

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
<u>\$10,000,000</u>	21	9.5%	<u>\$ 950,000</u>
\$30,000,000			\$1,650,000

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
<u>\$10,000,000</u>	23	10.5%	<u>\$1,050,000</u>
\$30,000,000			\$1,650,000

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.

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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 Asset¹:

<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 Rate²</u>
\$2,200,000,000	355	3	5.904%

¹ As of July 1, 2004.

² 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 Asset¹:

<u>Weighted Average Remaining Term to Maturity (in months)</u>	<u>Weighted Average Loan Age (in months)</u>	<u>Weighted Average Mortgage Rate²</u>
347 - 357	1 - 9	5.861% - 5.993%

¹ As of July 1, 2004.

² 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.

THE TRUST ASSET

General

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

The Trust MBS

The Trust Asset is a Ginnie Mae Platinum Certificate backed by fixed rate Ginnie Mae II Certificates and guaranteed by Ginnie Mae. See *“The Ginnie Mae Certificates — General”* in the SMBS Base Offering Circular.

The Mortgage Loans

The Mortgage Loans underlying the Trust Asset will have, on a weighted average basis, the characteristics set forth in the Terms Sheet under “Actual Characteristics of the Mortgage Loans Underlying the Trust Asset” and the general characteristics described in the SMBS Base Offering Circular. See *“The Ginnie Mae Certificates — General”* in the SMBS Base Offering Circular.

Other than the characteristics identified in the Terms Sheet under “Actual Characteristics of the Mortgage Loans Underlying the Trust Asset,” specific information regarding the characteristics of the individual Mortgage Loans is not available. However, the actual remaining terms to maturity, loan ages and Mortgage Rates of many of the Mortgage Loans may differ from the weighted averages presented in this Offering Circular Supplement, perhaps significantly. Small differences in the characteristics of the Mortgage Loans can have a significant effect on the yields of the Securities. See *“Yield, Maturity and Prepayment Considerations”* in this Supplement and *“Risk Factors”* in the SMBS Base Offering Circular.

The Trustee Fee

On each Distribution Date, the Trustee will retain a fixed percentage of all principal and interest distributions received on a group of specified assets separate from the Trust Asset 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 stripped mortgage-backed 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 SMBS 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 SMBS Trust Agreement. See *“Description of the Securities”* in the SMBS Base Offering Circular.

Form of Securities

Each Class of Securities 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. See “*Description of the Securities — Forms of Securities; Book-Entry Procedures*” in the SMBS Base Offering Circular.

Each Class will be issued in minimum dollar denominations of \$100,000 and integral multiples of \$1 in excess thereof, except that the minimum dollar denomination will not be greater than the then authorized Class Principal Balance or Class 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, 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. See “*Description of the Securities — Distributions*” and “*—Method of Distributions*” in the SMBS 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 Series Factors published in the preceding month. See “*—Series Factors*” below.

Principal Distributions

The Principal Distribution Amount for each Class of Securities 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 Series Factors published in the preceding and current months. See “*—Series Factors*” below.

Notional Class

The Notional Class (Class 2) will not receive principal distributions. The Class Notional Balance of the Class 2 Securities will be reduced after each Distribution Date by the Principal Distribution Amount for that Distribution Date.

Series Factors

The Trustee will calculate and make available for the 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 any 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 “Series Factor”).

- The Series Factor for the Securities for the month following the issuance of the Securities will reflect the aggregate remaining Class Principal Balance (exclusive of the Class Notional

Balance of the Class 2 Securities) after giving effect to any principal distributions to be made on the Distribution Date occurring in that month.

- The Series Factor for the month of issuance is 1.00000000.
- Based on the Series Factor published in the preceding and current month (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 the current Series Factor on e-Access.

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

Exchange Procedures

A Beneficial Owner proposing to effect an exchange of any of the Securities for other Securities issued by the Trust or for all or a portion of the Ginnie Mae Platinum Certificate as described more fully herein under “—*Exchanges*” or vice versa 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 Class Principal Balances and Class Notional Balances 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 One Federal Street, 3rd Floor, Boston, MA 02210, Attention: Ginnie Mae SMBS Program. The Trustee may be contacted by telephone at (617) 603-6451 and by fax at (617) 603-6644.

