

**Offering Circular Supplement  
(To Base Offering Circular dated October 1, 2004)**



**\$120,310,033**

**Government National Mortgage Association  
GINNIE MAE®**

**Guaranteed REMIC Pass-Through Securities  
and MX Securities  
Ginnie Mae REMIC Trust 2005-001**

**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-6 which highlights some of these risks.**

**The Securities**

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

**The Ginnie Mae Guaranty**

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

**The Trust and its Assets**

The Trust will own (1) Ginnie Mae Certificates and (2) certain stripped mortgage-backed securities.

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 January 28, 2005.

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.

**Goldman, Sachs & Co.**

**Utendahl Capital Partners, L.P.**

**The date of this Offering Circular Supplement is January 21, 2005.**

### Ginnie Mae REMIC Trust 2005-001

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>
<b>Security Group 1</b>						
EF(1) .....	\$50,000,000	(5)	SC/PT	FLT	July 2034	38374KPD9
ES(1) .....	50,000,000	(5)	NTL(SC/PT)	INV/IO	July 2034	38374KPE7
<b>Security Group 2</b>						
UF(1) .....	70,310,033	(5)	PT	FLT	January 2035	38374KPF4
US(1) .....	70,310,033	(5)	NTL(PT)	INV/IO	January 2035	38374KPG2
<b>Residual</b>						
RR1 .....	0	0.0%	NPR	NPR	July 2034	38374KPH0
R2 .....	0	0.0	NPR	NPR	January 2035	38374K PJ6

- (1) These Securities may be exchanged for 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 Offering Circular Supplement (this “Supplement”),
- the Base Offering Circular and
- in the case of the Group 1 securities, the disclosure document relating to the Underlying SMBS Securities (the “Underlying SMBS Security Disclosure Document”).

The Base Offering Circular and the Underlying SMBS Security Disclosure Document are available on Ginnie Mae’s website located at <http://www.ginniemae.gov>.

If you do not have access to the internet, call JPMorgan Chase Bank, N.A., which will act as information agent for the Trust, at (800) 234-GNMA, to order copies of the Base Offering Circular. In addition, you can obtain copies of any other document listed above by contacting JPMorgan Chase Bank at the telephone number listed above.

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

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## TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
Terms Sheet .....	S-4	Legal Investment Considerations .....	S-21
Risk Factors .....	S-6	Plan of Distribution .....	S-21
The Trust Assets .....	S-7	Increase in Size .....	S-22
Ginnie Mae Guaranty .....	S-9	Legal Matters .....	S-22
Description of the Securities .....	S-9	Schedule I: Available Combinations ..	S-I-1
Yield, Maturity and Prepayment		Exhibit A: Underlying SMBS	
Considerations .....	S-13	Securities .....	A-1
Certain Federal Income Tax		Exhibit B: Cover Page and Terms	
Consequences .....	S-19	Sheet from Underlying SMBS	
ERISA Matters .....	S-21	Security Disclosure Document .....	B-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:** Goldman, Sachs & Co.

**Trustee:** Wells Fargo Bank, N.A.

**Tax Administrator:** The Trustee

**Closing Date:** January 28, 2005

**Distribution Date:** The 20th day of each month or, if the 20th day is not a Business Day, the first Business Day thereafter, commencing in February 2005.

**Trust Assets:**

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

(1) Certain information regarding the Underlying SMBS Securities is set forth in Exhibits A and B to this Supplement.

**Security Groups:** This series of Securities consists of multiple Security Groups (each, a “Group”), as shown on the inside front cover of this Supplement and on Schedule I to this Supplement. Payments on each Group will be based solely on payments on the Trust Asset Group with the same numerical designation.

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

<b>Principal Balance</b>	<b>Weighted Average Remaining Term to Maturity (in months)</b>	<b>Weighted Average Loan Age (in months)</b>	<b>Weighted Average Mortgage Rate<sup>2</sup></b>
\$70,310,033	349	7	6.84%

<sup>1</sup> As of January 1, 2005.

<sup>2</sup> The Mortgage Loans underlying the Group 2 Trust Assets may bear interest at rates ranging from 0.25% to 1.50% per annum above the related Certificate Rate.

The actual remaining terms to maturity, loan ages and Mortgage Rates of many of the Mortgage Loans underlying the Group 2 Trust Assets will differ from the weighted averages shown above, perhaps significantly. See “*The Trust Assets — The Mortgage Loans*” in this Supplement. See Exhibit A to this Supplement for certain information regarding the characteristics of the Mortgage Loans included in the Underlying Trust.

