Offering Circular Supplement
(To Base Offering Circular dated August 1, 2004)

$418,290,030

Government National Mortgage Association

GINNIE MAE®

Guaranteed REMIC Pass-Through Securities
Ginnie Mae REMIC Trust 2004-068

The securities may not be suitable investments for you. You should consider carefully the risks of investing in them.

See "Risk Factors" beginning on page S-7 which highlights some of these risks.

The Securities

The Trust will issue the Classes of Securities listed on the inside front cover.

The Ginnie Mae Guaranty

Ginnie Mae will guarantee the timely payment of principal and interest on the securities. The Ginnie Mae Guaranty is backed by the full faith and credit of the United States of America.

The Trust and its Assets

The Trust will own Ginnie Mae Certificates.

The Sponsor and the Co-Sponsor will offer the securities from time to time in negotiated transactions at varying prices. We expect the closing date to be August 30, 2004.

You should read the Base Offering Circular as well as this Supplement.

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

Bear, Stearns & Co. Inc. **Utendahl Capital Partners, L.P.**

The date of this Offering Circular Supplement is August 23, 2004.

Ginnie Mae REMIC Trust 2004-068

The Trust will issue the classes of securities listed in the table below.

Class of REMIC Securities	Original Principal Balance(1)	Interest Rate	Principal Type(2)	Interest Type(2)	Final Distribution Date(3)	CUSIP Number
FA	$300,000,000	(4)	TAC/AD	FLT	May 2031	38374H VQ 0
PO	50,000,000	0.00%	TAC/AD	PO	May 2031	38374H VR 8
SA	300,000,000	(4)	NTL (TAC/AD)	INV/IO	May 2031	38374H VS 6
ZA	4,182,900	6.00	SUP/AD	FIX/Z	October 2025	38374H VT 4
ZC	20,914,502	6.00	SEQ	FIX/Z	August 2034	38374H VU 1
ZG	20,000,000	6.00	JMP/SUP/AD	FIX/Z	April 2031	38374H VV 9
ZH	23,192,628	6.00	JMP/SUP/AD	FIX/Z	May 2031	38374H VW 7
Residual						
RR	0	0.0	NPR	NPR	August 25, 2034	38374H VX 5

(1) Subject to increase as described under "Increase in Size" in this Supplement. The amount shown for the Notional Class (indicated by "NTL" under Principal Type) is its original Class Notional Balance and does not represent principal that will be paid.

(2) As defined under "Class Types" in Appendix I to the Base Offering Circular. The type of Class with which the Class Notional Balance of the Notional Class will be reduced is indicated in parentheses.

(3) See *"Yield, Maturity and Prepayment Considerations — Final Distribution Date" in this Supplement.*

(4) See *"Terms Sheet — Interest Rates" in this Supplement.*

AVAILABLE INFORMATION

You should purchase the securities only if you have read and understood the following documents:

- this Offering Circular Supplement (this "Supplement") and
- the Base Offering Circular.

The Base Offering Circular is available on Ginnie Mae's website located at http://www.ginniemae.gov.

If you do not have access to the internet, call JPMorgan Chase Bank, which will act as information agent for the Trust, at (800) 234-GNMA, to order copies of the Base Offering Circular.

Please consult the standard abbreviations of Class Types included in the Base Offering Circular as Appendix I and the Glossary included in the Base Offering Circular as Appendix II for definitions of capitalized terms.

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TERMS SHEET

This terms sheet contains selected information for quick reference only. You should read this Supplement, particularly "Risk Factors," and each of the other documents listed under "Available Information."

Sponsor: Bear, Stearns & Co. Inc.

Trustee: U.S. Bank National Association

Tax Administrator: The Trustee

Closing Date: August 30, 2004

Distribution Date: The 20th day of each month or, if the 20th day is not a Business Day, the first Business Day thereafter, commencing in September 2004.

Trust Assets:

Trust Asset Type	Certificate Rate	Original Term To Maturity (in years)
Ginnie Mae II	6.00%	30

Assumed Characteristics of the Mortgage Loans Trust Assets(1):

Principal Balance(2)	Weighted Average Remaining Term to Maturity (in months)	Weighted Average Loan Age (in months)	Weighted Average Mortgage Rate(3)
$418,290,030	350	8	6.37%

(1) As of August 1, 2004.
(2) Does not include the Trust Assets that will be added to pay the Trustee Fee.
(3) The Mortgage Loans underlying the Trust Assets may bear interest at rates ranging from 0.25% to 1.50% per annum above the related Certificate Rate.

The actual remaining terms to maturity, loan ages and Mortgage Rates of many of the Mortgage Loans will differ from the weighted averages shown above, perhaps significantly. *See "The Trust Assets — The Mortgage Loans" in this Supplement.*

Issuance of Securities: The Securities, other than the Residual Securities, will initially be issued in book-entry form through the book-entry system of the U.S. Federal Reserve Banks (the "Fedwire Book-Entry System"). The Residual Securities will be issued in fully registered, certificated form. *See "Description of the Securities — Form of Securities" in this Supplement.*

Increased Minimum Denomination Classes: Each Class that constitutes a Principal Only, Jump or Interest Only Inverse Floating Rate Class. *See "Description of the Securities — Form of Securities" in this Supplement.*

Interest Rates: The Interest Rates for the Fixed Rate Classes are shown on the inside cover page of this Supplement.

The Floating Rate and Inverse Floating Rate Classes will bear interest at per annum rates based on one-month LIBOR (hereinafter referred to as "LIBOR") as follows:

Classes	Interest Rate Formula(1)	Initial Interest Rate(2)	Minimum Rate	Maximum Rate	Delay (in days)	LIBOR for Minimum Interest Rate
FA	LIBOR + 0.20%	1.69188%	0.20%	7.00%	0	0.00%
SA	6.80% - LIBOR	5.30812%	0.00%	6.80%	0	6.80%

(1) LIBOR will be established on the basis of the BBA LIBOR method, as described under "Description of the Securities — Interest Distributions — Floating Rate and Inverse Floating Rate Classes" in this Supplement.
(2) The initial Interest Rate will be in effect during the first Accrual Period; the Interest Rate will adjust monthly thereafter.

Allocation of Principal: On each Distribution Date, a percentage of the Principal Distribution Amount will be applied to the Trustee Fee, and the remainder of the Principal Distribution Amount (the "Adjusted Principal Distribution Amount"), the ZA, ZC, ZG and ZH Accrual Amounts will be allocated as follows:

- If ZA has been retired on a prior Distribution Date, the ZG and ZH Accrual Amounts sequentially, to ZH and ZG, in that order, until retired
- The Adjusted Principal Distribution Amount and the ZA and ZC Accrual Amounts and, if ZA has not been retired on a prior Distribution Date, the ZG and ZH Accrual Amounts in the following order of priority:
    1. Concurrently, to FA and PO, pro rata, until reduced to their Aggregate Scheduled Principal Balance for that Distribution Date
    2. To ZA, until retired
    3. If the remaining principal balance of the Trust Assets, after giving effect to their reduction on that Distribution Date (the "Trust Asset Balance"), is less than the 375% PSA Balance for that Distribution Date, then to ZH, until retired
    4. Sequentially, to ZG and ZH, in that order, until retired
    5. Concurrently, to FA and PO, pro rata, without regard to their Aggregate Scheduled Principal Balance, until retired
    6. To ZC, until retired

Scheduled Principal Balances: The Aggregate Scheduled Principal Balances for the Classes listed below are included in Schedule I to this Supplement. They were calculated using, among other things, the following Structuring Rate:

Classes	Structuring Rate
FA and PO (in the aggregate)	230% PSA

375% PSA Balances: The 375% PSA Balances are included in Schedule II to this Supplement. The 375% PSA Balances were calculated using a Structuring Rate of 375% PSA and the assumed characteristics of the related Trust MBS to be delivered on the Closing Date. The actual characteristics of the related Trust MBS may vary from the characteristics assumed in preparing the 375% PSA Balances included in Schedule II to this Supplement and, if so, the Sponsor may recalculate such balances. The Sponsor will make them available on Ginnie Mae's Multiclass Securities e-Access located on Ginnie Mae's website ("e-Access") shortly after the Closing Date.

Accrual Classes: Interest will accrue on each Accrual Class identified on the inside front cover of this Supplement at the per annum rate set forth on that page. However, no interest will be distributed to the Accrual Classes as interest. Interest so accrued on each Accrual Class on each Distribution Date will constitute an Accrual Amount, which will be added to the Class Principal Balance of that Class on each Distribution Date and will be distributable as principal as set forth in this Terms Sheet under "Allocation of Principal."

Notional Class: The Notional Class will not receive distributions of principal but has a Class Notional Balance for convenience in describing its entitlement to interest. The Class Notional Balance of the Notional Class represents the percentage indicated below of, and reduces to that extent with, the Class Principal Balance indicated:

Class	Original Class Notional Balance	Represents Approximately
SA	$300,000,000	100% of FA (TAC/AD Class)

Tax Status: Double REMIC Series. *See "Certain Federal Income Tax Consequences" in this Supplement and in the Base Offering Circular.*

Regular and Residual Classes: Class RR is a Residual Class and includes the Residual Interest of the Issuing REMIC and the Pooling REMIC; all other Classes of REMIC Securities are Regular Classes.

