PROSPECTUS SUPPLEMENT
(To Prospectus dated May 22, 1997)

$19,731,260

FEDERAL AGRICULTURAL MORTGAGE CORPORATION

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GUARANTEED AGRICULTURAL MORTGAGE-BACKED SECURITIES

The Guaranteed Agricultural Mortgage-Backed Securities offered hereby (the "Certificates") evidence beneficial ownership interests in a trust fund (the "Trust Fund") consisting primarily of one or more pools (each, a "Pool") of agricultural real estate mortgage loans ("Qualified Loans"). As described herein, timely payment of interest on and principal of the Certificates is guaranteed by the Federal Agricultural Mortgage Corporation, a federally chartered instrumentality of the United States ("Farmer Mac"), pursuant to Title VIII of the Farm Credit Act of 1971, as amended. See "FARMER MAC GUARANTEE" herein. *(Continued on next page)*

THE OBLIGATIONS OF FARMER MAC UNDER ITS GUARANTEE ARE OBLIGATIONS SOLELY OF FARMER MAC AND ARE NOT OBLIGATIONS OF, AND ARE NOT GUARANTEED BY, THE FARM CREDIT ADMINISTRATION, THE UNITED STATES OR ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES (OTHER THAN FARMER MAC), AND ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Prospective investors in the Certificates should consider the factors discussed under "Risk Factors" in this Prospectus Supplement on Page S-8 and in the Prospectus on Page 16.

Class Designation (1)	Original Principal Amount(2)	CUSIP Number	Pass-Through Rate	Payment Frequency	Initial Distribution Date	Final Distribution Date (4)
Pool AM1003	$ 1,797,835	31316 UAX 5	(3)	Monthly	April 25, 1998	April 25, 2013
Pool AS1022	14,306,425	31316 EAX 1	(3)	Semi-annual	July 25, 1998	January 25, 2013
Pool CS1018	3,627,000	31316 RAT 1	(3)	Semi-annual	July 25, 1998	January 25, 2003

(1) Each Class of Certificates will separately evidence the Pool of Qualified Loans having the corresponding alpha-numerical designation. As described herein, each Class of Certificates will be entitled to all payments of interest and principal on the underlying Qualified Loans included in the related Pool.
(2) Approximate, subject to a permitted variance of plus or minus 5% with respect to each Pool.
(3) On each applicable Distribution Date, the Pass-Through Rate for each Class of Certificates will be a rate per annum equal to the weighted average of the Net Mortgage Rates (as defined herein) for the underlying Qualified Loans in the related Pool. It is expected that the Pass-Through Rates for the initial Interest Accrual Period for each Class of Certificates will be approximately as follows: Pool AM1003, 6.822%; Pool AS1022, 6.768%; and Pool CS1018, 6.551%, per annum. See "DESCRIPTION OF THE CERTIFICATES—Distributions—*Interest*" herein.
(4) The Final Distribution Date for each Class of Certificates has been set to coincide with the latest maturing underlying Qualified Loans in the related Pool.

The Certificates will be purchased from Farmer Mac Mortgage Securities Corporation (the "Depositor") by Bear, Stearns & Co. Inc. (the "Underwriter") and are being offered by the Underwriter from time to time in negotiated transactions, at varying prices to be determined at the time of sale. Proceeds to the Depositor from the sale of the Certificates will be approximately 101.15% of the aggregate initial Certificate Balances (subject to increase if proceeds to .he Underwriter exceed certain levels), plus accrued interest thereon from March 1, 1998 (the "Cut-off Date"), before deducting expenses payable by the Depositor. See "METHOD OF DISTRIBUTION" herein.

The Certificates are offered subject to receipt and acceptance by the Underwriter, to prior sale and to the Underwriter's right to reject any order in whole or in part and to withdraw, cancel or modify the offer without notice. It is expected that the Certificates will be issued in book-entry form, and beneficial interests therein will be held through the book-entry system of the Federal Reserve Banks, on or about March 25, 1998 (the "Closing Date").

