

maintained by it in accordance with the provisions of Section 7.08 a Certificate Register in which, subject to such reasonable regulations as it may prescribe, FNMA shall provide for the registration of Definitive Certificates and of transfers and exchanges of Definitive Certificates as herein provided. FNMA hereby appoints the Federal Reserve Bank of New York as Certificate Registrar for the purpose of registering Definitive Certificates and transfers and exchanges of Definitive Certificates as herein provided.

Upon surrender for registration of transfer of any Definitive Certificate at any office or agency of FNMA maintained for such purpose pursuant to Section 7.08, FNMA shall execute, and the Certificate Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Definitive Certificates evidencing a like aggregate Fractional Undivided Interest in the identical Pool.

At the option of the Holders of Definitive Certificates, Definitive Certificates may be exchanged for other Definitive Certificates of authorized denominations of a like aggregate Fractional Undivided Interest in the identical Pool, upon surrender of the Definitive Certificates to be exchanged at any such office or agency. Whenever any Definitive Certificates are so surrendered for exchange FNMA shall execute, and the Certificate Registrar shall authenticate and deliver, the Definitive Certificates which the Certificateholder making the exchange is entitled to receive. Every Definitive Certificate presented or surrendered for registration of transfer or exchange shall (if so required by FNMA or the Trustee) be duly endorsed by, or be accompanied by a written instrument of transfer in form satisfactory to FNMA and the Certificate Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing.

A service charge in an amount determined by FNMA (such amount being based on a service charge schedule on file in the Corporate Trust Office and in the office of the Corporate Secretary of FNMA) shall be made for any registration of transfer or exchange of Definitive Certificates and FNMA may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any registration of transfer or exchange of Definitive Certificates.

Section 7.03. Mutilated, Destroyed, Lost or Stolen Definitive Certificates. If (i) any mutilated Definitive Certificate is surrendered to FNMA or

the Certificate Registrar, or (ii) FNMA receives evidence to its satisfaction of the destruction, loss or theft of any Definitive Certificate, and there is delivered to FNMA such security or indemnity as may be required by it to save it harmless, then, in the absence of notice to FNMA that such Definitive Certificate has been acquired by a bona fide purchaser, FNMA shall execute and the Certificate Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Definitive Certificate, a new Definitive Certificate of like tenor and Fractional Undivided Interest in the identical Pool. Upon the issuance of any new Definitive Certificate under this Section, FNMA may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Certificate Registrar) connected therewith. Any duplicate Definitive Certificate issued pursuant to this Section shall constitute complete and indefeasible evidence of ownership in the related Trust Fund, as if originally issued, whether or not the lost, stolen or destroyed Definitive Certificate shall be found at any time.

Section 7.04. Persons Deemed Owners. Prior to due presentation of a Definitive Certificate for registration of transfer, FNMA, the Trustee, the Certificate Registrar and any agent of FNMA or the Trustee may treat the Person in whose name any Definitive Certificate is registered as the owner of such Definitive Certificate for the purpose of receiving distributions pursuant to Section 6.01 and for all other purposes whatsoever, and neither FNMA nor the Trustee, the Certificate Registrar or any agent of FNMA or the Trustee shall be affected by notice to the contrary.

Section 7.05. Appointment of Paying Agent. FNMA may appoint a Paying Agent for the purpose of making distributions to Holders of Definitive Certificates pursuant to Section 6.01. In the event of any such appointment, no later than each Distribution Date FNMA shall deposit with the Paying Agent a sum sufficient to make the payments to such Holders in the amounts and in the manner provided for in Section 6.01, such sum to be held in trust for their benefit.

Section 7.06. Book-Entry Certificates. Book-Entry Certificates may be transferred or pledged in accordance with and subject to regulations governing FNMA's use of the book-entry system (as the same shall be in effect at the time of any such transfer or pledge), Federal Reserve Bank of

New York Operating Circulars 21 and 21A, and procedures that are followed generally for book-entry securities.

Section 7.07. FNMA as Certificateholder. FNMA shall have the right to purchase and hold for its own account any Certificate issued pursuant to the terms of this Trust Indenture and any Issue Supplement, notwithstanding the rights and duties conferred and imposed upon FNMA by this Trust Indenture and any such applicable Issue Supplement.

Section 7.08. Maintenance of Office or Agency. FNMA shall maintain at its expense an office or agency where Definitive Certificates may be surrendered for registration of transfer or exchange and where notices and demands to or upon FNMA in respect of the Definitive Certificates and this Trust Indenture or any Issue Supplement may be served. FNMA hereby appoints the Federal Reserve Bank of New York as its office for said purposes. FNMA will give prompt written notice to Holders of Definitive Certificates of any change in the location of any such office or agency.

ARTICLE VIII

Limitation of Liability

Section 8.01. General Limitation. FNMA shall be liable under the terms of the Certificates, this Trust Indenture and any related Issue Supplement only to the extent of faithful performance of the duties and responsibilities imposed by the terms of the Certificates, this Trust Indenture and any such related Issue Supplement.

Section 8.02. Measure of Liability. Neither FNMA nor any of the directors, officers, employees or agents of FNMA shall be under any liability for any action taken or for refraining from the taking of any action in good faith pursuant to the terms of this Trust Indenture and any related Issue Supplement, or for errors in judgment; provided, however, that this provision shall not protect FNMA or any such person against any liability for action or inaction by reason of willful misfeasance, bad faith or gross negligence, or by reason of willful disregard of obligations and duties.