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

**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 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:

<u>Class</u>	<u>Interest Rate Formula(1)</u>	<u>Initial Interest Rate(2)</u>	<u>Minimum Rate</u>	<u>Maximum Rate</u>	<u>Delay (in days)</u>	<u>LIBOR for Minimum Interest Rate</u>
EF .....	LIBOR + 0.25%	2.65%	0.25%	7.00%	0	0.00%
ES .....	6.75% – LIBOR	4.35%	0.00%	6.75%	0	6.75%
UF .....	LIBOR + 0.40%	2.80%	0.40%	6.50%	0	0.00%
US .....	6.10% – LIBOR	3.70%	0.00%	6.10%	0	6.10%

- (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, the following distributions will be made to the related Securities:

#### SECURITY GROUP 1

The Group 1 Principal Distribution Amount will be allocated to EF, until retired

#### SECURITY GROUP 2

The Group 2 Principal Distribution Amount will be allocated to UF, until retired

**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>
ES .....	\$50,000,000	100% of EF (SC/PT Class)
US .....	70,310,033	100% of UF (PT Class)

**Tax Status:** Double REMIC Series as to the Group 1 Trust Assets; Single REMIC Series as to the Group 2 Trust Assets (the “Group 2 REMIC”). Separate REMIC elections will be made for the Issuing REMIC and Pooling REMIC with respect to the Group 1 Trust Assets (the “Group 1 Issuing REMIC” and the “Group 1 Pooling REMIC”, respectively) and the Group 2 REMIC. See “Certain Federal Income Tax Consequences” in this Supplement and in the Base Offering Circular.

**Regular and Residual Classes:** Classes RR1 and R2 are Residual Classes. Class RR1 constitutes the Residual Interest of the Group 1 Issuing and Pooling REMICs; Class R2 constitutes the Residual Interest of the Group 2 REMIC; all other Classes of REMIC Securities are Regular Classes.

## RISK FACTORS

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

***The rate of principal payments on the underlying mortgage loans will affect the rate of principal payments on your securities.*** The rate at which you will receive principal payments will depend largely on the rate of principal payments, including prepayments, on the mortgage loans underlying the 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 is doubtful that LIBOR will remain constant.

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

***The rate of principal payments on the underlying SMBS securities will directly affect the rate of principal payments on the group 1 securities.*** The underlying SMBS securities will be sensitive to the rate of payments of principal (including prepayments) of the related mortgage loans. If prevailing interest rates are higher than the interest rates on the related mortgage loans, then borrowers will be less likely to make principal prepayments resulting in slower returns of principal payments on the group 1 securities. If prevailing interest rates are lower than the interest rates on the related mortgage loans, then the underlying SMBS securities will experience significant principal prepayments resulting in faster prepayments than anticipated by investors in the group 1 securities.

This supplement contains no information as to whether the underlying SMBS securities have performed as originally anticipated. Additional information as to the underlying SMBS securities may be obtained by performing an analysis of current factors of the underlying SMBS securities in light of applicable information contained in the underlying SMBS security disclosure document.

***The securities may not be a suitable investment for you.*** The securities, especially the group 1 securities and, in particular, the interest only inverse floating rate 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. Ac-

ordingly, you are urged to consult tax advisors and to consider the after-tax effect of ownership of a residual security and the suitability of the residual securities to your investment objectives. See “*Certain Federal Income Tax Consequences*” in this supplement and in the base offering circular.

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

***The actual characteristics of the underlying mortgage loans will affect the weighted average lives and yields of your securities.***

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

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

## THE TRUST ASSETS

### General

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

## **The Trust MBS (Group 2)**

The Group 2 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 issued prior to July 1, 2003 bears interest at a Mortgage Rate 0.50% to 1.50% per annum greater than the related Certificate Rate. Each Mortgage Loan underlying a Ginnie Mae II MBS Certificate issued on or after July 1, 2003 bears interest at a Mortgage Rate 0.25% to 0.75% per annum greater than the related Certificate Rate. Ginnie Mae receives a fee (the “Ginnie Mae Certificate Guaranty Fee”) for its guaranty of each Ginnie Mae II MBS Certificate of 0.06% per annum of the outstanding principal balance of each related Mortgage Loan. The difference between (a) the Mortgage Rate and (b) the sum of the Certificate Rate and the Ginnie Mae Certificate Guaranty Fee is used to pay the related servicers of the Mortgage Loans a monthly servicing fee.

## **The Underlying SMBS Securities (Group 1)**

The Group 1 Trust Assets are Underlying SMBS Securities that represent beneficial ownership interests in a separate trust, the assets of which evidence direct or indirect beneficial ownership interests in certain Ginnie Mae Certificates. Distributions on each Underlying SMBS Security are based on and backed by the principal and interest distributions from Ginnie Mae II Certificates which have a Certificate Rate of 5.5%. Each Underlying SMBS Security constitutes all or a portion of a class of a Series of certificates described in the Underlying SMBS Security Disclosure Document, excerpts of which are attached as Exhibit B to this Supplement. The Underlying SMBS Security Disclosure Document may be obtained from the Information Agent as described under “Available Information” in this Supplement. Investors are cautioned that material changes in facts and circumstances may have occurred since the date of the Underlying SMBS Security Disclosure Document, including changes in prepayment rates, prevailing interest rates and other economic factors, which may limit the usefulness of, and be directly contrary to the assumptions used in preparing the information included in, the offering document. See “*Underlying SMBS Securities*” in the *Base Offering Circular*.

