decimal places and rounding to five decimal places.

Any change from the COFI index will result in a change in the index level and could increase the volatility of the index level. This would be the case especially if LIBOR is the alternative index.

Swap Arrangement. On the Settlement Date, Fannie Mae and the Trust will enter into an interest rate swap arrangement (the “Trust Swap”). Under this arrangement, on each Distribution Date:

- Fannie Mae will be obligated to pay to the Trust an amount sufficient to cover the interest required to be paid to the Certificateholders on that Distribution Date, and
- the Trust will agree to pay to Fannie Mae all interest payable on the MBS on that Distribution Date.

Fannie Mae intends to enter into the interest rate swap described under “Plan of Distribution and Related Matters” in this prospectus.

Principal Payments on the Certificates

Category. For the purpose of principal payments, the Certificates fall into the Pass-Through category. See “—Class Definitions and Abbreviations” below.

Principal Distribution Amount. On each Distribution Date, we will pay principal on the Certificates in an amount (the “Principal Distribution Amount”) equal to the principal then paid on the MBS.

Addition to Class Balance

On each Distribution Date, the principal balance of the Certificates will be increased by the amount, if any, of Deferred Interest added to the principal balances of the Mortgage Loans as of the first day of the month of that Distribution Date. See “—Certain Characteristics of the Mortgage Loans—*Monthly Payments, Amortization and Deferred Interest*” in this prospectus.

³ You can obtain general information about the National Cost of Funds Index by writing the Office of Thrift Supervision at 1700 G Street, N.W., Washington, D.C. 20552 or by calling 202-906-6000. You can obtain the current National Cost of Funds Index value by calling 202-906-6988.

Class Definitions and Abbreviations

The following chart identifies and generally defines the categories specified on the cover of this prospectus.

<u>Abbreviation</u>	<u>Category of Class</u>	<u>Definitions</u>
		INTEREST TYPE
WAC	Weighted Average Coupon	Has an interest rate that represents an effective weighted average interest rate that may change from period to period.
		PRINCIPAL TYPE
PT	Pass-Through	Is designed to receive principal payments in direct relation to actual payments on the related underlying securities.

Book-Entry Procedures

We will issue the Certificates in book-entry form on the book-entry system of the U.S. Federal Reserve Banks.

The Federal Reserve Bank of New York will act as our fiscal agent. We have a fiscal agency agreement in effect with the Federal Reserve Bank of New York. Under this agreement, the regulations (found at 24 C.F.R. Part 81, Subpart H) that govern our use of the book-entry system and the pledging and transfer of interests apply to the book-entry Certificates. These regulations may be modified, amended, supplemented, superseded, eliminated or otherwise altered without the consent of any Certificateholder. The Federal Reserve Banks' operating circulars and letters also apply. Book-entry Certificates will have a minimum denomination of \$1,000 with additional increments of one dollar. The Certificates have been assigned a CUSIP number and will trade under that CUSIP number. The book-entry Certificates are freely transferable on the records of any Federal Reserve Bank but are not convertible to physical certificates.

Certificates maintained on the book-entry system of a Federal Reserve Bank can be separately traded and owned. Acting on our behalf, the Federal Reserve Bank of New York will make payments on the book-entry Certificates on each Distribution Date by crediting accounts on its records (or on the records of other Federal Reserve Banks). Only entities that are eligible to maintain book-entry accounts with a Federal Reserve Bank may hold Certificates "of record," although these entities will not necessarily be the beneficial owners of the Certificates. We refer to holders of record as "Holders" or "Certificateholders."

Ordinarily, beneficial owners will "hold" Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. A Certificateholder that is not the beneficial owner of a Certificate will establish and maintain accounts for its customers. In the same way, all the other financial intermediaries in the chain to the beneficial owner of that Certificate will be responsible for establishing and maintaining accounts for their customers. Accordingly, the beneficial owners may experience a delay in receiving payments on the Certificates.

The rights of the beneficial owner of a Certificate with respect to Fannie Mae and the Federal Reserve Banks may be exercised only through a Certificateholder. Neither we nor the Federal Reserve Banks will have any direct obligation to the beneficial owner of a Certificate who is not also a Certificateholder according to the book-entry records maintained by the Federal Reserve Banks. In recording transfers of a Certificate, the Federal Reserve Banks will act only upon the instructions of a Certificateholder.