FNMA shall have no obligation to appear in, prosecute or defend any legal action which is not incidental to its duties under this Trust Indenture and any related Issue Supplement and which in its opinion may involve it in

expense or liability; provided, however, that FNMA in its discretion may undertake any such legal action which it may deem necessary or desirable in the interests of Certificateholders.

In the event that FNMA in its discretion so determines to undertake any such legal action, FNMA for its own account shall pay and defray the expense of any such action, including attorneys' fees. Such expense, and any liability to FNMA resulting from any such legal action, shall not be reimbursable to FNMA out of Pool Proceeds.

ARTICLE IX

FNMA

Section 9.01. Resignation. FNMA shall not resign from the duties imposed upon FNMA in its corporate capacity or in its capacity as Trustee by the terms of this Trust Indenture and any Issue Supplement except upon determination that the performance of such duties is not permissible under applicable law. Any such determination shall be based upon and consistent with an Opinion of Counsel. In the event that the basis of any such Opinion of Counsel shall relate to the dual nature of FNMA's activities hereunder and the conclusion of such Opinion of Counsel may be changed by FNMA's resigning in its corporate capacity or resigning in its capacity as Trustee, FNMA shall resign in its capacity as Trustee and shall continue to act hereunder in its corporate capacity. No resignation shall become effective until a successor shall have been appointed and shall have assumed all duties imposed by the terms of this Trust Indenture and any Issue Supplement; provided, however, that no successor to FNMA in its corporate capacity hereunder shall be obligated to supplement Pool Proceeds from its own funds or to incur servicing expenses which are reimbursable under usual servicing arrangements, unless reimbursement therefor is agreed to be made by FNMA or (if FNMA shall fail to provide any such reimbursement) such reimbursement can be made out of excess Pool Proceeds. FNMA, notwithstanding any such resignation, shall continue to be obligated to supplement Pool Proceeds to the extent necessary to make distributions in the amounts required by the form of Definitive Certificate hereinafter set forth and shall be obligated to reimburse any successor servicer for certain servicing expenses as above provided. In the event that FNMA shall be unable to

fulfill its continuing obligations hereunder, this Trust Indenture may be modified to provide for monthly distributions on the basis of Pool Proceeds only in a manner similar to practices and procedures followed in the servicing of whole loans for institutional investors.

In the event of any such resignation, FNMA promptly shall furnish written notice thereof to all Certificateholders, together with an explanation of the reason or reasons therefor, and at its own cost and expense shall proceed promptly to petition a court of competent jurisdiction for the appointment of a successor to assume the duties imposed by this Trust Indenture and any Issue Supplement in respect of the capacity or capacities as to which FNMA shall have resigned. FNMA shall take all such action and execute and deliver all such instruments as may be necessary and appropriate to prosecute such petition and to comply with all final orders and decrees of the court.

Section 9.02. Merger or Consolidation. Any corporation or other entity into which FNMA is merged or consolidated, or any corporation or other entity resulting from any merger, conversion or consolidation to which FNMA shall be a party, or any corporation or other entity succeeding to the business of FNMA, shall succeed to and assume all duties imposed upon FNMA in its corporate capacity and in its capacity as Trustee by the terms of this Trust Indenture and all Issue Supplements, without the filing of any instrument or the performance of any further act by FNMA or any Certificateholder. FNMA promptly shall furnish written notice of such succession to all Certificateholders.

Section 9.03. Succession Upon Default. With respect to any Pool, each of the following events shall constitute an Event of Default by FNMA:

(i) any failure by FNMA to distribute to Certificateholders any payment required to be made under the terms of the Certificates and this Trust Indenture and the related Issue Supplement which continues unremedied for a period of fifteen days after the date upon which written notice of such failure, requiring the same to be remedied, shall have been given to FNMA by the Holders of Certificates evidencing Fractional Undivided Interests aggregating not less than 5% of the related Trust Fund; or

(ii) failure on the part of FNMA duly to observe or perform in any material respect any other of the covenants or agreements on the

part of FNMA in the Certificates or in this Trust Indenture and the related Issue Supplement which continues unremedied for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to FNMA by the Holders of Certificates evidencing Fractional Undivided Interests aggregating not less than 25% of the related Trust Fund; or

(iii) a decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator, receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against FNMA and such decree or order shall have remained in force undischarged or unstayed for a period of 60 days; or

(iv) FNMA shall consent to the appointment of a conservator, receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings relating to FNMA or to all or substantially all of its property; or

(v) FNMA shall admit in writing its inability to pay its debts generally as they become due, file a petition to invoke any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations.

With respect to any Pool, upon the occurrence of an Event of Default, and so long as such Event of Default shall not have been remedied, the Holders of Certificates evidencing Fractional Undivided Interests aggregating not less than 25% of the related Trust Fund may (a) terminate all obligations and duties imposed upon FNMA in its corporate capacity (other than its continuing obligations as set forth in the first paragraph of Section 9.01) and in its capacity as Trustee under this Trust Indenture and the related Issue Supplement, and (b) name and appoint a successor or successors (in case such Certificateholders shall appoint a separate Person to act as Trustee) to succeed to and assume all of such obligations and duties. Such actions shall be effected by notice in writing to FNMA and shall become effective upon receipt of such notice by FNMA and the acceptance of such appointment by such successor or successors.