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

## **The Mortgage Loans**

The Mortgage Loans underlying the Group 2 Trust Assets are expected to have, on a weighted average basis, the characteristics set forth in the Terms Sheet under “Assumed Characteristics of the Mortgage Loans Underlying the Group 2 Trust Assets” and the general characteristics described in the Base Offering Circular. The Mortgage Loans underlying the Underlying SMBS Securities are expected to have, on a weighted average basis, the characteristics set forth in Exhibit A to this Supplement. The Mortgage Loans will consist of first lien, single-family, fixed rate, residential mortgage loans that are insured or guaranteed by the Federal Housing Administration, the United States Department of Veterans Affairs, the Rural Housing Service or the United States Department of Housing and Urban Development (“HUD”). See “*The Ginnie Mae Certificates — General*” in the *Base Offering Circular*.



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

### **The Trustee Fee**

The Sponsor will contribute certain Ginnie Mae Certificates in respect of the fee to be paid to the Trustee (the “Trustee Fee”). On each Distribution Date, the Trustee will retain all principal and interest distributions received on such Ginnie Mae Certificates in payment of its fee.

### **GINNIE MAE GUARANTY**

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

### **DESCRIPTION OF THE SECURITIES**

#### **General**

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

#### **Form of Securities**

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

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

Each Class (other than the Increased Minimum Denomination Classes) will be issued in minimum dollar denominations of initial principal balance of \$1,000 and integral multiples of

\$1 in excess of \$1,000. The Increased Minimum Denomination Classes will be issued in minimum denominations that equal \$100,000 in initial notional balance.

## **Distributions**

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

## **Interest Distributions**

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

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

### *Categories of Classes*

For purposes of interest distributions, the Classes will be categorized as shown under “Interest Type” on the inside cover page of this Supplement 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>Class</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 20th day of the month preceding the month of the related Distribution Date through the 19th day of the month of that Distribution Date

### *Fixed Rate Classes*

Each Fixed Rate Class will bear interest at the per annum Interest Rate shown on Schedule I to this Supplement.

### *Floating Rate and Inverse Floating Rate Classes*

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

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

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

### **Principal Distributions**

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

### *Categories of Classes*

For purposes of principal distributions, the Classes will be categorized as shown under “Principal Type” on the inside cover page of this Supplement 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 of this Supplement. The Class Notional Balances will be reduced as shown under “Terms Sheet — Notional Classes” in this Supplement.

### **Residual Securities**

The Class RR1 Securities will represent the beneficial ownership of the Residual Interest in the Group 1 Issuing REMIC and the beneficial ownership of the Residual Interest in the Group 1 Pooling REMIC. The Class R2 Securities will represent the beneficial ownership of the Residual Interest in the Group 2 REMIC as described under “Certain Federal Income Tax Consequences” in the Base Offering Circular. The Class RR1 and R2 Securities have no Class Principal Balance and do not accrue interest. The Class RR1 Securities will be entitled to receive the proceeds of the disposition of any assets remaining in the Group 1 Issuing and Pooling REMICs after the Class Principal Balance of each Class of Regular Securities in Group 1 has been reduced to zero. The Class R2 Securities will be entitled to receive the proceeds of the disposition of any assets remaining in the Group 2 REMIC after the Class Principal Balance of each Class of Regular Securities in Group 2 has been reduced to zero. However, any remaining proceeds are not likely to be significant. The Residual Securities may not be transferred to a Plan Investor, a Non-U.S. Person or a Disqualified Organization.

## **Class Factors**

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

- The Class Factor for any Class of Securities for the month following the issuance of the Securities will reflect its remaining Class Principal Balance (or Class Notional Balance) after giving effect to any principal distribution to be made or any reduction of Class Notional Balance on the Distribution Date occurring in that month.
- The Class Factor for each Class for the month of issuance is 1.00000000.
- 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 in the preceding and current months (and Interest Rates), investors in any Class can calculate the amount of principal and interest to be distributed to that Class on the Distribution Date in the current month.
- Investors may obtain current Class Factors on e-Access.

*See “Description of the Securities — Distributions” in the Base Offering Circular.*

## **Termination**

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

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

## **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 shown on Schedule I to this Supplement. Similarly, all or a portion of the related MX Class 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 at Wells Fargo Bank, N.A., 45 Broadway, 12th Floor, New York, NY 10006, Attention: Trust Administrator Ginnie Mae 2005-001. The Trustee may be contacted by telephone at (212) 615-5262 and by fax at (212) 509-1042.

A fee will be payable to the Trustee in connection with each exchange equal to 1/32 of 1% of the outstanding principal balance of the Securities surrendered for exchange (but not less than \$2,000 or more than \$25,000). The fee must be paid concurrently with 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 Securities.