RISK FACTORS

You should purchase securities only if you understand and are able to bear the associated risks. The risks applicable to your investment depend on the principal and interest type of your securities. This section highlights certain of these risks.

The rate of principal payments on the underlying mortgage loans will affect the rate of principal payments on your securities. The rate at which you will receive principal payments will depend largely on the rate of principal payments, including prepayments, on the mortgage loans underlying the trust assets. We expect the rate of principal payments on the underlying mortgage loans to vary. Borrowers generally may prepay their mortgage loans at any time without penalty.

Rates of principal payments can reduce your yield. The yield on your securities probably will be lower than you expect if:

- you bought your securities at a premium (interest only securities, for example) and principal payments are faster than you expected, or
- you bought your securities at a discount (principal only securities, for example) and principal payments are slower than you expected.

In addition, if your securities are interest only securities or securities purchased at a significant premium, you could lose money on your investment if prepayments occur at a rapid rate.

The level of LIBOR will affect the yields on floating rate and inverse floating rate securities. If LIBOR performs differently from what you expect, the yield on your securities may be lower than you expect. Lower levels of LIBOR will generally reduce the yield on floating rate securities; higher levels of LIBOR will generally reduce the yield on inverse floating rate securities. You should bear in mind that the timing of changes in the level of LIBOR may affect your yield: generally, the earlier a change, the greater the effect on your yield. It is doubtful that LIBOR will remain constant.

An investment in the securities is subject to significant reinvestment risk. The rate of principal payments on your securities is uncertain. You may be unable to reinvest the payments on your securities at the same returns provided by the securities. Lower prevailing interest rates may result in an unexpected return of principal. In that interest rate climate, higher yielding reinvestment opportunities may be limited. Conversely, higher prevailing interest rates may result in slower returns of principal and you may not be able to take advantage of higher yielding investment opportunities. The final payment on your security may occur much earlier than the final distribution date.

Support securities will be more sensitive to rates of principal payments than other securities. If principal prepayments result in principal distributions on any distribution date equal to or less than the amount needed to produce scheduled payments on the TAC classes, the support classes will not receive any principal distribution on that date (other than from any applicable accrual amounts). If prepayments result in principal distributions on any distribution date greater than the amount needed to produce scheduled payments on the TAC classes for that distribution date, this excess will be distributed to the support classes.

The occurrence of a trigger event may significantly affect the weighted average life of jump securities. The principal distribution priorities of the jump securities will change either permanently or temporarily upon the occurrence of the applicable specified trigger event on any Distribution Date as described under "Terms Sheet — Allocation of Principal" in this Supplement. A change in principal distribution priority could significantly extend or shorten the weighted average life of any jump class from the anticipated weighted average life at the time of purchase. Consequently, an investor in jump securities should carefully consider the likelihood and probable frequency of the occurrence of the trigger event in analyzing the anticipated weighted average life of the securities acquired.

The securities may not be a suitable investment for you. The securities, in particular, the support, principal only, interest only inverse floating rate, jump, accrual and residual classes, are not suitable investments for all investors.

In addition, although the sponsor intends to make a market for the purchase and sale of the securities after their initial issuance, it has no obligation to do so. There is no assurance that a secondary market will develop, that any secondary market will continue, or that the price at which you can sell an investment in any class will enable you to realize a desired yield on that investment.

You will bear the market risks of your investment. The market values of the classes are likely to fluctuate. These fluctuations may be significant and could result in significant losses to you.

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

The residual securities may experience significant adverse tax timing consequences. Accordingly, you are urged to consult tax advisors and to consider the after-tax effect of ownership of a residual security and the suitability of the residual securities to your investment objectives. *See "Certain Federal Income Tax Consequences" in this supplement and in the base offering circular.*

You are encouraged to consult advisors regarding the financial, legal, tax and other aspects of an investment in the securities. You should not purchase the securities of any class unless you understand and are able to bear the prepayment, yield, liquidity and market risks associated with that class.

The actual characteristics of the underlying mortgage loans will affect the weighted average lives and yields of your securities. The yield and prepayment tables in this supplement are based on assumed characteristics which are likely to be different from the actual characteristics. As a result, the yields on your securities could be lower than you expected, even if the mortgage loans prepay at the constant prepayment rates set forth in the applicable table.

It is highly unlikely that the underlying mortgage loans will prepay at any of the prepayment rates assumed in this supplement, or at any constant prepayment rate.

THE TRUST ASSETS

General

The Sponsor intends to acquire the Trust Assets in privately negotiated transactions prior to the Closing Date and to sell them to the Trust according to the terms of a Trust Agreement between the Sponsor and the Trustee. The Sponsor will make certain representations and warranties with respect to the Trust Assets. All Trust Assets will evidence, directly or indirectly, Ginnie Mae Certificates.

The Trust MBS

The Trust MBS are either:

1. Ginnie Mae II MBS Certificates guaranteed by Ginnie Mae, or
2. Ginnie Mae Platinum Certificates backed by Ginnie Mae II MBS Certificates and guaranteed by Ginnie Mae.

Each Mortgage Loan underlying a Ginnie Mae II MBS Certificate issued prior to July 1, 2003 bears interest at a Mortgage Rate 0.50% to 1.50% per annum greater than the related Certificate Rate. Each Mortgage Loan underlying a Ginnie Mae II MBS Certificate issued on or after July 1, 2003 bears interest at a Mortgage Rate 0.25% to 0.75% per annum greater than the related Certificate Rate. Ginnie Mae receives a fee (the "Ginnie Mae Certificate Guaranty Fee") for its guaranty of each Ginnie Mae II MBS Certificate of 0.06% per annum of the outstanding principal balance of each related Mortgage Loan. The difference between (a) the Mortgage Rate and (b) the sum of the Certificate Rate and the Ginnie Mae Certificate Guaranty Fee is used to pay the related servicers of the Mortgage Loans a monthly servicing fee.

The Mortgage Loans

The Mortgage Loans underlying the Trust Assets are expected to have, on a weighted average basis, the characteristics set forth in the Terms Sheet under "Assumed Characteristics of the Mortgage Loans Underlying the Trust Assets" and the general characteristics described in the Base Offering Circular. The Mortgage Loans will consist of first lien, single-family, fixed rate, residential mortgage loans that are insured or guaranteed by the Federal Housing Administration, the United States Department of Veterans Affairs, the Rural Housing Service or the United States Department of Housing and Urban Development ("HUD"). *See "The Ginnie Mae Certificates — General" in the Base Offering Circular.*

Specific information regarding the characteristics of the Mortgage Loans is not available. For purposes of this Supplement, certain assumptions have been made regarding the remaining terms to maturity, loan ages and Mortgage Rates of the Mortgage Loans. However, the actual remaining terms to maturity, loan ages and Mortgage Rates of many of the Mortgage Loans will differ from the characteristics assumed, perhaps significantly. This will be the case even if the weighted average characteristics of the Mortgage Loans are the same as the assumed characteristics. Small differences in the characteristics of the Mortgage Loans can have a significant effect on the weighted average lives and yields of the Securities. *See "Risk Factors" and "Yield, Maturity and Prepayment Considerations" in this Supplement*.

The Trustee Fee

On each Distribution Date, the Trustee will retain a fixed percentage of all principal and interest distributions received on specified Trust Assets in payment of its fee.

GINNIE MAE GUARANTY

The Government National Mortgage Association ("Ginnie Mae"), a wholly-owned corporate instrumentality of the United States of America within HUD, guarantees the timely payment of principal and interest on the Securities. The General Counsel of HUD has provided an opinion to the effect that Ginnie Mae has the authority to guarantee multiclass securities and that Ginnie Mae guaranties will constitute general obligations of the United States, for which the full faith and credit of the United States is pledged. *See "Ginnie Mae Guaranty" in the Base Offering Circular.*

DESCRIPTION OF THE SECURITIES

General

The description of the Securities contained in this Supplement is not complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of the Trust Agreement. *See "Description of the Securities" in the Base Offering Circular.*

Form of Securities

Each Class of Securities other than the Residual Securities initially will be issued and maintained, and may be transferred only on the Fedwire Book-Entry System. Beneficial Owners of Book-Entry Securities will ordinarily hold these Securities through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations that are eligible to maintain book-entry accounts on the Fedwire Book-Entry System. By request accompanied by the payment of a transfer fee of $25,000 per Certificated Security to be issued, a Beneficial Owner may receive a Regular Security in certificated form.

The Residual Securities will not be issued in book-entry form but will be issued in fully registered, certificated form and may be transferred or exchanged, subject to the transfer restrictions applicable to Residual Securities set forth in the Trust Agreement, at the Corporate Trust Office of the Trustee. *See "Description of the Securities — Forms of Securities; Book-Entry Procedures" in the Base Offering Circular.*

Each Class (other than the Increased Minimum Denomination Classes) will be issued in minimum dollar denominations of initial principal balance of $1,000 and integral multiples of $1 in excess of $1,000. The Increased Minimum Denomination Classes other than the Jump Classes will be issued in minimum denominations that equal $100,000 in initial principal or notional balance. The Jump Classes will be issued in minimum denominations that equal $1,000,000.