Structuring Assumptions

Pricing Assumptions. The information in the tables in this prospectus was prepared based on the following assumptions (collectively, the “Pricing Assumptions”):

- the Mortgage Loans underlying the MBS have an original term to maturity of 360 months, a weighted average remaining term to maturity of 349 months and a weighted average calculated loan age (“CAGE”) of 11 months, and bear interest at the annual rate of 7.71170%;
- the Mortgage Loans underlying the MBS have the aggregate characteristics set forth in Schedule 1 of this prospectus;
- the Mortgage Loans prepay at the percentages of CPR specified in the related table;
- the settlement date for the sale of the Certificates is April 28, 2000;
- the Distribution Date for the Certificates is the 25th day of each month, beginning on May 25, 2000; and
- no repurchase option or “clean-up” call is exercised.

Prepayment Assumptions. Prepayments of mortgage loans commonly are measured relative to a prepayment standard or model. The model used here is the constant prepayment rate model (“CPR”). It represents the annual rate of prepayments relative to the then outstanding principal balance of a pool of new mortgage loans. Thus, “0% CPR” means no prepayments, “15% CPR” means an annual prepayment rate of 15%, and so forth.

This model does not predict the prepayment experience of the Mortgage Loans backing any MBS or describe the historical performance of any particular pool of mortgage loans.

It is highly unlikely that the Mortgage Loans will prepay at any particular level of CPR or at any other constant rate.

Weighted Average Life of the Certificates

The “weighted average life” of a Class of Certificates means the average length of time, weighted by principal, that will elapse from the assumed settlement date until the time you receive the full amount of outstanding principal. The weighted average life of the Certificates is determined by:

- first, calculating the amount of principal to be paid to the Certificateholders on each Distribution Date, based on the applicable prepayment assumption;
- second, multiplying each such amount by the number of years from the assumed settlement date to the related Distribution Date;
- third, summing all the results; and
- fourth, dividing the sum by the aggregate amount of principal payments that were calculated in the first step.

The weighted average life of the Certificates will be affected by the rate at which principal payments are made on the Mortgage Loans. Principal payments include scheduled principal payments, voluntary principal prepayments, liquidations due to default, casualty and condemnation, repurchases for breaches of certain representations and warranties or the exercise of our repurchase option or the MBS clean-up calls. Each of these types of principal payments on the Mortgage Loans that are required to be paid on the MBS will be applied to payment of principal of the Certificates.

The effects of the foregoing factors may vary at different times during the life of the Certificates. Accordingly, we can give no assurance as to the weighted average life of the Certificates. Further, variability in the weighted average life of the Certificates could result in variability in the yield to

maturity. For an example of how the weighted average life of the Certificates may be affected at various constant prepayment rates, see the Decrement Table below.

Maturity Considerations and Final Distribution Date

The original maturities of substantially all of the Mortgage Loans are 30 years. Each Mortgage Loan provides for amortization of principal according to a schedule that, in the absence of prepayments or defaults, would result in repayment of the Mortgage Loan by its maturity date.

We will pay the Certificateholders any remaining principal balance on the Final Distribution Date set forth on the cover of this prospectus.

Decrement Table

The following table indicates the percentages of original principal balance of the Certificates that would be outstanding after each date shown at the indicated constant percentages of CPR and the corresponding weighted average life of the Certificates. The table has been prepared on the basis of the Pricing Assumptions.

It is unlikely:

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

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

Percent of Original Principal Balance Outstanding A1 Class

Distribution Date	A1 Class CPR† Prepayment Assumption				
	0%	10%	15%	25%	35%
Initial Percent	100	100	100	100	100
April 2001	99	89	84	74	64
April 2002	98	79	71	55	41
April 2003	97	71	60	41	27
April 2004	96	63	50	30	17
April 2005	94	56	42	22	11
April 2006	93	49	35	17	7
April 2007	91	44	29	12	4
April 2008	90	39	24	9	3
April 2009	88	34	20	7	2
April 2010	86	30	17	5	1
April 2011	84	26	14	4	1
April 2012	82	23	12	3	*
April 2013	79	20	10	2	*
April 2014	77	18	8	1	*
April 2015	74	15	6	1	*
April 2016	71	13	5	1	*
April 2017	68	11	4	1	*
April 2018	64	10	3	*	*
April 2019	60	8	3	*	*
April 2020	56	7	2	*	*
April 2021	52	6	2	*	*
April 2022	47	5	1	*	*
April 2023	42	4	1	*	*
April 2024	36	3	1	*	*
April 2025	30	2	1	*	*
April 2026	24	2	*	*	*
April 2027	17	1	*	*	*
April 2028	9	*	*	*	*
April 2029	1	*	*	*	*
April 2030	0	0	0	0	0
Weighted Average Life (years)**	19.6	7.8	5.6	3.4	2.3