On and after the receipt by FNMA of such written notice and the acceptance by the successor or successors to FNMA, all obligations (other

than its continuing obligations as set forth in the first paragraph of Section 9.01) and duties imposed upon FNMA in its corporate capacity and in its capacity as Trustee under this Trust Indenture and the related Issue Supplement shall pass to and vest in the successor or successors named in the notice, and such successor or successors shall be authorized, and hereby are authorized, to take all such action and execute and deliver all such instruments and documents on behalf of FNMA, as attorney in fact or otherwise, as may be necessary and appropriate to effect the purposes of such written notice, including, without limitation, the transfer of legal title in and to the Mortgage Loans, or the transfer of legal title to the Participation Certificate(s), comprising the related Pool and all proceeds and avails thereof then held by FNMA.

ARTICLE X

Termination

Section 10.01. Termination Upon Repurchase by FNMA or Liquidation of All Mortgage Loans. The respective obligations and responsibilities of FNMA in its corporate capacity and in its capacity as Trustee created hereby (other than the obligation of FNMA to make payments to Holders of Definitive Certificates as set forth above) and by the related Issue Supplement shall terminate upon (i) the repurchase by FNMA of all Mortgage Loans and all Mortgaged Property acquired in respect of any Mortgage Loan remaining in the related Trust Fund at a price equal to 100% of the Stated Principal Balance of each Mortgage Loan and 100% of the Stated Principal Balance of each Mortgage Loan respecting which any such Mortgaged Property was acquired (the Stated Principal Balance, in each case, being the Stated Principal Balance at the Distribution Date next preceding the Distribution Date on which proceeds of repurchase are distributed) plus one month's interest thereon at the Pass-Through Rate applicable to the related Pool, or (ii) the later of the final payment or other liquidation (or any FNMA supplemental payment with respect thereto) of the last Mortgage Loan remaining in the related Trust Fund and the disposition of all property acquired upon foreclosure or deed in lieu of foreclosure in respect of any Mortgage Loan; provided, however, that in no event shall the trust created hereby continue beyond the expiration of 21 years from the death of the survivor of the following persons:

<u>Name</u>	<u>Date of Birth</u>	<u>Parents and Present Address</u>
Jonathan Paul Yeager	7/2/81	Winham E. and Cynthia S. Yeager 2774 Doaks Run Court Tucker, GA 30084
Jonathan Manton Krall	5/12/81	Paul R. and Lynn K. Krall 9664 Brassie Way Gaithersburg, MD 20879
Richard Sebastian Dyas	4/6/81	Richard W. and Norma Dyas 6104 Vernon Terrace Alexandria, VA 22307
Montana Taylor Donini	10/3/79	James and Janet Donini 212 West Street Leavenworth, WA 98826
Elizabeth Jean Hogan	5/9/78	William and Elizabeth Hogan 3324 38th Street, N.W. Washington, DC 20016

The right of FNMA to repurchase all Mortgage Loans pursuant to (i) above shall be conditioned upon the Pool Principal Balance at the time of repurchase being less than 10% of the initial Pool Principal Balance.

Notice of any termination shall be given promptly by FNMA to Holders of Definitive Certificates by letter mailed not earlier than the fifteenth and not later than the twenty-fifth day of the month preceding the month of the final distribution, unless notice cannot be given within this time frame because of unscheduled principal prepayments in which case notice shall be given as promptly as practicable after FNMA determines that such final payment is required to be made (such notice to be given in such manner as shall reasonably assure its prompt receipt) and in no event later than the fifth Business Day of the month of the final distribution. The letter of notice shall specify (i) the Distribution Date upon which final payment of the Definitive Certificates will be made upon presentation and surrender of the Definitive Certificates at the office of FNMA therein designated, (ii) the amount of any such final payment (which final payment shall, in the case of a repurchase pursuant to (i) above, be in the amount of the repurchase price calculated pursuant thereto and shall not include any proceeds of Mortgage Loans otherwise distributable on such Distribution Date), and (iii) that the Record Date otherwise applicable to such Distribution Date is not applicable, payments being made only upon presentation and surrender of the Definitive Certificates at the office of FNMA therein specified.

In the event that any Holder of Definitive Certificates shall not have surrendered its Definitive Certificates for cancellation within six months after the time specified in the above-mentioned written notice, FNMA shall give a second written notice to such remaining Holder of Definitive Certificates to surrender its Definitive Certificates for cancellation and receive the final distribution with respect thereto. If, within one year after the second notice, any Definitive Certificate shall remain outstanding, FNMA may take appropriate steps, or may appoint an agent to take appropriate steps, to contact the Holder of such Definitive Certificate concerning its surrender, and the cost thereof shall be paid out of the funds and other assets which remain subject hereto.

ARTICLE XI

Supplemental Indentures

Section 11.01. Permissible Without Action by Certificateholders. FNMA, from time to time and at any time, may, without the consent of or notice (other than in the case of any instrument supplemental thereto pursuant to clause (ii) below) to any Certificateholder, enter into an indenture or other instrument supplemental hereto and which thereafter shall form a part hereof, for any one or more of the following purposes:

- (i) to add to the covenants of FNMA, whether applicable to one or more issues of Certificates;
- (ii) to evidence the succession pursuant to Article IX of another Person or Persons to FNMA and the assumption by such successor or successors of the obligations of FNMA hereunder in its corporate capacity or in its capacity as Trustee or in both such capacities;
- (iii) to eliminate any right reserved to or conferred upon FNMA in its corporate capacity;
- (iv) to take such action to cure any ambiguity or correct or supplement any provision in this Trust Indenture or in any Issue Supplement as FNMA may deem necessary or desirable, provided such action shall not adversely affect the interests of any Holder of any Certificate which is outstanding immediately prior to the execution of such instrument supplemental thereto; or
- (v) to modify this Trust Indenture under the circumstances and for the purposes set forth in the final sentence of the first paragraph of Section 9.01.