Distributions

Distributions on the Securities will be made on each Distribution Date as specified under "Terms Sheet — Distribution Date" in this Supplement. On each Distribution Date for a Security, or in the case of the Certificated Securities, on the first Business Day after the related Distribution Date, the Distribution Amount will be distributed to the Holders of record as of the close of business on the last Business Day of the calendar month immediately preceding the month in which the Distribution Date occurs. Beneficial Owners of Book-Entry Securities will receive distributions through credits to accounts maintained for their benefit on the books and records of the appropriate financial intermediaries. Holders of Certificated Securities will receive distributions by check or, subject to the restrictions set forth in the Base Offering Circular, by wire transfer. *See "Description of the Securities — Distributions" and "— Method of Distributions" in the Base Offering Circular.*

Interest Distributions

The Interest Distribution Amount will be distributed on each Distribution Date to the Holders of all Classes of Securities entitled to distributions of interest.

- Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.
- Interest distributable on any Class for any Distribution Date will consist of 30 days' interest on its Class Principal Balance (or Class Notional Balance) as of the related Record Date.
- Investors can calculate the amount of interest to be distributed on each Class of Securities for any Distribution Date by using the Class Factors published in the preceding month. *See "— Class Factors" below.*

Categories of Classes

For purposes of interest distributions, the Classes will be categorized as shown under "Interest Type" on the inside cover page of this Supplement. The abbreviations used on the inside cover page of this Supplement are explained under "Class Types" in Appendix I to the Base Offering Circular.

Accrual Periods

The Accrual Period for each Class is set forth in the table below:

Class	Accrual Period
Fixed Rate Classes	The calendar month preceding the related Distribution Date
Floating Rate and Inverse Floating Rate Classes	From the 20th day of the month preceding the month of the related Distribution Date through the 19th day of the month of that Distribution Date

Fixed Rate Classes

Each Fixed Rate Class will bear interest at the per annum Interest Rate shown on the inside cover page of this Supplement.

Floating Rate and Inverse Floating Rate Classes

The Floating Rate and Inverse Floating Rate Classes will bear interest as shown under "Terms Sheet — Interest Rates" in this Supplement. The Interest Rates for the Floating Rate and Inverse Floating Rate Classes will be based on LIBOR. LIBOR will be determined based on the BBA LIBOR method, as described under "Description of the Securities — Interest Rate Indices — Determination of LIBOR — BBA LIBOR" in the Base Offering Circular.

For information regarding the manner in which the Trustee determines LIBOR and calculates the Interest Rates for the Floating Rate and Inverse Floating Rate Classes, see "Description of the Securities — Interest Rate Indices — Determination of LIBOR" in the Base Offering Circular.

The Trustee's determination of LIBOR and its calculation of the Interest Rates will be final, except in the case of clear error. Investors can obtain LIBOR levels and Interest Rates for the current and preceding Accrual Periods from Ginnie Mae's Multiclass Securities e-Access located on Ginnie Mae's website ("e-Access") or by calling the Information Agent at (800) 234-GNMA.

Accrual Classes

Each of Classes ZA, ZC, ZG and ZH is an Accrual Class. Interest will accrue on the Accrual Classes and be distributed as described under "Terms Sheet — Accrual Classes" in this Supplement.

Principal Distributions

The Adjusted Principal Distribution Amount and the ZA, ZC, ZG and ZH Accrual Amounts will be distributed to the Holders entitled thereto as described under "Terms Sheet — Allocation of Principal" in this Supplement. Investors can calculate the amount of principal to be distributed with respect to any Distribution Date by using the Class Factors published in the preceding and current months. *See "— Class Factors" below.*

Categories of Classes

For purposes of principal distributions, the Classes will be categorized as shown under "Principal Type" on the inside cover page of this Supplement. The abbreviations used on the inside cover page and in the Terms Sheet are explained under "Class Types" in Appendix I to the Base Offering Circular.

Notional Class

The Notional Class will not receive principal distributions. For convenience in describing interest distributions, the Notional Class will have the original Class Notional Balance shown on the inside cover page of this Supplement. The Class Notional Balance will be reduced as shown under "Terms Sheet — Notional Class" in this Supplement.

Residual Securities

The Class RR Securities will represent the beneficial ownership of the Residual Interest in the Issuing REMIC and the beneficial ownership of the Residual Interest in the Pooling REMIC, as described under "Certain Federal Income Tax Consequences" in the Base Offering Circular. The Class RR Securities have no Class Principal Balance and do not accrue interest. The Class RR Securities will be entitled to receive the proceeds of the disposition of any assets remaining in the related Trust REMICs after the Class Principal Balance of each Class of Regular Securities has been reduced to zero. However, any remaining proceeds are not likely to be significant. The Residual Securities may not be transferred to a Plan Investor, a Non-U.S. Person or a Disqualified Organization.

Class Factors

The Trustee will calculate and make available for each Class of Securities, no later than the day preceding the Distribution Date, the factor (carried out to eight decimal places) that when multiplied by the Original Class Principal Balance (or original Class Notional Balance) of that Class, determines the Class Principal Balance (or Class Notional Balance) after giving effect to the distribution of principal to be made on the Securities (and any addition to the Class Principal Balance of an Accrual Class) or any reduction of Class Notional Balance on that Distribution Date (each, a "Class Factor").

- The Class Factor for any Class of Securities for the month following the issuance of the Securities will reflect its remaining Class Principal Balance (or Class Notional Balance) after giving effect to any principal distribution (or addition to principal) to be made or any reduction of Class Notional Balance on the Distribution Date occurring in that month.
- The Class Factor for each Class for the month of issuance is 1.00000000.
- Based on the Class Factors published in the preceding and current months (and Interest Rates), investors in any Class (other than an Accrual Class) can calculate the amount of principal and interest to be distributed to that Class, and investors in an Accrual Class can calculate the total amount of principal and interest to be distributed to (or interest to be added to the Class Principal Balance of) that Class on the Distribution Date in the current month.

• Investors may obtain current Class Factors on e-Access.

See "Description of the Securities — Distributions" in the Base Offering Circular.

Termination

The Trustee, at its option, may purchase or cause the sale of the Trust Assets and thereby terminate the Trust on any Distribution Date on which the aggregate of the Class Principal Balances of the Securities is less than 1% of the aggregate Original Class Principal Balances of the Securities. The Trustee will terminate the Trust and retire the Securities on any Distribution Date upon the Trustee's determination that the REMIC status of either Trust REMIC has been lost or that a substantial risk exists that this status will be lost for the then current taxable year.

Upon any termination of the Trust, the Holder of any outstanding Security (other than a Residual or Notional Class Security) will be entitled to receive that Holder's allocable share of the Class Principal Balance of that Class plus any accrued and unpaid interest thereon at the applicable Interest Rate, and any Holder of any outstanding Notional Class Security will be entitled to receive that Holder's allocable share of any accrued and unpaid interest thereon at the applicable Interest Rate. The Residual Holders will be entitled to their pro rata share of any assets remaining in the related Trust REMICs after payment in full of the amounts described in the foregoing sentence. However, any remaining assets are not likely to be significant.

YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS

General

The prepayment experience of the Mortgage Loans underlying the Trust Assets will affect the Weighted Average Lives of and the yields realized by investors in the Securities.

- The Mortgage Loans do not contain "due-on-sale" provisions, and any Mortgage Loan may be prepaid in full or in part at any time without penalty.
- The rate of payments (including prepayments and payments in respect of liquidations) on the Mortgage Loans is dependent on a variety of economic, geographic, social and other factors, including prevailing market interest rates and general economic factors.

The rate of prepayments with respect to single-family mortgage loans has fluctuated significantly in recent years. Although there is no assurance that prepayment patterns for the Mortgage Loans will conform to patterns for more traditional types of conventional fixed-rate mortgage loans, generally:

- if mortgage interest rates fall materially below the Mortgage Rates on any of the Mortgage Loans (giving consideration to the cost of refinancing), the rate of prepayment of those Mortgage Loans would be expected to increase; and
- if mortgage interest rates rise materially above the Mortgage Rates on any of the Mortgage Loans, the rate of prepayment of those Mortgage Loans would be expected to decrease.

In addition, following any Mortgage Loan default and the subsequent liquidation of the underlying Mortgaged Property, the principal balance of the Mortgage Loan will be distributed through a combination of liquidation proceeds, advances from the related Ginnie Mae Issuer and, to the extent necessary, proceeds of Ginnie Mae's guaranty of the Ginnie Mae Certificates. As a result, defaults experienced on the Mortgage Loans will accelerate the distribution of principal of the Securities.

