

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

\$370,000,000

**Government National Mortgage Association
GINNIE MAE®**



**Guaranteed REMIC Pass-Through Securities
and MX Securities
Ginnie Mae REMIC Trust 2001-37**



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

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

The Securities

The Trust will issue the classes of securities listed on the inside front cover.

The Ginnie Mae Guaranty

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

The Trust and its Assets

The Trust will own Ginnie Mae Certificates.

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

LEHMAN BROTHERS

THE WILLIAMS CAPITAL GROUP, L.P.

The date of this Offering Circular Supplement is July 26, 2001.

Ginnie Mae REMIC Trust 2001-37

The Trust will issue the classes of securities listed in the table below. If you own exchangeable securities identified in the table, you can exchange them for the corresponding MX Securities, and vice versa.

<u>Class of REMIC Securities</u>	<u>Original Principal Balance(2)</u>	<u>Interest Rate</u>	<u>Principal Type(3)</u>	<u>Interest Type(3)</u>	<u>Final Distribution Date(4)</u>	<u>CUSIP Number</u>
Security Group 1						
A	\$140,742,000	6.0%	SEQ	FIX	June 2026	38373RSB6
AB	31,112,000	6.0	SEQ	FIX	March 2011	38373RSC4
VA(1)	11,288,000	6.0	AD/SEQ	FIX	January 2009	38373RSD2
VB(1)	22,890,000	6.0	AD/SEQ	FIX	March 2018	38373RSE0
VC	23,968,000	6.0	SEQ	FIX	May 2024	38373RSF7
Z(1)	20,000,000	6.0	SEQ	FIX/Z	July 2031	38373RSG5
Security Group 2						
F(1)	120,000,000	(5)	PT	FLT	July 2031	38373RSH3
SA(1)	120,000,000	(5)	NTL(PT)	INV/IO	July 2031	38373RSJ9
SB(1)	120,000,000	(5)	NTL(PT)	INV/IO	July 2031	38373RSK6
SC(1)	120,000,000	(5)	NTL(PT)	INV/IO	July 2031	38373RSL4
Residual						
R	0	0.0	NPR	NPR	July 2031	38373RSM2

(1) These securities may be exchanged for the MX Securities described in Schedule I.

(2) 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.

(3) 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.

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

(5) 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 and
- the Base Offering Circular.

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

If you do not have access to the internet, call 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.

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.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
Terms Sheet	S-4	Certain Federal Income Tax	
Risk Factors	S-7	Consequences	S-22
The Trust Assets	S-8	ERISA Matters	S-24
Ginnie Mae Guaranty	S-9	Legal Investment Considerations ...	S-24
Description of the Securities	S-9	Plan of Distribution	S-24
Yield, Maturity and Prepayment		Increase in Size	S-25
Considerations	S-14	Legal Matters	S-25
		Schedule I: Available Combinations	S-I-1

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: Lehman Brothers Inc.

Trustee: State Street Bank and Trust Company

Tax Administrator: The Trustee

Closing Date: July 30, 2001.

Distribution Dates: For the Group 1 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 of each month, commencing in August 2001. For the Group 2 Securities, the 16th day of each month or, if the 16th day is not a Business Day, the first Business Day thereafter, commencing in August 2001.

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	6.0%	30
2	Ginnie Mae I	8.5	30

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 Trust Assets¹:

<u>Principal Balance²</u>	<u>Weighted Average Remaining Term to Maturity (in months)</u>	<u>Weighted Average Loan Age (in months)</u>	<u>Weighted Average Mortgage Rate³</u>
Group 1 Trust Assets			
\$250,000,000	342	16	6.74%
Group 2 Trust Assets			
\$120,000,000	345	10	9.00%

¹ As of July 1, 2001.

² Does not include Trust Assets that will be added to pay the Trustee Fee.

³ 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.

Modification and Exchange: If you own exchangeable Securities you will be able, upon notice and payment of an exchange fee, to exchange them for a proportionate interest in the related Securities shown on Schedule I to this Supplement. See “*Description of the Securities — Modification and Exchange*” in this Supplement.