Section 11.02. *Waivers and Supplemental Indentures with Consent of Holders.* With the consent of the Holders of Certificates evidencing Fractional Undivided Interests aggregating not less than 66% of the related Trust Fund (i) compliance by FNMA with any of the terms of this Trust Indenture or the related Issue Supplement may be waived or (ii) FNMA, in its corporate capacity and in its capacity as Trustee, may enter into any Supplemental Indenture for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Trust Indenture or the related Issue Supplement or of modifying in any manner the rights of the Holders of the Certificates issued under this Trust Indenture and the related Issue Supplement; provided that no such waiver or Supplemental Indenture shall:

(a) without the consent of all Certificateholders affected thereby reduce in any manner the amount of, or delay the timing of, payments received on Mortgage Loans which are required to be distributed on any Certificate; or

(b) without the consent of all Certificateholders (i) terminate or modify the obligations of FNMA to supplement Pool Proceeds to the extent necessary to make distributions in the amounts required by the form of Certificate hereinafter set forth or (ii) reduce the aforesaid percentages of Certificates, the Holders of which are required to consent to any waiver or any Supplemental Indenture.

It shall not be necessary for Certificateholders to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such Certificateholders shall approve the substance thereof.

Promptly after the execution of any Supplemental Indenture pursuant to this Section, FNMA shall give written notice thereof to Certificateholders. Any failure of FNMA to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

ARTICLE XII

Miscellaneous

Section 12.01. *Certificateholders.* The death or incapacity of any Certificateholder shall not operate to terminate this Trust Indenture or any

Issue Supplement, nor entitle such Certificateholder's legal representative or heirs to claim an accounting or to take any action or proceeding in any court for a partition or winding up of the affairs of the related Pool, nor otherwise affect the rights, duties and obligations of any of the parties to this Trust Indenture or any such Issue Supplement.

No Certificateholder shall have any right to control or to participate in the control and administration of any Pool or the related Trust Fund, nor shall any of the terms of this Trust Indenture or any such Issue Supplement be construed to constitute the Certificateholders and FNMA as partners or members of an association, nor shall any Certificateholder have any duty or liability to any third person by reason of any action taken by the parties to this Trust Indenture or any such Issue Supplement pursuant to the provisions hereof and thereof.

No Certificateholder shall have any right by virtue of any provision of this Trust Indenture or any Issue Supplement to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Trust Indenture or any Issue Supplement unless an Event of Default shall have occurred and be continuing in respect of the related Trust Indenture and Issue Supplement. It is understood and intended, and is expressly covenanted by each Certificateholder with every other Certificateholder and the Trustee, that no one or more Holders of Certificates shall have any right in any manner whatever by virtue of any provision of this Trust Indenture or any Issue Supplement to affect, disturb or prejudice the rights of the Holders of any other of such Certificates, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under this Trust Indenture or any Issue Supplement, except in the manner herein provided and for the equal, ratable and common benefit of all Certificateholders. For the protection and enforcement of the provisions of this Section, each and every Certificateholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Section 12.02. Access to List of Certificateholders. With respect to each Pool, in the event that Holders of Certificates evidencing Fractional Undivided Interests aggregating not less than 5% of the related Trust Fund shall notify FNMA in writing that they desire to communicate with other Certificateholders, accompanied by a copy of the proposed communication, then, within five business days after receipt of such notification, FNMA shall

afford access to such Certificateholders during normal business hours of the most recent list of Holders of Certificates evidencing Fractional Undivided Interests in such Pool; provided, however, that FNMA shall not be held accountable by reason of the disclosure of such information, regardless of the source from which such information was derived.

Section 12.03. Reserve Banks as Agent. For each Book-Entry Certificate, the appropriate Reserve Bank shall be considered to be acting as the agent of FNMA in providing to and conferring upon the owners of the Book-Entry Certificate, as such owners shall appear on the records of such Reserve Bank, the substantive rights and benefits which are provided for herein for Holders of Definitive Certificates. Accordingly, the substantive effect of all provisions herein providing rights and benefits to Holders of Definitive Certificates, including, without limitation, provisions relating to distributions, voting and notices, shall apply to such record owners on the books of the Reserve Bank, through the appropriate Reserve Bank acting as agent for FNMA.

Section 12.04. Governing Law. The terms of this Trust Indenture and any Issue Supplement shall be construed in accordance with the laws of the District of Columbia.

Section 12.05. Demands, Notices, Communications. All formal demands, notices and communications by and between FNMA and the Holder of any Certificate shall be in writing and delivered in person or by first class mail, postage prepaid (a) if to FNMA, to the Corporate Secretary of FNMA, 3900 Wisconsin Avenue, N.W., Washington, D.C. 20016, or to such other address as shall be set forth in a notification to Certificateholders, or (b) if to the Holder of a Definitive Certificate, to such Holder at the address shown in the Certificate Register or (c) if to the Holder of a Book-Entry Certificate, to the appropriate Reserve Bank at the address provided to FNMA by such Reserve Bank. Any notice so mailed within the time prescribed in this Trust Indenture or any Issue Supplement shall be conclusively presumed to have been duly given whether or not the Certificateholder receives such notice.