BEAR, STEARNS & CO. INC.

The date of this Prospectus Supplement is March 20, 1998.

The Trust Fund will be treated as a grantor trust for federal income tax purposes; no election will be made to treat the Trust Fund as a real estate mortgage investment conduit. See “CERTAIN FEDERAL INCOME TAX CONSEQUENCES” herein and in the Prospectus.

Until 90 days after the date of this Prospectus Supplement, all dealers effecting transactions in the Certificates, whether or not participating in this distribution, may be required to deliver a Prospectus Supplement and the Prospectus to which it relates. This is in addition to the obligation of dealers to deliver a Prospectus and Prospectus Supplement when acting as underwriters and with respect to their unsold allotments or subscriptions.

All documents and reports filed or caused to be filed by the Depositor subsequent to the date of this Prospectus Supplement with respect to the Trust Fund pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, prior to the termination of an offering of Certificates evidencing interests therein shall be deemed to be incorporated by reference in this Prospectus Supplement and to be a part hereof. In addition, Farmer Mac's Annual Report on Form 10-K for the year ended December 31, 1996, and any subsequent reports filed with the Commission pursuant to Sections 13(a) or 15(d) of the Exchange Act shall also be deemed to be incorporated by reference in this Prospectus Supplement and to be a part hereof. All documents and reports filed by Farmer Mac pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus Supplement and prior to the termination of any offering made by this Prospectus Supplement will likewise be deemed to be incorporated by reference herein and to be a part hereof.

Any periodic reports filed by the Depositor or Farmer Mac under the Exchange Act as described in the Prospectus can be inspected at the public reference facilities maintained by the Commission at its Public Reference Section, 450 Fifth Street, N.W., Washington, DC 20549, and its Regional Offices located as follows: Chicago Regional Office, Citicorp Center, 500 Madison Street, Chicago, Illinois 60661; and New York Regional Office, Seven World Trade Center, New York, New York 10048. The Commission maintains a World Wide Web site on the Internet at http://www.sec.gov. that contains reports, proxy and other information regarding registrants that file electronically with the Commission.

The consolidated balance sheets of Farmer Mac as of December 31, 1996 and 1995 and related consolidated statements of operations, stockholders’ equity and cash flows for each of the years in the three-year period ended December 31, 1996 have been incorporated by reference herein and in the Registration Statement in reliance upon the report of KPMG Peat Marwick LLP, independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

SUMMARY OF TERMS

The following summary is qualified in its entirety by the detailed information appearing elsewhere in this Prospectus Supplement and the Prospectus. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Prospectus.

Securities Offered . . . . Guaranteed Agricultural Mortgage-Backed Securities (the "Certificates").

The Certificates will be issued in one or more Classes, as set forth on the cover page hereof. Each Class of Certificates will separately evidence the right to receive distributions in respect of the Pool of Qualified Loans having the corresponding alpha-numerical designation and will be issued in an original Class Certificate Balance equal to the original principal amount of such Pool. The initial Class Certificate Balance of each Class of Certificates is subject to a permitted variance as provided on the cover hereof. See "ANNEX I: DESCRIPTION OF THE QUALIFIED LOAN POOLS" for detailed information on the underlying Qualified Loans in each Pool.

The Guarantor . . . . The Federal Agricultural Mortgage Corporation ("Farmer Mac") is a federally chartered instrumentality of the United States established by Title VIII of the Farm Credit Act of 1971, as amended (the "Farmer Mac Charter"). See "FEDERAL AGRICULTURAL MORTGAGE CORPORATION" in the Prospectus.

The Depositor . . . . Farmer Mac Mortgage Securities Corporation, a Delaware corporation and wholly owned subsidiary of Farmer Mac, will act as depositor (the "Depositor") under the Trust Agreement. See "THE DEPOSITOR" herein.

