

**Offering Circular Supplement  
(To Base Offering Circular dated March 1, 2000)**

**\$512,552,525**

**Government National Mortgage Association**



**GINNIE MAE®**

**Guaranteed REMIC Pass-Through Securities  
Ginnie Mae REMIC Trust 2001-35**



**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-8 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 (1) Ginnie Mae Certificates and (2) certain previously issued 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, 2001.

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.

**CREDIT SUISSE FIRST BOSTON**

**BLAYLOCK & PARTNERS, L.P.**

The date of this Offering Circular Supplement is August 23, 2001.

## Ginnie Mae REMIC Trust 2001-35

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
<b>Group 1</b>						
A .....	\$200,000,000	6.50%	SEQ	FIX	March 2029	38373RTM1
AZ .....	14,594,726	6.50	SEQ	FIX/Z	August 2031	38373RTN9
VB .....	3,102,816	6.50	AD/SEQ	FIX	August 2006	38373RTP4
VC .....	16,077,242	6.50	AD/SEQ	FIX	April 2020	38373RTQ2
VG .....	1,410,000	6.50	AD/SEQ	FIX	September 2004	38373RTR0
VH .....	1,990,000	6.50	AD/SEQ	FIX	March 2008	38373RTS8
VJ .....	1,770,000	6.50	AD/SEQ	FIX	October 2010	38373RTT6
VK .....	1,170,000	6.50	AD/SEQ	FIX	April 2012	38373RTU3
VL .....	4,200,000	6.50	AD/SEQ	FIX	September 2016	38373RTV1
VM .....	4,460,000	6.50	AD/SEQ	FIX	April 2020	38373RTW9
<b>Group 2</b>						
FA .....	\$100,000,000	(4)	PT	FLT	August 2031	38373RTX7
FB .....	100,000,000	(4)	PT	FLT	August 2031	38373RTY5
SA .....	100,000,000	(4)	NTL(PT)	INV/IO	August 2031	38373RTZ2
SB .....	100,000,000	(4)	NTL(PT)	INV/IO	August 2031	38373RUA5
<b>Group 3</b>						
KA .....	\$ 3,500,000	6.75	SEQ	FIX	December 2015	38373RUB3
KB .....	3,000,000	6.75	SEQ	FIX	January 2022	38373RUC1
KC .....	2,400,000	6.75	SEQ	FIX	June 2025	38373RUD9
KD .....	600,000	6.75	SEQ	FIX	July 2028	38373RUE7
KE .....	900,000	6.75	SEQ	FIX	June 2029	38373RUF4
KH .....	600,000	6.75	SEQ	FIX	August 2031	38373RUG2
KJ .....	1,400,000	7.00	SEQ	FIX	July 2028	38373RUH0
KM .....	700,000	6.25	SEQ	FIX	July 2028	38373RUJ6
KN .....	1,266,666	7.00	SEQ	FIX	March 2031	38373RUK3
KQ .....	633,334	6.25	SEQ	FIX	March 2031	38373RUL1
<b>Group 4</b>						
K .....	\$ 15,000,000	6.45	SC/PT	FIX	October 2023	38373RUM9
<b>Group 5</b>						
BA .....	\$ 33,777,741	6.50	SC/PT	FIX	August 2025	38373RUN7
<b>Residual</b>						
R .....	0	0.00	NPR	NPR	August 2031	38373RUP2

- (1) Subject to increase as described under “Increase in Size” in this Supplement. The amount shown for each 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 each 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 Supplement,
- the Base Offering Circular and
- in the case of the Group 4 and Group 5 securities, each disclosure document relating to the Underlying Certificates.

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 The Chase Manhattan Bank, which will act as information agent for the Trust, at (800) 234-GNMA, to order copies of the Base Offering Circular. You should also call The Chase Manhattan Bank to order copies of any other document listed above.

Please consult the description 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:** Credit Suisse First Boston Corporation

**Trustee:** State Street Bank and Trust Company

**Tax Administrator:** The Trustee

**Closing Date:** August 30, 2001.

**Distribution Dates:** For the Group 1 Securities, the 20th day of each month or, if the 19th day or 20th day is not a Business Day, the first Business Day following the 20th day of each month, commencing in September 2001. For the Group 2 and Group 3 Securities, the 16th day of each month or, if the 16th day is not a Business Day, the first Business Day thereafter, commencing in September 2001. For the Group 4 and Group 5 Securities, the first Business Day following each applicable Underlying REMIC Distribution Date, commencing in September 2001. The “Underlying REMIC Distribution Date” is, in the case of the Group 4 Securities, the 25th day of each month or, if the 25th day is not a business day, the first business day thereafter and, in the case of the Group 5 Securities, the 20th day of each month, or if the 20th day is not a business day, the first business day following the 20th day of each month, commencing in September 2001. For purposes of the definition of Underlying REMIC Distribution Date, “business day” will have the meaning assigned to it for the related Underlying Trust.

If Ginnie Mae converts to the book-entry system maintained by the U.S. Federal Reserve Banks (see “Description of the Securities — Form of Securities” in this Supplement), the Distribution Date for the Group 1 Securities will be the 20th day of each month or, if the 20th day is not a Business Day, the first Business Day thereafter. The Distribution Dates for the Group 4 and/or the Group 5 Securities may also change following such a conversion. If so, distributions will be made to Holders of the Securities included in the affected Group or Groups no later than they would have been had no such conversion taken place.

**Trust Assets:**

<u>Trust Asset Group</u>	<u>Trust Asset Type</u>	<u>Certificate Rate</u>	<u>Original Term To Maturity (in years)</u>
1	Ginnie Mae II	6.50%	30
2	Ginnie Mae I	8.50%	30
3	Ginnie Mae I	6.75%	30
4	Underlying Certificates	(1)	(1)
5	Underlying Certificates	(1)	(1)

<sup>1</sup> Information regarding the Underlying Certificates and the related Mortgage Loans is set forth in Exhibits A and B to this Supplement.

**Security Groups:** This series of Securities consists of multiple Security Groups, as shown on the inside front cover of this Supplement. Payments on each Security Group will be based solely on payments on the Trust Asset Group with the same numerical designation.

**Assumed Characteristics of the Mortgage Loans Underlying the Group 1, Group 2 and Group 3 Trust Assets<sup>1</sup>:**

<u>Principal Balance<sup>2</sup></u>	<u>Weighted Average Remaining Term to Maturity (in months)</u>	<u>Weighted Average Loan Age (in months)</u>	<u>Weighted Average Mortgage Rate<sup>3</sup></u>
<b>Group 1 Trust Assets</b>			
\$248,774,784	355	5	7.28%
<b>Group 2 Trust Assets</b>			
\$200,000,000	344	15	9.00
<b>Group 3 Trust Assets</b>			
\$15,000,000	357	2	7.25

<sup>1</sup> As of August 1, 2001.

<sup>2</sup> Does not include Group 1, Group 2 and Group 3 Trust Assets that will be added to pay the Trustee Fee.

<sup>3</sup> The Mortgage Loans underlying the Group 1 Trust Assets may bear interest at rates ranging from 0.5% to 1.5% per annum above the related Certificate Rate.

The actual remaining terms to maturity, loan ages and, in the case of the Group 1 Trust Assets, 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. See Exhibit A to this Supplement for information regarding the characteristics of the Mortgage Loans included in the Underlying Trusts.

**Increased Minimum Denomination Classes:** Each Class that constitutes an 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:

<u>Class</u>	<u>Interest Rate Formula(1)</u>	<u>Initial Interest Rate(2)</u>	<u>Minimum Rate</u>	<u>Maximum Rate</u>	<u>Delay (in days)</u>	<u>LIBOR for Minimum Interest Rate</u>
FA	LIBOR + 0.25%	4.08%	0.25%	8.50%	0	0.00%
FB	LIBOR + 0.30%	4.13%	0.30%	8.50%	0	0.00%
SA	8.25% – LIBOR	4.42%	0.00%	8.25%	0	8.25%
SB	8.20% – LIBOR	4.37%	0.00%	8.20%	0	8.20%

(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 applicable Distribution Date, the following distributions will be made to the related Securities:

### SECURITY GROUP 1

A percentage of the Group 1 Principal Distribution Amount will be applied to the Trustee Fee, and the remainder of the Group 1 Principal Distribution Amount (the “Group 1 Adjusted Principal Distribution Amount”) and the Accrual Amount will be allocated as follows:

- The Accrual Amount as follows:

**Accretion Directed and Accrual** {

1. Concurrently:
  - (a) 56.1147614202% to VB and VC, in that order, until retired
  - (b) 43.8852385798% to VG, VH, VJ, VK, VL and VM, in that order, until retired
2. To AZ

- The Group 1 Adjusted Principal Distribution Amount in the following order of priority:

**Sequential Pay** {

1. To A, until retired
2. Concurrently:
  - (a) 56.1147614202% to VB and VC, in that order, until retired
  - (b) 43.8852385798% to VG, VH, VJ, VK, VL and VM, in that order, until retired
3. To AZ, until retired

### SECURITY GROUP 2

**Pass-Through** {

A percentage of the Group 2 Principal Distribution Amount will be applied to the Trustee Fee, and the remainder of the Group 2 Principal Distribution Amount (the “Group 2 Adjusted Principal Distribution Amount”) will be allocated to FA and FB, pro rata, until retired.

**SECURITY GROUP 3**

A percentage of the Group 3 Principal Distribution Amount will be applied to the Trustee Fee, and the remainder of the Group 3 Principal Distribution Amount (the “Group 3 Adjusted Principal Distribution Amount”) will be allocated as follows:

- |                       |   |   |
|-----------------------|---|---|
| <b>Sequential Pay</b> | { | 1. To KA, KB and KC, in that order, until retired |
|                       |   | 2. To KD, KJ and KM, pro rata, until retired      |
|                       |   | 3. To KE, until retired                           |
|                       |   | 4. To KN and KQ, pro rata, until retired          |
|                       |   | 5. To KH, until retired                           |

**SECURITY GROUP 4**

<b>Pass-Through</b>	{	The Group 4 Principal Distribution Amount will be allocated to K, until retired.
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**SECURITY GROUP 5**

<b>Pass-Through</b>	{	The Group 5 Principal Distribution Amount will be allocated to BA, until retired.
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**Accrual Class:** Interest will accrue on the 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 Class as interest. Interest so accrued on the Accrual Class on each Distribution Date will constitute the 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 Classes:** The Notional Classes will not receive distributions of principal but have Class Notional Balances for convenience in describing their entitlements to interest. The Class Notional Balance of each Notional Class represents the percentage indicated below of, and reduces to that extent with, the Class Principal Balance indicated:

<u>Class</u>	<u>Original Class Notional Balance</u>	<u>Represents</u>
SA .....	\$100,000,000	100% of FA (PT Class)
SB .....	100,000,000	100% of FB (PT Class)

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

**Regular and Residual Classes:** Class R is a Residual Class; 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 related 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 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's 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.

***The rates of principal payments on the Underlying Certificates will directly affect the rates of principal payments on the group 4 and group 5 Securities.*** The Underlying Certificates will be sensitive in varying degrees to

- the rate of payments of principal (including prepayments) of the related mortgage loans, and
- the priorities for the distribution of principal among the classes of the related underlying series.

In addition, the principal entitlement of the Underlying Certificates included in trust asset group 4 on any distribution date is calculated, directly or indirectly, on the basis of a schedule; no assurance can be given that these Underlying Certificates will adhere to their schedule. Further, prepayments on the related mortgage loans may have occurred at rates faster or slower than those initially assumed.

This supplement contains no information as to whether the Underlying Certificates in trust asset group 4 have adhered to their principal balance schedules or whether the Underlying Certificates otherwise have per-



formed as originally anticipated. Additional information as to the Underlying Certificates may be obtained by performing an analysis of current principal factors of the Underlying Certificates in light of applicable information contained in the related underlying REMIC disclosure documents.

***The securities may not be a suitable investment for you.*** The securities, in particular, the interest only inverse floating rate, 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, regardless of whether the assets consist of Trust MBS or Underlying Certificates, will evidence, directly or indirectly, Ginnie Mae Certificates.

### **The Trust MBS (Group 1)**

The Group 1 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 bears interest at a Mortgage Rate 0.50% to 1.50% 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 Trust MBS (Groups 2 and 3)**

The Group 2 and Group 3 Trust MBS are either:

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

Each Mortgage Loan underlying a Ginnie Mae I MBS Certificate bears interest at a Mortgage Rate 0.50% per annum greater than the related Certificate Rate. The difference between the Mortgage Rate and the Certificate Rate is used to pay the related servicers of the Mortgage Loans a monthly servicing fee and Ginnie Mae a fee for its guaranty of the Ginnie Mae I MBS Certificate of 0.44% per annum and 0.06% per annum, respectively, of the outstanding principal balance of the Mortgage Loan.

### **The Underlying Certificates (Groups 4 and 5)**

The Group 4 and Group 5 Trust Assets are Underlying Certificates that represent beneficial ownership interests in one or more separate trusts or pools (each, an “Underlying Trust”), the assets of which evidence direct or indirect beneficial ownership interests in certain Ginnie Mae Certificates. Each Underlying Certificate constitutes all or a portion of a class of a separate series of certificates (each, an “Underlying Series”) described in the related Underlying REMIC Disclosure Documents, excerpts of which are attached as Exhibit B to this Supplement. Each Underlying REMIC Disclosure Document may be obtained from the Information Agent as described under “Available Information.” Investors are cautioned that material changes in facts and circumstances may have occurred since the date of each Underlying REMIC Disclosure Document, including changes in prepayment rates, prevailing interest rates and other economic factors, which may limit the usefulness of, and be directly contrary to the assumptions used in preparing the information included in, the offering document. *See “Underlying Certificates” in the Base Offering Circular.*

Each Underlying Certificate provides for monthly distributions and is further described in the table contained in Exhibit A to this Supplement. The table also sets forth information regarding approximate weighted average remaining terms to maturity, loan ages and mortgage rates of the Mortgage Loans underlying the related Ginnie Mae Certificates.