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

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

† As described under “—Structuring Assumptions—Prepayment Assumptions” above.

THE TRUST AGREEMENT

In the sections below, we summarize 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 what we have summarized in this prospectus and the actual terms of the Trust Agreement, the terms of the Trust Agreement will prevail.

Reports to Certificateholders

On or shortly after the eleventh day of each month, we will publish (in print or otherwise) the class factor for the Class of Certificates. The class factor is a number (carried to eight decimal places) which, when multiplied by the original principal balance of a Certificate, will equal the amount of principal of that Certificate that will still be outstanding after the principal to be paid in the current month has been paid.

Within a reasonable time after the end of each calendar year, we will also furnish to each person who was a Certificateholder at any time during that year a statement containing any information required by the federal income tax laws.

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

Certain Matters Regarding Fannie Mae

The Trust Agreement provides that we may not resign from our obligations and duties unless they are no longer permissible under applicable law. Our resignation will be effective only after a successor has assumed our obligations and duties. However, no successor may succeed to our guaranty obligations, and we will continue to be responsible under our guaranty even if we are terminated or have resigned from our other duties and responsibilities under the Trust Agreement.

The Trust Agreement also provides that neither we nor any of our directors, officers, employees or agents will be under any liability to the Trust or to the Certificateholders for errors in judgment or for any action we take, or refrain from taking, in good faith pursuant to the Trust Agreement. However, neither we nor any such person will be protected against any liability due to willful misfeasance, bad faith, gross negligence or willful disregard of obligations and duties.

In addition, the Trust Agreement also provides that we are not under any obligation to appear in, prosecute or defend any legal action that is not incidental to our responsibilities under the Trust Agreement and that in our opinion may involve us in any expense or liability. However, in our discretion, we may undertake any legal action that we deem necessary or desirable in the interests of the Certificateholders. In that event, we will pay the legal expenses and costs of the action, which generally will not be reimbursable out of the trust fund.

Any corporation into which we are merged or consolidated, any corporation that results from a merger, conversion or consolidation to which we are a party or any corporation that succeeds to our business will be our successor under the Trust Agreement.

Voting Under Any Underlying Trust Indenture

The holders of a certain minimum percentage ownership in the MBS will have the right to terminate certain of our duties under the related indenture (the "Underlying Trust Indenture"), if there is an event of default under the Underlying Trust Indenture. Under the Trust Agreement, if there is an event of default under the Underlying Trust Indenture, the Certificateholders may vote their respective ownership shares in the MBS.

The holders of a certain minimum percentage ownership in the MBS may give their consent to an amendment or waiver of the Underlying Trust Indenture. The Trust Agreement, however, does not permit us, as trustee, to vote the MBS in favor of an amendment or waiver unless we have been

directed to do so by holders of Certificates whose principal balances (or notional principal balances) together equal at least 66% of the aggregate balances of all the Certificates of that series.

Events of Default

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

- if we fail to make a required payment to the Certificateholders and our failure continues uncorrected for 15 days after we receive written notice from Certificateholders who represent ownership interests totaling at least 5% of the Trust that they have not been paid; or
- 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 after we receive written notice of our failure from Certificateholders who represent ownership interests totaling at least 25% of the Trust; 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 listed above has occurred and continues uncorrected, Certificateholders who represent ownership interests totaling at least 25% of the Trust have the right to terminate, in writing, our obligations under the Trust Agreement both as Trustee and in our corporate capacity. However, our guaranty obligations will continue in effect. The same proportion of Certificateholders also may appoint, in writing, a successor to assume to all of our terminated obligations. In addition, the successor that they appoint will take legal title to the assets of the Trust.