The Guarantee . . . . As described herein, the timely payment to Holders of interest on and principal (including any principal payments with respect to balloon payments on the related Qualified Loans) of the Certificates is guaranteed by Farmer Mac. See "FARMER MAC GUARANTEE" herein.

Not an Obligation of the United States. . . . . Farmer Mac's obligations under the Farmer Mac Guarantee are not backed by the full faith and credit of the United States.

The Master Servicer . . . . Farmer Mac will act as Master Servicer (the "Master Servicer") of the Qualified Loans. The Qualified Loans will be directly serviced by Equitable Agri-Business, Inc., a Delaware corporation, or Zions First National Bank, a national bank (each, a “Central Servicer”), each of which will act on behalf of

Farmer Mac pursuant to a Servicing Contract (as supplemented) between such parties. See "DESCRIPTION OF THE AGREEMENTS" herein.

The Trustee First Trust National Association, a national banking association, will act as trustee (the "Trustee") pursuant to a Trust Agreement as supplemented by an Issue Supplement (collectively, the "Trust Agreement"), each among Farmer Mac, the Depositor and the Trustee.

Cut-off Date As set forth on the cover page hereof.

Closing Date As set forth on the cover page hereof.

Distribution Dates Distributions to Holders of the Certificates of each Class will be made on an annual, semi-annual, quarterly or monthly basis as specified on the cover page hereof. Such monthly Distribution Dates will occur on the 25th day of each month and such annual, semi-annual, or quarterly Distribution Dates will occur on the 25th day of each January, April, July and October, as applicable (unless such 25th day is not a Business Day, whereupon such distribution will be made on the next following Business Day), commencing on the initial Distribution Date for such Class set forth on the cover page hereof.

Distributions on the Certificates *Interest.* Interest will accrue on the Certificates of each Class at the respective Pass-Through Rate described herein during each related Interest Accrual Period. On each applicable Distribution Date, interest will be distributable on each Class of Certificates in an aggregate amount equal to the interest accrued at the applicable Pass-Through Rate during the related Interest Accrual Period on the Class Certificate Balance of such Class immediately prior to such Distribution Date (as to each Class, the "Accrued Certificate Interest"). As to each Class and related Distribution Date, the "Interest Accrual Period" will be the period from the first day of the month of the preceding Distribution Date (or, in the case of the first Distribution Date for each Class, from the Cut-off Date) through and including the last day of the month preceding the month of such current Distribution Date. See "DESCRIPTION OF THE CERTIFICATES— Distributions—*Interest*" herein.

Principal. Principal in respect of each Pool will be distributed to the related Class of Certificates on each applicable Distribution Date in an aggregate amount equal to the Principal Distribution Amount for such Distribution Date and Pool. The "Principal Distribution Amount" for each Pool as of each applicable Distribution Date will equal the sum of (i) the principal portion of all scheduled payments (including any balloon payments) on the Qualified Loans in such Pool due during the preceding Due Period (as defined herein), (ii) the scheduled principal balance of each Qualified Loan included in such Pool which was repurchased or became a Liquidated Qualified Loan during the preceding Due Period, and (iii) all full or partial principal prepayments received during the preceding Due Period. See "DESCRIPTION OF THE CERTIFICATES—Distributions— *Principal*" herein.

Yield Maintenance Charges. Each Qualified Loan provides for the payment by the Borrower of a Yield Maintenance Charge (as defined herein) in connection with any prepayments, in whole or in part, made more than 6 months prior to the maturity date of such Qualified Loan. The amount of any Yield Maintenance Charge in respect of the related Qualified Loan, to the extent collected by the related Central Servicer, will be distributed to the Holders of the related Class of Certificates on each Distribution Date in the manner and to the extent described herein. **Farmer Mac will not guarantee to Holders of the related Class of Certificates the collection of any Yield Maintenance Charge payable in connection with a principal prepayment on a Qualified Loan.** See "DESCRIPTION OF THE CERTIFICATES—Distributions—*Yield Maintenance Charges*" herein.