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

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

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

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

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

Investors in the Group 1 Securities are urged to review the discussion under “Risk Factors — The rate of principal payments on the underlying SMBS securities will directly affect the rate of principal payments on the group 1 securities” in this Supplement.

### **Assumability**

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

### **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 characteristics of the Underlying SMBS Securities and the following assumptions (the “Modeling Assumptions”), among others:

1. The Mortgage Loans underlying the Group 2 Trust Assets have the assumed characteristics shown under “Assumed Characteristics of the Mortgage Loans Underlying the Group 2 Trust Assets” in the Terms Sheet, except in the case of information set forth under the 0% PSA Prepayment Assumption Rate, for which each Mortgage Loan underlying a Group 2 Trust Asset is assumed to have an original and a remaining term to maturity of 360 months and a Mortgage Rate of 1.50% per annum higher than the related Certificate Rate.

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

3. Distributions on the Securities are always received on the 20th day of the month, whether or not a Business Day, commencing in February 2005.

4. A termination of the Trust or the Underlying Trust does not occur.

5. The Closing Date for the Securities is January 28, 2005.

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

7. Distributions on the Underlying SMBS Securities are made as described in the Underlying SMBS Security Disclosure Document.

8. 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 20th of the month and the

Trustee may cause a termination of the Trust as described under “Description of the Securities — Termination” in this Supplement.

- In addition, distributions on the Securities are based on Certificate Factors and Calculated Certificate Factors, if applicable, which may not reflect actual receipts on the Trust Assets.

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

## Decrement Tables

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

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

The decrement tables set forth below illustrate the percentage of the Original Class Principal Balance (or, in the case of 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 PSA Prepayment Assumption Rates. The percentages set forth in the following decrement tables have been rounded to the nearest whole percentage (including rounding down to zero).

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

- (a) multiplying the net reduction, if any, of the Class Principal Balance (or the net reduction of the Class Notional Balance, in the case of any Notional Class) from one Distribution Date to the next Distribution Date by the number of years from the date of issuance thereof to the related Distribution Date,
- (b) summing the results, and
- (c) dividing the sum by the aggregate amount of the assumed net reductions in principal balance or notional amount, as applicable, referred to in clause (a).

The information shown for each Notional Class is for illustrative purposes only, as a Notional Class is not entitled to distributions of principal and has no weighted average life. 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 (or Class Notional) Balances  
and Weighted Average Lives**

Security Group 1 PSA Prepayment Assumption Rates					
Classes EA, EF and ES					
Distribution Date	0%	150%	300%	450%	600%
Initial Percent	100	100	100	100	100
January 2006	99	94	89	85	80
January 2007	97	85	74	63	53
January 2008	96	76	60	45	34
January 2009	94	68	48	33	21
January 2010	92	61	39	23	13
January 2011	91	54	31	17	8
January 2012	89	49	25	12	5
January 2013	87	43	20	9	3
January 2014	85	38	16	6	2
January 2015	82	34	13	4	1
January 2016	80	30	10	3	1
January 2017	77	26	8	2	0
January 2018	75	23	6	2	0
January 2019	72	20	5	1	0
January 2020	69	18	4	1	0
January 2021	66	15	3	1	0
January 2022	62	13	2	0	0
January 2023	58	11	2	0	0
January 2024	55	10	1	0	0
January 2025	51	8	1	0	0
January 2026	46	7	1	0	0
January 2027	42	6	1	0	0
January 2028	37	4	0	0	0
January 2029	32	3	0	0	0
January 2030	26	3	0	0	0
January 2031	20	2	0	0	0
January 2032	14	1	0	0	0
January 2033	8	1	0	0	0
January 2034	1	0	0	0	0
January 2035	0	0	0	0	0
Weighted Average Life (years)	18.5	8.6	5.1	3.6	2.7

Security Group 2 PSA Prepayment Assumption Rates					
Classes UA, UF and US					
Distribution Date	0%	330%	662%	1000%	1350%
Initial Percent	100	100	100	100	100
January 2006	99	90	81	72	62
January 2007	98	74	53	35	18
January 2008	97	59	32	14	3
January 2009	96	46	19	5	1
January 2010	95	37	11	2	0
January 2011	94	29	7	1	0
January 2012	92	23	4	0	0
January 2013	91	18	2	0	0
January 2014	89	14	1	0	0
January 2015	88	11	1	0	0
January 2016	86	9	0	0	0
January 2017	84	7	0	0	0
January 2018	82	5	0	0	0
January 2019	79	4	0	0	0
January 2020	77	3	0	0	0
January 2021	74	2	0	0	0
January 2022	71	2	0	0	0
January 2023	68	1	0	0	0
January 2024	64	1	0	0	0
January 2025	60	1	0	0	0
January 2026	56	1	0	0	0
January 2027	52	0	0	0	0
January 2028	47	0	0	0	0
January 2029	42	0	0	0	0
January 2030	36	0	0	0	0
January 2031	30	0	0	0	0
January 2032	23	0	0	0	0
January 2033	16	0	0	0	0
January 2034	8	0	0	0	0
January 2035	0	0	0	0	0
Weighted Average Life (years)	20.5	4.9	2.6	1.8	1.4