Under certain circumstances, the Trustee has the option to purchase the Trust Assets, thereby effecting early retirement of the Securities. *See "Description of the Securities — Termination" in this Supplement.*

Accretion Directed Classes

Classes FA, PO, ZA, ZG and ZH are Accretion Directed Classes. The related Accrual Amount will be applied to making principal distributions on those Classes as described in this Supplement. Class SA is a Notional Class whose Class Notional Balance is determined by reference to the Class Principal Balance of FA.

Each of the Accretion Directed Classes has the AD designation in the suffix position, rather than the prefix position, in its class principal type because it does not have principal payment stability through the applicable pricing prepayment assumption. Although the Accretion Directed Classes are entitled to receive payments from the related Accrual Amounts, they do not have principal payment stability through any prepayment rate significantly higher than 0% PSA.

Securities that Receive Principal on the Basis of Schedules

As described in this Supplement, the TAC Classes will receive principal payments in accordance with an aggregate schedule calculated on the basis of, among other things, a Structuring Rate. *See "Terms Sheet — Scheduled Principal Balances."* However, whether such Classes will adhere to their schedule and receive "Scheduled Payments" on a Distribution Date will largely depend on the level of prepayments experienced by the Mortgage Loans.

The TAC Classes exhibit in the aggregate an Effective Rate of constant prepayments at which such Classes will receive Scheduled Payments. That rate may differ from the Structuring Rate used to create the principal balance schedule. Based on the Modeling Assumptions, the initial Effective Rate for the TAC Classes is as follows:

TAC Classes	Initial Effective Rate
FA and PO (in the aggregate)	230% PSA

• The principal payment stability of the TAC Classes will be supported by the Support Classes.

If all of the Classes supporting a given Class are retired before the Class being supported is retired, the outstanding Class will no longer have an Effective Rate and will become more sensitive to prepayments on the Mortgage Loans.

There is no assurance that the Mortgage Loans will have the characteristics assumed in the Modeling Assumptions, which were used to determine the initial Effective Rate. If the initial Effective Rate was calculated using the actual characteristics of the Mortgage Loans, the initial Effective Rate could differ from that shown in the above table or an initial Effective Rate might not exist. Therefore, even if the Mortgage Loans were to prepay at the constant rate shown for the TAC Classes in the above table, those Classes could fail to receive Scheduled Payments.

Moreover, the Mortgage Loans will not prepay at any constant rate. Non-constant prepayment rates can cause the TAC Classes not to receive Scheduled Payments, even if prepayment rates average the Effective Rate, if any, for those Classes. Further, the Effective Rate for the TAC Classes can change or cease to exist depending on the actual characteristics of the Mortgage Loans.

If the Mortgage Loans prepay at rates that are generally below the Effective Rate for the TAC Classes, the amount available to pay principal on the Securities may be insufficient to produce Scheduled Payments on the TAC Classes and their Weighted Average Lives may be extended, perhaps significantly.

If the Mortgage Loans prepay at rates that are generally above the Effective Rate for the TAC Classes, the supporting Classes may be retired earlier than the TAC Classes, and their Weighted Average Lives may be shortened, perhaps significantly.

Assumability

Each Mortgage Loan may be assumed, subject to HUD review and approval, upon the sale of the related Mortgaged Property. *See "Yield, Maturity and Prepayment Considerations — Assumability of Government Loans" in the Base Offering Circular.*

Jump Classes

Classes ZG and ZH have been designated as Jump Classes because their principal distribution priorities will change, with respect to one trigger, permanently or, with respect to another, temporarily ("jump") on any Distribution Date that the applicable trigger is met but, in the case of the latter, will revert (not "stick") on any subsequent Distribution Date that the applicable trigger is not met. *See "Terms Sheet—Allocation of Principal" in this Supplement*.

The Weighted Average Life of a Jump Class that jumps ahead in priority of principal distributions may be shortened, perhaps significantly. Conversely, the Weighted Average Life of a Jump Class that is jumped by another Class may be extended, perhaps significantly. The yield to investors may be less than anticipated for any Class purchased at a premium if the Weighted Average Life is shortened and for any Class purchased at a discount if the Weighted Average Life is extended.

The trigger event for the Jump Classes resulting in a temporary change in principal distribution priority is determined by reference to the 375% PSA Balances, which were calculated as set forth under "Terms Sheet—375% PSA Balances," and the trigger event resulting in a permanent change in principal distribution priority is determined by whether Class ZA has been retired as set forth under "Terms Sheet—Allocation of Principal" in this Supplement.

The Sponsor may recalculate the 375% PSA Balances based upon the actual characteristics of the Trust Assets delivered on the Closing Date, which may vary from the characteristics assumed in preparing the 375% PSA Balances set forth in Schedule II to this Supplement. If recalculated, the 375% PSA Balances will reflect the aggregate unpaid principal amount of the Trust Assets, net of the Trustee Fee, for each Distribution Date assuming that the Mortgage Loans underlying the Trust Assets prepay at a constant rate of approximately 375% PSA and that each of the Mortgage Loans underlying the Trust Assets has the same interest rate, remaining term to maturity and loan age as the weighted average mortgage rate, weighted average remaining term to maturity and weighted average loan age of the Trust Assets delivered on the Closing Date. If recalculated, the 375% PSA Balances will be made available on e-Access shortly after the Closing Date.

Final Distribution Date

The Final Distribution Date for each Class, which is set forth on the inside cover page of this Supplement, is the latest date on which the related Class Principal Balance or Class Notional Balance will be reduced to zero.

- The actual retirement of any Class may occur earlier than its Final Distribution Date.
- According to the terms of the Ginnie Mae Guaranty, Ginnie Mae will guarantee payment in full of the Class Principal Balance of each Class of Securities no later than its Final Distribution Date.

Modeling Assumptions

Unless otherwise indicated, the tables that follow have been prepared on the basis of the following assumptions (the "Modeling Assumptions"), among others:

1. The Mortgage Loans underlying the Trust Assets have the assumed characteristics shown under "Assumed Characteristics of the Mortgage Loans Underlying the Trust Assets" in the Terms Sheet; except in the case of information set forth under the 0% PSA Prepayment Assumption Rate, for which each Mortgage Loan underlying a Trust Asset is assumed to have an original and a remaining term to maturity of 360 months and a Mortgage Rate of 1.50% per annum higher than the related Certificate Rate.

2. The Mortgage Loans prepay at the constant percentages of PSA (described below) shown in the related table.

3. Distributions on the Securities are always received on the 20th day of the month, whether or not a Business Day, commencing in September 2004.

4. A termination of the Trust does not occur.

5. The Closing Date for the Securities is August 30, 2004.

6. No expenses or fees are paid by the Trust other than the Trustee Fee.

7. The 375% PSA Balances are as set forth in Schedule II.

When reading the tables and the related text, investors should bear in mind that the Modeling Assumptions, like any other stated assumptions, are unlikely to be entirely consistent with actual experience.

- For example, most of the Mortgage Loans will not have the characteristics assumed, many Distribution Dates will occur on a Business Day after the 20th of the month, and the Trustee may cause a termination of the Trust as described under "Description of the Securities — Termination" in this Supplement.
- In addition, distributions on the Securities are based on Certificate Factors and Calculated Certificate Factors, if applicable, which may not reflect actual receipts on the Trust Assets.

See "Description of the Securities — Distributions" in the Base Offering Circular.

Decrement Tables

Prepayments of mortgage loans are commonly measured by a prepayment standard or model. The model used in this Supplement ("PSA") is the standard prepayment assumption model of The Bond Market Association. PSA represents an assumed rate of prepayment each month relative to the then outstanding principal balance of the Mortgage Loans to which the model is applied. *See "Yield, Maturity and Prepayment Considerations — Standard Prepayment Assumption Models" in the Base Offering Circular.*

The decrement tables set forth below are based on the assumption that the Mortgage Loans prepay at the indicated percentages of PSA (the "PSA Prepayment Assumption Rates"). As used in the table, each of the PSA Prepayment Assumption Rates reflects a percentage of the 100% PSA assumed prepayment rate. **The Mortgage Loans will not prepay at any of the PSA Prepayment Assumption Rates and the timing of changes in the rate of prepayments actually experienced on the Mortgage Loans will not follow the pattern described for the PSA assumption.**

The decrement tables set forth below illustrate the percentage of the Original Class Principal Balance (or, in the case of the Notional Class, the original Class Notional Balance) that would remain outstanding following the distribution made each specified month for each Class, based on the assumption that the Mortgage Loans prepay at the PSA Prepayment Assumption Rates. The percentages set forth in the following decrement tables have been rounded to the nearest whole percentage (including rounding down to zero).

The decrement tables also indicate the Weighted Average Life of each Class under each PSA Prepayment Assumption Rate. The Weighted Average Life of each Class is calculated by:

(a) multiplying the net reduction, if any, of the Class Principal Balance (or the net reduction of the Class Notional Balance, in the case of any the Notional Class) from one Distribution Date to the next Distribution Date by the number of years from the date of issuance thereof to the related Distribution Date,

(b) summing the results, and

(c) dividing the sum by the aggregate amount of the assumed net reductions in principal balance or notional amount, as applicable, referred to in clause (a).