Record Date . . . . The Record Date for each Distribution Date and Class of Certificates will be the close of business on the last Business Day of the month immediately preceding the month in which such Distribution Date occurs.

The Trust Fund . . . . The Trust Fund corpus consists of: (i) agricultural real estate mortgage loans (collectively, the “Qualified Loans”), (ii) the Farmer Mac Guarantee and (iii) the Collection Account, the Certificate Account (each as defined in the Prospectus) and all cash and investments held therein. See “DESCRIPTION OF THE QUALIFIED LOANS” herein.

Optional Termination . . . . On any Distribution Date for any Class of Certificates, when the aggregate principal balance of the Qualified Loans in all of the Pools in the Trust Fund is less than the Termination Percentage as of the Cut-off Date, the Master Servicer may repurchase from the Trust Fund all remaining Qualified Loans and thereby effect an early retirement of the Certificates outstanding at such time. See "DESCRIPTION OF THE AGREEMENTS—Optional Termination" herein and in “DESCRIPTION OF THE CERTIFICATES—TERMINATION” in the Prospectus.

Certain Federal Income Tax Consequences . . . .

The Trust Fund will be treated as a grantor trust for federal income tax purposes and not as an association taxable as a corporation; no election will be made to treat the Trust Fund as a real estate mortgage investment conduit. See "CERTAIN FEDERAL INCOME TAX CONSEQUENCES" herein and in the Prospectus.

ERISA Considerations . . . .

The acquisition of a Certificate by a plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or any individual retirement account ("IRA") or any other plan subject to Code Section 4975 could, in some instances, result in a prohibited transaction or other violations of the fiduciary responsibility provisions of ERISA and Code Section 4975. Prospective plan investors should consult with their legal advisors concerning the impact of ERISA and the Code, and the availability of any exemptions thereunder, prior to making an investment in the Certificates. See "ERISA CONSIDERATIONS" herein and in the Prospectus.

Legal Investment . . . .

The Certificates will constitute securities guaranteed by Farmer Mac for purposes of the Farmer Mac Charter and, as such, will, by statute, be legal investments for certain types of institutional investors to the extent that those investors are authorized under any applicable law to purchase, hold, or invest in obligations issued by or guaranteed as to principal and interest by the United States or any agency or instrumentality of the United States. Investors whose investment authority is subject to legal restrictions should consult their own legal advisors to determine whether and the extent to which Certificates constitute legal investments for them. See "LEGAL INVESTMENT" herein and in the Prospectus.

RISK FACTORS

Prospective investors in the Certificates should consider the following factors (together with the factors set forth in "RISK FACTORS" in the Prospectus) in connection with the purchase of such Certificates.

Collection of Yield Maintenance Charges. Farmer Mac will not guarantee to Holders of the related Class of Certificates the collection of any yield maintenance charge ("Yield Maintenance Charge") payable in connection with a principal prepayment on a Qualified Loan. The amount of any Yield Maintenance Charge in respect of the related Qualified Loan, to the extent collected by the appropriate Central Servicer, will be distributed to Holders of the related Class of Certificates on the related Distribution Date in the manner and to the extent described herein.

Under each Servicing Contract, the Central Servicer may not waive the collection of any Yield Maintenance Charge without the prior written consent of Farmer Mac, as Master Servicer. It is Farmer Mac's policy generally not to consent to the waiver of the collection of a Yield Maintenance Charge unless the amount of such charge is unduly large relative to the unpaid principal balance of the related Qualified Loan. In such cases, and other circumstances that raise similar equitable concerns, Farmer Mac's policy is to require Central Servicers to attempt to collect a portion of such Yield Maintenance Charge in connection with any prepayment of principal; however, there may be situations in which Farmer Mac may consider it appropriate to waive any collection of a Yield Maintenance Charge. Generally, a principal prepayment resulting from the condemnation of, or casualty on, the related Mortgaged Property (as defined herein) will not be accompanied by a Yield Maintenance Charge. Because Farmer Mac does not guarantee the collection of such charges, the expected yield to investors in the Certificates may be sensitive in various degrees to the extent such amounts are not collected. See "FARMER MAC GUARANTEE" herein.