Amendment

We may amend the Trust Agreement for any of the following purposes without notifying the Certificateholders:

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

If the Certificateholders that represent ownership interests totaling at least 66% of the Trust consent, we may amend the Trust Agreement to eliminate, change or add to the terms of the Trust Agreement 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 Certificateholders who must consent to the types of amendments listed in the previous sentence. In addition, unless each affected Certificateholder consents, no amendment may reduce or delay the funds that are required to be paid on any Certificate.

Termination

The Trust Agreement will terminate upon the earlier of:

- the receipt by Certificateholders of all required payments as described in this prospectus, or
- a replacement of the Index as described under “Description of the Certificates—General—*Mandatory Certificate Exchange*.”

In no event, however, will the Trust continue beyond the expiration of 21 years from the death of the last survivor of the person named in the Trust Agreement.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The Certificates and payments on the Certificates are not generally exempt from taxation. Therefore, you should consider the tax consequences of holding a Certificate before you acquire one. Although the Certificates resemble variable rate debt instruments, the tax treatment of the Certificates can differ substantially from the tax treatment of such an investment.

The following discussion describes certain U.S. federal income tax consequences to beneficial owners of 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.
- This discussion addresses only 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 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 tax consequences to a beneficial owner of a Certificate that also is a party to the interest rate swap transaction with Fannie Mae described under “Plan of Distribution and Related Matters” below.
- 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 Certificates as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

The topics in this discussion are addressed in the order of the following captions:

- Taxation of Beneficial Owners of Certificates
- Taxation of the MBS
- Taxation of the Trust Swap
- Information Reporting and Backup Withholding
- Foreign Investors

Taxation of Beneficial Owners of Certificates

Our special tax counsel, Arnold & Porter, 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 Trust will hold the MBS. In addition, the Trust will have entered into the Trust Swap. Each beneficial owner of a Certificate will be treated

- as holding an undivided interest in the MBS, and
- as having entered into the Trust Swap.

Consequently, each beneficial owner of a Certificate will be required to report its pro rata share of income accruing with respect to the MBS, as discussed under “—Taxation of the MBS” below. In addition, each beneficial owner of a Certificate will be required to report its pro rata share of net

income with respect to the Trust Swap and will be permitted to recognize its share of a net deduction with respect to the Trust Swap, subject to the discussion under “—Taxation of the Trust Swap” below. Also, a beneficial owner of a Certificate will be required to treat the sale or other disposition of the Certificate as a sale or other disposition of a pro rata portion of the MBS and the Trust Swap.

Allocations with Respect to a Certificate

A beneficial owner of a Certificate must allocate its cost to acquire a Certificate between the MBS and the Trust Swap based on their relative fair market values as of the date the Certificate is acquired. When a beneficial owner sells or disposes of a Certificate, the beneficial owner must allocate the sale proceeds between the MBS and the Trust Swap based on their relative fair market values as of the date of the sale or disposition.

For this purpose, the fair market value of the Trust Swap as of a particular date is determined by assessing the value, as of that date, of the right to receive payments under the Trust Swap relative to the obligation to make payments under the Trust Swap. In general, if a Certificate is acquired when the Trust Swap has a positive value, the beneficial owner’s basis allocable to the MBS will be less than the beneficial owner’s cost to acquire the Certificate, and the beneficial owner will be treated as having paid a premium in connection with entering into the Trust Swap. Likewise, if a Certificate is acquired when the Trust Swap has a negative value, the beneficial owner’s basis allocable to the MBS will be greater than the beneficial owner’s cost to acquire the Certificate, and the beneficial owner will be treated as having received a premium in connection with entering into the Trust Swap. Finally, if a Certificate is acquired when the Trust Swap is “on-market,” the beneficial owner’s basis allocable to the MBS will be the same as the beneficial owner’s cost to acquire the Certificate, and the beneficial owner will be treated as having neither received nor paid a premium in connection with entering into the Trust Swap. We anticipate receiving a representation that the Trust Swap will be “on-market” as of the Settlement Date. Based on this representation, we intend to report income and expense with respect to the Trust Swap as if no premium were paid or required to be paid by or to the Trust Swap counterparty in connection with entering into the Trust Swap. See “—Taxation of the Trust Swap” below.