Increased Minimum Denomination Classes: Each Class that constitutes an Interest Only Inverse Floating Rate Class. See “Description of the Securities — Form of Securities” in this Supplement.

Interest Rates: The Interest Rates for the Fixed Rate Classes are shown on the inside cover page of this Supplement or on Schedule I to 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:

Class	Interest Rate Formula(1)	Initial Interest Rate(2)	Minimum Rate	Maximum Rate	Delay (in days)	LIBOR for Minimum Interest Rate
F	LIBOR + 0.30%	4.11%	0.30%	8.50%	0	0.00%
FA	LIBOR + 0.35%	4.16%	0.35%	8.50%	0	0.00%
FB	LIBOR + 0.40%	4.21%	0.40%	8.50%	0	0.00%
S	8.20% – LIBOR	4.39%	0.00%	8.20%	0	8.20%
SA	8.20% – LIBOR	0.05%	0.00%	0.05%	0	8.20%
SB	8.15% – LIBOR	0.05%	0.00%	0.05%	0	8.15%
SC	8.10% – LIBOR	4.29%	0.00%	8.10%	0	8.10%

(1) LIBOR will be established on the basis of the BBA LIBOR method, as described under “Description of the Securities — Interest Distributions — Floating Rate and Inverse Floating Rate Classes” in this Supplement.

(2) The initial Interest Rate will be in effect during the first Accrual Period; the Interest Rate will adjust monthly thereafter.

Allocation of Principal: On each Distribution Date for a Security Group, 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:

- | | | | | | |
|---------------------------------------|---|---|-----------------------|---|--|
| Accretion Directed and Accrual | { | <ul style="list-style-type: none"> • The Accrual Amount to VA, VB and VC, in that order, until retired • The Group 1 Adjusted Principal Distribution Amount and the remaining Accrual Amount in the following order of priority: <table border="0" style="margin-left: 20px;"> <tr> <td style="vertical-align: middle;">Sequential Pay</td> <td style="font-size: 3em; vertical-align: middle;">{</td> <td> <ol style="list-style-type: none"> 1. Up to a maximum of \$1,000 on each Distribution Date to A, until retired 2. Up to a maximum of \$392,000 on each Distribution Date to AB, until retired 3. To A, AB, VC, VA, VB and Z, in that order, until retired </td> </tr> </table> | Sequential Pay | { | <ol style="list-style-type: none"> 1. Up to a maximum of \$1,000 on each Distribution Date to A, until retired 2. Up to a maximum of \$392,000 on each Distribution Date to AB, until retired 3. To A, AB, VC, VA, VB and Z, in that order, until retired |
| Sequential Pay | { | <ol style="list-style-type: none"> 1. Up to a maximum of \$1,000 on each Distribution Date to A, until retired 2. Up to a maximum of \$392,000 on each Distribution Date to AB, until retired 3. To A, AB, VC, VA, VB and Z, in that order, until retired | | | |

SECURITY GROUP 2

- | | | |
|---------------------|---|--|
| Pass-Through | { | <p>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 F, until retired</p> |
|---------------------|---|--|

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 Princi-

pal 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>
S, SA, SB and SC	\$120,000,000	100% of F (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 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 will evidence, directly or indirectly, Ginnie Mae Certificates.

The Trust MBS

The Group 1 Trust Assets 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 Group 2 Trust Assets 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 Mortgage Loans

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

Specific information regarding the characteristics of the Mortgage Loans is not available. For purposes of this Supplement, certain assumptions have been made regarding the remaining terms to maturity, loan ages and, 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 the 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”). 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 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	\$80,000,000*
SB	\$80,000,000*
SC	\$ 2,106,000*

* Notional Balance

See Schedule I to this Supplement for the increased minimum denominations of the MX Classes.