The required payment of any Yield Maintenance Charge may not be a sufficient disincentive to prevent the voluntary prepayment of the related Qualified Loan and, even if collected, may be insufficient to offset fully the adverse effects on the anticipated yield thereon arising out of the corresponding principal payment.

Relative Loan Sizes. As of the Cut-off Date, Pool AM1003 includes one Qualified Loan which constitutes approximately 47% (by principal balance) of the aggregate principal balance of such Pool and Pool CS1018 includes three Qualified Loans which constitute approximately 24%, 15%and 14% (by principal balance) of the aggregate principal balance of such Pool. As a result, principal payments (including voluntary prepayments and prepayments due to defaults, liquidations and Guarantee Payments) on any such Qualified Loan would have a disproportionate effect on the Pass-Through Rate and yield of the related Class of Certificates. To the extent any such Qualified Loan bears interest at a Net Mortgage Rate in excess of the then applicable Pass-Through Rate for such Pool, principal payments on such loan will subsequently result in a lower Pass-Through Rate for such Pool. See the Qualified Loan Schedules in "ANNEX I: DESCRIPTION OF THE QUALIFIED LOAN POOLS" at the end of this Prospectus Supplement for detailed information regarding the Qualified Loans in each Pool.

Limited Number of Loans. As of the Cut-off Date, Pool AM1003 and Pool CS1018 include 6 and 11 Qualified Loans respectively. As is the case with Qualified Loans having higher principal balances as described in the preceding paragraph, the payment experience of one or more Qualified Loans in any such Pool may have a disproportionate effect on the Pass-Through Rates and yields of the related Classes of Certificates. Due to the relative lack of geographic diversity, a natural disaster or local economic conditions may have a greater impact on any such Pool than would be the case if such Pool were more geographically diverse. As a result, Holders may receive distributions of principal due to liquidation, condemnation or casualty of the related Mortgaged Property earlier than anticipated. Any such early receipt of principal may affect Holders' yields adversely. In addition, the Pass-Through Rate and yield on the related Class of Certificates may be materially and adversely affected by any default or voluntary prepayment of the related Qualified Loans. See "ANNEX I: DESCRIPTION OF THE QUALIFIED LOAN POOLS" and "YIELD, PREPAYMENT AND MATURITY CONSIDERATIONS" herein.

DESCRIPTION OF THE QUALIFIED LOANS

The Trust Fund will consist primarily of one or more Pools of Qualified Loans which will be assigned to the Trust Fund by the Depositor. For a detailed description of certain characteristics of the Qualified Loans in each Pool, see "ANNEX I: DESCRIPTION OF THE QUALIFIED LOAN POOLS" at the end of this Prospectus Supplement. The aggregate outstanding principal balance of the Qualified Loans in each Pool is subject to the permitted variance described on the cover page hereof. Each Qualified Loan is secured by a first-lien on Agricultural Real Estate (the "Mortgaged Properties"). The principal amount of any Qualified Loan cannot exceed $3,490,000, as adjusted for inflation; except that the principal amount of any Qualified Loan secured by Agricultural Real Estate comprised of not more than 1,000 acres may not exceed $6,000,000. "Agricultural Real Estate" is a parcel or parcels of land, which may be improved by buildings and machinery, fixtures and equipment or other structures permanently affixed to the parcel or parcels, that (a) are used for the production of one or more agricultural commodities and (b) consist of a minimum of five acres or are used in producing minimum annual receipts of $5,000.