## Yield Considerations

An investor seeking to maximize yield should make a decision whether to invest in any Class based on the anticipated yield of that Class resulting from its purchase price, the investor's own projection of Mortgage Loan prepayment rates under a variety of scenarios, in the case of the Group 1 Securities, the investor's own projection of payment rates on the Underlying SMBS Securities 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, underlying SMBS Security payment rates, LIBOR levels or the yield of any Class.**

### *Prepayments: Effect on Yields*

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

- In the case of Regular Securities or MX Securities purchased at a premium (especially Interest Only Classes), 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 Trust Asset Group prepay at the same rate at any one time. The timing of changes in the rate of prepayments may affect the actual yield to an investor, even if the average rate of principal prepayments is consistent with the investor's expectation. In general, the earlier a prepayment of principal on the Mortgage Loans, the greater the effect on an investor's yield. As a result, the effect on an investor's yield of principal prepayments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the Closing Date is not likely to be offset by a later equivalent reduction (or increase) in the rate of principal prepayments.

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

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

*Payment Delay: Effect on Yields of the Fixed Rate Classes*

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

**Yield Tables**

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

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

The yields were calculated by

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

**SECURITY GROUP 1**

**Sensitivity of Class ES to Prepayments  
Assumed Price 9.000%\***

<u>LIBOR</u>	<u>PSA Prepayment Assumption Rates</u>			
	<u>150%</u>	<u>300%</u>	<u>450%</u>	<u>600%</u>
1.40% .....	56.1%	47.0%	37.6%	27.8%
2.40% .....	42.8%	33.7%	24.3%	14.4%
4.40% .....	17.1%	7.9%	(1.6)%	(11.7)%
6.75% 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.

## SECURITY GROUP 2

### Sensitivity of Class US to Prepayments Assumed Price 5.375%\*

<u>LIBOR</u>	<u>PSA Prepayment Assumption Rates</u>			
	<u>330%</u>	<u>662%</u>	<u>1000%</u>	<u>1350%</u>
1.40% .....	83.5%	63.8%	42.2%	17.7%
2.40% .....	59.4%	39.5%	17.7%	(7.2)%
4.40% .....	13.9%	(7.0)%	(30.6)%	(58.0)%
6.10% and above .....	**	**	**	**

\* The price does not include accrued interest. Accrued interest has been added to the price in calculating the yields set forth in the table.

\*\* Indicates that investors will suffer a loss of virtually all of their investment.

### CERTAIN FEDERAL INCOME TAX CONSEQUENCES

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

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

#### REMIC Elections

In the opinion of Cleary Gottlieb Steen & Hamilton LLP, the Trust will constitute a Double REMIC as to the Group 1 Trust Assets and a Single REMIC as to the Group 2 Trust Assets for federal income tax purposes. Separate REMIC elections will be made for the Group 1 Pooling REMIC, the Group 1 Issuing REMIC and the Group 2 REMIC.

#### Regular Securities

The Regular Securities will be treated as debt instruments issued by the Group 1 Issuing REMIC and the Group 2 REMIC, as applicable, for federal income tax purposes. Income on the Regular Securities must be reported under an accrual method of accounting.

The Class ES and US 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 original issue discount (“OID”) rules based on the expected payments on these securities at the prepayment assumption described below.

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

Prospective investors in the Regular Securities should be aware, however, that the foregoing expectations about OID could change because of differences (1) between anticipated

purchase prices and actual purchase prices or (2) between the assumed characteristics of the Trust Assets and the characteristics of the Trust Assets actually delivered to the Trust. The prepayment assumption that should be used in determining the rates of accrual of OID, if any, on the Regular Securities is 300% PSA in the case of the Group 1 Securities and 662% PSA 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 Classes, the constant value of LIBOR to be used for these determinations is 2.40%. No representation is made, however, about the rate at which prepayments on the Mortgage Loans underlying any Group of 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 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 RR1 Securities will represent the beneficial ownership of the Residual Interest in the Group 1 Pooling REMIC and the beneficial ownership of the Residual Interest in the Group 1 Issuing REMIC. The Class R2 Securities will represent the beneficial ownership of the Residual Interest in the Group 2 REMIC. The Residual Securities, *i.e.*, the Class RR1 and R2 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 related Trust REMICs, and these requirements will continue until there are no outstanding regular interests in the respective Trust REMICs. Thus, Residual Holders will have taxable income attributable to the Residual Securities even though they will not receive principal or interest distributions with respect to the Residual Securities, which could result in a negative after-tax return for the Residual Holders. It is not expected that the Group 1 Pooling REMIC will have a substantial amount of taxable income or loss in any period. However, even though the Holders of the Class RR1 Securities are not entitled to any stated principal or interest payments on the Class RR1 Securities, the Group 1 Issuing REMIC may have substantial taxable income in certain periods, and offsetting tax losses may not occur until much later periods. Accordingly, a Holder of the Class RR1 Securities may experience substantial adverse tax timing consequences. Prospective investors are urged to consult their own tax advisors and consider the after-tax effect of ownership of the Residual Securities and the suitability of the Residual Securities to their investment objectives.