Distributions

Distributions on each Class of Securities will be made on each Distribution Date for that Class, as specified under “Terms Sheet — Distribution Dates” in this Supplement. On each 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 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 and on Schedule I to this Supplement. The abbreviations used on the inside cover page and on Schedule I to this Supplement are explained under “Class Types” in Appendix I to the Base Offering Circular.

Accrual Periods

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

<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 16 th day of the month preceding the month of the related Distribution Date through the 15 th 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 or on Schedule I to this Supplement.

Accrual Class

Class Z 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 Amounts for each Security Group 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 and on Schedule I to this Supplement. The abbreviations used on the inside cover page, in the Terms Sheet and on Schedule I to this Supplement 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 and on Schedule I to 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 applicable 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.
- The Class Factors for the MX Classes and the Classes of REMIC Securities that are exchangeable for the MX Classes will be calculated assuming that the maximum possible amount of each Class is outstanding at all times, regardless of any exchanges that may occur.
- 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.

Modification and Exchange

All or a portion of the Classes of REMIC Securities specified on the inside cover page may be exchanged for a proportionate interest in the related MX Class or Classes shown on Schedule I to this Supplement. Similarly, all or a portion of the related MX Class or Classes may be exchanged for proportionate interests in the related Classes of REMIC Securities. This process may occur repeatedly.

Each exchange may be effected only in proportions that result in the principal and interest entitlements of the Securities received being equal to the entitlements of the Securities surrendered.

A Beneficial Owner proposing to effect an exchange must notify the Trustee through the Beneficial Owner's Book Entry Depository participant. This notice must be received by the Trustee not later than two Business Days before the proposed exchange date. The exchange date can be any Business Day other than the last Business Day of the month. The notice must contain the outstanding principal balance of the Securities to be included in the exchange and the proposed exchange date. The notice is required to be delivered to the Trustee in writing at its Corporate Trust Office, State Street Bank and Trust Company, Global Investor Service Group, Corporate Trust, 2 Avenue de Lafayette, Boston, Massachusetts 02111. The Trustee may be contacted by telephone at (617) 662-1337 and by fax at (617) 662-1435.

A fee will be payable to the Trustee in connection with each exchange equal to 1/32 of 1% of the outstanding principal balance (or notional balance) of the Securities surrendered for exchange (but not less than \$2,000 or more than \$25,000); provided, however that no fee will be payable in respect of an interest only security, unless all securities involved in the exchange are interest only securities. If the notional balance of the interest only securities surrendered exceeds that of the interest only securities received, the fee will be based on the latter. The fee must be paid not later than two business days prior to the exchange.

The first distribution on a REMIC Security or an MX Security received in an exchange will be made on the Distribution Date in the month following the month of the exchange. The distribution will be made to the Holder of record as of the Record Date in the month of exchange.

See "Description of the Securities — Modification and Exchange" in the Base Offering Circular.

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.

Accretion Directed Classes

Classes VA and VB 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>
VA	4.0	January 2009	298% PSA
VB	12.5	March 2018	107% 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 or on Schedule I to this Supplement, is the latest date on which the related Class Principal Balance or Class Notional Balance will be reduced to zero.

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

Modeling Assumptions

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

1. The Mortgage Loans underlying the Trust Assets have the assumed characteristics shown under “Assumed Characteristics of the Mortgage Loans Underlying the Trust Assets” in the Terms Sheet, except in the case of information set forth under the 0% PSA Prepayment Assumption Rate for Security Group 1 and 0% CPR Prepayment Assumption Rate for Security Group 2, for which each Mortgage Loan underlying the Trust Assets is assumed to have an original and a remaining term to maturity of 360 months and, in the case of Security Group 1, 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 or CPR (described below) shown in the related table.

3. Distributions on the Group 1 Securities are always received on the 20th day of the month, whether or not a Business Day, commencing in August 2001. Distributions on the Group 2 Securities are always received on the 16th day of the month, whether or not a Business Day, commencing in August 2001.

4. A termination of the Trust does not occur.

5. The Closing Date for the Securities is July 30, 2001.
6. No expenses or fees are paid by the Trust.
7. Each Class is held from the Closing Date and is not exchanged in whole or in part.