Section 12.06. Recordation. FNMA shall have the right, in its discretion and at its own cost and expense, to effect the recording of this Trust Indenture, any Supplemental Indenture and any Issue Supplement, in all appropriate public offices for real property records in any county or

comparable jurisdiction in which any Mortgaged Property is situated, and in any other appropriate public recording office or elsewhere. For the purpose of facilitating any recording or for other purposes, FNMA in its discretion may execute this Trust Indenture, any Supplemental Indenture and any Issue Supplement, in any number of counterparts, and each such counterpart shall be deemed to be an original and all such counterparts shall constitute but one and the same instrument. The cost and expense of effecting any such recording shall be borne by FNMA.

Section 12.07. Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Trust Indenture or any Issue Supplement shall be for any reason whatsoever held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Trust Indenture or any Issue Supplement and shall in no way affect the validity or enforceability of the other provisions of this Trust Indenture or any Issue Supplement or of the Certificates or the rights of the Holders thereof.

IN WITNESS WHEREOF, the parties hereto hereby execute this Trust Indenture, as of the day and year first above written.

FEDERAL NATIONAL
MORTGAGE ASSOCIATION,
in its corporate capacity, and as
Trustee

[SEAL]

By _____

Attest: _____

A-1

(Form of Definitive Certificate)

EXHIBIT A

Pursuant to Trust Indenture dated November 1, 1981

FNMA

GUARANTEED MORTGAGE PASS-THROUGH CERTIFICATE

evidencing an undivided beneficial interest in a

**Pool of Fixed Rate Residential
Mortgage Loans**

Issued By

FEDERAL NATIONAL MORTGAGE ASSOCIATION

Issue Date _____	As of Issue Date:
Pool No. _____	Aggregate Amount of Pool _____
Pass-Through Rate _____	Certificate Principal Balance _____
Certificate No. _____	Latest Loan Maturity Date _____

Registered Holder _____

FEDERAL NATIONAL MORTGAGE ASSOCIATION, a body corporate organized and existing under the laws of the United States ("FNMA", which term includes any successor), for value received, hereby certifies that the Registered Holder identified above (the "Registered Holder" or "Holder") is the registered owner of a Fractional Undivided Interest (equal to the initial Certificate Principal Balance on the Issue Date set forth on the face hereof divided by the initial Aggregate Amount of Pool on the Issue Date set forth on the face hereof) in a pool (the "Pool") of fixed rate residential mortgage loans (the "Mortgage Loans") described in the Mortgage Loan Schedule attached to the Issue Supplement (the "Issue Supplement") to the Trust Indenture referred to above (the "Trust Indenture") executed by FNMA acting in its corporate capacity and in its capacity as Trustee. Such Issue Supplement identifies and establishes the Pool pursuant to the terms and provisions of the Trust Indenture. This Mortgage Pass-Through Certificate is issued under and is subject to the terms, provisions and conditions of the Trust Indenture and Issue Supplement.

ment, to which Trust Indenture and Issue Supplement the Holder of this Mortgage Pass-Through Certificate by virtue of the acceptance hereof assents and by which such Holder is bound.

This Mortgage Pass-Through Certificate is one of an issue of Mortgage Pass-Through Certificates evidenced by certificates (the "Certificates"), each of which represents a Fractional Undivided Interest in (i) the Mortgage Loans; (ii) such Pool Proceeds as from time to time may be considered to be held by FNMA for Certificateholders pursuant to the Trust Indenture; (iii) Mortgaged Property which has been acquired by foreclosure or deed in lieu of foreclosure and which has not been withdrawn from the Trust Fund; and (iv) the interest of Certificateholders in the obligation of FNMA to supplement Pool Proceeds to the extent necessary to make distributions in the amounts required by the following paragraph (the Mortgage Loans, such Pool Proceeds, such Mortgaged Property and such obligation of FNMA being hereinafter collectively called the "Trust Fund").

Subject to the terms and conditions of the Trust Indenture and Issue Supplement, FNMA promises to distribute on the 25th day of each month commencing with the 25th day of the month following the month of the Issue Date or, if any such 25th day is not a Business Day, the succeeding Business Day (the "Distribution Date"), to the Registered Holder of this Certificate on the last day of the month preceding the related Distribution Date, an amount equal to the product of the Fractional Undivided Interest evidenced by this Certificate and the total of (i) Aggregate Scheduled Principal, (ii) one month's interest at the Pass-Through Rate on the Pool Principal Balance as of the preceding Distribution Date (or, in the case of the first Distribution Date, the Issue Date), (iii) the Stated Principal Balance of all Mortgage Loans which became or were deemed by FNMA to be Fully Prepaid Mortgage Loans in the second month prior to the month of distribution, and (iv) the amount of all Curtailments received or deemed to have been received in the second month prior to the month of distribution. FNMA may, at its election, include with any such distribution amounts referred to in subclauses (iii) and (iv) above which were received or deemed to have been received in the month prior to the month of distribution, any such election by FNMA respecting any Mortgage Loan or Mortgage Loans serving to discharge FNMA's obligation set forth in such

subclauses (iii) and (iv) to make a comparable distribution in respect thereof on the following Distribution Date.