No fee will be payable for any exchanges occurring prior to and including October 28, 2004. For each exchange effected after October 28, 2004, a fee will be payable to the Trustee in connection with each exchange equal to 1/64 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 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 — Exchange of Certain Classes of SMBS Securities for other SMBS Securities*” and “*Exchange of SMBS Securities for Ginnie Mae Certificates*” in the SMBS Base Offering Circular.

YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS

General

The prepayment experience of the Mortgage Loans underlying the Trust Asset 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 Securities. As a result, defaults experienced on the Mortgage Loans will accelerate the distribution of principal of the Securities.

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 SMBS Base Offering Circular.

Final Distribution Date

The Final Distribution Date in respect of each Class, which is set forth in the Terms Sheet under "Final Distribution Date," is the latest date on which the related Class Principal Balance or Class Notional Balance will be reduced to zero. 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 the Final Distribution Date.

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 and the investor's own projection of Mortgage Loan prepayment rates under a variety of scenarios. **No representation is made regarding Mortgage Loan prepayment rates 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 Securities purchased at a premium (especially the Notional Class), faster than anticipated rates of principal payments could result in actual yields to investors that are lower than the anticipated yields.
- Investors in the Notional Class should also consider the risk that rapid rates of principal payments could result in the failure of investors to recover fully their investments.
- In the case of Securities purchased at a discount (especially the Principal Only Class), slower than anticipated rates of principal payments could result in actual yields to investors that are lower than the anticipated yields.

See *"Risk Factors—Rates of principal payments can reduce your yield"* in the SMBS Base Offering Circular.

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 the Trust Asset 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.

Modeling Assumptions

Unless otherwise indicated, the table presented in "*—Yield Table*" below has been prepared on the basis of the following assumptions (the "Modeling Assumptions"), among others:

1. The Mortgage Loans underlying the Trust Asset have the characteristics shown under "*Actual Characteristics of the Mortgage Loans Underlying the Trust Asset*" in the Terms Sheet except in the case of information set forth under the 0% PSA Prepayment Assumption Rate, for which each Mortgage Loan is assumed to have an original and a remaining term to maturity of 360 months and a Mortgage Rate of 1.5% per annum higher than the related Certificate Rate.
2. The Mortgage Loans prepay at the constant percentages of PSA (described below) shown in the related table.
3. Distributions on the Securities are always received on the 20th day of the month, whether or not a Business Day, commencing in August 2004.
4. The Closing Date for the Securities is July 30, 2004.
5. No expenses or fees are paid by the Trust other than the Trustee Fee.

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, and many Distribution Dates will occur on a Business Day after the 20th of the month.
- In addition, distributions on the Securities are based on Certificate Factors which may not reflect actual receipts on the Trust Asset.

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

Yield Table

The following table shows the pre-tax yields to maturity on a corporate bond equivalent basis of each of the Securities at various constant percentages of PSA.

The Mortgage Loans will not prepay at any constant rate until maturity. 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 table below for that Class even if the Class is purchased at the assumed price shown.

The yields were calculated by

1. determining the monthly discount rates that, when applied to the applicable assumed streams of cash flows to be paid on the applicable Class, would cause the discounted present value of the assumed streams of cash flows to equal the assumed purchase price of that Class plus accrued interest (in the case of interest-bearing Classes), 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 table was prepared on the basis of the Modeling Assumptions and the assumption that the purchase price of each Class (expressed as a percentage of its original Class Principal Balance or Class Notional Balance) plus accrued interest (in the case of the interest-bearing Classes) is as indicated in the table. **The assumed purchase price is not necessarily that at which actual sales will occur.**