The information shown for the Notional Class is for illustrative purposes only, as a Notional Class is not entitled to distributions of principal and has no weighted average life. The weighted average life shown for the Notional Class has been calculated on the assumption that a reduction in the Class Notional Balance thereof is a distribution of principal.

The Weighted Average Lives are likely to vary, perhaps significantly, from those set forth in the tables below due to the differences between the actual characteristics of the Mortgage Loans underlying the Trust Assets and the Modeling Assumptions.

Percentages of Original Class Principal (or Class Notional) Balances and Weighted Average Lives

Distribution Date	Classes FA, PO and SA 0%	100%	200%	300%	400%
Initial Percent	100	100	100	100	100
August 2005	98	94	90	89	89
August 2006	95	85	76	74	74
August 2007	93	76	62	58	54
August 2008	90	67	49	44	38
August 2009	87	59	38	32	26
August 2010	84	50	27	23	17
August 2011	80	43	18	15	10
August 2012	76	35	10	8	4
August 2013	72	28	2	3	0
August 2014	68	20	0	0	0
August 2015	64	13	0	0	0
August 2016	59	7	0	0	0
August 2017	54	0	0	0	0
August 2018	48	0	0	0	0
August 2019	42	0	0	0	0
August 2020	36	0	0	0	0
August 2021	29	0	0	0	0
August 2022	22	0	0	0	0
August 2023	14	0	0	0	0
August 2024	6	0	0	0	0
August 2025	0	0	0	0	0
August 2026	0	0	0	0	0
August 2027	0	0	0	0	0
August 2028	0	0	0	0	0
August 2029	0	0	0	0	0
August 2030	0	0	0	0	0
August 2031	0	0	0	0	0
August 2032	0	0	0	0	0
August 2033	0	0	0	0	0
August 2034	0	0	0	0	0
Weighted Average Life (years):	12.7	6.3	4.2	4.0	3.6

Distribution Date	Class ZA 0%	100%	200%	300%	400%
Initial Percent	100	100	100	100	100
August 2005	106	106	106	0	0
August 2006	113	113	113	0	0
August 2007	120	120	120	0	0
August 2008	127	127	127	0	0
August 2009	135	135	135	0	0
August 2010	143	143	143	0	0
August 2011	152	152	152	0	0
August 2012	161	161	161	0	0
August 2013	171	171	171	0	0
August 2014	182	182	0	0	0
August 2015	193	193	0	0	0
August 2016	205	205	0	0	0
August 2017	218	209	0	0	0
August 2018	231	0	0	0	0
August 2019	245	0	0	0	0
August 2020	261	0	0	0	0
August 2021	277	0	0	0	0
August 2022	294	0	0	0	0
August 2023	312	0	0	0	0
August 2024	331	0	0	0	0
August 2025	93	0	0	0	0
August 2026	0	0	0	0	0
August 2027	0	0	0	0	0
August 2028	0	0	0	0	0
August 2029	0	0	0	0	0
August 2030	0	0	0	0	0
August 2031	0	0	0	0	0
August 2032	0	0	0	0	0
August 2033	0	0	0	0	0
August 2034	0	0	0	0	0
Weighted Average Life (years):	20.9	13.2	9.4	0.3	0.2

Distribution Date	Class ZC 0%	100%	200%	300%	400%
Initial Percent	100	100	100	100	100
August 2005	106	106	106	106	106
August 2006	113	113	113	113	113
August 2007	120	120	120	120	120
August 2008	127	127	127	127	127
August 2009	135	135	135	135	135
August 2010	143	143	143	143	143
August 2011	152	152	152	152	152
August 2012	161	161	161	161	161
August 2013	171	171	171	171	171
August 2014	182	182	182	182	130
August 2015	193	193	193	193	96
August 2016	205	205	205	166	71
August 2017	218	218	218	132	52
August 2018	231	231	231	104	38
August 2019	245	245	225	82	28
August 2020	261	261	189	64	20
August 2021	277	277	158	50	15
August 2022	294	294	131	39	10
August 2023	312	312	108	30	7
August 2024	331	316	88	23	5
August 2025	351	273	71	17	4
August 2026	373	232	57	13	3
August 2027	396	193	44	9	2
August 2028	421	157	34	6	1
August 2029	446	122	25	4	1
August 2030	474	90	17	3	0
August 2031	450	60	11	2	0
August 2032	311	31	5	1	0
August 2033	161	4	1	0	0
August 2034	0	0	0	0	0
Weighted Average Life (years):	28.4	24.0	19.4	15.3	12.3

Distribution Date	Class ZG 0%	100%	200%	300%	375%	376%	400%
Initial Percent	100	100	100	100	100	100	100
August 2005	106	106	106	91	49	106	106
August 2006	113	113	113	47	0	51	17
August 2007	120	120	120	17	0	0	0
August 2008	127	127	127	6	0	0	0
August 2009	135	135	135	6	0	0	0
August 2010	143	143	143	6	0	0	0
August 2011	152	152	152	7	0	0	0
August 2012	161	161	161	7	0	0	0
August 2013	171	171	171	7	0	0	0
August 2014	182	182	137	0	0	0	0
August 2015	193	193	55	0	0	0	0
August 2016	205	205	0	0	0	0	0
August 2017	218	218	0	0	0	0	0
August 2018	231	178	0	0	0	0	0
August 2019	245	106	0	0	0	0	0
August 2020	261	33	0	0	0	0	0
August 2021	277	0	0	0	0	0	0
August 2022	294	0	0	0	0	0	0
August 2023	312	0	0	0	0	0	0
August 2024	331	0	0	0	0	0	0
August 2025	351	0	0	0	0	0	0
August 2026	267	0	0	0	0	0	0
August 2027	156	0	0	0	0	0	0
August 2028	29	0	0	0	0	0	0
August 2029	0	0	0	0	0	0	0
August 2030	0	0	0	0	0	0	0
August 2031	0	0	0	0	0	0	0
August 2032	0	0	0	0	0	0	0
August 2033	0	0	0	0	0	0	0
August 2034	0	0	0	0	0	0	0
Weighted Average Life (years):	22.8	14.9	10.6	2.5	1.0	2.0	1.7

Distribution Date	Class ZH 0%	100%	200%	300%	375%	376%	400%
Initial Percent	100	100	100	100	100	100	100
August 2005	106	106	106	102	99	49	37
August 2006	113	113	113	99	45	0	0
August 2007	120	120	120	97	0	0	0
August 2008	127	127	127	97	0	0	0
August 2009	135	135	135	96	0	0	0
August 2010	143	143	143	96	0	0	0
August 2011	152	152	152	96	0	0	0
August 2012	161	161	161	95	0	0	0
August 2013	171	171	171	95	0	0	0
August 2014	182	182	174	73	0	0	0
August 2015	193	193	169	15	0	0	0
August 2016	205	205	148	0	0	0	0
August 2017	218	218	87	0	0	0	0
August 2018	231	217	32	0	0	0	0
August 2019	245	210	0	0	0	0	0
August 2020	261	206	0	0	0	0	0
August 2021	277	169	0	0	0	0	0
August 2022	294	107	0	0	0	0	0
August 2023	312	46	0	0	0	0	0
August 2024	331	0	0	0	0	0	0
August 2025	351	0	0	0	0	0	0
August 2026	341	0	0	0	0	0	0
August 2027	330	0	0	0	0	0	0
August 2028	325	0	0	0	0	0	0
August 2029	227	0	0	0	0	0	0
August 2030	94	0	0	0	0	0	0
August 2031	0	0	0	0	0	0	0
August 2032	0	0	0	0	0	0	0
August 2033	0	0	0	0	0	0	0
August 2034	0	0	0	0	0	0	0
Weighted Average Life (years):	25.2	17.8	13.0	9.7	2.0	1.0	0.9

Yield Considerations

An investor seeking to maximize yield should make a decision whether to invest in any Class based on the anticipated yield of that Class resulting from its purchase price, the investor's own projection of Mortgage Loan prepayment rates under a variety of scenarios and, in the case of a Floating Rate or an Interest Only Inverse Floating Rate Class, the investor's own projection of levels of LIBOR under a variety of scenarios. **No representation is made regarding Mortgage Loan prepayment rates, LIBOR levels or the yield of any Class.**

Prepayments: Effect on Yields

The yields to investors will be sensitive in varying degrees to the rate of prepayments on the Mortgage Loans.

- In the case of Regular Securities purchased at a premium (especially the Interest Only Class), faster than anticipated rates of principal payments could result in actual yields to investors that are lower than the anticipated yields.
- Investors in the Interest Only Class should also consider the risk that rapid rates of principal payments could result in the failure of investors to recover fully their investments.
- In the case of Regular Securities purchased at a discount (especially the Principal Only Class), slower than anticipated rates of principal payments could result in actual yields to investors that are lower than the anticipated yields.

See "Risk Factors — Rates of principal payments can reduce your yield" in this Supplement.

Rapid rates of prepayments on the Mortgage Loans are likely to coincide with periods of low prevailing interest rates.