The Qualified Loans have current loan-to-value ratios of not more than 70%. All of the Qualified Loans meet Farmer Mac's Underwriting and Appraisal Standards (the "Underwriting Standards") with respect to newly originated loans. As used herein, a "current" loan-to-value ratio is based on an appraisal performed within one year prior to the acquisition of the related Qualified Loan by the Depositor. See "DESCRIPTION OF THE TRUST FUNDS—Qualified Loans—General" in the Prospectus.

The description of the Qualified Loans and the related Mortgaged Properties is based upon each Pool as constituted at the close of business on the Cut-off Date, as adjusted for any scheduled principal payments due on or before such date. Prior to the issuance of the Certificates, Qualified Loans may be removed from a Pool as a result of incomplete documentation or otherwise, if the Depositor deems such removal necessary or appropriate, or as a result of prepayments in full. A limited number of other Qualified Loans may be added to any Pool prior to the issuance of the Certificates unless including such Qualified Loans would materially alter the characteristics of such Pool as described herein. The Depositor believes that the information set forth in "ANNEX I: DESCRIPTION OF THE QUALIFIED LOAN POOLS" will be representative of the characteristics of each Pool as it will be constituted at the time the Certificates are issued although the range of Mortgage Interest Rates and maturities and certain other characteristics of the Qualified Loans in such Pool may vary. Pursuant to the Sale Agreement, the related Seller (as defined herein) has made certain representations and warranties with respect to the Qualified Loans and their origination in accordance with the Underwriting Standards. See "DESCRIPTION OF THE AGREEMENTS—Representations and Warranties; Repurchases" in the Prospectus.

The information in ANNEX I with respect to the Qualified Loans will be revised to reflect any adjustments in the composition of the Trust Fund and will be included in a Form 8-K to be filed with the Commission within 15 days after the Closing Date. Such information will be available to Holders promptly thereafter through the facilities of the Commission as described on page S-3 herein and under "AVAILABLE INFORMATION" in the Prospectus.

DESCRIPTION OF THE CERTIFICATES

General

The Certificates will be issued pursuant to a Trust Agreement, dated as of June 1, 1996, as supplemented by an Issue Supplement dated as of the Cut-off Date (collectively, the "Trust Agreement"), each among Farmer Mac, the Depositor and the Trustee. Reference is made to the Prospectus for important additional information regarding the terms and conditions of the Trust Agreement and the Certificates. See "DESCRIPTION OF THE CERTIFICATES" and "DESCRIPTION OF THE AGREEMENTS" in the Prospectus. The Certificates are issued as a separate series under the Trust Agreement with a series designation corresponding to the Closing Date. Each Class of Certificates will be issued in an initial Class Certificate Balance equal to the original principal amount of the related Pool.

The Certificates will evidence beneficial ownership interests in a trust fund (the "Trust Fund") consisting primarily of (i) agricultural real estate mortgage loans (collectively, the "Qualified Loans"); (ii) the Farmer Mac Guarantee; and (iii) the Collection Account, the Certificate Account and all cash and investments therein. Each Pool of Qualified Loans is evidenced by a single Class of Certificates bearing the same alpha-numerical designation as the underlying Pool. Distributions of interest and principal on each Class of Certificates will be calculated with reference to the Qualified Loans in the related Pool.

Farmer Mac has established a six-digit alpha-numerical pool numbering system to identify certain characteristics of the Qualified Loans in each Pool and to facilitate Holders' access to the factor and other loan information to be published periodically by Farmer Mac with respect thereto. The first three digits are "loan identifiers." The first digit denotes the maximum original term to maturity of the Qualified Loans in the Pool; the second digit denotes the scheduled payment frequency with respect to the Qualified Loans in the Pool; the third digit denotes the first month in a calendar year in which a Distribution Date for such Pool occurs. The last three digits sequentially designate Pools with the same three loan identifiers. The table below summarizes Farmer Mac's pool numbering system:

1st Digit	**2nd Digit**	**3rd Digit**
A=15 year	A=Annual	1=January
B=7 year	S=Semi-annual	2=April
C=5 year	Q=Quarterly	3=July
G=10 year	M=Monthly	4=October
H=25 year (Part-time Farm)		

Book-Entry Certificates

The Certificates will be issued in book-entry form, and beneficial interests therein will be held by investors through the book-entry system of the Federal Reserve Banks (the "Fed book-entry system"), in minimum denominations in Certificate Balances of $1,000 and integral multiples of $1 in excess thereof.