## **The Mortgage Loans**

The Mortgage Loans underlying the Group 1, Group 2 and Group 3 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 Group 1, Group 2 and Group 3 Trust Assets” and the general characteristics described in the Base Offering Circular. The Mortgage Loans underlying the Underlying Certificates are expected to have, on a weighted average basis, the characteristics set forth in Exhibit A to this Supplement. 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, in the case of the Group 1 Trust Assets, Mortgage Rates of the Mortgage Loans. However, the actual remaining terms to maturity, loan ages and, in the case of the Group 1 Trust Assets, 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 (the “Trustee 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 “Ginnie Mae Guaranty”). 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 in Book-Entry Form and may be transferred only on the book-entry system of the

MBS Division of The Depository Trust Company (together with any successor, the “Book-Entry Depository”). Ginnie Mae has proposed a conversion from this book-entry system to the book-entry system maintained by the U.S. Federal Reserve Banks. It is anticipated that this conversion will be effective by December 2001, although there can be no assurance that the conversion will occur as scheduled. See Ginnie Mae’s website at [www.ginniemae.gov](http://www.ginniemae.gov) for more information related to the proposed conversion. Under either book-entry system, Beneficial Owners of Securities in Book-Entry Form will ordinarily hold these Securities through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. By request accompanied by the payment of a transfer fee of \$25,000 per physical certificate 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 or notional balance of \$1,000 and integral multiples of \$1 in excess of \$1,000.

The Increased Minimum Denomination Classes will be issued in the following minimum denominations:

<u>Class</u>	<u>Minimum Denomination</u>
SA .....	\$1,819,000*
SB .....	\$1,832,000*

\* Notional Balance

**Distributions**

Distributions on each Class of Securities will be made on each applicable Distribution Date, as specified under “Terms Sheet — Distribution Dates” in this Supplement. On each applicable Distribution Date, the Trustee will distribute the Distribution Amount to 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 (each, a “Record Date”). For Book-Entry Securities, the Trustee will distribute principal and interest to the Book-Entry Depository, and Beneficial Owners will receive distributions through credits to accounts maintained for their benefit on the books and records of appropriate financial intermediaries. See “*Description of the Securities — Distributions*” and “*— Method of Distributions*” in the Base Offering Circular.

**Interest Distributions**

On each applicable Distribution Date, the Interest Distribution Amount will be distributed 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 on 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 on 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 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:

<u>Classes</u>	<u>Accrual Period</u>
Fixed Rate Classes	The calendar month preceding the related Distribution Date
Floating Rate and Inverse Floating Rate Classes	From the 16th day of the month preceding the month of the related Distribution Date through the 15th 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.

### *Accrual Class*

Class AZ is an Accrual Class. Interest will accrue on the Accrual Class and be distributed as described under “Terms Sheet — Accrual Class” in 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 gREX or by calling the Information Agent at (800) 234-GNMA.

## **Principal Distributions**

The Adjusted Principal Distribution Amount for Security Groups 1, 2 and 3, the Principal Distribution Amounts for Security Groups 4 and 5 and the Accrual Amount will be distributed to the Holders entitled thereto as described above under “Terms Sheet — Allocation of Principal.” 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 Classes*

The Notional Classes will not receive principal distributions. For convenience in describing interest distributions, the Notional Classes will have the original Class Notional Balances shown on the inside cover page of this Supplement. The Class Notional Balances will reduce as shown under “Terms Sheet — Notional Classes” in this Supplement.

## **Residual Securities**

The Class R Securities will represent the beneficial ownership of the Residual Interest in the Trust REMIC. The Class R Securities have no Class Principal Balance and do not accrue interest. The Class R Securities will be entitled to receive the proceeds of the disposition of any assets remaining in the Trust REMIC 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 the Accrual Class) on that Distribution Date (each, a “Class Factor”).

- The Class Factor for each Class for the month of issuance is 1.00000000.
- The Class Factor for any Class of Securities for any 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 on the Distribution Date occurring in that month.
- Based on the Class Factors published each month (and Interest Rates), investors in any Class (other than the Accrual Class) can calculate the amount of principal and interest to be distributed to that Class, and investors in the 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.

- Investors may obtain current Class Factors on gREX.

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 the 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 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 Notional Class 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 Trust REMIC 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 related Class or Classes of 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, Ginnie Mae Issuer advances and, to the extent necessary, proceeds of Ginnie Mae’s guaranty of the Ginnie Mae Certificates. As a result, a high level of 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's assets, thereby effecting early retirement of the Securities. See "Description of the Securities — Termination" in this Supplement.

Investors in the Group 4 and Group 5 Securities are urged to review the discussion under "Risk Factors — The rates of principal payments on the Underlying Certificates will directly affect the rates of principal payments on the group 4 and group 5 Securities" in this Supplement.

### Accretion Directed Classes

Classes VB, VC, VG, VH, VJ, VK, VL and VM are Accretion Directed Classes. The Accrual Amount will be applied to making principal distributions on those Classes as described in this Supplement.

Because the Accretion Directed Classes are entitled to principal payments in an amount equal to interest accrued on the Accrual Class, the Weighted Average Life of each Class cannot exceed its Weighted Average Life as shown in the following table under any prepayment scenario, even a scenario where there are no prepayments.

- Moreover, based on the Modeling Assumptions, if the related Mortgage Loans prepay at any constant rate at or below the rate for an Accretion Directed Class shown in the table below, its Class Principal Balance would be reduced to zero on, but not before, its Final Distribution Date, and its Weighted Average Life would equal its maximum Weighted Average Life.
- However, the Weighted Average Lives of the Accretion Directed Classes will be reduced at prepayment speeds higher than the constant rates shown in the table below. See "Yield Maturity and Prepayment Considerations — Decrement Tables" in this Supplement.

### Accretion Directed Classes

<u>Class</u>	<u>Maximum Weighted Average Life (in Years)</u>	<u>Final Distribution Date</u>	<u>Prepayment Rate at or below</u>
VB .....	2.6	August 2006	540% PSA
VC .....	12.8	April 2020	105% PSA
VG .....	1.6	September 2004	911% PSA
VH .....	4.9	March 2008	401% PSA
VJ .....	7.9	October 2010	277% PSA
VK .....	9.9	April 2012	232% PSA
VL .....	12.9	September 2016	149% PSA
VM .....	16.9	April 2020	105% PSA

The Mortgage Loans will have characteristics that differ from those of the Modeling Assumptions. Therefore, even if the related Mortgage Loans prepay at a rate at or somewhat below the "at or below" rate shown for any Accretion Directed Class, the Class Principal Balance of that Class could be reduced to zero before its Final Distribution Date, and its Weighted Average Life could be shortened.

### Assumability

Each Mortgage Loan is subject to assumption upon the sale of the related Mortgaged Property. See "Yield, Maturity and Prepayment Considerations — Assumability of Government Loans" in the Base Offering Circular.



## **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 characteristics of the Mortgage Loans underlying the Group 4 and Group 5 Trust Assets, the characteristics of the Underlying Certificates, the priorities of distributions on the Underlying Certificates and the following assumptions (the “Modeling Assumptions”), among others:

1. The Mortgage Loans underlying the Group 1, Group 2 and Group 3 Trust Assets have the assumed characteristics shown under “Assumed Characteristics of the Mortgage Loans Underlying the Group 1, Group 2 and Group 3 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 is assumed to have an original and a remaining term to maturity of 360 months and, in the case of the Group 1 Trust Assets, a Mortgage Rate of 1.5% 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 Group 1, Group 2, Group 3, Group 4 and Group 5 Securities are always received on the 20th, 16th, 16th, 26th and 21st day of the month, respectively, whether or not a Business Day, commencing in September 2001.

4. A termination of the Trust and each Underlying Trust does not occur.

5. The Closing Date for the Securities is August 30, 2001.

6. No expenses or fees are paid by the Trust.

7. Distributions on the Underlying Certificates are made as described in the related Underlying REMIC Disclosure Documents.

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 day of the month assumed, 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 a Notional Class, the original Class Notional Balance) that would remain outstanding following the distribution made each specified month for each Regular Class, based on the assumption that the related 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 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 each Notional Class is for illustrative purposes only, as Notional Classes are not entitled to distributions of principal and have no weighted average lives. The weighted average life shown for each 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 related Trust Assets and the Modeling Assumptions.**

## Percentages of Original Class Principal Balances and Weighted Average Lives

Security Group 1 PSA Prepayment Assumption Rates																				
Distribution Date	Class A					Class AZ					Class VB					Class VC				
	0%	85%	171%	250%	350%	0%	85%	171%	250%	350%	0%	85%	171%	250%	350%	0%	85%	171%	250%	350%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2002	99	96	94	92	89	107	107	107	107	107	82	82	82	82	82	100	100	100	100	100
August 2003	98	90	83	77	69	114	114	114	114	114	63	63	63	63	63	100	100	100	100	100
August 2004	97	83	71	61	49	121	121	121	121	121	43	43	43	43	43	100	100	100	100	100
August 2005	95	76	60	47	33	130	130	130	130	130	22	22	22	22	22	100	100	100	100	100
August 2006	94	70	50	35	20	138	138	138	138	138	0	0	0	0	0	100	100	100	100	100
August 2007	92	64	42	26	10	148	148	148	148	148	0	0	0	0	0	95	95	95	95	95
August 2008	91	58	34	17	2	157	157	157	157	157	0	0	0	0	0	90	90	90	90	90
August 2009	89	52	27	11	0	168	168	168	168	168	0	0	0	0	0	85	85	85	85	60
August 2010	87	47	21	5	0	179	179	179	179	179	0	0	0	0	0	79	79	79	79	21
August 2011	85	42	15	0	0	191	191	191	191	171	0	0	0	0	0	73	73	73	72	0
August 2012	82	37	10	0	0	204	204	204	204	131	0	0	0	0	0	66	66	66	36	0
August 2013	80	32	6	0	0	218	218	218	218	101	0	0	0	0	0	59	59	59	5	0
August 2014	77	28	2	0	0	232	232	232	188	78	0	0	0	0	0	52	52	52	0	0
August 2015	74	24	0	0	0	248	248	248	155	59	0	0	0	0	0	44	44	34	0	0
August 2016	71	19	0	0	0	264	264	264	127	45	0	0	0	0	0	36	36	4	0	0
August 2017	68	16	0	0	0	282	282	235	103	34	0	0	0	0	0	27	27	0	0	0
August 2018	64	12	0	0	0	301	301	201	84	26	0	0	0	0	0	17	17	0	0	0
August 2019	60	8	0	0	0	321	321	171	68	19	0	0	0	0	0	7	7	0	0	0
August 2020	56	5	0	0	0	334	334	145	54	14	0	0	0	0	0	0	0	0	0	0
August 2021	51	2	0	0	0	334	334	122	43	11	0	0	0	0	0	0	0	0	0	0
August 2022	46	0	0	0	0	334	312	101	34	8	0	0	0	0	0	0	0	0	0	0
August 2023	40	0	0	0	0	334	270	83	26	6	0	0	0	0	0	0	0	0	0	0
August 2024	34	0	0	0	0	334	230	67	20	4	0	0	0	0	0	0	0	0	0	0
August 2025	28	0	0	0	0	334	191	52	15	3	0	0	0	0	0	0	0	0	0	0
August 2026	21	0	0	0	0	334	154	40	11	2	0	0	0	0	0	0	0	0	0	0
August 2027	13	0	0	0	0	334	118	29	7	1	0	0	0	0	0	0	0	0	0	0
August 2028	5	0	0	0	0	334	84	19	5	1	0	0	0	0	0	0	0	0	0	0
August 2029	0	0	0	0	0	277	51	11	3	0	0	0	0	0	0	0	0	0	0	0
August 2030	0	0	0	0	0	144	18	4	1	0	0	0	0	0	0	0	0	0	0	0
August 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	18.5	9.1	5.7	4.2	3.2	28.8	24.8	20.3	16.8	13.4	2.6	2.6	2.6	2.6	2.6	12.8	12.8	11.9	10.1	8.2

PSA Prepayment Assumption Rates																				
Distribution Date	Class VG					Class VH					Class VJ									
	0%	85%	171%	250%	350%	0%	85%	171%	250%	350%	0%	85%	171%	250%	350%					
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2002	70	70	70	70	70	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2003	37	37	37	37	37	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2004	2	2	2	2	2	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2005	0	0	0	0	0	76	76	76	76	76	100	100	100	100	100	100	100	100	100	100
August 2006	0	0	0	0	0	48	48	48	48	48	100	100	100	100	100	100	100	100	100	100
August 2007	0	0	0	0	0	18	18	18	18	18	100	100	100	100	100	100	100	100	100	100
August 2008	0	0	0	0	0	0	0	0	0	0	84	84	84	84	84	84	84	84	84	84
August 2009	0	0	0	0	0	0	0	0	0	0	46	46	46	46	46	46	46	46	46	0
August 2010	0	0	0	0	0	0	0	0	0	0	5	5	5	5	5	5	5	5	0	0
August 2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	1.6	1.6	1.6	1.6	1.6	4.9	4.9	4.9	4.9	4.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.3

**Security Group 1  
PSA Prepayment Assumption Rates**

Distribution Date	Class VK					Class VL					Class VM				
	0%	85%	171%	250%	350%	0%	85%	171%	250%	350%	0%	85%	171%	250%	350%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2002	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2003	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2004	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2005	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2006	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2007	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2008	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2009	100	100	100	100	0	100	100	100	100	72	100	100	100	100	100
August 2010	100	100	100	100	0	100	100	100	100	0	100	100	100	100	60
August 2011	43	43	43	29	0	100	100	100	100	0	100	100	100	100	0
August 2012	0	0	0	0	0	92	92	92	2	0	100	100	100	100	0
August 2013	0	0	0	0	0	71	71	71	0	0	100	100	100	14	0
August 2014	0	0	0	0	0	49	49	49	0	0	100	100	100	0	0
August 2015	0	0	0	0	0	26	26	0	0	0	100	100	96	0	0
August 2016	0	0	0	0	0	0	0	0	0	0	100	100	12	0	0
August 2017	0	0	0	0	0	0	0	0	0	0	75	75	0	0	0
August 2018	0	0	0	0	0	0	0	0	0	0	48	48	0	0	0
August 2019	0	0	0	0	0	0	0	0	0	0	19	19	0	0	0
August 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	9.9	9.9	9.9	9.8	7.7	12.9	12.9	12.7	10.6	8.2	16.9	16.9	14.6	11.6	9.1