During periods of low prevailing interest rates, the yields at which an investor may be able to reinvest amounts received as principal payments on the investor's Class of Securities may be lower than the yield on that Class.

Slow rates of prepayments on the Mortgage Loans are likely to coincide with periods of high prevailing interest rates.

During periods of high prevailing interest rates, the amount of principal payments available to an investor for reinvestment at those high rates may be relatively low.

The Mortgage Loans will not prepay at any constant rate until maturity, nor will all of the Mortgage Loans prepay at the same rate at any one time. The timing of changes in the rate of prepayments may affect the actual yield to an investor, even if the average rate of principal prepayments is consistent with the investor's expectation. In general, the earlier a prepayment of principal on the Mortgage Loans, the greater the effect on an investor's yield. As a result, the effect on an investor's yield of principal prepayments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the Closing Date is not likely to be offset by a later equivalent reduction (or increase) in the rate of principal prepayments.

LIBOR: Effect on Yields of the Floating Rate and Inverse Floating Rate Classes

Low levels of LIBOR can reduce the yield of the Floating Rate Class. High levels of LIBOR can significantly reduce the yield of the Inverse Floating Rate Class. In addition, the Floating Rate Class will not benefit from a higher yield at high levels of LIBOR because the rate on such Class is capped at a maximum rate described under "Terms Sheet — Interest Rates."

Payment Delay: Effect on Yields of the Fixed Rate Classes

The effective yield on any Fixed Rate Class will be less than the yield otherwise produced by its Interest Rate and purchase price because, on each Distribution Date, 30 days' interest will be payable on (or added to the principal amount of) that Class even though interest began to accrue approximately 50 days earlier.

Yield Tables

The following tables show the pre-tax yields to maturity on a corporate bond equivalent basis of specified Classes at various constant percentages of PSA and, in the case of the Inverse Floating Rate Class, at various constant levels of LIBOR.

The Mortgage Loans will not prepay at any constant rate until maturity, and it is unlikely that LIBOR will remain constant. Moreover, it is likely that the Mortgage Loans will experience actual prepayment rates that differ from those of the Modeling Assumptions. **Therefore, the actual pre-tax yield of any Class may differ from those shown in the applicable table below for that Class even if the Class is purchased at the assumed price shown.**

The yields were calculated by

1. determining the monthly discount rates that, when applied to the applicable assumed streams of cash flows to be paid on the applicable Class, would cause the discounted present value of the assumed streams of cash flows to equal the assumed purchase price of that Class plus accrued interest (in the case of the interest-bearing Class), and

2. converting the monthly rates to corporate bond equivalent rates.

These calculations do not take into account variations that may occur in the interest rates at which investors may be able to reinvest funds received by them as distributions on their Securities and consequently do not purport to reflect the return on any investment in any Class when those reinvestment rates are considered.

The information set forth in the following tables was prepared on the basis of the Modeling Assumptions and the assumptions that (1) the Interest Rate applicable to the Inverse Floating Rate Class for each Accrual Period following the first Accrual Period will be based on the indicated level of LIBOR and (2) the purchase price of each Class (expressed as a percentage of its original Class Principal Balance or Class Notional Balance) plus accrued interest (in the case of the interest-bearing Class) is as indicated in the related table. **The assumed purchase price is not necessarily that at which actual sales will occur.**

Sensitivity of Class PO to Prepayments
Assumed Price 80.8125%

PSA Prepayment Assumption Rates			
100%	200%	300%	400%
3.5%	5.3%	5.7%	6.2%

Sensitivity of Class SA to Prepayments
Assumed Price 9.0000%*

	PSA Prepayment Assumption Rates			
LIBOR	**100%**	**200%**	**300%**	**400%**
0.49188%	69.3%	61.4%	59.1%	57.3%
1.49188%	55.3%	47.1%	44.8%	42.7%
4.49188%	14.0%	3.5%	1.3%	(2.0)%
6.80000% and above	**	**	**	**

* The price does not include accrued interest. Accrued interest has been added to the price in calculating the yields set forth in the table.
** Indicates that investors will suffer a loss of virtually all of their investment.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following tax discussion, when read in conjunction with the discussion of "Certain Federal Income Tax Consequences" in the Base Offering Circular, describes the material federal income tax considerations for investors in the Securities. However, these two tax discussions do not purport to deal with all federal tax consequences applicable to all categories of investors, some of which may be subject to special rules.

Investors should consult their own tax advisors in determining the federal, state, local and any other tax consequences to them of the purchase, ownership and disposition of the Securities.

REMIC Elections

In the opinion of Stroock & Stroock & Lavan LLP, the Trust will constitute a Double REMIC Series for federal income tax purposes. Separate REMIC elections will be made for the Pooling REMIC and the Issuing REMIC.

Regular Securities

The Regular Securities will be treated as debt instruments issued by the Issuing REMIC for federal income tax purposes. Income on the Regular Securities must be reported under an accrual method of accounting.

The Class PO Securities are Principal Only Securities. Principal Only Securities are treated for federal income tax purposes as having been issued with an amount of original issue discount ("OID") equal to the difference between their principal balance and their issue price.

The Class SA Securities are "Interest Weighted Securities" as described in "Certain Federal Income Tax Consequences — Tax Treatment of Regular Securities — Interest Weighted Securities and Non-VRDI Securities" in the Base Offering Circular. Although the tax treatment of Interest Weighted Securities is not entirely certain, Holders of the Interest Weighted Securities should expect to accrue all income on these Securities (other than income attributable to market discount or *de minimis* market discount) under the OID rules based on the expected payments on these securities at the prepayment assumption described below.

The Class ZA, ZC, ZG and ZH Securities are Accrual Securities. Holders of Accrual Securities are required to accrue all income from their Securities (other than income attributable to market discount or *de minimis* market discount) under the OID rules based on the expected payments on the Accrual Securities at the prepayment assumption described below.

Other than the Regular Securities described in the preceding three paragraphs, based on anticipated prices (including accrued interest), the assumed Mortgage Loan characteristics, the prepayment assumption described below and, in the case of the Floating Rate Class, the constant LIBOR value described below, no Class is expected to be issued with OID.

Prospective investors in the Regular Securities should be aware, however, that the foregoing expectations about OID could change because of differences (1) between anticipated purchase prices and actual purchase prices or (2) between the assumed characteristics of the Trust Assets and the characteristics of the Trust Assets actually delivered to the Trust. The prepayment assumption that should be used in determining the rates of accrual of OID, if any, on the Regular Securities is 200% PSA (as described in "Yield, Maturity and Prepayment Considerations" in this Supplement). In the case of the Floating Rate and Inverse Floating Rate Classes, the constant value of LIBOR to be used for these determinations is 1.49188%. No representation is made, however, about the rate at which prepayments on the Mortgage Loans underlying the Trust Assets actually will occur or the level of LIBOR at any time after the date of this Supplement. *See "Certain Federal Income Tax Consequences" in the Base Offering Circular.*

The Regular Securities generally will be treated as "regular interests" in a REMIC for domestic building and loan associations, "permitted assets" for financial asset securitization investment trusts ("FASITs"), and "real estate assets" for real estate investment trusts ("REITs") as described in "Certain Federal Income Tax Consequences" in the Base Offering Circular. Similarly, interest on the Regular Securities will be considered "interest on obligations secured by mortgages on real property" for REITs.

Residual Securities

The Class RR Securities will represent the beneficial ownership of the Residual Interest in the Pooling REMIC and the beneficial ownership of the Residual Interest in the Issuing REMIC. The Residual Securities, *i.e.*, the Class RR Securities, generally will be treated as "residual interests" in a REMIC for domestic building and loan associations and as "real estate assets" for REITs, as described in "Certain Federal Income Tax Consequences" in the Base Offering Circular, but will not be treated as debt for federal income tax purposes. Instead, the Holders of the Residual Securities will be required to report, and will be taxed on, their pro rata shares of the taxable income or loss of the Trust REMICs, and these requirements will continue until there are no outstanding regular interests in the respective Trust REMICs. Thus, Residual Holders will have taxable income attributable to the Residual Securities even though they will not receive principal or interest distributions with respect to the Residual Securities, which could result in a negative after-tax return for the Residual Holders. It is not expected that the Pooling REMIC will have a substantial amount of taxable income or loss in any period. However, even though the Holders of the Class RR Securities are not entitled to any stated principal or interest payments on the Class RR Securities, the Issuing REMIC may have substantial taxable income in certain periods, and offsetting tax losses may not occur until much later periods. Accordingly, a Holder of the Class RR Securities may experience substantial adverse tax timing consequences. Prospective investors are urged to consult their own tax advisors and consider the after-tax effect of ownership of the Residual Securities and the suitability of the Residual Securities to their investment objectives.

Prospective Holders of Residual Securities should be aware that, at issuance, based on the expected prices of the Regular and Residual Securities and the prepayment assumption described above, the residual interests represented by the Residual Securities will be treated as "noneconomic residual interests" as that term is defined in Treasury regulations.