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 16th or 20th day of the month, as applicable, 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. One of the models used in this Supplement is the constant prepayment rate (“CPR”) model, which represents an assumed constant annual rate of voluntary prepayment each month relative to the then outstanding principal balance of the Mortgage Loans to which the model is applied. For example, at 15% CPR, the CPR model assumes that the monthly prepayment rate will be equivalent to a constant annual rate of 15% per annum. The other 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 CPR (the “CPR Prepayment Assumption Rates”) or PSA (the “PSA Prepayment Assumption Rates”), as applicable. 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 CPR or PSA Prepayment Assumption Rates, as applicable, and the timing of changes in the rate of prepayments actually experienced on the Mortgage Loans will not follow the pattern described for the CPR or PSA assumption, as applicable.

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 or MX Class, based on the assumption that the related Mortgage Loans prepay at the specified CPR or 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 CPR or PSA Prepayment Assumption Rate, as applicable. 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

Distribution Date	Security Group 1 PSA Prepayment Assumption Rates																			
	Class A					Class AB					Class V					Class VA				
	0%	75%	150%	250%	400%	0%	75%	150%	250%	400%	0%	75%	150%	250%	400%	0%	75%	150%	250%	400%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2002	100	95	89	81	70	93	85	85	85	85	100	100	100	100	100	89	89	89	89	89
July 2003	100	89	76	60	37	85	70	70	70	70	100	100	100	100	100	77	77	77	77	77
July 2004	100	83	64	42	13	76	55	55	55	55	100	100	100	100	100	65	65	65	65	65
July 2005	100	77	54	27	0	67	40	40	40	23	100	100	100	100	100	52	52	52	52	52
July 2006	100	72	45	16	0	57	24	24	24	0	100	100	100	100	100	38	38	38	38	38
July 2007	100	67	37	6	0	46	9	9	9	0	100	100	100	100	88	23	23	23	23	0
July 2008	100	61	29	0	0	35	0	0	0	0	100	100	100	100	65	8	8	8	8	0
July 2009	100	54	20	0	0	22	0	0	0	0	100	100	100	100	49	0	0	0	0	0
July 2010	100	46	11	0	0	9	0	0	0	0	100	100	100	96	36	0	0	0	0	0
July 2011	99	39	4	0	0	0	0	0	0	0	100	100	100	79	27	0	0	0	0	0
July 2012	95	32	0	0	0	0	0	0	0	0	100	100	100	65	20	0	0	0	0	0
July 2013	91	26	0	0	0	0	0	0	0	0	100	100	100	54	15	0	0	0	0	0
July 2014	87	19	0	0	0	0	0	0	0	0	100	100	100	44	11	0	0	0	0	0
July 2015	83	13	0	0	0	0	0	0	0	0	100	100	92	36	8	0	0	0	0	0
July 2016	78	7	0	0	0	0	0	0	0	0	100	100	80	29	6	0	0	0	0	0
July 2017	73	2	0	0	0	0	0	0	0	0	100	100	70	24	4	0	0	0	0	0
July 2018	68	0	0	0	0	0	0	0	0	0	102	102	60	19	3	0	0	0	0	0
July 2019	62	0	0	0	0	0	0	0	0	0	108	108	51	15	2	0	0	0	0	0
July 2020	56	0	0	0	0	0	0	0	0	0	115	108	44	12	1	0	0	0	0	0
July 2021	49	0	0	0	0	0	0	0	0	0	122	95	37	10	1	0	0	0	0	0
July 2022	42	0	0	0	0	0	0	0	0	0	130	82	30	7	1	0	0	0	0	0
July 2023	34	0	0	0	0	0	0	0	0	0	138	70	25	6	0	0	0	0	0	0
July 2024	25	0	0	0	0	0	0	0	0	0	146	59	20	4	0	0	0	0	0	0
July 2025	12	0	0	0	0	0	0	0	0	0	155	47	15	3	0	0	0	0	0	0
July 2026	0	0	0	0	0	0	0	0	0	0	161	36	11	2	0	0	0	0	0	0
July 2027	0	0	0	0	0	0	0	0	0	0	133	26	7	1	0	0	0	0	0	0
July 2028	0	0	0	0	0	0	0	0	0	0	104	15	4	1	0	0	0	0	0	0
July 2029	0	0	0	0	0	0	0	0	0	0	72	5	1	0	0	0	0	0	0	0
July 2030	0	0	0	0	0	0	0	0	0	0	37	0	0	0	0	0	0	0	0	0
July 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)	19.1	8.3	4.8	2.8	1.7	5.4	3.3	3.3	3.3	2.8	27.6	23.4	19.0	13.6	8.9	4.0	4.0	4.0	4.0	3.8