Administrative Expenses of the Trust

Each beneficial owner of a Certificate will also be required to include in income its pro rata share of the compensation paid to administer the Trust. In turn, a beneficial owner of a Certificate can deduct its allocable share of these expenses 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 a 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, and non-publicly offered regulated investment companies, but do not include estates, nongrantor 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 2% 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 in the case of an individual, except that deductions for administrative expenses of the estate or trust that would not have been incurred if the property were not held in such trust or estate are treated as allowable in arriving at adjusted gross income. In addition, section 68 of the Code provides that certain itemized deductions otherwise allowable for a beneficial owner who is an individual are reduced by an amount equal to 3% of the beneficial owner’s adjusted gross income in excess of a statutorily defined threshold, but not more than 80% of itemized deductions otherwise allowable. Further, a beneficial owner may not be able to deduct any portion of these costs in computing its alternative minimum tax liability.

Other deductions with respect to the Certificates are also subject to these limitations. See “Certain Federal Income Tax Consequences—Application of Revenue Ruling 84-10—*Servicing Compensation*” in the MBS Prospectus and “—Taxation of the Trust Swap—*Treatment of Periodic Payments*” below. As a result of these tax consequences, the Certificates may not be a suitable investment for individuals, trusts or estates and certain pass-through entities, the beneficial owners of which are individuals, trusts or estates.

Tax Attributes of Certificates

Although the Certificates will represent beneficial ownership of the MBS, which are afforded certain tax attributes under the Code (see “—Taxation of the MBS” below), the interest in the Trust Swap represented by a Certificate will not constitute:

- a “real estate asset” within the meaning of section 856(c)(5)(B) of the Code,
- a “qualified mortgage” within the meaning of section 860G(a)(3) of the Code or a “permitted investment” within the meaning of section 860G(a)(5) of the Code, or
- an asset described in section 7701(a)(19)(C)(v) of the Code.

Income received under the Trust Swap will not constitute income described in section 856(c)(3)(B) with respect to a real estate investment trust. As a result of the treatment of the Trust Swap under these sections of the Code, the Certificates may not be a suitable investment for real estate investment trusts or REMICs.

Taxation of the MBS

The anticipated material federal income tax consequences to a beneficial owner of a Certificate of the purchase, ownership and disposition of the MBS are as described under “Certain Federal Income Tax Consequences” in the MBS Prospectus. For purposes of that discussion, a beneficial owner of a Certificate will be treated as acquiring the MBS at a cost as determined under the discussion “—Taxation of Beneficial Owners of Certificates—*Allocations with Respect to a Certificate*” above. Thus, for example, if a beneficial owner acquires a Certificate for a cost equal to its unpaid principal balance (plus any accrued interest) and the Trust Swap is an “on-market” swap at the time the Certificate is acquired, the beneficial owner will be treated as having acquired the MBS for an amount equal to the cost of the Certificate and the beneficial owner will be treated as having acquired the MBS with neither premium nor market discount. See “Certain Federal Income Tax Consequences—Application of Revenue Ruling 84-10—*Premium*” and “—*Market Discount*” in the MBS Prospectus. Based on the representation we expect to receive concerning the value of the Trust Swap as of the Settlement Date, we expect to report income to the Internal Revenue Service (“IRS”) and to the beneficial owners assuming that the MBS are purchased at a price equal to the initial price at which a substantial portion of the Certificates are sold or their fair market value as of that date.

For information reporting purposes, we intend to treat any Deferred Interest as interest income for the period in which it accrues. See “Certain Federal Income Tax Consequences—Application of Revenue Ruling 84-10—*Original Issue Discount*” in the MBS Prospectus. You should consult your own tax advisor regarding the tax treatment of Deferred Interest.

Although it is not clear, the assumption of a Mortgage Loan in certain cases might be treated as a retirement and a reissuance of the Mortgage Loan. In the absence of further guidance, we intend, for information reporting purposes, to treat the assumption of a Mortgage Loan as not constituting a retirement and reissuance. You should consult your own tax advisor regarding the tax consequences to you of an assumption of a Mortgage Loan.