Distributions on this Certificate shall be made by FNMA or its paying agent by check mailed to the address of the Certificateholder of record, as specified in the Trust Indenture. Notwithstanding the above, the final distribution on this Certificate shall be made after due notice by FNMA of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency maintained for that purpose by FNMA.

Reference is hereby made to the further provisions of this Certificate set forth on the reverse of this Certificate, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by or on behalf of the Certificate Registrar, by manual or facsimile signature, this Certificate shall not be entitled to any benefit under the Trust Indenture and Issue Supplement, or be valid for any purpose.

IN WITNESS WHEREOF, FNMA has caused this Certificate to be duly executed under its official seal.

FEDERAL NATIONAL
MORTGAGE ASSOCIATION

By _____
Chairman of the Board

Dated:
(SEAL)
Attest:

Secretary

(FORM OF CERTIFICATE OF AUTHENTICATION)

This is one of the Certificates referred to
in the within-mentioned Trust Indenture
and Issue Supplement

FEDERAL RESERVE BANK OF NEW YORK, Certificate Registrar

[_____]

By _____
Authorized Officer

The Trust Indenture permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of FNMA and the rights of the Certificateholders under the Trust Indenture and the Issue Supplement at any time by FNMA with the consent of the Holders of Certificates evidencing Fractional Undivided Interests aggregating not less than 66% of the Trust Fund. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued in exchange herefor or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Trust Indenture also permits the amendment thereof or the amendment of the Issue Supplement, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

The Certificates are issuable only as registered Certificates without coupons. As provided in the Trust Indenture and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Certificate Register of FNMA upon surrender of this Certificate for registration of transfer at the office or agency maintained by FNMA for such purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to FNMA and the Certificate Registrar duly executed by, the Holder or such Holder's attorney duly authorized in writing, and thereupon (unless FNMA has established a book-entry method for the transfer of the Holder's Fractional Undivided Interest) one or more new Certificates of authorized denominations and for the same aggregate Fractional Undivided Interest will be issued to the designated transferee or transferees.

As provided in the Trust Indenture and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates (unless FNMA has established a book-entry method for the transfer of the Holder's Fractional Undivided Interest) evidencing a like aggregate Fractional Undivided Interest, as requested by the Holder surrendering the same. A service charge in an amount determined by FNMA shall be imposed for any registration of transfer or exchange of this Certificate and FNMA may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

FNMA and any agent of FNMA may treat the Person in whose name this Certificate is registered as the owner hereof for all purposes, and neither FNMA nor any such agent shall be affected by notice to the contrary.

The obligations created by the Trust Indenture and the Issue Supplement and the Trust Fund created thereby shall terminate upon (i) the later of the maturity and other liquidation of the last Mortgage Loan subject thereto and the disposition of all property acquired upon foreclosure of any Mortgage Loan, and (ii) the payment to Certificateholders of all amounts held by FNMA and required to be paid to them pursuant to the Trust Indenture and the Issue Supplement. The Trust Indenture permits, but does not require, FNMA to repurchase from the Trust Fund all Mortgage Loans at the time subject thereto and all property acquired in respect of any Mortgage Loan at a price equal to 100% of the aggregate Stated Principal Balances of such Mortgage Loans together with one month's accrued interest thereon at the Pass-Through Rate. The exercise of such right will effect early retirement of the Certificates. FNMA's right to repurchase is subject to the Pool Principal Balance of the Mortgage Loans at the time of repurchase being less than 10% of the initial Aggregate Amount of Pool on the Issue Date set forth on the face of this Certificate.

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EXHIBIT B

**FEDERAL NATIONAL MORTGAGE ASSOCIATION
(Fixed Rate Residential Mortgage Loans)**

**ISSUE SUPPLEMENT
TO
TRUST INDENTURE
DATED November 1, 1981
As Amended**

Pool Number	Pool Principal Balance on the Issue Date
_____	\$ _____
Pass-Through Rate	Issue Date
_____ %	_____, 19 _____

THIS ISSUE SUPPLEMENT accompanies and supplements a certain Trust Indenture, dated as of November 1, 1981, as modified and amended by a First Supplemental Indenture, a Second Supplemental Indenture, a Third Supplemental Indenture, a Fourth Supplemental Indenture, a Fifth Supplemental Indenture, a Sixth Supplemental Indenture, a Seventh Supplemental Indenture, and an Eighth Supplemental Indenture, dated as of February 15, 1982, October 1, 1982, August 1, 1983, May 1, 1984, July 1, 1984, May 1, 1985, August 1, 1986, and January 1, 1987, respectively, published by the Federal National Mortgage Association ("FNMA") and filed in the office of its Corporate Secretary at its principal office, 3900 Wisconsin Avenue, N.W., Washington, D.C. 20016. Certain words and phrases appearing herein, characterized by initial capital letters, are defined in such Trust Indenture and shall have the meanings so defined.

The collective terms of said Trust Indenture and this Issue Supplement govern the composition of the Pool identified by the Pool Number appearing above, the servicing of the Mortgage Loans comprising such Pool, the issuance and administration of Certificates related to such Pool, and all matters related thereto, and have no applicability to any other Pool.