**Security Group 1
PSA Prepayment Assumption Rates**

Distribution Date	Class VB					Class VC					Class Z				
	0%	75%	150%	250%	400%	0%	75%	150%	250%	400%	0%	75%	150%	250%	400%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
July 2002	100	100	100	100	100	100	100	100	100	100	106	106	106	106	106
July 2003	100	100	100	100	100	100	100	100	100	100	113	113	113	113	113
July 2004	100	100	100	100	100	100	100	100	100	100	120	120	120	120	120
July 2005	100	100	100	100	100	100	100	100	100	100	127	127	127	127	127
July 2006	100	100	100	100	100	100	100	100	100	40	135	135	135	135	135
July 2007	100	100	100	100	83	100	100	100	100	0	143	143	143	143	143
July 2008	100	100	100	100	22	100	100	100	87	0	152	152	152	152	152
July 2009	96	96	96	96	0	100	100	100	34	0	161	161	161	161	132
July 2010	87	87	87	77	0	100	100	100	0	0	171	171	171	171	98
July 2011	78	78	78	28	0	100	100	100	0	0	182	182	182	182	72
July 2012	68	68	68	0	0	100	100	81	0	0	193	193	193	177	53
July 2013	58	58	58	0	0	100	100	45	0	0	205	205	205	146	39
July 2014	46	46	46	0	0	100	100	12	0	0	218	218	218	120	29
July 2015	35	35	16	0	0	100	100	0	0	0	231	231	231	98	21
July 2016	22	22	0	0	0	100	100	0	0	0	245	245	218	80	15
July 2017	9	9	0	0	0	100	100	0	0	0	261	261	189	65	11
July 2018	0	0	0	0	0	95	74	0	0	0	277	277	163	52	8
July 2019	0	0	0	0	0	81	29	0	0	0	294	294	139	42	6
July 2020	0	0	0	0	0	66	0	0	0	0	312	292	118	33	4
July 2021	0	0	0	0	0	50	0	0	0	0	331	257	99	26	3
July 2022	0	0	0	0	0	33	0	0	0	0	351	223	82	20	2
July 2023	0	0	0	0	0	15	0	0	0	0	373	191	67	15	1
July 2024	0	0	0	0	0	0	0	0	0	0	396	159	53	11	1
July 2025	0	0	0	0	0	0	0	0	0	0	421	128	41	8	1
July 2026	0	0	0	0	0	0	0	0	0	0	436	98	30	6	0
July 2027	0	0	0	0	0	0	0	0	0	0	361	69	20	3	0
July 2028	0	0	0	0	0	0	0	0	0	0	281	41	11	2	0
July 2029	0	0	0	0	0	0	0	0	0	0	194	14	4	1	0
July 2030	0	0	0	0	0	0	0	0	0	0	101	0	0	0	0
July 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	12.5	12.5	12.0	9.5	6.5	19.9	17.5	11.9	7.7	4.9	27.6	23.4	19.7	15.3	10.7