**Security Group 2  
PSA Prepayment Assumption Rates**

Distribution Date	Classes FA, FB, SA and SB				
	0%	300%	586%	900%	1200%
Initial Percent	100	100	100	100	100
August 2002	99	86	74	61	47
August 2003	99	70	48	28	13
August 2004	98	57	31	13	4
August 2005	97	46	20	6	1
August 2006	96	38	13	3	0
August 2007	95	30	8	1	0
August 2008	94	25	5	1	0
August 2009	92	20	3	0	0
August 2010	91	16	2	0	0
August 2011	89	13	1	0	0
August 2012	88	10	1	0	0
August 2013	86	8	1	0	0
August 2014	84	7	0	0	0
August 2015	82	5	0	0	0
August 2016	79	4	0	0	0
August 2017	77	3	0	0	0
August 2018	74	3	0	0	0
August 2019	71	2	0	0	0
August 2020	67	2	0	0	0
August 2021	64	1	0	0	0
August 2022	59	1	0	0	0
August 2023	55	1	0	0	0
August 2024	50	0	0	0	0
August 2025	45	0	0	0	0
August 2026	39	0	0	0	0
August 2027	32	0	0	0	0
August 2028	25	0	0	0	0
August 2029	18	0	0	0	0
August 2030	9	0	0	0	0
August 2031	0	0	0	0	0
Weighted Average Life (years)	21.0	5.0	2.6	1.6	1.1

**Security Group 3  
PSA Prepayment Assumption Rates**

Distribution Date	Class KA					Class KB					Class KC					Classes KD, KJ and KM				
	0%	100%	229%	350%	500%	0%	100%	229%	350%	500%	0%	100%	229%	350%	500%	0%	100%	229%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2002	96	89	79	70	59	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2003	91	67	37	9	0	100	100	100	100	72	100	100	100	100	100	100	100	100	100	100
August 2004	87	39	0	0	0	100	100	81	26	0	100	100	100	100	56	100	100	100	100	100
August 2005	81	13	0	0	0	100	100	27	0	0	100	100	100	47	0	100	100	100	100	64
August 2006	76	0	0	0	0	100	86	0	0	0	100	100	76	0	0	100	100	100	83	5
August 2007	70	0	0	0	0	100	59	0	0	0	100	100	26	0	0	100	100	100	37	0
August 2008	64	0	0	0	0	100	33	0	0	0	100	100	0	0	0	100	100	86	0	0
August 2009	57	0	0	0	0	100	9	0	0	0	100	100	0	0	0	100	100	53	0	0
August 2010	49	0	0	0	0	100	0	0	0	0	100	82	0	0	0	100	100	26	0	0
August 2011	41	0	0	0	0	100	0	0	0	0	100	55	0	0	0	100	100	2	0	0
August 2012	33	0	0	0	0	100	0	0	0	0	100	30	0	0	0	100	100	0	0	0
August 2013	24	0	0	0	0	100	0	0	0	0	100	6	0	0	0	100	100	0	0	0
August 2014	14	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	85	0	0	0
August 2015	3	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	66	0	0	0
August 2016	0	0	0	0	0	90	0	0	0	0	100	0	0	0	0	100	48	0	0	0
August 2017	0	0	0	0	0	76	0	0	0	0	100	0	0	0	0	100	31	0	0	0
August 2018	0	0	0	0	0	61	0	0	0	0	100	0	0	0	0	100	15	0	0	0
August 2019	0	0	0	0	0	44	0	0	0	0	100	0	0	0	0	100	0	0	0	0
August 2020	0	0	0	0	0	26	0	0	0	0	100	0	0	0	0	100	0	0	0	0
August 2021	0	0	0	0	0	7	0	0	0	0	100	0	0	0	0	100	0	0	0	0
August 2022	0	0	0	0	0	0	0	0	0	0	83	0	0	0	0	100	0	0	0	0
August 2023	0	0	0	0	0	0	0	0	0	0	56	0	0	0	0	100	0	0	0	0
August 2024	0	0	0	0	0	0	0	0	0	0	26	0	0	0	0	100	0	0	0	0
August 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	95	0	0	0	0
August 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	64	0	0	0	0
August 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	32	0	0	0	0
August 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	8.3	2.6	1.6	1.3	1.1	17.5	6.4	3.6	2.7	2.2	22.2	10.2	5.5	4.0	3.1	25.4	15.0	8.2	5.7	4.3

**PSA Prepayment Assumption Rates**

Distribution Date	Class KE					Class KH					Classes KN and KQ				
	0%	100%	229%	350%	500%	0%	100%	229%	350%	500%	0%	100%	229%	350%	500%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2002	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2003	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2004	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2005	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2006	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 2007	100	100	100	100	0	100	100	100	100	100	100	100	100	100	97
August 2008	100	100	100	100	0	100	100	100	100	100	100	100	100	100	57
August 2009	100	100	100	16	0	100	100	100	100	100	100	100	100	100	29
August 2010	100	100	100	0	0	100	100	100	100	100	100	100	100	76	10
August 2011	100	100	100	0	0	100	100	100	100	91	100	100	100	52	0
August 2012	100	100	45	0	0	100	100	100	100	62	100	100	100	33	0
August 2013	100	100	0	0	0	100	100	100	100	42	100	100	97	18	0
August 2014	100	100	0	0	0	100	100	100	100	29	100	100	76	6	0
August 2015	100	100	0	0	0	100	100	100	92	19	100	100	58	0	0
August 2016	100	100	0	0	0	100	100	100	70	13	100	100	43	0	0
August 2017	100	100	0	0	0	100	100	100	53	9	100	100	30	0	0
August 2018	100	100	0	0	0	100	100	100	40	6	100	100	20	0	0
August 2019	100	100	0	0	0	100	100	100	30	4	100	100	10	0	0
August 2020	100	58	0	0	0	100	100	100	22	3	100	100	3	0	0
August 2021	100	18	0	0	0	100	100	87	17	2	100	100	0	0	0
August 2022	100	0	0	0	0	100	100	70	12	1	100	90	0	0	0
August 2023	100	0	0	0	0	100	100	55	9	1	100	73	0	0	0
August 2024	100	0	0	0	0	100	100	43	6	0	100	57	0	0	0
August 2025	100	0	0	0	0	100	100	33	4	0	100	42	0	0	0
August 2026	100	0	0	0	0	100	100	24	3	0	100	27	0	0	0
August 2027	100	0	0	0	0	100	100	17	2	0	100	14	0	0	0
August 2028	89	0	0	0	0	100	100	11	1	0	100	1	0	0	0
August 2029	0	0	0	0	0	100	63	6	1	0	88	0	0	0	0
August 2030	0	0	0	0	0	100	27	2	0	0	31	0	0	0	0
August 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	27.4	19.2	10.9	7.6	5.5	29.8	28.4	23.0	17.1	12.3	28.7	23.6	14.9	10.3	7.4

**Security Group 4  
PSA Prepayment Assumption Rates**

<u>Distribution Date</u>	<u>Class K</u>				
	<u>0%</u>	<u>100%</u>	<u>206%</u>	<u>300%</u>	<u>425%</u>
Initial Percent .....	100	100	100	100	100
August 2002 .....	100	100	100	100	100
August 2003 .....	100	100	100	100	100
August 2004 .....	100	100	100	100	100
August 2005 .....	100	100	100	100	100
August 2006 .....	100	100	100	100	100
August 2007 .....	100	100	84	84	87
August 2008 .....	100	100	50	50	60
August 2009 .....	100	87	21	22	40
August 2010 .....	100	54	0	0	26
August 2011 .....	100	23	0	0	15
August 2012 .....	100	0	0	0	8
August 2013 .....	100	0	0	0	3
August 2014 .....	100	0	0	0	0
August 2015 .....	100	0	0	0	0
August 2016 .....	73	0	0	0	0
August 2017 .....	32	0	0	0	0
August 2018 .....	0	0	0	0	0
August 2019 .....	0	0	0	0	0
August 2020 .....	0	0	0	0	0
August 2021 .....	0	0	0	0	0
August 2022 .....	0	0	0	0	0
August 2023 .....	0	0	0	0	0
August 2024 .....	0	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
Weighted Average Life (years) .....	15.6	9.2	7.1	7.1	7.9

**Security Group 5  
PSA Prepayment Assumption Rates**

<u>Distribution Date</u>	<u>Class BA</u>				
	<u>0%</u>	<u>90%</u>	<u>180%</u>	<u>275%</u>	<u>375%</u>
Initial Percent .....	100	100	100	100	100
August 2002 .....	97	87	76	65	53
August 2003 .....	94	74	55	35	17
August 2004 .....	91	62	36	11	0
August 2005 .....	88	50	19	0	0
August 2006 .....	84	39	4	0	0
August 2007 .....	80	29	0	0	0
August 2008 .....	76	19	0	0	0
August 2009 .....	71	10	0	0	0
August 2010 .....	66	1	0	0	0
August 2011 .....	61	0	0	0	0
August 2012 .....	55	0	0	0	0
August 2013 .....	49	0	0	0	0
August 2014 .....	43	0	0	0	0
August 2015 .....	36	0	0	0	0
August 2016 .....	28	0	0	0	0
August 2017 .....	20	0	0	0	0
August 2018 .....	12	0	0	0	0
August 2019 .....	3	0	0	0	0
August 2020 .....	0	0	0	0	0
August 2021 .....	0	0	0	0	0
August 2022 .....	0	0	0	0	0
August 2023 .....	0	0	0	0	0
August 2024 .....	0	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
Weighted Average Life (years) .....	11.0	4.2	2.4	1.6	1.2

## 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; in the case of the Group 4 and Group 5 Securities, the investor's own projection of principal payment rates on the Underlying Certificates under a variety of scenarios; and, in the case of a Floating Rate or an 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, Underlying Certificate payment 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 related Mortgage Loans.

- In the case of Regular Securities (especially Interest Only Securities) purchased at a premium, 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 Classes should also consider the risk that rapid rates of principal payments could result in failure of investors to recover fully their investments.
- In the case of Regular Securities purchased at a discount, 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 underlying any Group of Trust Assets 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 and Inverse Floating Rate Classes*

Low levels of LIBOR can reduce the yield of the Floating Rate Classes. High levels of LIBOR can significantly reduce the yield of the Inverse Floating Rate Classes.

*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 (1) on the first 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, 46, 56 or 51 days earlier as to Groups 1, 3, 4 and 5, respectively, and (2) on each subsequent Distribution Date, the interest payable will accrue during the related Accrual Period, which will end approximately 20, 16, 26 or 21 days earlier, as applicable.

**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 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, the Mortgage Loans will have characteristics 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, 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 each 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 is as indicated in the related table. **The assumed purchase price is not necessarily that at which actual sales will occur.**

**SECURITY GROUP 2**

**Sensitivity of Class SA Securities to Prepayments  
Assumed Price 5.5%\***

<u>LIBOR</u>	<u>PSA Prepayment Assumption Rates</u>			
	<u>300%</u>	<u>586%</u>	<u>900%</u>	<u>1200%</u>
2.83% .....	95.6%	71.7%	42.4%	10.2%
3.83% .....	71.7%	48.8%	20.6%	(10.6)%
5.83% .....	27.6%	6.2%	(20.2)%	(49.9)%
8.25% 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.



**Sensitivity of Class SB Securities to Prepayments**  
**Assumed Price 5.5%\***

<b>LIBOR</b>	<b>PSA Prepayment Assumption Rates</b>			
	<b>300%</b>	<b>586%</b>	<b>900%</b>	<b>1200%</b>
2.83% .....	94.3%	70.5%	41.2%	9.1%
3.83% .....	70.5%	47.6%	19.5%	(11.7)%
5.83% .....	26.5%	5.2%	(21.2)%	(50.9)%
8.20% 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 Election**

In the opinion of Cadwalader, Wickersham & Taft, for federal income tax purposes, the Trust will constitute a Single REMIC Series.

**Regular Securities**

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

The Class SA and SB 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 applicable prepayment assumption described below.

The Class AZ 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.

Based on anticipated prices (including accrued interest), the assumed Mortgage Loan characteristics, the prepayment assumptions described below and, in the case of the Floating

Rate Securities, the constant LIBOR value described below, the Class KQ Securities also are expected to be issued with OID.

Prospective investors in the 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 171% PSA in the case of the Group 1 Securities, 586% PSA in the case of the Group 2 Securities, 229% PSA in the case of the Group 3 Securities, 206% PSA in the case of the Group 4 Securities and 180% PSA in the case of the Group 5 Securities (as described in “Yield, Maturity and Prepayment Considerations” in this Supplement). In the case of the Floating Rate and Inverse Floating Rate Classes, the value of LIBOR to be used for these determinations is 3.83%. 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 R Securities will represent the beneficial ownership of the Residual Interest in the Trust REMIC. The Residual Securities, *i.e.*, the Class R 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 REMIC, and these requirements will continue until there are no Securities of any class outstanding. 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.

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 interest represented by the Residual Securities will be treated as a “noneconomic residual interest” as that term is defined in Treasury regulations.

On December 8, 2000, the IRS issued Revenue Procedure 2001-12, effective February 4, 2000 pending finalization of proposed regulations, which expands the safe harbor for transfers of noneconomic residual interests to include transfers to certain taxable domestic corporations with significant gross and net assets, provided that those corporations agree to transfer the residual interests only to other taxable domestic corporations in transactions qualifying for one of the safe harbor provisions. Eligibility for the expanded safe harbor requires, among other things, that the transferor not know of any facts or circumstances that reasonably indicate that the taxes associated with the residual interest will not be paid. The Revenue Procedure provides that if the amount of consideration given to the transferee to acquire the residual

interest is so low that under any set of reasonable assumptions a reasonable person would conclude that the taxes associated with holding the residual interest will not be paid, then the transferor will be deemed to know that the transferee cannot or will not pay those taxes. See *“Certain Federal Income Tax Consequences — Tax Treatment of Residual Securities — Non-Recognition of Certain Transfers for Federal Income Tax Purposes” in the Base Offering Circular.*

### **Effect of the Economic Growth and Tax Relief Reconciliation Act of 2001**

As a result of the Economic Growth and Tax Relief Reconciliation Act of 2001, limitations imposed by section 68 of the Code on claiming itemized deductions will be phased-out commencing in 2006, which will affect individuals holding either Regular Securities in Single Class REMICs, or Residual Securities. In addition, starting in 2001, the backup withholding rate will start declining from 31% until leveling at 28% in 2006. Unless the statute is amended, all provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 will no longer apply for taxable years beginning after December 31, 2010. For information relating to itemized deduction and backup withholding for taxable years beginning on or after January 1, 2011, see *“Certain Federal Income Tax Consequences — Tax Treatment of Regular Securities — Single Class REMICs,” “— Tax Treatment of Residual Securities — Special Considerations for Certain Types of Investors — Individuals and Pass Through Entities” and “— Backup Withholding”* in the Base Offering Circular. Investors are encouraged to consult their own tax advisors with respect to the new legislation.