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FNMA, acting in its corporate capacity, does hereby transfer, assign, set over and otherwise convey to FNMA, acting in its capacity as Trustee for the Holders of Certificates evidencing beneficial interests in the Trust Fund established hereby, all of FNMA's right, title and interest in and to the Mortgage Loans identified in the attached Mortgage Loan Schedule, including all payments of principal and interest thereon received after the opening of business on the Issue Date (other than payments permitted to be retained by FNMA by the terms of the Trust Indenture).

FNMA, acting in its capacity as Trustee for the Holders of Certificates evidencing beneficial interests in the Trust Fund established hereby, acknowledges the transfer and assignment to it of the Mortgage Loans [or a Participation Certificate evidencing beneficial interests in the Mortgage Loans] and hereby declares that it will hold the same in trust for such Certificateholders on the terms in the Trust Indenture and in this Issue Supplement contained.

[Special provisions, if any, relating to the Trust Fund established by the Issue Supplement.]

IN WITNESS WHEREOF, the parties hereto hereby execute this Issue Supplement, as of the day and year first above written.

**FEDERAL NATIONAL
MORTGAGE ASSOCIATION,**
in its corporate capacity, and as
Trustee

By: _____

(Seal)

Attest: _____
Secretary

EXHIBIT C

CUSTODIAL AGREEMENT

Dated _____, 19____

To: Federal National Mortgage Association ("FNMA"),
and
Re: Pool Purchase Contract No. _____
Dated _____, 19____
(Copy Attached)

("Lender")

THIS AGREEMENT, made as of the date appearing above by _____

a financial institution subject to supervision and regulation by the Comptroller of the Currency of the United States, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation (hereinafter called "Custodian"):

WITNESSETH:

Custodian understands that FNMA and Lender, identified above, are parties to the Pool Purchase Contract identified above which provides for the purchase by FNMA and the sale and servicing by the Lender of certain mortgage loans (hereinafter called "Mortgages").

On or before the Issue Date, Lender shall deliver to Custodian duly completed and executed copies of a Schedule of Mortgages (FNMA Form 2005), in triplicate originals, listing and describing all Mortgages purchased and sold pursuant to such Pool Purchase Contract.

Custodian further understands that on or before the Issue Date, Lender shall deliver to Custodian the following instruments with respect to each Mortgage listed on the Schedule of Mortgages:

- The original note evidencing the indebtedness, bearing endorsement in blank, without recourse, or the original bond evidencing the indebtedness, accompanied by a duly completed and executed assignment thereof in blank, without recourse;
- Duly completed and executed assignment to FNMA of the mortgage, deed of trust, or other security instrument in form suitable for recording but not recorded with respect to each Mortgage or a duly completed and executed power of attorney to FNMA to assign the Mortgages;
- The original mortgage insurance certificate with respect to each FHA Mortgage and the original VA Loan Guaranty Certificate with respect to each VA Mortgage as indicated by the listing of such Mortgage in the Schedule of Mortgages; and
- Duly completed and executed form of Security Release Certification (FNMA Form 2004) evidencing Lender's certification that no adverse security interest in and to such Mortgage is outstanding and that Lender shall convey no such interest.

NOW, THEREFORE:

In consideration of the premises and other good and valuable consideration, receipt of which is hereby acknowledged, Custodian agrees as follows:

1. Custodian shall review and examine the instruments, set forth above, promptly upon receipt thereof, and in the event that Custodian shall receive the instruments pertaining to all Mortgages listed in the Schedule of Mortgages, without exception, and shall determine that all such instruments conform, *prima facie*, with the specifications thereof set forth above, without exception, then Custodian (a) shall complete and execute the form of Custodian Certification appearing on the reverse side of the last page of each original Schedule of Mortgages, and (b) shall return two (2) such Schedules of Mortgages to the Lender specified herein.
2. Custodian shall hold all instruments received by it for the exclusive use and benefit of FNMA and shall make disposition thereof in accordance with instructions furnished by FNMA in writing, and not otherwise. Custodian shall segregate and maintain continuous custody

of all such instruments and shall hold such instruments in secure and fireproof facilities in accordance with customary standards for such custody, and at any reasonable time shall make all such instruments available to representatives of FNMA for examination.

Unless instructed to the contrary by FNMA, Custodian shall release any of the instruments to Lender from time to time as required for the purpose of servicing the related Mortgages. Custodian shall release any of such instruments upon receipt from the Lender of a duly completed and executed form of Request for Release of Documents (FNMA Form 2009) in triplicate originals, and shall not be responsible for disposition of any such instruments by the Lender. Custodian shall execute its acknowledgment of receipt of such form in the space provided therefor, and shall return one original to the Lender, shall forward one original to FNMA at the address specified thereon, and shall retain one original with the Mortgage file.

By execution of this Agreement, Custodian warrants that it shall hold no adverse interest, by way of security or otherwise, in any Mortgage listed in the Schedule of Mortgages, and hereby waives and releases any such interest which it may have in any such Mortgage as of the date and time of transfer and delivery of certain Mortgage Pass-Through Certificates by FNMA or its agent which evidence payment for the Mortgage listed upon the Schedule of Mortgages referred to herein.

IN WITNESS WHEREOF, Custodian has caused this agreement to be executed and delivered as of the date above stated.