Taxation of the Trust Swap

A beneficial owner of a Certificate will be treated as having entered into a “notional principal contract” within the meaning of Treasury regulations promulgated under section 446 of the Code (the “Swap Regulations”). Pursuant to this notional principal contract, a beneficial owner of a Certificate will be treated as agreeing to exchange, with respect to each Distribution Date, (i) the interest payments required to be paid on the MBS on that Distribution Date for (ii) the interest payments required to be paid on the Certificate on that Distribution Date. The beneficial owner will be treated as entering into the notional principal contract on the date the beneficial owner acquires the Certificate.

Treatment of Periodic Payments

Based on the representation we expect to receive concerning the value of the Trust Swap as of the Settlement Date, we intend to report income and expense with respect to the Trust Swap by treating all payments made to the Trust Swap counterparty or received from the Trust Swap counterparty as “periodic payments” within the meaning of the Swap Regulations. Under the Swap Regulations, a beneficial owner of a Certificate will be required to recognize net income or net deduction with respect to periodic payments using an accrual method of accounting, regardless of the method of accounting otherwise used by the beneficial owner. The net income or net deduction for a taxable year is determined by netting all periodic payments with respect to the Trust Swap that relate to that taxable year. Although not clear, the net income or net deduction should be treated as ordinary income or as an ordinary deduction.

If a beneficial owner is an individual, estate, or trust, the beneficial owner’s ability to recognize a net deduction with respect to a swap will be subject to sections 67 and 68 of the Code, as in the case of administrative expenses of the Trust. See “—Taxation of Beneficial Owners of Certificates—*Administrative Expenses of the Trust*” above. In addition, a beneficial owner may not be able to recognize a net deduction with respect to a swap in computing the beneficial owner’s alternative minimum tax liability.

Because the information reporting will reflect that the Trust Swap was “on-market” as of the Settlement Date, you should consult your tax advisors if you acquire a Certificate on any date other than the Settlement Date. In such a case, the value of the Trust Swap may have changed and you may be treated as having paid or received a premium with respect to the Trust Swap in connection with the acquisition of a Certificate.

It is possible that you may be treated as having paid or received a swap premium even if you acquire a Certificate for an amount equal to its outstanding principal balance (plus any accrued interest). In that case, your basis in the Mortgage Loans underlying the MBS will differ from your cost to acquire the Certificate, and you will be treated as having paid or received an offsetting Trust Swap premium in the amount of that difference. See the discussion under “—Taxation of Beneficial Owners of Certificates—*Allocations with Respect to a Certificate*” above. Consequently, the difference between your basis in the Mortgage Loans and the cost of your Certificate will reflect acquisition premium or market discount, which must be taken into account as described under “Certain Federal Income Tax Consequences—Application of Revenue Ruling 84-10—*Premium*” and “—*Market Discount*” in the MBS Prospectus. In addition, the Swap Regulations require that the swap premium be recognized over the remaining term of the Trust Swap in a manner that reflects the economic substance of the Trust Swap. Although not clear, it appears the method used to take into account acquisition premium or market discount may also be a proper method to amortize the swap premium. If the method used to take into account acquisition premium or market discount with respect to the Mortgage Loans is also used to amortize the swap premium, the resulting amounts of income and deduction with respect to these offsetting items would be the same in any particular period. Given the uncertainty regarding the proper method for amortizing a swap premium, you should consult your tax advisors regarding the tax consequences of a swap premium paid or received in connection with the acquisition of a Certificate.

Disposition of the Trust Swap

Any amount that is considered to be allocated to the Trust Swap in connection with the sale or disposition of a Certificate as described under “—Taxation of Beneficial Owners of Certificates—*Allocations with Respect to a Certificate*” above will be considered a “termination payment” under the Swap Regulations. Under the Swap Regulations, a beneficial owner will have gain or loss from the disposition of the Trust Swap equal to (i) the sum of the unamortized portion of any premium received or deemed to have been received by the beneficial owner upon entering into the Trust Swap and any termination payment it receives or is deemed to have received, less (ii) the sum of the unamortized portion of any premium paid or deemed to have been paid by the beneficial owner upon entering into the Trust Swap and any termination payment it makes or is deemed to have made. The gain or loss should be capital gain or loss, provided the Trust Swap is a capital asset to the beneficial owner.

Information Reporting and Backup Withholding

Within a reasonable time after the end of each calendar year, we will furnish or make available to each Holder that received a distribution during that year a statement setting forth such information as is required by the Code or Treasury Regulations and such other information as we deem 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 Certificates as nominees.