### **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 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”), solely by reason of the Plan’s purchase and holding of that certificate.

**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, Plans.

### **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 from (1) August 1, 2001 on the Fixed Rate Classes and (2) August 16, 2001 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 the Original Class Principal Balance (or original Class Notional Balance) of each Class receiving distributions from Trust Asset Groups 1, 2 and 3, as applicable, will increase by the same proportion. The Trust Agreement, the Final Data Statement 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 Cadwalader, Wickersham & Taft, Washington, DC, and Marcell Solomon & Associates, P.C., Greenbelt, Maryland; and for the Trustee by Peabody & Arnold LLP, Boston, Massachusetts.

Underlying Certificates

Trust Asset Group	Underlying Series	Class	Issue Date	CUSIP Number	Interest Rate	Interest Type(1)	Final Distribution Date	Principal Type(1)	Original Principal Balance of Class	Underlying Certificate Factor(2)	Principal Balance in the Trust	Percentage of Class in Trust	Approximate Weighted Average Coupon of Mortgage Loans	Approximate Weighted Average Remaining Maturity of Mortgage Loans (in months)	Approximate Weighted Average Loan Age of Mortgage Loans (in months)	Ginnie Mae I or II
4	Freddie Mac G021	K	October 29, 1993	3133T1XQ0	6.45%	FIX	October 2023	PAC	\$15,000,000	1.00000000	\$15,000,000	100.000000000000%	7.506%	252	95	1(3)
5	Fannie Mae 1999-57	B(4)	November 30, 1999	31359XGY9	6.50	FIX	August 2025	SC/SEQ	49,876,260	0.84706393	33,777,741	79.9503812034	7.000	313	40	I

- (1) As defined under "Class Types" in Appendix I to the Base Offering Circular.
- (2) Underlying Certificate Factors are as of August 2001.
- (3) At least 90% of this Underlying Series is backed by Ginnie Mae I Certificates.
- (4) The Underlying Certificate included in Trust Asset Group 5 is backed by an SC/SEQ Class from Series 1999-45 of Fannie Mae (Class A), which is backed by a SEQ Class from Series 1999-19 of Ginnie Mae (Class A). The cover pages and the Reference Sheet or Terms Sheet from these series are included in Exhibit B to this Supplement.

**Cover Pages, Terms Sheets and Reference Sheets  
From Underlying REMIC Disclosure Documents**

**\$1,250,004,000**

**Federal Home Loan Mortgage Corporation**

**Multiclass Mortgage Securities, Series G021**

The Federal Home Loan Mortgage Corporation ("Freddie Mac") is offering its Multiclass Mortgage Securities of the above Series (the "Multiclass Securities"). The Multiclass Securities will consist of the various "Classes" listed below. The Classes will receive principal and interest payments, in differing proportions and at differing times, from the cash flows provided by (i) "fully modified pass-through" mortgage-backed securities ("GNMA Certificates") guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("GNMA") and/or (ii) Freddie Mac Giant GNMA-Backed Securities ("Giant Securities" and, together with the GNMA Certificates, "GNMA-Related Securities"), with interest rates of 7% per annum. The GNMA Certificates represent ownership interests in pools of first lien, single family residential mortgages (the "Mortgages") that are either insured by the Federal Housing Administration or partially guaranteed by the Department of Veterans Affairs. See "General Information — Structure of Transaction" in this Supplement. The obligations of GNMA under its guarantees of the GNMA Certificates are backed by the full faith and credit of the United States.

Freddie Mac guarantees to each "Holder" of a Multiclass Security (i) the timely payment of interest at the applicable "Class Coupon" and (ii) the payment of the principal amount of the Holder's Multiclass Security as described in this Supplement.

Freddie Mac will make interest and principal payments on each monthly "Payment Date," beginning November 25, 1993, on the Classes entitled to such payments. See "Payments" in this Supplement.

This Series will involve the creation of an "Upper-Tier REMIC Pool" and a "Lower-Tier REMIC Pool." Elections will be made to treat both REMIC Pools as "real estate mortgage investment conduits" ("REMICs") pursuant to the Internal Revenue Code. The R and RS Classes will be "Residual Classes" and the other Classes will be "Regular Classes." The Residual Classes will be subject to transfer restrictions. See "Certain Federal Income Tax Consequences" in this Supplement and in the Multiclass Securities Offering Circular.

Investors should read this Supplement in conjunction with the documents listed at the bottom of page S-2.

The obligations of Freddie Mac under its guarantees of the Multiclass Securities are obligations of Freddie Mac only. The Multiclass Securities, including any interest thereon, are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac. Income on the Multiclass Securities has no exemption under federal law from federal, state or local taxation. The Multiclass Securities are exempt from the registration requirements of the Securities Act of 1933 and are "exempted securities" within the meaning of the Securities Exchange Act of 1934.

Class	Original Principal Amount(1)	Principal or Other Type(2)	Class Coupon	Interest Type(2)	CUSIP Number	Final Payment Date(3)	Weighted Average Life at 165% PSA(4)	Class	Original Principal Amount(1)	Principal or Other Type(2)	Class Coupon	Interest Type(2)	CUSIP Number	Final Payment Date(3)	Weighted Average Life at 165% PSA(4)
A ...	\$ 62,765,000	PAC	4.40%	FIX	3133T1 W X 6	December 25, 2003	2.4Yrs	M ...	\$ 72,311,000	SCH	6.50%	FIX	3133T1 X S 6	October 25, 2023	3.4Yrs
B ...	64,298,000	PAC	4.80	FIX	3133T1 W Y 4	November 25, 2008	3.4	N ...	35,598,000	SUP	6.50	FIX	3133T1 X T 4	September 25, 2022	3.0
C ...	56,247,000	PAC	5.15	FIX	3133T1 W Z 1	December 25, 2011	4.4	S ...	41,191,000	NTL(STP)	(5)	INV/IO	3133T1 X U 1	September 25, 2018	—
D ...	16,000,000	PAC	5.40	FIX	3133T1 X A 5	May 25, 2016	5.9	SA ...	25,476,000	NTL(STP)	(5)	INV/IO	3133T1 X V 9	October 25, 2023	—
E ...	10,484,000	PAC	5.60	FIX	3133T1 X B 3	May 25, 2016	5.9	SB ...	141,667,000	NTL(STP)	(5)	INV/IO	3133T1 X W 7	October 25, 2023	—
F ...	208,334,000	STP	(5)	FLT	3133T1 X C 1	October 25, 2023	8.8	SC ...	208,334,000	NTL(STP)	(5)	INV/IO	3133T1 X X 5	October 25, 2023	—
FD ...	31,318,000	PAC	(5)	FLT/DLY	3133T1 X D 9	August 25, 2022	10.9	SD ...	19,195,000	PAC	(5)	INV/DLY	3133T1 X Y 3	August 25, 2022	10.9
FE ...	31,190,645	PAC	(5)	FLT/DLY	3133T1 X E 7	October 25, 2023	21.0	SE ...	11,896,136	PAC	(5)	INV/DLY	3133T1 X Z 0	October 25, 2023	21.0
FH ...	23,218,476	PAC	(5)	FLT/DLY	3133T1 X F 4	October 25, 2023	21.0	SG ...	1,827,749	PAC	(5)	INV/DLY	3133T1 Y A 4	October 25, 2023	21.0
FL ...	105,840,526	SUP	(5)	FLT	3133T1 X G 2	January 25, 2023	4.0	SH ...	7,435,246	PAC	(5)	INV/DLY	3133T1 Y B 2	October 25, 2023	21.0
FN ...	63,084,945	SUP	(5)	FLT	3133T1 X H 0	October 25, 2023	19.8	SK ...	4,638,362	PAC	(5)	INV/DLY	3133T1 Y C 0	October 25, 2023	21.0
FG ...	40,841,000	PAC	5.95	FIX	3133T1 X J 6	January 25, 2019	7.9	SL ...	35,107,888	SUP	(5)	INV	3133T1 Y D 8	January 25, 2023	4.0
GA ...	51,981,000	PAC	5.85	FIX	3133T1 X K 3	January 25, 2019	7.9	SM ...	13,741,586	SUP	(5)	INV	3133T1 Y E 6	January 25, 2023	4.0
HA ...	19,928,542	NTL(PAC)	7.00	FIX/IO	3133T1 X L 1	December 25, 2011	—	SN ...	18,790,593	SUP	(5)	INV	3133T1 Y F 3	October 25, 2023	19.8
IB ...	45,196,956	NTL(AD/PAC)	7.00	FIX/IO	3133T1 X M 9	October 25, 2023	—	SP ...	5,472,848	SUP	(5)	INV	3133T1 Y G 1	October 25, 2023	19.8
IC ...	16,216,865	NTL(AD/PAC)	7.00	FIX/IO	3133T1 X N 7	October 25, 2023	—	V ...	19,490,000	AD/LIQ	5.40	FIX	3133T1 Y H 9	August 25, 1998	2.6
J ...	109,739,000	PAC	6.25	FIX	3133T1 X P 2	August 25, 2022	10.9	Z ...	65,524,000	PAC	5.40	FIX/Z	3133T1 Y J 5	May 25, 2016	5.9
K ...	15,000,000	PAC	6.45	FIX	3133T1 X Q 0	October 25, 2023	14.9	R ...	0	NPR	0	NPR	3133T1 Y K 2	October 25, 2023	—
L ...	48,634,000	PAC	6.25	FIX	3133T1 X R 8	October 25, 2023	14.9	RS ...	0	NPR	0	NPR	3133T1 Y L 0	October 25, 2023	—

- (1) Subject to proportionate increase as described under "Increase in Size" in this Supplement. The amount shown for a Notional Class is its original notional principal amount and does not represent principal that will be paid; see "Payments — Interest" in this Supplement.
- (2) See "Description of Multiclass Securities — Standard Definitions and Abbreviations for Classes" in the Multiclass Securities Offering Circular. The type of Class with which the notional principal amount of a Notional Class will be reduced is indicated in parentheses.
- (3) See "Final Payment Dates" in this Supplement.
- (4) Determined as described under "Prepayment and Yield Analysis" in this Supplement, and subject to the assumptions and qualifications in that section. Prepayments will not occur at the assumed rate of 165% PSA or any other constant rate, and the actual weighted average lives of any or all of the Classes are likely to differ from those shown, perhaps significantly.
- (5) The Floating Rate and Inverse Floating Rate Classes will bear interest as described under "Terms Sheet — Class Coupons" in this Supplement.

The Multiclass Securities are offered by Bear, Stearns & Co. Inc. (the "Underwriter") 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 from October 1, 1993 on the Fixed Rate and Delay Classes and from October 25, 1993 on the Floating Rate and Inverse Floating Rate Classes other than the Delay Classes (the "Non-Delay Classes"). The Multiclass Securities are offered by the Underwriter, subject to sale by Freddie Mac and receipt and acceptance by the Underwriter and subject to the Underwriter's right to reject any order in whole or in part. It is expected that the Regular Classes (in book-entry form) will be available for deposit at any Federal Reserve Bank, and that delivery of the Residual Classes (in certificated form) will be made at the offices of the Underwriter, 245 Park Avenue, New York, New York 10167, on or about October 29, 1993 (the "Closing Date").

**Bear, Stearns & Co. Inc.**

Offering Circular Supplement Dated September 15, 1993

## TERMS SHEET

This Terms Sheet contains selected information for quick reference only. It is not a summary of the transaction. Investors should refer to the remainder of this Supplement for further information.

### Class Coupons

The Fixed Rate Classes will bear interest at the Class Coupons shown on the cover page of this Supplement.

The Floating Rate and Inverse Floating Rate Classes will bear interest as follows:

Class	Initial Rate(1)	Class Coupon	Class Coupon Subject to	
			Minimum Rate	Maximum Rate
F	3.625%	LIBOR + 0.5%	0.5%	9.5%
FD(2)	4.81	Ten-Year Treasury Index - 0.55%	0	10.0
FE(2)	5.198	COFI + 1.2%	1.2	9.0
FH(2)	4.625	Prime Rate - 1.375%	0	9.5
FN	4.35(3)	LIBOR + 1.15%	1.15	9.0
S, SA and SB	4.875	8.0% - LIBOR	0	8.0
SC	1.0	9.0% - LIBOR	0	1.0
SD(2)	8.46783	17.2131% - (Ten-Year Treasury Index × 1.63158)	0	16.31573
SE(2)	8.52645	19.00887% - (COFI × 2.621914)	0	19.00887
SG(2)	9.38578	133.1075% - (COFI × 17.06506)	0	9.38578
SH(2)	9.36826	28.10482% - (Prime Rate × 3.122759)	0	23.81103
SK(2)	9.38577	54.43752% - (Prime Rate × 5.00575)	0	9.38577
SN	12.75759(3)	23.50083% - (LIBOR × 3.357263)	0	23.50083
SP	9.79786(3)	90.48612% - (LIBOR × 11.5269)	0	9.79786

#### LIBOR Levels

		4.625% and Lower	4.6875% through 7.9375%	8.0% and Higher		
FL	5.25(3)	5.25%	LIBOR + 1.5%	9.5%	5.25	9.5
		4.625% and Lower	4.6875% through 6.9375%	7.0% and Higher		
SL	9.79784(3)	9.79784%	21.10305% - (LIBOR × 3.014723)	0	0	9.79784
		7.0% and Lower	7.0625% through 7.9375%	8.0% and Higher		
SM	7.7022(3)	7.7022%	61.61764% - (LIBOR × 7.702206)	0	0	7.7022

(1) Initial Rate will be in effect during first "Accrual Period;" Class Coupon will adjust monthly thereafter except as otherwise indicated.