ERISA MATTERS

Ginnie Mae guarantees distributions of principal and interest with respect to the Securities. The Ginnie Mae Guaranty is supported by the full faith and credit of the United States of America. The Regular Securities will qualify as "guaranteed governmental mortgage pool certificates" within the meaning of a Department of Labor regulation, the effect of which is to provide that mortgage loans and participations therein underlying a "guaranteed governmental mortgage pool certificate" will not be considered assets of an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or subject to section 4975 of the Code (each, a "Plan"), solely by reason of the Plan's purchase and holding of that certificate.

Governmental plans and certain church plans, while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA and the Code, may nevertheless be subject to local, state or other federal laws that are substantially similar to the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their counsel before purchasing any of the Securities.

Prospective Plan Investors should consult with their advisors, however, to determine whether the purchase, holding, or resale of a Security could give rise to a transaction that is prohibited or is not otherwise permissible under either ERISA or the Code.

See "ERISA Considerations" in the Base Offering Circular.

The Residual Securities are not offered to, and may not be transferred to, a Plan Investor.

LEGAL INVESTMENT CONSIDERATIONS

Institutions whose investment activities are subject to legal investment laws and regulations or to review by certain regulatory authorities may be subject to restrictions on investment in the Securities. **No representation is made about the proper characterization of any Class for legal investment or other purposes, or about the permissibility of the purchase by particular investors of any Class under applicable legal investment restrictions.**

Investors should consult their own legal advisors regarding applicable investment restrictions and the effect of any restrictions on the liquidity of the Securities prior to investing in the Securities.

See "Legal Investment Considerations" in the Base Offering Circular.

PLAN OF DISTRIBUTION

Subject to the terms and conditions of the Sponsor Agreement, the Sponsor has agreed to purchase all of the Securities if any are sold and purchased. The Sponsor proposes to offer each Class to the public from time to time for sale in negotiated transactions at varying prices to be determined at the time of sale, plus accrued interest, if any, from (1) August 1, 2004 on the Fixed Rate Classes and (2) August 20, 2004 on the Floating Rate and Inverse Floating Rate Classes. The Sponsor may effect these transactions by sales to or through certain securities dealers. These dealers may receive compensation in the form of discounts, concessions or commissions from the Sponsor and/or commissions from any purchasers for which they act as agents. Some of the Securities may be sold through dealers in relatively small sales. In the usual case, the commission charged on a relatively small sale of securities will be a higher percentage of the sales price than that charged on a large sale of securities.

INCREASE IN SIZE

Before the Closing Date, Ginnie Mae, the Trustee and the Sponsor may agree to increase the size of this offering. In that event, the Securities will have the same characteristics as described in this Supplement, except that (1) the Original Class Principal Balance (or original Class Notional Balance), (2) the 375% PSA Balances and (3) the Aggregate Scheduled Principal Balances of each Class receiving principal distributions or interest distributions based upon a notional balance will increase by the same proportion. The Trust Agreement, the Final Data Statement, the Final Schedules and the Supplemental Statement, if any, will reflect any increase in the size of the transaction.

LEGAL MATTERS

Certain legal matters will be passed upon for Ginnie Mae by Sidley Austin Brown & Wood LLP, New York, New York, for the Trust by Stroock & Stroock & Lavan LLP, New York, New York and Marcell Solomon & Associates, P.C., Greenbelt, Maryland, and for the Trustee by Nixon Peabody LLP, Boston, Massachusetts.

Schedule I

SCHEDULED PRINCIPAL BALANCES

Distribution Date	Classes FA and PO (in the aggregate)
Initial Balance	$350,000,000.00
September 2004	347,775,973.05
October 2004	345,389,999.38
November 2004	342,843,697.98
December 2004	340,138,878.31
January 2005	337,277,538.22
February 2005	334,261,861.53
March 2005	331,094,215.26
April 2005	327,777,146.42
May 2005	324,313,378.47
June 2005	320,705,807.40
July 2005	316,957,497.45
August 2005	313,071,676.51
September 2005	309,051,731.09
October 2005	304,901,201.10
November 2005	300,623,774.16
December 2005	296,223,279.68
January 2006	291,703,682.64
February 2006	287,069,077.06
March 2006	282,323,679.23
April 2006	277,471,820.64
May 2006	272,517,940.72
June 2006	267,466,579.34
July 2006	262,473,521.83
August 2006	257,537,999.01
September 2006	252,659,251.14
October 2006	247,836,527.80
November 2006	243,069,087.75
December 2006	238,356,198.86
January 2007	233,697,137.94
February 2007	229,091,190.68
March 2007	224,537,651.52
April 2007	220,035,823.51
May 2007	215,585,018.25
June 2007	211,184,555.76
July 2007	206,833,764.38
August 2007	202,531,980.66
September 2007	198,278,549.27
October 2007	194,072,822.86
November 2007	189,914,162.02
December 2007	185,801,935.14
January 2008	181,735,518.31
February 2008	177,714,295.27
March 2008	173,737,657.23
April 2008	169,805,002.88
May 2008	165,915,738.19
June 2008	162,069,276.41
July 2008	158,265,037.92
August 2008	154,502,450.17
September 2008	150,780,947.58
October 2008	147,099,971.45
November 2008	143,458,969.88
December 2008	139,857,397.69

Distribution Date	Classes FA and PO (in the aggregate)
January 2009	$136,294,716.31
February 2009	132,770,393.74
March 2009	129,283,904.42
April 2009	125,834,729.19
May 2009	122,422,355.18
June 2009	119,046,275.74
July 2009	115,705,990.37
August 2009	112,401,004.64
September 2009	109,130,830.10
October 2009	105,894,984.23
November 2009	102,692,990.33
December 2009	99,524,377.49
January 2010	96,388,680.47
February 2010	93,285,439.68
March 2010	90,214,201.05
April 2010	87,174,516.01
May 2010	84,165,941.42
June 2010	81,188,039.44
July 2010	78,240,377.55
August 2010	75,322,528.40
September 2010	72,434,069.83
October 2010	69,574,584.72
November 2010	66,743,660.99
December 2010	63,940,891.49
January 2011	61,165,873.98
February 2011	58,418,211.04
March 2011	55,697,510.00
April 2011	53,003,382.92
May 2011	50,335,446.50
June 2011	47,693,322.02
July 2011	45,076,635.29
August 2011	42,485,016.60
September 2011	39,918,100.64
October 2011	37,375,526.47
November 2011	34,856,937.46
December 2011	32,361,981.21
January 2012	29,890,309.53
February 2012	27,441,578.38
March 2012	25,015,447.77
April 2012	22,611,581.80
May 2012	20,229,648.51
June 2012	17,869,319.90
July 2012	15,530,271.85
August 2012	13,212,184.06
September 2012	10,914,740.05
October 2012	8,637,627.04
November 2012	6,380,535.97
December 2012	4,143,161.40
January 2013	1,925,201.50
February 2013 and thereafter	0.00

375% PSA BALANCES

Distribution Date	375% PSA
Initial Balance	$418,290,030.00
September 2004	415,450,652.17
October 2004	412,350,394.58
November 2004	408,993,138.78
December 2004	405,383,278.31
January 2005	401,525,711.36
February 2005	397,425,831.69
March 2005	393,089,517.96
April 2005	388,523,121.31
May 2005	383,733,451.36
June 2005	378,727,760.54
July 2005	373,513,726.96
August 2005	368,099,435.63
September 2005	362,493,358.32
October 2005	356,704,331.97
November 2005	350,741,535.77
December 2005	344,614,467.03
January 2006	338,332,915.84
February 2006	331,906,938.66
March 2006	325,346,830.93
April 2006	318,663,098.84
May 2006	311,866,430.23
June 2006	304,967,664.98
July 2006	298,219,337.53
August 2006	291,618,199.96
September 2006	285,161,073.99
October 2006	278,844,849.46
November 2006	272,666,482.90
December 2006	266,622,996.11
January 2007	260,711,474.78
February 2007	254,929,067.06
March 2007	249,272,982.32
April 2007	243,740,489.79
May 2007	238,328,917.28
June 2007	233,035,649.95
July 2007	227,858,129.08
August 2007	222,793,850.87
September 2007	217,840,365.27
October 2007	212,995,274.82
November 2007	208,256,233.55
December 2007	203,620,945.86
January 2008	199,087,165.46
February 2008	194,652,694.30
March 2008	190,315,381.57
April 2008	186,073,122.64
May 2008	181,923,858.13
June 2008	177,865,572.90
July 2008	173,896,295.14
August 2008	170,014,095.40
September 2008	166,217,085.75
October 2008	162,503,418.80
November 2008	158,871,286.94
December 2008	155,318,921.41
January 2009	151,844,591.50