Payments of interest and principal, as well as payments of proceeds from the sale of Certificates, may be subject to the “backup withholding tax” under section 3406 of the Code at a rate of 31% if recipients of the payments fail to furnish to the payor certain information, including their taxpayer identification numbers, or otherwise fail to establish an exemption from this tax. Any amounts deducted and withheld from a payment to a recipient would be allowed as a credit against the recipient’s federal income tax. The IRS may impose certain penalties on a recipient of payments required to supply information who does not do so in the proper manner.

Foreign Investors

Additional rules apply to a beneficial owner of a 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 of its political subdivisions,
- 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 a Certificate 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 Certificate,
- the beneficial owner signs a statement under penalties of perjury that certifies that the beneficial owner is a Non-U.S. Person, and provides the name and address of the beneficial owner, and

- the last U.S. Person in the chain of payment to the beneficial owner receives the statement from the beneficial owner or a financial institution holding on its behalf and does not have actual knowledge that the statement is false.

You should be aware that the IRS might take the position that this exemption does not apply to a beneficial owner that also owns 10 percent or more of the voting stock of Fannie Mae, or to a beneficial owner that is a “controlled foreign corporation” described in section 881(c)(3)(C) of the Code.

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 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 the rules, guidelines and regulations that apply to you prior to purchasing any Certificates. In addition, if you are a financial institution, you should consult your regulators concerning the risk-based capital treatment of any Certificate. **Investors should consult their own legal advisors in determining whether and to what extent the Certificates constitute legal investments or are subject to restrictions on investment and whether and to what extent the 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 Certificates and the Trust Agreement.

ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and the Code impose certain requirements on employee benefit plans subject to ERISA (such as employer-sponsored retirement plans) and upon other types of benefit plans and arrangements subject to Section 4975 of the Code (such as individual retirement accounts). ERISA and Section 4975 of the Code also impose these requirements on certain entities in which the benefit plans or arrangements that are subject to ERISA and Section 4975 of the Code invest. We refer to these plans, arrangements and entities as “Plans.” Any person who is a fiduciary of a Plan also is subject to the requirements imposed by ERISA and Section 4975 of the Code. Before a Plan invests in any Certificate, the Plan fiduciary must consider whether the governing instruments for the Plan would permit the investment, whether the Certificates would be a prudent and appropriate investment for the Plan under its investment policy and whether such an investment might result in a transaction prohibited under ERISA or Section 4975 of the Code for which no exemption is available.

On November 13, 1986, the U.S. Department of Labor issued a final regulation covering the acquisition by a Plan of a “guaranteed governmental mortgage pool certificate,” defined to include 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 regulation, 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 the sponsor, trustee and other servicers of the mortgage pool to be subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA or section 4975 of the Code in providing services with respect to the mortgages in the pool.

The Certificates may not qualify as “guaranteed governmental mortgage pool certificates” under the regulation described in the preceding paragraph because the assets of the Trust include the right to receive variable rate interest payments under the swap arrangement. Therefore, depending upon facts and circumstances, such as the aggregate number of Certificates beneficially owned by Plans, the assets of the Trust might be deemed to be assets of Plans for all purposes under Title I of ERISA and Section 4975 of the Code. Because the MBS held by the Trust are guaranteed governmental mortgage pool certificates, an investment in the Trust by Plans would not cause the assets of the trusts to become assets of Plans.

Because the assets of the Trust may constitute assets of Plans, a proposed transferee may not acquire a Certificate unless either:

- the proposed transferee is not a Plan and is not acquiring the Certificate on behalf of a Plan or with Plan assets, or
- the proposed transferee is purchasing the Certificate in a transaction to which Prohibited Transaction Class Exemption (“PTCE”) 84-14 (exempting certain transactions effected by a qualified professional asset manager), PTCE 91-38 (exempting certain transactions involving bank collective investment funds), PTCE 90-1 (exempting certain transactions involving insurance company pooled separate accounts), PTCE 95-60 (exempting certain transactions involving insurance company general accounts), PTCE 96-23 (exempting certain transactions effected by an in-house asset manager) or a similar exemption applies.