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

OID accruals on the Underlying SMBS Securities will be computed using the same prepayment assumption as set forth under “*Certain Federal Income Tax Consequences — Regular Securities*” in this Supplement.

## **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 and participations therein underlying a “guaranteed governmental mortgage pool certificate” will not be considered assets of an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or subject to section 4975 of the Code (each, a “Plan”), solely by reason of the Plan’s purchase and holding of that certificate.

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

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

*See “ERISA Considerations” in the Base Offering Circular.*

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

## **LEGAL INVESTMENT CONSIDERATIONS**

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

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

*See “Legal Investment Considerations” in the Base Offering Circular.*

## **PLAN OF DISTRIBUTION**

Subject to the terms and conditions of the Sponsor Agreement, the Sponsor has agreed to purchase all of the Securities if any are sold and purchased. The Sponsor proposes to offer each Class to the public from time to time for sale in negotiated transactions at varying prices to be determined at the time of sale, plus accrued interest, from (1) January 1, 2005 on the Fixed Rate Classes, and (2) January 20, 2005 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 or interest distributions based upon a notional balance 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 LLP, for the Trust by Cleary Gottlieb Steen & Hamilton LLP and Marcell Solomon & Associates, P.C., and for the Trustee by Seward & Kissel, LLP.

Available Combinations(1)

REMIC Securities		MX Securities						
Class	Original Class Principal Balance or Class Notional Balance	Related MX Class	Maximum Original Class Principal Balance(2)	Principal Type(3)	Interest Rate	Interest Type(3)	CUSIP Number	Final Distribution Date(4)
<b>Security Group 1</b>								
Combination 1								
EF	\$50,000,000	EA	\$50,000,000	SC/PT	7.0%	FIX	38374KPK3	July 2034
ES	50,000,000							
<b>Security Group 2</b>								
Combination 2								
UF	\$70,310,033	UA	\$70,310,033	PT	6.5%	FIX	38374KPL1	January 2035
US	70,310,033							

(1) All exchanges must comply with minimum denominations restrictions.

(2) The amount shown for each MX Class represents the maximum Original Class Principal Balance of that Class, assuming it were to be issued on the Closing Date.

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

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

**Exhibit A**

**Underlying SMBS Securities**

Trust Asset Group	Issuer	Series	Class	Issue Date	CUSIP Number	Interest Rate	Interest Type(1)	Final Distribution Date	Principal Type(1)	Original Principal or Notional Balance of Class	Underlying Certificate Factor(2)	Principal or Notional Balance in the Trust	Percentage of Class in Trust	Approximate Weighted Average Coupon of Mortgage Loans	Approximate Weighted Remaining Maturity of Mortgage Loans (in months)	Approximate Weighted Average Loan Age of Mortgage Loans (in months)	Ginnie Mae I or II
1	Ginnie Mae SMBS Trust 01	1	1	7/30/2004	37610VAA3	0.0%	PO	July 2034	PT	\$2,200,000,000	0.94361749	\$50,000,000	2.4085260148%	5.903%	349	9	II
1	Ginnie Mae SMBS Trust 01	2	2	7/30/2004	37610VAB1	5.5	IO	July 2034	NTL(PT)	2,200,000,000	0.94361749	63,636,364	3.0653967637	5.903	349	9	II

(1) As defined under “Class Types” in Appendix I to the Base Offering Circular.

(2) Underlying Certificate Factors are as of January 2005.



**Cover Page and Terms Sheet  
from Underlying SMBS Security Disclosure Document**

Offering Circular Supplement  
(To SMBS Base Offering Circular dated July 1, 2004)



**\$2,200,000,000**

**Government National Mortgage Association**

**GINNIE MAE®**

**Guaranteed Stripped Mortgage-Backed Securities  
Ginnie Mae SMBS Trust 01**

**The Securities**

The Trust will issue the classes of Securities listed in the table below, and certain additional classes of Securities as further described herein, which may be exchanged for other Securities or for the underlying Ginnie Mae Platinum Certificate or a portion thereof.

<u>Class</u>	<u>Original Principal Balance (1)</u>	<u>Interest Rate</u>	<u>Principal Type (2)</u>	<u>Interest Type (2)</u>
1	\$2,200,000,000	0.0%	PT	PO
2	\$2,200,000,000	5.5%	NTL (PT)	IO

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

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

The yields on some Classes of Securities will be extremely sensitive to prepayment experience on the underlying mortgage loans. You should carefully consider the associated risks, including, for the Class 2 Securities, the risk that you might not recover your initial investment. See "Yield, Maturity and Prepayment Considerations" on page S-9 hereof. See also "Risk Factors" on page 5 of the SMBS Base Offering Circular, which highlights certain investment risks.