Yield Table

SMBS Securities	Annual Interest Rate	CUSIP	Assumed Price	PSA Percentages				
				0%	150%	300%	600%	900%
Class 1	PO (0.0%)	37610VAA3	71.000%	1.8%	4.3%	7.1%	12.4%	17.2%
Class 2	IO (5.5%)	37610VAB1	28.875%	17.7%	9.2%	0.7%	(17.2)%	(36.6)%
Class 3	0.50%	37610VAC9	73.625%	2.2%	4.5%	6.9%	11.6%	15.9%
Class 4	1.00%	37610VAD7	76.250%	2.6%	4.6%	6.8%	10.8%	14.6%
Class 5	1.50%	37610VAE5	78.875%	3.0%	4.7%	6.6%	10.1%	13.3%
Class 6	2.00%	37610VAF2	81.500%	3.3%	4.8%	6.4%	9.4%	12.2%
Class 7	2.50%	37610VAG0	84.125%	3.7%	5.0%	6.3%	8.8%	11.1%
Class 8	3.00%	37610VAH8	86.750%	4.0%	5.1%	6.1%	8.2%	10.0%
Class 9	3.50%	37610VAJ4	89.375%	4.4%	5.2%	6.0%	7.6%	9.0%
Class 10	4.00%	37610VAK1	92.000%	4.7%	5.3%	5.9%	7.0%	8.1%
Class 11	4.50%	37610VAL9	94.625%	5.0%	5.4%	5.8%	6.5%	7.2%
Class 12	5.00%	37610VAM7	97.250%	5.3%	5.5%	5.6%	6.0%	6.3%
Class 13	5.50%	37610VAN5	99.875%	5.5%	5.5%	5.5%	5.5%	5.5%
Class 14	6.00%	37610VAP0	102.500%	5.8%	5.6%	5.4%	5.0%	4.7%
Class 15	6.50%	37610VAQ8	105.125%	6.1%	5.7%	5.3%	4.6%	3.9%
Class 16	7.00%	37610VAR6	107.750%	6.3%	5.8%	5.2%	4.2%	3.2%
Class 17	7.50%	37610VAS4	110.375%	6.6%	5.8%	5.1%	3.7%	2.5%
Class 18	8.00%	37610VAT2	113.000%	6.8%	5.9%	5.0%	3.4%	1.8%
Class 19	8.50%	37610VAU9	115.625%	7.0%	6.0%	5.0%	3.0%	1.1%
Class 20	9.00%	37610VAV7	118.250%	7.2%	6.0%	4.9%	2.6%	0.5%
Class 21	9.50%	37610VAW5	120.875%	7.4%	6.1%	4.8%	2.3%	(0.1)%
Class 22	10.00%	37610VAX3	123.500%	7.6%	6.2%	4.7%	1.9%	(0.7)%
Class 23	10.50%	37610VAY1	126.125%	7.8%	6.2%	4.6%	1.6%	(1.3)%
Class 24	11.00%	37610VAZ8	128.750%	8.0%	6.3%	4.6%	1.3%	(1.8)%

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

In the opinion of Cleary, Gottlieb, Steen & Hamilton, the Trust will be classified as a “grantor trust” for U.S. federal income tax purposes. The Trust will accordingly not be treated as a partnership, an association taxable as a corporation, a taxable mortgage pool, or a real estate mortgage investment conduit for such purposes. You should consult your own tax advisors in determining the U.S. federal, state, local, foreign, and any other tax consequences of the purchase, ownership, and disposition of the Securities in your particular circumstances. See “Certain U.S. Federal Income Tax Consequences” in the SMBS 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 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 SMBS Base Offering Circular.

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 SMBS 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 and the Co-Managers propose to offer Securities to institutional Accredited Investors from time to time for sale in negotiated transactions at varying prices to be determined at the time of sale. The Sponsor and the Co-Managers 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 the Co-Managers 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 OR DECREASE IN SIZE

Before the Closing Date, Ginnie Mae, the Trustee and the Sponsor may agree to increase or decrease 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 and original Class Notional Balance will increase or decrease by the same proportion. The SMBS Trust Agreement, the Final Data Statement and the Supplemental Statement, if any, will reflect any increase or decrease 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 and for the Trustee by Nixon Peabody LLP.



\$2,200,000,000

**Government National
Mortgage Association**

GINNIE MAE[®]

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

OFFERING CIRCULAR SUPPLEMENT
July 27, 2004

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**