Each transferee of a Certificate will be deemed to have made one of the representations contained in the immediately preceding sentence and, unless one of the exemptions listed in the second bullet point applies, any attempt to transfer a Certificate to a Plan or a person acting on behalf of a Plan or investing Plan assets will be void and of no effect.

Any Plan that holds or contemplates acquiring debt obligations of Fannie Mae should not purchase a Certificate unless PTCE 84-14 or a similar prohibited transaction exemption applies or will apply to its purchase and holding of the debt obligations.

PLAN OF DISTRIBUTION AND RELATED MATTERS

The seller of the Mortgage Loans (the “Seller”) intends to offer the Certificates directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Seller may effect such transactions to or through dealers, who may be deemed to have received underwriting compensation.

In addition, on the Settlement Date Fannie Mae and the Seller intend to enter into an interest rate swap under which Fannie Mae will be obligated to pay to the Seller the amounts concurrently owed by the Trust under the Trust Swap and the Seller will be obligated to pay to Fannie Mae the amounts concurrently owed by Fannie Mae under the Trust Swap.

LEGAL MATTERS

Brown & Wood LLP will provide legal representation for Fannie Mae.

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**Assumed Characteristics of the Mortgage Loans Underlying the MBS
(As of April 1, 2000)**

Pool Number	CUSIP	Issue Date Unpaid Principal Balance	Weighted Average Coupon	Weighted Average Maximum Mortgage Interest Rate	Assumed Original Term (in months)	Weighted Average Remaining Term (in months)	Calculated Loan Age (in months)	Issue Date	Latest Loan Maturity Date	Convertible to a Fixed Rate	Initial Mortgage Recast Year	Prepayment Premium	Monthly Payment Due Date	Net Weighted Average MBS Margin	Weighted Average Months to Rate Adjustment	Initial Interest Rate Change Date
534245	31384UP65	\$ 17,088,471	7.616%	11.535%	360	344	16	April 2000	February 2030	yes	10th	yes	15th	2.421%	1	February 1999
534246	31384UP73	123,822,338	7.470	11.536	360	348	12	April 2000	February 2030	yes	5th	yes	15th	2.275	1	October 1998
534247	31384UP81	87,190,226	7.630	11.535	360	348	12	April 2000	February 2030	yes	5th	yes	15th	2.435	1	October 1998
534248	31384UP99	9,871,140	7.453	11.535	360	337	23	April 2000	October 2028	yes	5th	yes	15th	2.258	1	April 1998
534249	31384UQA5	114,310,252	7.993	11.535	360	352	8	April 2000	February 2030	no	10th	yes	15th	2.798	1	January 1999
534250	31384UQB3	54,156,807	7.433	11.535	360	349	11	April 2000	February 2030	no	5th	yes	15th	2.238	1	October 1998
534251	31384UQC1	55,165,506	7.715	11.629	360	350	10	April 2000	February 2030	no	5th	yes	15th	2.520	1	October 1998
534252	31384UQD9	152,412,383	8.056	11.605	360	352	8	April 2000	February 2030	no	5th	yes	15th	2.861	1	October 1998
534253	31384UQE7	7,115,638	7.553	11.629	360	338	22	April 2000	October 2028	no	5th	yes	15th	2.358	1	April 1998
534254	31384UQF4	76,548,887	7.498	11.535	360	348	12	April 2000	February 2030	no	5th	no	15th	2.303	1	December 1998
534255	31384UQG2	83,153,834	7.670	11.677	360	351	9	April 2000	February 2030	no	5th	no	15th	2.475	1	December 1998
534256	31384UQH0	38,828,243	7.518	11.535	360	343	17	April 2000	February 2030	no	10th	no	15th	2.323	1	November 1998

No one is authorized to give information or to make representations in connection with this offering other than those contained in this prospectus and the other disclosure documents. You must not rely on any unauthorized information or representation. This prospectus and the other disclosure documents do not constitute an offer or solicitation with regard to the certificates if it is illegal to make such an offer or solicitation to you under state law. By delivering this prospectus and the other disclosure documents at any time, no one implies that the information contained in these documents is correct after their dates.

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

\$819,663,725
(Approximate)



Guaranteed Grantor Trust
Pass-Through Certificates
Fannie Mae Grantor Trust 2000-T4

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PROSPECTUS

April 6, 2000