**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 a Ginnie Mae Platinum Certificate (#781764) backed by Ginnie Mae II Certificates. The Weighted Average Remaining Term to Maturity, Weighted Average Loan Age and the Weighted Average Mortgage Rate of the mortgage loans underlying the Trust Asset is 355 months, 3 months and 5.904%, respectively.

The Sponsor and the Co-Managers will offer the Securities from time to time in negotiated transactions at varying prices. We expect the Closing Date to be July 30, 2004. You should read the SMBS 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.

**Goldman, Sachs & Co.**

**RBS Greenwich Capital  
Bear, Stearns & Co. Inc.  
JPMorgan  
Citigroup  
Merrill Lynch & Co.  
Credit Suisse First Boston  
Lehman Brothers**

**UBS Investment Bank  
Deutsche Bank Securities  
Banc of America Securities LLC  
Countrywide Securities Corp.  
Morgan Stanley  
Nomura**

**The date of this Offering Circular Supplement is July 27, 2004.**

## Ginnie Mae SMBS Trust 01

### Exchanges

As contemplated in the SMBS Base Offering Circular, Securities of one or more Classes will be exchangeable on the book-entry system of the Federal Reserve Banks for (i) a Ginnie Mae Platinum Certificate (representing all or a portion of the Ginnie Mae Platinum Certificate originally included in the Trust) and/or (ii) Securities of one or more other Classes. The conditions for any such exchange are as follows:

For the Ginnie Mae Platinum Certificates: The Securities surrendered for exchange must, in the aggregate, provide for monthly distributions of interest in an amount equivalent to interest at a rate of 5.5% per annum on the aggregate Class Principal Balances (exclusive of the Class Notional Balances of any Class 2 Securities) of such Securities so exchanged. In addition, the total outstanding principal balance of the Ginnie Mae Platinum Certificate of authorized denomination to be delivered will equal the aggregate Class Principal Balances of the Securities surrendered for exchange. The Ginnie Mae Platinum Certificates delivered in the exchange may be exchanged back into the Securities representing equivalent entitlements for principal and interest.

For other Securities: The Securities surrendered for exchange must have aggregate Class Principal Balances (exclusive of the Class Notional Balances of any Class 2 Securities) and provide for annual distributions of interest equal, after rounding to whole dollars, to the aggregate Class Principal Balances (exclusive of the Class Notional Balances of any Class 2 Securities) and annual interest distributions of the Securities received in any such exchange.

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. The following three examples illustrate the practically infinite capability for exchanges of Securities. In each case, it is assumed that the exchanging Holder's Securities are as follows:

<u>Outstanding Principal Balance</u>	<u>Class</u>	<u>Interest Rate</u>	<u>Annual Interest Distribution</u>
\$10,000,000	7	2.5%	\$ 250,000
\$10,000,000	11	4.5%	\$ 450,000
\$10,000,000	21	9.5%	\$ 950,000
<u>\$30,000,000</u>			<u>\$1,650,000</u>

Example 1. Holder receives Class 5, Class 8, Class 14 and Class 23 Securities.

<u>Outstanding Principal Balance</u>	<u>Class</u>	<u>Interest Rate</u>	<u>Annual Interest Distribution</u>
\$10,000,000	5	1.5%	\$ 150,000
\$ 5,000,000	8	3.0%	\$ 150,000
\$ 5,000,000	14	6.0%	\$ 300,000
\$10,000,000	23	10.5%	\$1,050,000
<u>\$30,000,000</u>			<u>\$1,650,000</u>

Example 2. Holder receives new Class 1 and Class 2 Securities.

<u>Outstanding Principal Balance</u>	<u>Class</u>	<u>Interest Rate</u>	<u>Annual Interest Distribution</u>
\$30,000,000	1	0.0%	\$ 0
<u>\$30,000,000</u> (notional)	2	5.5%	<u>\$1,650,000</u>
\$30,000,000			\$1,650,000

Example 3. Holder receives a portion of the Ginnie Mae Platinum Certificate and Class 1, Class 9 and Class 22 Securities.

<u>Outstanding Principal Balance</u>	<u>Class</u>	<u>Interest Rate</u>	<u>Annual Interest Distribution</u>
\$ 5,000,000	Ginnie Mae Platinum Certificates	5.5%	\$ 275,000
\$ 8,000,000	1	0.0%	\$ 0
\$ 5,000,000	9	3.5%	\$ 175,000
<u>\$12,000,000</u>	22	10.0%	<u>\$1,200,000</u>
\$30,000,000			\$1,650,000

The aggregate Class Principal Balances of Securities of any particular Class outstanding at any time may be expected to vary over the life of the Trust and will depend upon any exchanges that occur. However, the aggregate Class Principal Balances of all Securities outstanding at any particular time (exclusive of the Class Notional Balances of any Class 2 Securities) will always be equal to the outstanding principal balance of the Ginnie Mae Platinum Certificate underlying such Securities and the total distributions of interest required thereon will always be equal to the required distributions of interest on such underlying Ginnie Mae Platinum Certificate.