Distribution Date	375% PSA
February 2009	$148,446,603.72
March 2009	145,123,301.04
April 2009	141,873,062.08
May 2009	138,694,300.35
June 2009	135,585,463.51
July 2009	132,545,032.63
August 2009	129,571,521.51
September 2009	126,663,475.92
October 2009	123,819,472.97
November 2009	121,038,120.42
December 2009	118,318,056.00
January 2010	115,657,946.82
February 2010	113,056,488.70
March 2010	110,512,405.56
April 2010	108,024,448.83
May 2010	105,591,396.87
June 2010	103,212,054.36
July 2010	100,885,251.78
August 2010	98,609,844.81
September 2010	96,384,713.83
October 2010	94,208,763.36
November 2010	92,080,921.58
December 2010	90,000,139.79
January 2011	87,965,391.92
February 2011	85,975,674.05
March 2011	84,030,003.94
April 2011	82,127,420.57
May 2011	80,266,983.66
June 2011	78,447,773.25
July 2011	76,668,889.26
August 2011	74,929,451.04
September 2011	73,228,596.99
October 2011	71,565,484.13
November 2011	69,939,287.70
December 2011	68,349,200.77
January 2012	66,794,433.88
February 2012	65,274,214.62
March 2012	63,787,787.31
April 2012	62,334,412.60
May 2012	60,913,367.16
June 2012	59,523,943.30
July 2012	58,165,448.66
August 2012	56,837,205.88
September 2012	55,538,552.24
October 2012	54,268,839.39
November 2012	53,027,433.03
December 2012	51,813,712.61
January 2013	50,627,071.00
February 2013	49,466,914.25
March 2013	48,332,661.29
April 2013	47,223,743.63
May 2013	46,139,605.13
June 2013	45,079,701.69
July 2013	44,043,501.04
August 2013	43,030,482.44
September 2013	42,040,136.45
October 2013	41,071,964.71
November 2013	40,125,479.66

Distribution Date	375% PSA
December 2013	$ 39,200,204.33
January 2014	38,295,672.11
February 2014	37,411,426.54
March 2014	36,547,021.06
April 2014	35,702,018.82
May 2014	34,875,992.48
June 2014	34,068,523.97
July 2014	33,279,204.31
August 2014	32,507,633.44
September 2014	31,753,419.98
October 2014	31,016,181.08
November 2014	30,295,542.21
December 2014	29,591,136.99
January 2015	28,902,607.04
February 2015	28,229,601.76
March 2015	27,571,778.20
April 2015	26,928,800.88
May 2015	26,300,341.62
June 2015	25,686,079.41
July 2015	25,085,700.22
August 2015	24,498,896.88
September 2015	23,925,368.91
October 2015	23,364,822.40
November 2015	22,816,969.84
December 2015	22,281,530.00
January 2016	21,758,227.78
February 2016	21,246,794.10
March 2016	20,746,965.75
April 2016	20,258,485.27
May 2016	19,781,100.83
June 2016	19,314,566.08
July 2016	18,858,640.10
August 2016	18,413,087.20
September 2016	17,977,676.86
October 2016	17,552,183.59
November 2016	17,136,386.86
December 2016	16,730,070.94
January 2017	16,333,024.83
February 2017	15,945,042.16
March 2017	15,565,921.07
April 2017	15,195,464.13
May 2017	14,833,478.23
June 2017	14,479,774.49
July 2017	14,134,168.18
August 2017	13,796,478.62
September 2017	13,466,529.09
October 2017	13,144,146.74
November 2017	12,829,162.53
December 2017	12,521,411.12
January 2018	12,220,730.81
February 2018	11,926,963.44
March 2018	11,639,954.34
April 2018	11,359,552.21
May 2018	11,085,609.11
June 2018	10,817,980.34
July 2018	10,556,524.38
August 2018	10,301,102.82
September 2018	10,051,580.31

Distribution Date	375% PSA
October 2018	$ 9,807,824.47
November 2018	9,569,705.83
December 2018	9,337,097.79
January 2019	9,109,876.51
February 2019	8,887,920.91
March 2019	8,671,112.57
April 2019	8,459,335.67
May 2019	8,252,476.96
June 2019	8,050,425.67
July 2019	7,853,073.50
August 2019	7,660,314.52
September 2019	7,472,045.15
October 2019	7,288,164.10
November 2019	7,108,572.31
December 2019	6,933,172.91
January 2020	6,761,871.19
February 2020	6,594,574.52
March 2020	6,431,192.31
April 2020	6,271,636.00
May 2020	6,115,818.97
June 2020	5,963,656.53
July 2020	5,815,065.87
August 2020	5,669,965.99
September 2020	5,528,277.72
October 2020	5,389,923.63
November 2020	5,254,828.00
December 2020	5,122,916.80
January 2021	4,994,117.66
February 2021	4,868,359.78
March 2021	4,745,573.96
April 2021	4,625,692.53
May 2021	4,508,649.33
June 2021	4,394,379.66
July 2021	4,282,820.28
August 2021	4,173,909.33
September 2021	4,067,586.35
October 2021	3,963,792.21
November 2021	3,862,469.12
December 2021	3,763,560.55
January 2022	3,667,011.26
February 2022	3,572,767.21
March 2022	3,480,775.60
April 2022	3,390,984.78
May 2022	3,303,344.28
June 2022	3,217,804.72
July 2022	3,134,317.87
August 2022	3,052,836.54
September 2022	2,973,314.61
October 2022	2,895,707.01
November 2022	2,819,969.64
December 2022	2,746,059.43
January 2023	2,673,934.25
February 2023	2,603,552.91
March 2023	2,534,875.15
April 2023	2,467,861.64
May 2023	2,402,473.88
June 2023	2,338,674.28
July 2023	2,276,426.07

Distribution Date	375% PSA
August 2023	$ 2,215,693.32
September 2023	2,156,440.91
October 2023	2,098,634.48
November 2023	2,042,240.48
December 2023	1,987,226.09
January 2024	1,933,559.25
February 2024	1,881,208.61
March 2024	1,830,143.53
April 2024	1,780,334.05
May 2024	1,731,750.91
June 2024	1,684,365.48
July 2024	1,638,149.81
August 2024	1,593,076.55
September 2024	1,549,118.99
October 2024	1,506,251.03
November 2024	1,464,447.12
December 2024	1,423,682.34
January 2025	1,383,932.30
February 2025	1,345,173.18
March 2025	1,307,381.68
April 2025	1,270,535.06
May 2025	1,234,611.07
June 2025	1,199,587.98
July 2025	1,165,444.54
August 2025	1,132,160.00
September 2025	1,099,714.06
October 2025	1,068,086.91
November 2025	1,037,259.16
December 2025	1,007,211.89
January 2026	977,926.60
February 2026	949,385.21
March 2026	921,570.05
April 2026	894,463.85
May 2026	868,049.76
June 2026	842,311.29
July 2026	817,232.33
August 2026	792,797.15
September 2026	768,990.36
October 2026	745,796.96
November 2026	723,202.25
December 2026	701,191.89
January 2027	679,751.87
February 2027	658,868.51
March 2027	638,528.41
April 2027	618,718.52
May 2027	599,426.07
June 2027	580,638.57
July 2027	562,343.85
August 2027	544,530.00
September 2027	527,185.39
October 2027	510,298.65
November 2027	493,858.68
December 2027	477,854.65
January 2028	462,275.96
February 2028	447,112.26
March 2028	432,353.44
April 2028	417,989.64
May 2028	404,011.21

Distribution Date	375% PSA
June 2028	$ 390,408.72
July 2028	377,172.98
August 2028	364,295.00
September 2028	351,766.00
October 2028	339,577.41
November 2028	327,720.85
December 2028	316,188.15
January 2029	304,971.32
February 2029	294,062.55
March 2029	283,454.23
April 2029	273,138.92
May 2029	263,109.35
June 2029	253,358.43
July 2029	243,879.22
August 2029	234,664.96
September 2029	225,709.03
October 2029	217,005.00
November 2029	208,546.55
December 2029	200,327.53
January 2030	192,341.94
February 2030	184,583.91
March 2030	177,047.71
April 2030	169,727.75
May 2030	162,618.57
June 2030	155,714.84
July 2030	149,011.35
August 2030	142,503.03
September 2030	136,184.91
October 2030	130,052.16
November 2030	124,100.03
December 2030	118,323.93
January 2031	112,719.33
February 2031	107,281.86
March 2031	102,007.20
April 2031	96,891.18
May 2031	91,929.71
June 2031	87,118.78
July 2031	82,454.51
August 2031	77,933.09
September 2031	73,550.82
October 2031	69,304.06
November 2031	65,189.28
December 2031	61,203.04
January 2032	57,341.97
February 2032	53,602.78
March 2032	49,982.26
April 2032	46,477.29
May 2032	43,084.82
June 2032	39,801.86
July 2032	36,625.51
August 2032	33,552.94
September 2032	30,581.37
October 2032	27,708.12
November 2032	24,930.53
December 2032	22,246.05
January 2033	19,652.18
February 2033	17,146.45
March 2033	14,726.50

Distribution Date	375% PSA
April 2033	$ 12,389.99
May 2033	10,134.65
June 2033	7,958.28
July 2033	5,858.70
August 2033	3,833.83
September 2033	1,881.59
October 2033 and thereafter	0.00

$418,290,030

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August 23, 2004

Bear, Stearns & Co. Inc.
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