(2) Delay Class.

(3) Rate in effect until October 25, 1995; Class Coupon will adjust monthly thereafter.

See "Payments — Interest" in this Supplement.

### Notional Classes

Notional Class	Reduces With
IA	A, B and C (PAC Classes)
IB	A, B, C, D, E, FD, FE, FH, G, H, J, K, L, SD, SE, SG, SH, SK, V and Z (Accretion Directed and PAC Classes)
IC	D, E, FD, FE, FH, G, H, J, K, L, SD, SE, SG, SH, SK, V and Z (Accretion Directed and PAC Classes)
S	First \$128,721,643.30 of F (Strip Class)
SA	Last \$79,612,356.70 of F (Strip Class)
SB	F (Strip Class)
SC	F (Strip Class)

See "Payments — Interest — Notional Classes" in this Supplement.



## Allocation of Principal

- Accrual Amount to V and Z, in that order
- 1/6 of GNMA Principal Payment Amount to F
- 5/6 of GNMA Principal Payment Amount to:
  1. Beginning October 25, 1995, PAC Classes to their Targeted Balances (structured at 95%–220% PSA), allocated:
    - A, B and C, in that order
    - D, E and Z, pro rata (based on their then outstanding balances)
    - G and H, pro rata
    - J, FD and SD, pro rata
    - K and L, pro rata
    - FE, FH, SE, SG, SH and SK, pro rata
  2. Up to 43.755% of “Remaining Principal Payment Amount” to:
    - M to its Targeted Balance (structured at 124%–180% PSA)
    - N until retired
  3. Up to 56.225% of Remaining Principal Payment Amount to FL, SL and SM, pro rata, until retired
  4. FN, SN and SP, pro rata, until retired
  5. M until retired
  6. FE, FH, SE, SG, SH and SK, pro rata, until retired
  7. A, B and C, in that order, until retired
  8. 76.2471075714% to V and Z, in that order, and 23.7528924286% to D and E, pro rata
  9. G and H, pro rata, until retired
  10. J, FD and SD, pro rata, until retired
  11. K and L, pro rata, until retired

See “Payments — Principal” in this Supplement.

**Weighted Average Lives (in years) \***

	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>95%</u>	<u>165%</u>	<u>220%</u>	<u>450%</u>
A .....	4.9	2.4	2.4	2.4	2.4
B .....	9.5	3.4	3.4	3.4	3.3
C .....	12.7	4.4	4.4	4.4	3.6
D and E .....	15.9	5.9	5.9	5.9	4.3
F .....	20.8	11.9	8.8	7.2	4.1
FD, J and SD .....	22.0	10.9	10.9	10.9	7.3
FE, FH, SE, SG, SH and SK .....	25.5	21.0	21.0	21.0	2.8
FL, SL and SM .....	26.1	14.2	4.0	2.2	1.3
FN, SN and SP .....	29.5	26.9	19.8	5.0	1.9
G and H .....	19.0	7.9	7.9	7.9	5.3
K and L .....	24.1	14.9	14.9	14.9	12.5
M .....	24.4	9.1	3.4	3.2	1.8
N .....	28.4	20.9	3.0	1.6	0.8
V .....	2.6	2.6	2.6	2.6	2.4
Z .....	15.9	5.9	5.9	5.9	4.3
<u>Underlying GNMA-Related Securities .....</u>	<u>20.8</u>	<u>11.9</u>	<u>8.8</u>	<u>7.2</u>	<u>4.1</u>

\* Determined as described under "Prepayment and Yield Analysis" in this Supplement, and subject to the assumptions and qualifications in that section. Prepayments will not occur at any assumed rate shown or any other constant rate, and the actual weighted average lives of any or all of the Classes and of the GNMA-Related Securities are likely to differ from those shown, perhaps significantly.

**Assumed Mortgage Characteristics (as of October 1, 1993)**

<u>Principal Balance</u>	<u>Remaining Term to Maturity (in months)</u>	<u>Original Term to Maturity (in months)</u>	<u>Per Annum Interest Rate</u>
\$1,250,004,000	358	360	7.5%

The actual remaining terms to maturity of most of the Mortgages will, and the actual interest rates of a portion of the Mortgages may, differ from the characteristics shown above, perhaps significantly. See "General Information — The Mortgages" in this Supplement.

\$936,516,614



**FannieMae**

**Guaranteed REMIC Pass-Through Certificates  
Fannie Mae REMIC Trust 1999-57**

**The Certificates**

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

**Payments to Certificateholders**

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

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

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

**The Fannie Mae Guaranty**

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

**The Trust and its Assets**

The trust will indirectly own

- Fannie Mae MBS
- Ginnie Mae certificates
- an underlying REMIC certificate backed directly or indirectly by Fannie Mae MBS and
- an underlying REMIC certificate backed directly or indirectly by Ginnie Mae certificates.

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

In addition, the mortgage loans underlying the Ginnie Mae certificates are either insured or guaranteed by the Federal Housing Administration, the Department of Veterans Affairs or the Rural Housing Service.

**Carefully consider the risk factors starting on page S-9 of this prospectus supplement and on page 10 of the REMIC prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.**

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

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

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

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
JA(1)	1	\$ 84,630,000	SEQ	7.0%	FIX	31359XGC7	February 2016
JB(1)	1	225,836,000	SEQ	7.0	FIX	31359XGD5	August 2027
K(1)	1	9,534,000	SEQ	7.0	FIX	31359XGE3	November 2027
VJ(1)	1	11,390,000	SEQ/AD	7.0	FIX	31359XGF0	July 2005
VK(1)	1	44,610,000	SEQ/AD	7.0	FIX	31359XGG8	March 2017
ZJ(1)	1	24,000,000	SEQ	7.0	FIX/Z	31359XGH6	December 2029
IA(1)	1	26,666,666(2)	NTL	7.5	FIX/IO	31359XGJ2	December 2029
PA	2	18,112,000	PAC	6.5	FIX	31359XGK9	September 2010
PB	2	12,197,000	PAC	6.5	FIX	31359XGL7	May 2014
PC	2	18,846,000	PAC	6.5	FIX	31359XGM5	May 2018
PD	2	10,524,000	PAC	6.5	FIX	31359XGN3	February 2020
PI	2	90,627,000	PAC	6.5	FIX	31359XGP8	February 2029
PH	2	12,978,000	PAC	6.5	FIX	31359XGQ6	December 2029
FG	2	25,438,833	SCH	(3)	FLT	31359XGS2	December 2029
SG	2	9,784,167	SCH	(3)	INV	31359XGR4	December 2029
FH	2	35,232,052	SUP	(3)	FLT	31359XGU7	December 2029
SH(1)	2	16,260,948	SUP	(3)	INV	31359XGT0	December 2029
FT	3	29,104,426	SC/PT	(3)	FLT	31359XGW3	March 2025
ST	3	29,104,426(2)	NTL	(3)	INV/IO	31359XGV5	March 2025
A	4	18,214,647	SC/SEQ	6.5	FIX	31359XGX1	August 2025
B	4	49,876,260	SC/SEQ	6.5	FIX	31359XGY9	August 2025
BA	4	5,667,550	SC/SEQ	6.5	FIX	31359XGZ6	August 2025
BC	4	20,653,731	SC/SEQ	6.5	FIX	31359XHA0	August 2025
DA(1)	5	69,667,000	SEQ	7.5	FIX	31359XHB8	December 2016
VA(1)	5	5,976,000	SEQ/AD	7.5	FIX	31359XHC6	August 2004
VB(1)	5	10,000,000	SEQ/AD	7.5	FIX	31359XHD4	January 2010
Z(1)	5	14,357,000	SEQ	7.5	FIX/Z	31359XHE2	December 2019
FC	6	30,000,000	PT	(3)	FLT	31359XHG7	November 2029
SC	6	30,000,000(2)	NTL	(3)	INV/IO	31359XHF9	November 2029
FE	7	33,000,000	PT	(3)	FLT	31359XHJ1	December 2029
SE	7	33,000,000(2)	NTL	(3)	INV/IO	31359XHH5	December 2029
R		0	NPR	0	NPR	31359XHK8	December 2029
RL		0	NPR	0	NPR	31359XHL6	December 2029

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

If you own certificates of certain classes, you can exchange them for the corresponding RCR certificates to be issued at the time of the exchange. The J, JD, L, DX, ID, DB, IB, DC, H and SI Classes are the RCR classes, as further described in this prospectus supplement.

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be November 30, 1999.

**Merrill Lynch & Co.**

## REFERENCE SHEET

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

### Assets Underlying Each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 MBS
3	Class 1998-7-H REMIC Certificate
4	Class 1999-45-A REMIC Certificate
5	Group 5 MBS
6	Group 6 Ginnie Mae Certificates
7	Group 7 MBS

### Assumed Characteristics of the Mortgage Loans Underlying the Trust MBS and the Group 6 Ginnie Mae Certificates (as of November 1, 1999)

	<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity or WARM (in months)</u>	<u>Approximate Calculated Loan Age or WALA (in months)</u>	<u>Approximate Weighted Average Coupon</u>
Group 1 MBS	\$400,000,000	360	327	30	8.05%
Group 2 MBS	\$250,000,000	360	342	14	7.05%
Group 5 MBS	\$100,000,000	240	236	4	8.00%
Group 6 Ginnie Mae Certificates	\$ 30,000,000	360	224	126	10.50%
Group 7 MBS	\$ 33,000,000	360	280	73	9.89%

The actual remaining terms to maturity, calculated loan ages and, except in the case of the Group 6 Ginnie Mae Certificates, interest rates of most of the mortgage loans will differ from the weighted averages shown above, perhaps significantly.

### Characteristics of the Underlying REMIC Certificates

Exhibit A describes the underlying REMIC certificates, including certain information about the related mortgage loans. To learn more about the underlying REMIC certificates, you should obtain the current class factors and disclosure documents for the underlying REMIC certificates from us as described on page S-3.

### Class Factors

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

### Settlement Date

We expect to issue the certificates on November 30, 1999.

## **Distribution Dates**

We will make payments on the Group 1, Group 2, Group 5 and Group 7 Classes on the 25th day of each calendar month, or on the next business day if the 25th day is not a business day. We will make payments on the Group 3 Classes on the 18th day of each calendar month, or on the next business day if the 18th day is not a business day. We will make payments on the Group 4 Classes on the 20th day of each calendar month, or on the next business day if the 20th day is not a business day. We will make payments on the Group 6 Classes on the 17th day of each calendar month, or on the next business day if the 17th day is not a business day.

## **Book-Entry and Physical Certificates**

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

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

<u>Fed Book-Entry</u>	<u>DTC Book-Entry</u>	<u>Physical</u>
All Group 1, 2, 3, 5 and 7 Classes and the RCR Classes	All Group 4 and 6 Classes	R and RL Classes

## **Exchanging Certificates Through Combination and Recombination**

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

## **Interest Payments**

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

During the initial interest accrual period, the floating rate and inverse floating rate classes will bear interest at the initial interest rates listed below. During subsequent interest accrual periods, the

floating rate and inverse floating rate classes will bear interest based on the formulas indicated below, but always subject to the specified maximum and minimum interest rates:

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate (1)</u>
FG .....	5.910%	9.00000%	0.50%	LIBOR + 50 basis points
SG .....	8.033%	22.09999%	0.00%	22.09999% - (2.59999987 × LIBOR)
FH .....	6.260%	9.50000%	0.85%	LIBOR + 85 basis points
SH .....	7.019%	18.74166%	0.00%	18.74166% - (2.16666654 × LIBOR)
FT .....	5.810%	9.00000%	0.40%	LIBOR + 40 basis points
ST .....	3.190%	8.60000%	0.00%	8.6% - LIBOR
FC .....	5.660%	10.00000%	0.25%	LIBOR + 25 basis points
SC .....	4.340%	9.75000%	0.00%	9.75% - LIBOR
FE .....	5.810%	9.50000%	0.40%	LIBOR + 40 basis points
SE .....	3.690%	9.10000%	0.00%	9.1% - LIBOR
SI .....	3.240%	8.65000%	0.00%	8.65% - LIBOR

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

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

### Notional Classes

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

<u>Class</u>	
IA .....	6.666666667% of the JA, JB, K, VJ, VK and ZJ Classes
ST .....	100% of the FT Class
SC .....	100% of the FC Class
SE .....	100% of the FE Class
SI .....	216.6666543673% of the H Class
ID .....	6.666666667% of the DA, VA, VB and Z Classes
IB .....	13.3333333333% of the DA Class

### Distributions of Principal

#### *Group 1 Principal Distribution Amount*

##### *ZJ Accrual Amount*

To the VJ and VK Classes, in that order, to zero, and thereafter to the ZJ Class.

##### *Group 1 Cash Flow Distribution Amount*

To the JA, JB, K, VJ, VK and ZJ Classes, in that order, to zero.

#### *Group 2 Principal Distribution Amount*

1. To the PA, PB, PC, PD, PI and PH Classes, in that order, to their Planned Balances.
2. To the FG and SG Classes, pro rata, to their Scheduled Balances.
3. To the FH and SH Classes, pro rata, to zero.
4. To the FG and SG Classes, pro rata, to zero.

5. To the PA, PB, PC, PD, PI and PH Classes, in that order, to zero.

*Group 3 Principal Distribution Amount*

To the FT Class to zero.

*Group 4 Principal Distribution Amount*

1. To the A Class to zero.

2. (a) 65.4565217531% of the remaining amount to the B Class to zero and

(b) 34.5434782469% of such remaining amount to the BA and BC Classes, in that order, to zero.

*Group 5 Principal Distribution Amount*

*Z Accrual Amount*

To the VA and VB Classes, in that order, to zero and thereafter to the Z Class.

*Group 5 Cash Flow Distribution Amount*

To the DA, VA, VB and Z Classes, in that order, to zero.

*Group 6 Principal Distribution Amount*

To the FC Class to zero.

*Group 7 Principal Distribution Amount*

To the FE Class to zero.