**Security Group 2
CPR Prepayment Assumption Rates**

Distribution Date	Classes F, FA, FB, S, SA, SB and SC				
	0%	15%	30%	45%	60%
Initial Percent	100	100	100	100	100
July 2002	99	84	69	55	40
July 2003	99	71	48	30	16
July 2004	98	60	33	16	6
July 2005	97	50	23	9	2
July 2006	96	42	16	5	1
July 2007	95	36	11	3	0
July 2008	94	30	8	1	0
July 2009	92	25	5	1	0
July 2010	91	21	4	0	0
July 2011	89	17	2	0	0
July 2012	88	14	2	0	0
July 2013	86	12	1	0	0
July 2014	84	10	1	0	0
July 2015	82	8	1	0	0
July 2016	79	7	0	0	0
July 2017	77	5	0	0	0
July 2018	74	4	0	0	0
July 2019	71	4	0	0	0
July 2020	67	3	0	0	0
July 2021	64	2	0	0	0
July 2022	59	2	0	0	0
July 2023	55	1	0	0	0
July 2024	50	1	0	0	0
July 2025	45	1	0	0	0
July 2026	39	1	0	0	0
July 2027	32	0	0	0	0
July 2028	25	0	0	0	0
July 2029	18	0	0	0	0
July 2030	9	0	0	0	0
July 2031	0	0	0	0	0
Weighted Average Life (years)	21.0	5.6	2.7	1.7	1.1

Yield Considerations

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

Prepayments: Effect on Yields

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

- In the case of Regular Securities or MX 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 the failure of investors to recover fully their investments.
- In the case of Regular Securities or MX 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 Rate and Inverse Floating Rate Classes

Low levels of LIBOR can reduce the yield on the Floating Rate Classes. High levels of LIBOR can significantly reduce the yield on 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 days earlier and (2) on each subsequent Distribution Date, the interest payable will accrue during the related Accrual Period, which will end approximately 20 days earlier.

Yield Tables

The following tables show the pre-tax yields to maturity on a corporate bond equivalent basis of specified Classes at various constant percentages of CPR 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 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.**

**Sensitivity of Class S Securities to Prepayments
(Pre-Tax Yields to Maturity)
Assumed Price 5.3125%***

<u>LIBOR</u>	<u>CPR Prepayment Assumption Rates</u>			
	<u>15%</u>	<u>30%</u>	<u>45%</u>	<u>60%</u>
2.810%	98.7%	72.2%	42.6%	8.3%
3.810%	74.6%	50.0%	22.6%	(9.0)%
5.810%	30.1%	9.2%	(14.1)%	(40.9)%
8.200% and above	**	**	**	**

**Sensitivity of Class SA Securities to Prepayments
(Pre-Tax Yields to Maturity)
Assumed Price 0.125%***

<u>LIBOR</u>	<u>CPR Prepayment Assumption Rates</u>			
	<u>15%</u>	<u>30%</u>	<u>45%</u>	<u>60%</u>
8.150% and below	23.7%	3.4%	(19.3)%	(45.5)%
8.175%	2.5%	(16.1)%	(36.9)%	(61.3)%
8.200% and above	**	**	**	**

**Sensitivity of Class SB Securities to Prepayments
(Pre-Tax Yields to Maturity)
Assumed Price 0.125%***

<u>LIBOR</u>	<u>CPR Prepayment Assumption Rates</u>			
	<u>15%</u>	<u>30%</u>	<u>45%</u>	<u>60%</u>
8.100% and below	23.7%	3.4%	(19.3)%	(45.5)%
8.125%	2.5%	(16.1)%	(36.9)%	(61.3)%
8.150% and above	**	**	**	**

**Sensitivity of Class SC Securities to Prepayments
(Pre-Tax Yields to Maturity)
Assumed Price 4.75%***

<u>LIBOR</u>	<u>CPR Prepayment Assumption Rates</u>			
	<u>15%</u>	<u>30%</u>	<u>45%</u>	<u>60%</u>
2.810%	112.5%	84.9%	54.0%	18.2%
3.810%	84.7%	59.3%	31.0%	(1.8)%
5.810%	33.9%	12.7%	(10.9)%	(38.2)%
8.100% 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, SB and SC Securities are “Interest Weighted Securities” as described in “Certain Federal Income Tax Consequences — Tax Treatment of Regular Securities — Interest Weighted Securities and Non-VRDI Securities” in the Base Offering Circular. Although the tax treatment of Interest Weighted Securities is not entirely certain, Holders of the Interest Weighted Securities should expect to accrue all income on these Securities (other than income attributable to market discount or *de minimis* market discount) under the OID rules based on the expected payments on these securities at the prepayment assumption described below.