#### **AVAILABLE INFORMATION**

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

- this Offering Circular Supplement (this “Supplement”) and
- the SMBS Base Offering Circular.

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

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

Please consult the Glossary included in the SMBS Base Offering Circular as Appendix I for definitions of capitalized terms.

**TERMS SHEET**

This terms sheet contains selected information for quick reference only. You should read this Supplement, particularly “Risk Factors” on page 5 of the SMBS Base Offering Circular.

**Sponsor:** Goldman, Sachs & Co.

**Co-Managers:** Greenwich Capital Markets Inc.  
 UBS Securities LLC  
 Bear, Stearns & Co. Inc.  
 Deutsche Bank Securities  
 J.P. Morgan Securities Inc.  
 Banc of America Securities LLC  
 Citigroup Global Markets Inc.  
 Countrywide Securities Corp.  
 Merrill Lynch & Co. Inc.  
 Morgan Stanley & Co. Inc.  
 Credit Suisse First Boston LLC  
 Nomura Securities International, Inc.  
 Lehman Brothers Inc.

**Trustee:** U.S. Bank National Association

**Tax Administrator:** The Trustee

**Closing Date:** July 30, 2004

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

**Final Distribution Date:** July 20, 2034

**Trust Asset:**

<u>Trust Asset Type</u>	<u>Certificate Rate</u>	<u>Principal Balance</u>	<u>Original Term to Maturity (in years)</u>
Ginnie Mae Platinum Certificate (#781764 ) Backed by Ginnie Mae II Certificates	5.5%	\$2,200,000,000	30

**Actual Characteristics of the Mortgage Loans Underlying the Trust Asset<sup>1</sup>:**

<u>Principal Balance</u>	<u>Weighted Average Remaining Term to Maturity (in months)</u>	<u>Weighted Average Loan Age (in months)</u>	<u>Weighted Average Mortgage Rate<sup>2</sup></u>
\$2,200,000,000	355	3	5.904%

<sup>1</sup> As of July 1, 2004.

<sup>2</sup> The Mortgage Loans underlying the Trust Asset may bear interest at rates ranging from 0.25% to 1.50% per annum above the related Certificate Rate.

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

**Range of Characteristics of the Ginnie Mae II Certificates Underlying the Trust Asset<sup>1</sup>:**

<u>Weighted Average Remaining Term to Maturity (in months)</u>	<u>Weighted Average Loan Age (in months)</u>	<u>Weighted Average Mortgage Rate<sup>2</sup></u>
347 – 357	1 – 9	5.861% – 5.993%

<sup>1</sup> As of July 1, 2004.

<sup>2</sup> The Mortgage Loans underlying the Ginnie Mae II Certificates may bear interest at rates ranging from 0.25% to 1.50% per annum above the related Certificate Rate.

The actual remaining terms to maturity, loan ages and Mortgage Rates of many of the Mortgage Loans underlying the Ginnie Mae II Certificates may be outside the ranges of the weighted averages shown above. See *“The Trust Asset — The Mortgage Loans”* in this Supplement.

**Issuance of Securities:** The Securities will be issued in book-entry form through the book-entry system of the U.S. Federal Reserve Banks (the “Fedwire Book-Entry System”). See *“Description of the Securities — Form of Securities”* in this Supplement.

**Exchange:** You will be able, upon notice and, after October 28, 2004, payment of an exchange fee, to exchange your Securities for a proportionate interest in other Securities or in the underlying Trust Asset. See *“Description of the Securities — Exchange Procedures”* in this Supplement.

**Eligible Investors:** The Securities are only to be offered and sold to institutional Accredited Investors.

**Interest Payments:** Class 1 is a Principal Only Security and will not be entitled to any payments of interest. Class 2 will bear interest at the rate specified on the cover page. The 22 additional classes of Securities authorized for issuance by the Trust will bear interest beginning at a rate of 0.5% per annum for Class 3 Securities and increasing in increments of 0.5% for each successive Class to a rate of 11.0% for Class 24 Securities. On each Distribution Date, interest will be paid on each of the outstanding Securities (other than Class 1, the Principal Only Security) in an amount equal to one-twelfth (1/12) of the product of (i) the stated rate for such Security and (ii) the outstanding Class Principal Balance or Class Notional Balance of such Security.

**Allocation of Principal:** On each Distribution Date, the Principal Distribution Amount will be allocated among the outstanding Securities (other than Class 2, the Notional Security) *pro rata* based on the outstanding Class Principal Balance of each Security.



**\$120,310,033**

**Government National  
Mortgage Association**

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**Guaranteed REMIC  
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***OFFERING CIRCULAR SUPPLEMENT***  
**January 21, 2005**

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**Goldman, Sachs & Co.  
Utendahl Capital Partners, L.P.**