Attest: _____

By: _____

(Title)

(Title)

THIS NINTH SUPPLEMENTAL INDENTURE made, executed and published as of the 1st day of May, 2002, at Washington, D.C., by the Federal National Mortgage Association, a body corporate organized and existing under the laws of the United States, in its corporate capacity (the Federal National Mortgage Association, acting in such corporate capacity, being herein called “Fannie Mae”) and in its capacity as trustee (the Federal National Mortgage Association, acting in such capacity as trustee, being herein called the “Trustee”).

WITNESSETH

WHEREAS, Fannie Mae has heretofore executed and delivered to the Trustee a certain Trust Indenture, dated as of November 1, 1981, as modified and amended by a First Supplemental Indenture, dated as of February 15, 1982, a Second Supplemental Indenture, dated as of October 1, 1982, a Third Supplemental Indenture, dated as of August 1, 1983, a Fourth Supplemental Indenture, dated as of May 1, 1984, a Fifth Supplemental Indenture, dated as of July 1, 1984, a Sixth Supplemental Indenture, dated as of May 1, 1985, a Seventh Supplemental Indenture, dated as of August 1, 1986, and an Eighth Supplemental Indenture, dated as of January 1, 1987 (the “Trust Indenture”), establishing and creating a program for the issuance of Guaranteed Mortgage Pass-Through Certificates evidencing Fractional Undivided Interests in Pools containing fixed rate residential Mortgage Loans; and

WHEREAS, Section 11.01 of the Trust Indenture provides that Fannie Mae and the Trustee may enter into an indenture supplemental thereto without the consent of Certificateholders in order to supplement any provisions in the Trust Indenture as Fannie Mae may deem necessary or desirable and as shall not adversely affect the interests of any Holder of any Certificate which is outstanding immediately prior to the execution of such indenture supplemental thereto; and

WHEREAS, Fannie Mae deems it desirable to supplement the Trust Indenture to make the following modifications thereto; and

WHEREAS, Fannie Mae has determined that the modifications proposed to be effected do not adversely affect the interests of any Holder of any Certificate which is outstanding immediately prior to the execution of this Ninth Supplemental Indenture.

NOW, THEREFORE, Fannie Mae and the Trustee do hereby declare and establish this Ninth Supplemental Indenture to amend and modify the Trust Indenture as follows:

ARTICLE ONE

AMENDMENTS

Section 1.01. Amendments to Section 10.01 of the Trust Indenture. (a) Section 10.01 of the Trust Indenture is amended by deleting from the heading thereof the words “*Repurchase by FNMA or*” and by deleting from the first paragraph of Section 10.01 the following:

“(i) the repurchase by FNMA of all Mortgage Loans and all Mortgaged Property acquired in respect of any Mortgage Loan remaining in the related Trust Fund at a price equal to 100% of the Stated Principal Balance of each Mortgage Loan and 100% of the Stated Principal Balance of each Mortgage Loan respecting which any such Mortgaged Property was acquired (the Stated Principal Balance, in each case, being the Stated Principal Balance at the Distribution Date next preceding the Distribution Date on which proceeds of repurchase are distributed) plus one month’s interest thereon at the Pass-Through Rate applicable to the related Pool, or (ii)”.

(b) Section 10.01 of the Trust Indenture is also amended by deleting the following paragraph:

“The right of FNMA to repurchase all Mortgage Loans pursuant to (i) above shall be conditioned upon the Pool Principal Balance at the time of repurchase being less than 10% of the initial Pool Principal Balance.”

(c) Section 10.01 of the Trust Indenture is also amended by deleting from the second sentence of the third paragraph thereof the following:

“(which final payment shall, in the case of a repurchase pursuant to (i) above, be in the amount of the repurchase price calculated pursuant thereto and shall not include any proceeds of Mortgage Loans otherwise distributable on such Distribution Date)”.

Section 1.02. Amendment to Exhibit A. Exhibit A to the Trust Indenture is amended by deleting from the fifth paragraph of the Form of Certificate of Authentication the following:

“The Trust Indenture permits, but does not require, FNMA to repurchase from the Trust Fund all Mortgage Loans at the time subject thereto and all property acquired in respect of any Mortgage Loan at a price equal to 100% of the aggregate Stated Principal Balances of such Mortgage Loans together with one month’s accrued interest thereon at the Pass-Through Rate. The exercise of such right will effect early retirement of the Certificates. FNMA’s right to repurchase is subject to the Pool Principal Balance of the Mortgage Loans at the time of repurchase being less than 10% of the initial Aggregate Amount of Pool on the Issue Date set forth on the face of this Certificate.”

Section 1.03. Amendments to Exhibit B. Exhibit B to the Trust Indenture is amended by adding a reference to the Ninth Supplemental Indenture, dated as of May 1, 2002.

ARTICLE TWO

MISCELLANEOUS PROVISIONS

For all purposes of this Ninth Supplemental Indenture, except as otherwise defined or unless the context otherwise requires, terms used in capitalized form in this Ninth Supplemental Indenture and defined in the Trust Indenture have the meanings specified in the Trust Indenture.

This Ninth Supplemental Indenture is executed and shall be construed as an indenture supplemental to the Trust Indenture, and shall form a part thereof, and the Trust Indenture, subject to the provisions in this Ninth Supplemental Indenture, is hereby confirmed.

IN WITNESS WHEREOF, the parties hereto hereby execute this Ninth Supplemental Indenture, as the day and year first above written.

FEDERAL NATIONAL MORTGAGE
ASSOCIATION,
in its corporate capacity and as Trustee

Attest:

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