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

**Weighted Average Lives (years) \***

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>188%</u>	<u>300%</u>	<u>500%</u>
JA .....	10.2	1.6	0.9	0.6	0.3
JB .....	23.0	9.2	5.5	3.5	2.0
K .....	27.8	17.3	11.3	7.3	4.2
VJ .....	3.0	3.0	3.0	3.0	2.8
VK .....	12.2	12.2	11.0	8.4	5.3
ZJ .....	29.0	22.2	18.3	14.0	9.0
IA and J .....	21.6	10.4	7.0	4.7	2.7
JD .....	19.5	7.1	4.3	2.7	1.6
L .....	29.0	22.2	16.9	11.8	7.0

<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>140%</u>	<u>250%</u>	<u>500%</u>
PA .....	5.0	1.6	1.6	1.6	1.5
PB .....	9.9	2.5	2.5	2.5	2.0
PC .....	13.2	3.5	3.5	3.5	2.3
PD .....	15.7	4.5	4.5	4.5	2.6
PI .....	21.3	9.0	9.0	9.0	4.7
PH .....	25.4	20.0	20.0	20.0	10.9

	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>125%</u>	<u>140%</u>	<u>165%</u>	<u>250%</u>	<u>500%</u>
FG and SG .....	25.4	8.4	3.5	3.5	3.5	2.7	1.1
FH, SH, H and SI .....	28.9	21.9	19.4	16.4	12.0	2.0	0.7

<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>135%</u>	<u>300%</u>	<u>500%</u>
FT and ST .....	16.3	5.8	4.6	2.2	1.3

<u>Group 4 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>75%</u>	<u>105%</u>	<u>250%</u>	<u>500%</u>
A .....	4.6	1.1	0.9	0.5	0.3
B .....	17.1	7.4	5.8	2.8	1.4
BA .....	10.8	3.2	2.5	1.2	0.7
BC .....	18.8	8.5	6.8	3.2	1.6

<u>Group 5 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>187%</u>	<u>300%</u>	<u>500%</u>
DA, DB and IB .....	10.8	5.6	4.0	2.9	2.1
VA .....	2.5	2.5	2.5	2.5	2.4
VB .....	7.5	7.5	7.4	6.3	4.5
Z .....	18.6	15.5	13.0	10.6	7.5
DX and ID .....	13.1	8.6	6.6	5.0	3.4
DC .....	18.6	15.5	12.7	9.7	6.5

<u>Group 6 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>260%</u>	<u>300%</u>	<u>500%</u>
FC and SC .....	21.8	8.2	4.8	4.3	2.6

<u>Group 7 Classes</u>	<u>PSA Prepayment Assumption</u>				
	<u>0%</u>	<u>100%</u>	<u>300%</u>	<u>450%</u>	<u>600%</u>
FE and SE .....	22.5	9.6	4.6	3.0	2.2

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



**PROSPECTUS SUPPLEMENT**

(To REMIC Prospectus dated September 18, 1998)

**\$1,667,690,563**



**FannieMae**

**Guaranteed REMIC Pass-Through Certificates  
Fannie Mae REMIC Trust 1999-45**

**The Certificates**

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

**Payments to Certificateholders**

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

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

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

**The Fannie Mae Guaranty**

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

**The Trust and its Assets**

The trust will indirectly own

- Fannie Mae MBS,
- an underlying REMIC certificate backed directly or indirectly by Ginnie Mae certificates and
- four separate non-interest bearing cash deposits of \$999.99 each.

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

In addition, the mortgage loans underlying the Ginnie Mae certificates are either insured or guaranteed by the Federal Housing Administration, the Department of Veterans Affairs or the Rural Housing Service.

**Carefully consider the risk factors starting on page S-12 of this prospectus supplement and on page 10 of the REMIC prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.**

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

Prospective investors in the LL, CC, BB and AA Classes and all other classes should consider carefully whether such an investment is appropriate for their investment objectives.

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

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

Class	Group	Original Class Balance	Principal Type	Interest Rate	Interest Type	CUSIP Number	Final Distribution Date
PB	1	\$ 17,195,000	PAC	6.50%	FIX	31359WD24	April 2009
PC	1	26,098,000	PAC	6.50	FIX	31359WD32	June 2015
TR	1	159,865,000	PAC	6.50	FIX	31359WD40	September 2029
SG	1	20,801,883	SCH	(1)	INV	31359WD57	September 2029
FG	1	67,606,117	SCH	(1)	FLT	31359WD65	September 2029
SH	1	194,118	SUP	(1)	INV	31359WD73	September 2029
FH	1	6,520,546	SUP	(1)	FLT	31359WD81	September 2029
HM	1	5,000,000	SUP	7.75	FIX	31359WD99	February 2028
HN	1	1,204,000	SUP	7.75	FIX	31359WE23	March 2028
HP	1	4,387,000	SUP	7.75	FIX	31359WE31	May 2028
SE	1	1,583,334	SUP	(1)	INV	31359WE49	September 2029
SF	1	1,583,334(2)	NTL	(1)	INV/IO	31359WE56	September 2029
SD	1	2,583,333	SUP	(1)	INV	31359WE64	September 2029
FD	1	25,833,333	SUP	(1)	FLT	31359WE72	September 2029
K	1	9,165,115	SUP	(3)	PO	31359WE80	September 2029
SX	1	1,963,221	SUP	(1)	INV	31359WE98	September 2029
KB	2	17,215,000	PAC	6.50	FIX	31359WF22	April 2009
KC	2	26,125,000	PAC	6.50	FIX	31359WF30	June 2015
KI	2	159,711,000	PAC	6.50	FIX	31359WF48	September 2029
SJ	2	20,817,177	SCH	(1)	INV	31359WF55	September 2029
FJ	2	67,655,823	SCH	(1)	FLT	31359WF63	September 2029
L	2	9,431,613	SUP	(3)	PO	31359WF71	September 2029
QM	2	6,034,000	SUP	7.75	FIX	31359WF89	February 2028
QN	2	1,450,000	SUP	7.75	FIX	31359WF97	March 2028
QP	2	5,292,387	SUP	7.75	FIX	31359WG21	May 2028
LL(4)	2	9,368,000(5)	SUP/RTL	7.75	FIX	31359WG39	September 2029
SM	2	1,155,834	SUP	(1)	INV	31359WG47	September 2029
SL	2	1,885,833	SUP	(1)	INV	31359WG54	September 2029
FL	2	18,858,333	SUP	(1)	FLT	31359WG62	September 2029
SB	2	358,796	SUP	(1)	INV	31359WG70	September 2029
SC	2	335,649	SUP	(1)	INV	31359WG88	September 2029
FC	2	4,305,555	SUP	(1)	FLT	31359WG96	September 2029
LA	3	46,944,000	PAC	6.50	FIX	31359WH20	June 2010
LB	3	31,617,000	PAC	6.50	FIX	31359WH38	February 2014
LC	3	48,846,000	PAC	6.50	FIX	31359WH46	February 2018
LD	3	27,276,000	PAC	6.50	FIX	31359WH53	November 2019
LJ	3	12,051,000	PAC	6.50	FIX	31359WH61	February 2021
LI	3	132,974,000	PAC	6.50	FIX	31359WH79	September 2029
LE	3	35,764,000	PAC	6.50	FIX	31359WH87	September 2029
LF	3	22,936,000	PAC	6.50	FIX	31359WH95	August 2025
VG	3	13,500,000	PAC	6.50	FIX	31359WJ28	February 2006
ZH	3	25,864,200	PAC	6.50	FIX	31359WJ36	November 2013
ZG	3	26,242,800	PAC	6.50	FIX/Z	31359WJ44	September 2029
HU	3	66,000,000	SUP	6.50	FIX	31359WJ51	May 2026
SW	3	759,778	SUP	(1)	INV	31359WJ69	November 2026
SV	3	2,454,667	SUP	(1)	INV	31359WJ77	November 2026
FV	3	8,357,555	SUP	(1)	FLT	31359WJ85	November 2026
HZ	3	10,428,000	SUP	6.50	FIX/Z	31359WJ93	September 2029
FN(6)	3	42,693,911	SCH	(1)	FLT	31359WN80	September 2029
SN(6)	3	13,136,589	SCH	(1)	PO	31359WN72	September 2029
J	3	14,220,843	SUP	(3)	INV	31359WK34	September 2029
HK	3	12,860,000	SUP	7.75	FIX	31359WK42	March 2028
CC(4)	3	3,000,000(5)	SUP/RTL	7.75	FIX	31359WK59	September 2029
AE	3	2,000,000	SUP	7.75	FIX	31359WK67	September 2029
SU	3	358,796	SUP	(1)	INV	31359WK75	September 2029
SU	3	335,649	SUP	(1)	INV	31359WK83	September 2029
FK	3	4,305,555	SUP	(1)	FLT	31359WK91	September 2029
AB	3	4,358,657	SUP	8.00	FIX	31359WL25	September 2029
AC	3	4,000,000	SUP	(7)	DRB	31359WL33	September 2029
BB(4)	3	2,500,000(5)	SUP/RTL	7.50	FIX	31359WL41	September 2029
AD	3	1,000,000	SUP	7.50	FIX	31359WL58	September 2029
BC	3	10,215,000	SUP	8.00	FIX	31359WL66	March 2028
AA(4)	3	23,000,000(5)	SUP/RTL	8.00	FIX	31359WL74	September 2029
TA	4	10,000,000	PAC	6.50	FIX	31359WL82	April 2008
TB	4	25,000,000	PAC	6.50	FIX	31359WL90	March 2017
TC	4	19,000,000	PAC	6.50	FIX	31359WM24	February 2021
TD	4	75,330,000	PAC	6.50	FIX	31359WM32	September 2029
TV	4	53,000,000	SUP	6.50	FIX	31359WM40	May 2026
SI(6)	4	617,172	SUP	(1)	INV	31359WP47	November 2026
SO(6)	4	1,993,940	SUP	(1)	INV	31359WP54	November 2026
FO(6)	4	6,788,888	SUP	(1)	FLT	31359WP62	November 2026
TZ	4	8,270,000	SUP	6.50	FIX/Z	31359WM81	September 2029
A	5	97,154,000	SC/SEQ	6.50	FIX	31359WM99	August 2025
VA	5	3,268,000	SC/AD	6.50	FIX	31359WN23	August 2025
VB	5	7,268,563	SC/AD	6.50	FIX	31359WN31	August 2025
Z	5	10,000,000	SC/SEQ	6.50	FIX/Z	31359WN49	August 2025
R	0	0	NPR	0	NPR	31359WN56	September 2029
RL	0	0	NPR	0	NPR	31359WN64	September 2029

(1) Based on LIBOR.  
 (2) Notional balance. This class is an interest only class.  
 (3) Principal only classes.  
 (4) The LL, CC, BB and AA Classes are retail classes.  
 (5) The retail certificates are offered in \$1,000 increments.  
 (6) Exchangeable classes.  
 (7) The AC Class will bear interest during the first thirty-six interest accrual periods at the annual rate of 8.00% and will bear interest thereafter at the annual rate of 7.50%.

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

The dealer will offer the certificates from time to time in negotiated transactions at varying prices. We expect the settlement date to be August 30, 1999.

**Merrill Lynch & Co.**

## REFERENCE SHEET

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

### **The Retail Certificates (the LL, CC, BB and AA Classes)**

#### *Description*

The retail certificates represent indirect interests in the mortgage loans underlying the related MBS. The retail certificates are guaranteed by us but are not guaranteed by, and are not debts or obligations of, the United States.

#### *Timing of Principal Payments*

It is possible that no principal will be available for payment to holders of the classes of retail certificates for a substantial period. Thereafter, the amounts of principal available for payment to such holders is likely to fluctuate, and may vary widely from period to period. See “Description of the Certificates—Distributions of Principal—*Principal Distribution Amount*” beginning on page S-33.

#### *Investment Objective*

We have structured the retail certificates to provide monthly payments to individual investors for the long-term portion of their investment portfolios. You should determine, after consulting with your investment advisor, whether or not the retail certificates satisfy your individual investment objectives.

#### *Liquidity*

If you sell a retail certificate before its maturity, you may receive sales proceeds that, after taking into account transaction costs, are less than the amount originally invested. Merrill Lynch, Pierce, Fenner & Smith Incorporated intends to make a market for the purchase and sale of the retail certificates after their initial issuance, but is not obligated to do so. We cannot be sure that a market for resale of the retail certificates will develop or, if it develops, that it will continue.

#### *Federal Income Taxes*

Interest on the retail certificates will be taxed in the year it is earned, which may not be the year it is paid. Annually, relevant federal income tax information for the preceding calendar year will be mailed to investors who owned retail certificates during that year, as required by the Internal Revenue Service. You should be aware, however, that this information need not be furnished before March 15 of any calendar year following a calendar year in which income accrues on a retail certificate.

#### *Maturity*

**Unlike many other fixed income securities, the retail certificates do not have fixed principal redemption schedules or fixed principal distribution dates.** The timing of principal payments may vary considerably based upon a number of factors, including changes in prevailing interest rates. If prevailing interest rates decrease, principal payments on the retail certificates may accelerate due to increased mortgage loan prepayments, and any reinvestment of those payments might be at such lower prevailing interest rates. Conversely, if prevailing interest rates increase, principal payments on the retail certificates may slow down due to decreased mortgage loan prepayments, and you might not be able to reinvest your principal at such higher prevailing interest rates. In such case, the market value of your retail certificates is likely to have declined.

## Assets Underlying Each Group of Classes

<u>Group</u>	<u>Assets</u>
1	Group 1 MBS
2	Group 2 MBS
3	Group 3 MBS
4	Group 4 MBS
5	Class 1999-19-A Ginnie Mae REMIC Certificate

## Assumed Characteristics of the Mortgage Loans Underlying the MBS (as of August 1, 1999)

	<u>Approximate Principal Balance</u>	<u>Original Term to Maturity (in months)</u>	<u>Approximate Weighted Average Remaining Term to Maturity (in months)</u>	<u>Approximate Calculated Loan Age (in months)</u>	<u>Approximate Weighted Average Coupon</u>
Group 1 MBS	\$350,000,000	360	344	14	7.14%
Group 2 MBS	\$350,000,000	360	345	14	7.05%
Group 3 MBS	\$650,000,000	360	345	14	7.05%
Group 4 MBS	\$200,000,000	360	341	17	7.05%

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

## Characteristics of the Underlying Ginnie Mae REMIC Certificate

Exhibit A describes the underlying Ginnie Mae REMIC certificate, including certain assumptions about the related mortgage loans. To learn more about the underlying Ginnie Mae REMIC certificate, you should obtain from us the current Ginnie Mae factor and disclosure document for the underlying Ginnie Mae REMIC certificate as described on page S-3.