The Class Z 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 and the prepayment assumptions described below and, in the case of the Floating Rate and Inverse Floating Rate Securities, the constant LIBOR value described below, the Class VB and VC Securities are also 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 150% PSA in the case of the Group 1 Securities and 30% CPR in the case of the Group 2 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 3.81%. 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 outstanding regular interests in the Trust REMIC. 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 “noneconomic residual interests” 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 transfers to foreign branches of domestic corporations or transfers involving arrangements that subject income from the residual interest to net tax by a foreign country or possession of the United States is not within the safe harbor, and also 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. *See “Certain Federal Income Tax Consequences — Tax Treatment of Regular Securities — Single Class REMICs,” “— Tax Treat-*

ment 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.

MX Securities

For a discussion of certain federal income tax consequences applicable to the MX Classes, see “*Certain Federal Income Tax Consequences — Tax Treatment of MX Securities,*” “*— Exchanges of MX Classes and Regular Classes*” and “*— Taxation of Foreign Holders of REMIC Securities and MX Securities*” in the Base Offering Circular.

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 and MX 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, if any, from (1) July 1, 2001 on the Fixed Rate Classes and (2) July 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 principal distributions from the same Trust Asset Group 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 Hunton & Williams, Richmond, Virginia; 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.

Schedule I

Available Combinations

<u>REMIC Securities</u>		<u>MX Securities</u>							
<u>Class</u>	<u>Original Principal Balance or Class Notional Balance</u>	<u>Related MX Class</u>	<u>Maximum Original Principal Balance or Class Notional Balance(1)</u>	<u>Principal Type(2)</u>	<u>Interest Rate</u>	<u>Interest Type(2)</u>	<u>CUSIP Number</u>	<u>Final Distribution Date(3)</u>	<u>Increased Minimum Denomination(4)</u>
Combination 1									
VA	\$ 11,288,000	V	\$ 54,178,000	SEQ	6.0%	FIX	38373RSN0	July 2031	N/A
VB	22,890,000								
Z	20,000,000								
Combination 2									
F	\$120,000,000	FA	\$120,000,000	PT	(5)	FLT	38373RSP5	July 2031	N/A
SA	120,000,000								
Combination 3									
F	\$120,000,000	FB	\$120,000,000	PT	(5)	FLT	38373RSQ3	July 2031	N/A
SA	120,000,000								
SB	120,000,000								
Combination 4									
SA	\$120,000,000	S	\$120,000,000	NTL(PT)	(5)	INV/IO	38373RSR1	July 2031	\$1,883,000
SB	120,000,000								
SC	120,000,000								

- (1) The amount shown for each MX Class represents the maximum Original Class Principal Balance or Class Notional Balance of that Class, assuming it were to be issued on the Closing Date.
- (2) As defined under “Class Types” in Appendix I to the Base Offering Circular.
- (3) See “Yield, Maturity and Prepayment Considerations — Final Distribution Date” in this Supplement.
- (4) Each Class will be issued in the denomination specified. If no denomination is indicated for a Class, that Class will be issued in the denomination specified under “Description of the Securities — Form of Securities” in this Supplement.
- (5) The Interest Rate will be calculated as described under “Terms Sheet — Interest Rates” in this Supplement.



\$370,000,000

**Government National
Mortgage Association**

GINNIE MAE®

**Guaranteed REMIC
Pass-Through Securities
and MX Securities
Ginnie Mae REMIC Trust 2001-37**

OFFERING CIRCULAR SUPPLEMENT
July 26, 2001

**LEHMAN BROTHERS
THE WILLIAMS CAPITAL GROUP, L.P.**