## Class Factors

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

## Settlement Date

We expect to issue the certificates on August 30, 1999.

## Distribution Dates

We will make payments on the Group 1, Group 2, Group 3 and Group 4 Classes on the 25th of each calendar month, or on the next business day if the 25th is not a business day. We will make payments on the Group 5 Classes on the 20th day of each calendar month, or on the next business day if the 20th is not a business day.

## Retail Class Units

The LL, CC, BB and AA Classes consist of retail certificates. We will issue each class of retail certificates in units having \$1,000 denominations. Since these units cannot be divided into smaller denominations, you can purchase one or more retail class units in whole but not in part. On each distribution date, principal on the retail certificates may be paid to owners of retail class units, but

only in increments of \$1,000. Accordingly, certain retail class units will be paid in full on a particular distribution date, while the remaining retail class units will receive no principal payments on that date. The investors in retail class units who receive principal payments on a particular distribution date will first be selected from those investors who request them. If on any distribution date the amount of principal payable on any class of retail certificates exceeds the total amount of principal requested by retail investors in that class, then remaining retail investors in that class will be selected randomly to receive principal payments on that date in the amount of the excess.

**Book-Entry and Physical Certificates**

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

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

<u>Fed Book-Entry</u>	<u>DTC Book-Entry</u>	<u>Physical</u>
Group 1, 2, 3 and 4 Classes (other than the LL, CC, BB and AA Classes) and the related RCR Classes	The LL, CC, BB and AA Classes and the Group 5 Classes	R and RL Classes

**Exchanging Certificates Through Combination and Recombination**

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

**Interest Payments**

We will make the first interest payments on the retail classes in September 1999 in the following approximate amounts with respect to each retail class unit:

LL Class .....	\$6.46
CC Class .....	6.46
BB Class .....	6.25
AA Class .....	6.67

We will continue to pay interest in those approximate amounts on each monthly distribution date on each retail class unit until it is retired.

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

During the initial thirty-six interest accrual periods, the AC Class will bear interest at the annual rate of 8.00%. During each subsequent interest accrual period, the AC Class will bear interest at the annual rate of 7.50%.

During the initial interest accrual period, the floating rate and inverse floating rate classes will bear interest at the initial interest rates listed below. During subsequent interest accrual periods, the

floating rate and inverse floating rate classes will bear interest based on the formulas indicated below, but always subject to the specified maximum and minimum interest rates:

<u>Class</u>	<u>Initial Interest Rate</u>	<u>Maximum Interest Rate</u>	<u>Minimum Interest Rate</u>	<u>Formula for Calculation of Interest Rate (1)</u>
SG .....	9.16500%	26.00000%	0.00%	26% - (3.25 × LIBOR)
FG .....	5.68000%	8.50000%	0.50%	LIBOR + 50 basis points
SH .....	7.21500%	24.05000%	0.00%	24.05% - (3.25 × LIBOR)
FH .....	6.28000%	8.50000%	1.10%	LIBOR + 110 basis points
SE .....	12.00000%	12.00000%	0.00%	96% - (12 × LIBOR)
SF .....	4.31578%	4.31578%	0.00%	34.52624% - (4.31578 × LIBOR)
SD .....	18.20000%	70.00000%	0.00%	70% - (10 × LIBOR)
FD .....	6.18000%	9.00000%	1.00%	LIBOR + 100 basis points
SX .....	11.66000%	27.20000%	5.00%	27.2% - (3 × LIBOR)
SJ .....	9.16500%	26.00000%	0.00%	26% - (3.25 × LIBOR)
FJ .....	5.68000%	8.50000%	0.50%	LIBOR + 50 basis points
SM.....	16.31578%	16.31578%	0.00%	130.52622% - (16.3157771 × LIBOR)
SL .....	18.20000%	70.00000%	0.00%	70% - (10 × LIBOR)
FL .....	6.18000%	9.00000%	1.00%	LIBOR + 100 basis points
SB .....	12.00000%	12.00000%	0.00%	96% - (12 × LIBOR)
SC .....	23.34615%	89.79289%	0.00%	89.79289% - (12.82755543 × LIBOR)
FC .....	6.18000%	9.00000%	1.00%	LIBOR + 100 basis points
SW.....	12.10000%	12.10000%	0.00%	89.1% - (11 × LIBOR)
SV .....	6.19666%	23.83332%	0.00%	23.83332% - (3.40476 × LIBOR)
FV .....	6.08000%	9.00000%	0.90%	LIBOR + 90 basis points
SU .....	12.00000%	12.00000%	0.00%	96% - (12 × LIBOR)
SK .....	23.34615%	89.79289%	0.00%	89.79289% - (12.82755544 × LIBOR)
FK .....	6.18000%	9.00000%	1.00%	LIBOR + 100 basis points
SN .....	8.84000%	25.67500%	0.00%	25.675% - (3.25 × LIBOR)
FN .....	5.78000%	8.50000%	0.60%	LIBOR + 60 basis points
SI .....	11.00000%	11.00000%	0.00%	88% - (11 × LIBOR)
SO .....	6.19666%	23.83332%	0.00%	23.83332% - (3.40476 × LIBOR)
FO .....	6.18000%	9.00000%	1.00%	LIBOR + 100 basis points
SY .....	7.33200%	20.80000%	0.00%	20.8% - (2.6 × LIBOR)

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

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

**Notional Class**

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

<u>Class</u>	
SF .....	100% of the SE Class

## **Distributions of Principal**

### *Group 1 Principal Distribution Amount*

1. To the PB, PC and TR Classes, in that order, to their Planned Balances.
2. To the FG and SG Classes, pro rata, to their Scheduled Balances.
3. (a) 30.5353047883% of the remaining amount to the K, FH, SH and SX Classes, pro rata, to zero, and  
(b) 69.4646952117% of such remaining amount as follows:  
*first*, to the HM, HN and HP Classes, in that order, to zero; and  
*second*, to the SE, SD and FD Classes, pro rata, to zero.
4. To the FG and SG Classes, pro rata, to zero.
5. To the PB, PC and TR Classes, in that order, to zero.

### *Group 2 Principal Distribution Amount*

1. To the KB, KC and KI Classes, in that order, to their Planned Balances.
2. To the FJ and SJ Classes, pro rata, to their Scheduled Balances.
3. (a) 16.1290324236% of the remaining amount to the L Class to zero, and  
(b) 83.8709675764% of such remaining amount as follows:  
*first*, to the QM, QN and QP Classes, in that order, to zero; and  
*second*, to the LL, FL, SL, SM, FC, SC and SB Classes, pro rata, to zero.
4. To the FJ and SJ Classes, pro rata, to zero.
5. To the KB, KC and KI Classes, in that order, to zero.

### *Group 3 Principal Distribution Amount*

#### *HZ Accrual Amount*

1. To the HU Class to zero.
2. To the FV, SV and SW Classes, pro rata, to zero.
3. Thereafter to the HZ Class.

#### *ZG Accrual Amount*

To the VG and VH Classes, in that order, to zero, and thereafter to the ZG Class.

### *Group 3 Cash Flow Distribution Amount*

1. To the LA, LB, LC and LD Classes, in that order, to their Planned Balances.
2. (a) 53.8461824068% of the remaining amount to the LJ and LI Classes, in that order, to their Planned Balances, and  
(b) 46.1538175932% of such remaining amount to the LE, LF, VG, VH and ZG Classes, in that order, to their Planned Balances.

3. (a) 61.0593623471% of the remaining amount as follows:

*first*, to the SN and FN Classes, pro rata, to their Scheduled Balances;

*second*, (x) 17.3098771218% of the remaining amount to the J Class to zero,

(y) 36.6062199879% of such remaining amount in the following priority:

(aa) to the BC Class to zero; and

(bb) to the AA and AB Classes, in the proportions of 88.1227768826% and 11.8772231174%, respectively, until a total amount equal to \$19,858,657 has been paid to the AA and AB Classes pursuant to this clause (bb), and

(z) 46.0839028903% of such remaining amount in the following priority:

(aa) to the HK Class, to zero; and

(bb) to the CC, AE, SU, SK, AC, FK, BB, AD, AA and AB Classes, in the proportions of 12.000000%, 8.000000%, 1.435184%, 1.342596%, 16.000000%, 17.222220%, 10.000000%, 4.000000%, 22.000000% and 8.000000%, respectively, to zero; and

*third*, to the SN and FN Classes, pro rata, to zero, and

(b) 38.9406376529% of such remaining amount as follows:

*first*, to the HU Class to zero;

*second*, to the FV, SV and SW Classes, pro rata, to zero; and

*third*, to the HZ Class to zero.

4. To the LA, LB, LC and LD Classes, in that order, to zero.

5. (a) 53.8461824068% of the remaining amount to the LJ and LI Classes, in that order, to zero, and

(b) 46.1538175932% of such remaining amount to the LE, LF, VG, VH and ZG Classes, in that order, to zero.

*Group 4 Principal Distribution Amount*

*TZ Accrual Amount*

1. To the TV Class to zero.
2. To the SO, FO and SI Classes, pro rata, to zero.
3. Thereafter to the TZ Class.

*Group 4 Cash Flow Distribution Amount*

1. To the TA, TB, TC and TD Classes, in that order, to their Planned Balances.
2. To the TV Class to zero.
3. To the SO, FO and SI Classes, pro rata, to zero.
4. To the TZ Class to zero.
5. To the TA, TB, TC and TD Classes, in that order, to zero.

*Group 5 Principal Distribution Amount*

*Z Accrual Amount*

To the VA and VB Classes, in that order, to zero, and then to the Z Class.

*Group 5 Cash Flow Distribution Amount*

To the A, VA, VB and Z Classes, in that order, to zero.

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

**Weighted Average Lives (years) \***

<u>Group 1 Classes</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>145%</u>	<u>250%</u>	<u>500%</u>		
PB .....	4.8	2.5	2.5	2.5	2.0		
PC .....	9.7	3.5	3.5	3.5	2.3		
TR .....	19.6	9.9	9.9	9.9	5.2		
	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>135%</u>	<u>145%</u>	<u>165%</u>	<u>250%</u>	<u>500%</u>
SG and FG .....	25.0	7.8	3.5	3.5	3.5	2.4	1.2
SH, FH, K and SX .....	29.1	23.2	19.9	17.6	13.3	1.8	0.6
HM .....	28.3	18.8	13.2	2.5	0.9	0.3	0.1
HN .....	28.4	19.5	14.8	8.9	1.7	0.6	0.2
HP .....	28.6	20.2	15.7	14.0	2.6	0.8	0.3
SE, SF, SD and FD .....	29.4	24.5	21.9	20.9	17.3	2.2	0.8
<u>Group 2 Classes</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>145%</u>	<u>250%</u>	<u>500%</u>		
KB .....	4.8	2.5	2.5	2.5	2.0		
KC .....	9.7	3.5	3.5	3.5	2.3		
KI .....	19.6	9.9	9.9	9.9	5.2		
	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>135%</u>	<u>145%</u>	<u>165%</u>	<u>250%</u>	<u>500%</u>
SJ and FJ .....	25.0	7.8	3.5	3.5	3.5	2.5	1.2
L .....	29.1	23.3	20.0	17.6	13.3	1.8	0.6
QM .....	28.3	18.8	13.2	2.5	0.9	0.3	0.1
QN .....	28.4	19.5	14.8	8.9	1.7	0.6	0.2
QP .....	28.6	20.2	15.7	14.0	2.6	0.8	0.3
LL**, SM, SL, FL, SB, SC and FC .....	29.4	24.6	21.9	21.0	17.4	2.2	0.8
<u>Group 3 Classes</u>	<u>PSA Prepayment Assumption</u>						
	<u>0%</u>	<u>100%</u>	<u>145%</u>	<u>250%</u>	<u>500%</u>		
LA .....	5.0	1.6	1.6	1.6	1.5		
LB .....	9.8	2.5	2.5	2.5	2.0		
LC .....	13.2	3.5	3.5	3.5	2.3		
LD .....	15.7	4.5	4.5	4.5	2.6		
LJ .....	17.0	5.2	5.2	5.2	2.9		
LI .....	22.2	10.9	10.9	10.9	5.7		
LE .....	18.3	6.0	6.0	6.0	3.2		
LF .....	20.9	8.0	8.0	8.0	4.1		
VG .....	3.4	3.4	3.4	3.4	3.1		
VH .....	10.6	9.0	9.0	9.0	5.3		
ZG .....	23.9	14.9	14.9	14.9	8.6		



	PSA Prepayment Assumption						
	0%	100%	125%	145%	165%	250%	500%
HU .....	18.8	10.2	6.9	4.9	3.4	1.4	0.7
SW, SV and FV .....	26.9	18.6	16.4	14.5	12.3	3.7	1.4
HZ .....	28.7	23.9	22.6	21.5	20.1	5.7	1.6
SN, FN and GN .....	25.4	8.4	3.5	3.5	3.5	2.7	1.1
J .....	28.9	22.1	19.5	15.5	12.1	2.1	0.7
HK .....	28.1	18.0	14.2	6.2	2.1	0.7	0.3
CC**, AE, SU, SK, FK, AB, AC, BB**, AD and AA** .....	29.3	24.2	22.3	20.3	17.2	2.7	0.9
BC .....	28.1	18.0	14.2	6.2	2.1	0.7	0.3
	PSA Prepayment Assumption						
<b>Group 4 Classes</b>	0%	100%	145%	250%	500%		
TA .....	4.0	1.4	1.4	1.4	1.4		
TB .....	10.6	2.7	2.7	2.7	2.0		
TC .....	15.8	4.6	4.6	4.6	2.6		
TD .....	22.1	10.8	10.8	10.8	5.6		
TV .....	18.9	9.8	4.6	1.3	0.6		
SI, SO, FO, TW, T, TU and SY .....	26.9	18.4	14.3	3.6	1.2		
TZ .....	28.7	23.7	21.2	5.4	1.5		
	PSA Prepayment Assumption						
<b>Group 5 Classes</b>	0%	50%	107%	250%	500%		
A .....	14.9	8.0	5.0	2.5	1.3		
VA .....	2.3	2.3	2.3	2.3	2.0		
VB .....	8.0	8.0	8.0	5.6	3.0		
Z .....	24.8	18.3	12.8	6.7	3.5		

\* Determined as specified under “Description of the Certificates—Weighted Average Lives of the Certificates” in this prospectus supplement. Prepayments will not occur at any assumed rate shown or any other constant rate, and the actual weighted average lives of the certificates are likely to differ from those shown, perhaps significantly.

\*\* The weighted average lives shown in the table for each retail class apply to that entire class taken as a whole and are not likely to reflect the experience of any particular investor in that class of retail certificates. Because investors will receive principal distributions subject to the distribution priorities and allocations as described under “Description of the Certificates—Characteristics of the Retail Certificates—Retail Principal Payments” in this prospectus supplement, the weighted average lives of retail class units within a single retail class will vary among individual investors. See “Description of the Certificates—Characteristics of the Retail Certificates—Certain Principal Payment Considerations” in this prospectus supplement.

Offering Circular Supplement  
(To Base Offering Circular dated March 1, 1999)

\$300,000,000

Government National Mortgage Association

GINNIE MAE®



Guaranteed REMIC Pass-Through Securities  
and MX Securities  
Ginnie Mae REMIC Trust 1999-19

Ginnie Mae REMIC Trust 1999-19 Guaranteed REMIC Pass-Through Securities (the "Securities") represent interests in Ginnie Mae REMIC Trust 1999-19 (the "Trust"). The assets of the Trust (the "Trust Assets") consist primarily of Ginnie Mae Certificates guaranteed pursuant to Ginnie Mae programs for first lien, single-family, fixed rate, residential mortgage loans (the "Trust MBS").

Guaranteed REMIC Pass-Through Securities ("REMIC Securities") specified herein may, upon notice and payment of an exchange fee, be exchanged for one or more Classes (each, an "MX Class") of Modifiable and Exchangeable Securities ("MX Securities") as described under "Description of the Securities—Modification and Exchange" herein. In addition, as described herein, Classes of MX Securities are exchangeable for the specified REMIC Classes and, in certain instances, MX Classes. Unless the context requires otherwise, the term "Securities" includes REMIC Securities and MX Securities and the term "Classes" includes Classes of REMIC Securities and MX Securities.

The Classes listed in the table below and the MX Classes are offered pursuant to this Offering Circular Supplement and the Base Offering Circular. The Regular and MX Classes comprise two Security Groups. Payments on Security Group 1 will be based solely on payments on the Group 1 Trust Assets and payments on Security Group 2 will be based solely on payments on the Group 2 Trust Assets. Unless indicated otherwise, capitalized terms used herein shall have the meanings assigned to them in the glossary attached as Appendix II to the Base Offering Circular.

For a discussion of certain material risks in connection with the purchase of the Securities, see "Risk Factors—Class Investment Considerations" on page S-13 of this Supplement.

GINNIE MAE GUARANTEES 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 SECURITIES ARE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933 AND CONSTITUTE EXEMPTED SECURITIES UNDER THE SECURITIES EXCHANGE ACT OF 1934.

(Cover continued on next page)

Class of REMIC Securities	Original Principal Balance(2)	Interest Rate	Principal Type(3)	Interest Type(3)	Final Distribution Date(4)	Weighted Average Life (in years)(5)	CUSIP Number
<b>Security Group 1</b>							
A (1) .....	\$146,695,000	6.50%	SEQ	FIX	August 2025	5.2	3837H2CZ0
B .....	8,908,000	6.50	SEQ	FIX	April 2026	13.0	3837H2DA4
VJ (1) .....	7,420,000	6.50	AD/SEQ	FIX	January 2005	3.0	3837H2DB2
VK (1) .....	20,102,000	6.50	AD/SEQ	FIX	May 2014	10.7	3837H2DC0
ZA (1) .....	16,875,000	6.50	SEQ	FIX/Z	May 2029	19.7	3837H2DD8
<b>Security Group 2</b>							
DA .....	75,165,000	6.50	SEQ	FIX	March 2026	5.9	3837H2DE6
VA (1) .....	4,132,000	6.50	AD/SEQ	FIX	January 2005	3.0	3837H2DF3
VB (1) .....	11,265,500	6.50	AD/SEQ	FIX	May 2014	10.6	3837H2DG1
Z (1) .....	9,437,500	6.50	SEQ	FIX/Z	May 2029	19.7	3837H2DH9
<b>Residual</b>							
R .....	0	0	NPR	NPR	May 2029	—	3837H2DJ5

(1) Denotes a Class which is exchangeable for an MX Class. See Exhibit A to this Supplement for a description of the MX Classes.

(2) Subject to increase as described under "Increase in Size" in this Supplement.

(3) As defined under "Class Types" in Appendix I to the Base Offering Circular.

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

(5) The Weighted Average Lives of Security Group 1 and Security Group 2 are calculated at 146% PSA and 150% PSA, respectively, in each case determined as described under "Yield, Maturity and Prepayment Considerations" in this Supplement. Prepayments will not occur at any assumed rate shown or at any other constant rate and the actual Weighted Average Lives of any or all of the Classes are likely to differ from those shown, perhaps significantly.

The Securities are being offered by Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Sponsor") and Utendahl Capital Partners, L.P. (the "Co-Sponsor") from time to time in negotiated transactions at varying prices to be determined at the time of sale, plus accrued interest from May 1, 1999.

The Securities are offered subject to receipt and acceptance by the Sponsor, to prior sale and to the Sponsor's right to reject any order in whole or in part and to withdraw, cancel or modify the offer without notice. It is expected that the Regular Securities (or related MX Securities) will be ready for delivery in Book-Entry Form through the facilities of the Book-Entry Depository (as defined herein) and that the Residual Securities will be delivered in certificated form to the offices of the Sponsor in New York, New York, on or about May 28, 1999.

Merrill Lynch & Co.

Utendahl Capital Partners, L.P.

The date of this Offering Circular Supplement is May 21, 1999.

**GINNIE MAE REMIC TRUST 1999-19  
TERMS SHEET**

This terms sheet (the "Terms Sheet") contains selected information for quick reference only. Prospective investors should read this Supplement, particularly "Risk Factors—Class Investment Considerations," and the Base Offering Circular for further information.

**Sponsor:** Merrill Lynch, Pierce, Fenner & Smith Incorporated

**Trustee:** State Street Bank and Trust Company

**Tax Administrator:** The Trustee

**Closing Date:** May 28, 1999

**Distribution Dates:** For the Group 1 Securities, the 16th day of each month or, if the 16th day is not a Business Day, the first Business Day thereafter, commencing in June 1999. For the Group 2 Securities, the 20th day of each month or, if the 19th day or the 20th day is not a Business Day, the first Business Day following the 20th day, commencing in June 1999.

**Trust Assets:**

<u>Trust Asset Group</u>	<u>Trust Asset Type</u>	<u>Certificate Rate</u>	<u>Original Term To Maturity (in years)</u>
1	Ginnie Mae I	6.5%	30
2	Ginnie Mae II	6.5%	30

**Security Groups:**

Group 1 Securities: Classes A, B, VJ, VK and ZA (REMIC Securities); Classes VL, C, AC, AB, AI and AP (MX Securities)

Group 2 Securities: Classes DA, VA, VB and Z (REMIC Securities); Classes VC and DC (MX Securities)

**Trustee Fee:** 23/100,023 of all principal and interest distributions on the Group 1 Trust Assets, and 3/12,503 of all principal and interest distributions on the Group 2 Trust Assets.

**Assumed Mortgage Loan Characteristics of the Mortgage Loans Underlying the Trust Assets (as of May 1, 1999):**

<u>Principal Balance</u>	<u>Weighted Average Remaining Term to Maturity (in months)</u>	<u>Weighted Average Loan Age (in months)</u>	<u>Weighted Average Mortgage Rate</u>
<b>Group 1 Trust Assets</b> <u>\$200,046,000</u>	347	13	7.00%
<b>Group 2 Trust Assets</b> <u>\$100,024,000</u>	357	2	7.25%*

\* The Mortgage Loans underlying the Group 2 Trust Assets may bear interest at rates ranging from 7.0% to 8.0% per annum.

The actual remaining terms to maturity, loan ages and, in the case of the Group 2 Trust Assets, 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.

**Modeling Assumptions:** Set forth under "Yield, Maturity and Prepayment Considerations" in this Supplement.

**Modification and Exchange:** Beneficial Owners of certain Classes of REMIC Securities will be entitled, upon notice and payment of an exchange fee, to exchange all or a portion of such Classes for a proportionate interest in the related MX Class as shown on Exhibit A to this Supplement. Similarly, Beneficial Owners of

an MX Class will be entitled, upon like notice and payment of an exchange fee, to exchange all or a portion of such Class for proportionate interests in the related Class or Classes of REMIC Securities or, in certain specified cases, other related MX Classes. Each MX Security will represent a proportionate beneficial ownership interest in, and will entitle the Holder thereof to receive a proportionate share of the distributions on, the related Class or Classes of REMIC Securities. See "Description of the Securities—Modification and Exchange" in this Supplement. Exhibit A to this Supplement sets forth the available combinations of the Classes of REMIC Securities and the related MX Classes.

**Increased Minimum Denomination Classes:** Each MX Class that constitutes a Principal Only or Interest Only Class.

**Interest Rates:** The Interest Rates are shown on the cover page of this Supplement or on Exhibit A to this Supplement.

**Allocation of Principal:** On each Distribution Date for a Security Group, the following distributions will be made to the related Securities:

23/100,023 of the Group 1 Principal Distribution Amount (as defined below) will be applied to the Trustee Fee, and the remaining 100,000/100,023 of the Group 1 Principal Distribution Amount (the "Group 1 Adjusted Principal Distribution Amount") and the Group 1 Accrual Amount (as defined below) will be allocated as follows:

- |                  |   |   |
|------------------|---|---|
| Security Group 1 | } | <ul style="list-style-type: none"><li>• The Group 1 Accrual Amount, sequentially, to VJ and VK, in that order, until retired, then to ZA</li><li>• The Group 1 Adjusted Principal Distribution Amount, sequentially, to A, B, VJ, VK and ZA, in that order, until retired</li></ul> |
|------------------|---|---|

3/12,503 of the Group 2 Principal Distribution Amount (as defined below) will be applied to the Trustee Fee, and the remaining 12,500/12,503 of the Group 2 Principal Distribution Amount (the "Group 2 Adjusted Principal Distribution Amount") and the Group 2 Accrual Amount (as defined below) will be allocated as follows:

- |                  |   |   |
|------------------|---|---|
| Security Group 2 | } | <ul style="list-style-type: none"><li>• The Group 2 Accrual Amount, sequentially, to VA and VB, in that order, until retired, then to Z</li><li>• The Group 2 Adjusted Principal Distribution Amount, sequentially, to DA, VA, VB and Z, in that order, until retired</li></ul> |
|------------------|---|---|

As to any Distribution Date, the "Group 1 Principal Distribution Amount" and "Group 2 Principal Distribution Amount" mean that portion of the Principal Distribution Amount for such date attributable to the Group 1 and Group 2 Trust Assets, respectively. As to any Distribution Date, the "Group 1 Accrual Amount," and "Group 2 Accrual Amount" mean the Accrual Amount on such date for the related Accrual Class.

**Accrual Classes:** Classes ZA and Z are Accrual Classes. Interest will accrue on each Accrual Class at the per annum rate set forth on the cover page of this Supplement. However, no interest will be distributed thereon as interest. Interest so accrued and unpaid 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".

**MX Classes:** On any Distribution Date when distributions of principal are to be allocated from REMIC Securities to MX Securities or from MX Securities to other MX Securities, such distributions will be allocated from the applicable Classes of REMIC Securities to the related MX Class or from the applicable Classes of MX Securities to the related MX Classes.

**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
AI†.....	\$146,695,000	100% of A (SEQ Class)

† MX Class

**Weighted Average Lives (in years)\*:**

Class	PSA Prepayment Assumption Rates				
	0%	75%	146%	250%	400%
<b>Security Group 1</b>					
A, AC†, AB†, AI†**, AP†.....	16.9	8.3	5.2	3.3	2.2
B.....	26.6	19.0	13.0	8.3	5.3
VJ.....	3.0	3.0	3.0	3.0	3.0
VK.....	10.7	10.7	10.7	8.9	6.4
ZA.....	28.5	24.2	19.7	15.1	10.6
C†.....	28.5	24.2	19.4	13.7	9.0
VL†.....	8.7	8.7	8.6	7.3	5.5

Class	PSA Prepayment Assumption Rates				
	0%	75%	150%	250%	400%
<b>Security Group 2</b>					
DA.....	17.9	9.2	5.9	4.1	2.9
VA.....	3.0	3.0	3.0	3.0	3.0
VB.....	10.8	10.8	10.6	9.0	6.7
Z.....	28.5	24.5	19.7	15.3	10.9
VC†.....	8.7	8.7	8.6	7.4	5.7
DC†.....	28.5	24.5	19.3	13.9	9.3

\* Determined as described under "Yield, Maturity and Prepayment Considerations" in this Supplement. Prepayments will not occur at any assumed rate shown or at any other constant rates, and the actual Weighted Average Lives of any or all of the Classes are likely to differ from those shown, perhaps significantly.

\*\* The information shown for the Notional Class is for illustrative purposes only.

† MX Class.

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

**Regular and Residual Classes:** Class R is a Residual Class; all other Classes of REMIC Securities are Regular Classes.

**Suitability:** The Securities of any Class may not be suitable investments for all investors. The Sponsor intends to make a market for the Securities but is not obligated to do so. There can be no assurance that such a secondary market will develop or, if developed, that it will continue. Thus, investors may not be able to sell their Securities readily or at prices that will enable them to realize their anticipated yield. The market values of the Securities are likely to fluctuate. The fluctuations may be significant and could result in significant losses to investors. **No investor should purchase Securities of any Class unless the investor understands and is able to bear (i) the prepayment and yield risks associated with that Class and (ii) the risk that the value of such Securities will fluctuate over time and that such Securities may not be readily salable.** Each investor is urged to consult with its investment advisor regarding whether the Securities are an appropriate investment for such investor.



**\$512,552,525**

**Government National  
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***OFFERING CIRCULAR SUPPLEMENT***  
**August 23, 2001**

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