The Certificates will be maintained on the Fed book-entry system in a manner that permits separate trading and ownership. Each Class of Certificates has been assigned a CUSIP number and will be tradable separately under such CUSIP number. The CUSIP number for each Class is specified on the cover hereof.

In accordance with the procedures established for the Fed book-entry system, the Federal Reserve Banks will maintain book-entry accounts with respect to the Certificates and make distributions on the Certificates on behalf of the Master Servicer on the applicable Distribution Dates by crediting Holders' accounts at the Federal Reserve Banks.

Such entities whose names appear on the book-entry records of a Federal Reserve Bank as the entities for whose accounts such Certificates have been deposited are herein referred to as "Holders of Book-Entry Certificates." A Holder of Book-Entry Certificates is not necessarily the beneficial owner of a Certificate. Beneficial owners will ordinarily hold Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. See "DESCRIPTION OF THE CERTIFICATES—The Fed System" in the Prospectus.

Issuance of the Certificates in book-entry form may reduce the liquidity of such Certificates in the secondary market since certain investors may be unwilling to purchase Certificates for which they cannot obtain physical certificates. See "RISK FACTORS—Limited Liquidity" in the Prospectus.

Distributions

General. Distributions of principal and interest on the Certificates will be made on an annual, semi-annual, quarterly or monthly basis as specified for each Class on the cover page hereof. Such monthly Distribution Dates will occur on the 25th day of each month and such annual, semi-annual, or quarterly Distribution Dates will occur on the 25th day of each January, April, July and October, as applicable, commencing on the date for each Class set forth on the cover page hereof (each, a "Distribution Date"). If any such day is not a Business Day (that is, a day other than Saturday, Sunday or a day on which the Federal Reserve Bank of New York authorizes banking institutions in the Second Federal Reserve District to be closed, or banking institutions in New York are authorized or obligated by law to be closed or Farmer Mac is closed), distributions will be made on the next succeeding Business Day to persons in whose names the Certificates are registered on the applicable Record Date. The "Record Date" for any Class and related Distribution Date will be the close of business on the last Business Day of the month preceding the month in which such Distribution Date occurs.

Interest. Interest on the Certificates of each Class will be distributed on each Distribution Date for such Class in an aggregate amount equal to the Accrued Certificate Interest for such Distribution Date and Class. "Accrued Certificate Interest" for each Distribution Date and Class will equal the amount of interest accrued during the related Interest Accrual Period at the applicable Pass-Through Rate on the Class Certificate Balance of such Class immediately prior to such Distribution Date. Interest on the Certificates will be calculated on the basis of a 360-day year consisting of twelve 30-day months. As of any date of determination, the "Class Certificate Balance" of any Class of Certificates will equal the sum of the Certificate Balances of all Certificates of the same Class and the "Certificate Balance" of any Certificate as of any date of determination will equal the original Certificate Balance thereof less all amounts distributed thereon in respect of principal on preceding Distribution Dates.

The Interest Accrual Periods for each Class will depend on the payment frequency of such Class. As to any Class and related Distribution Date, the "Interest Accrual Period" will be the period from the first day of the month of the preceding Distribution Date (or, in the case of the first Distribution Date for each Class, from the Cut-off Date) through and including the last day of the month preceding the month of such current Distribution Date.

Interest will accrue on the Certificates of each Class at a variable rate per annum (the "Pass-Through Rate") equal to the weighted average of the Net Mortgage Rates of the Qualified Loans included in the related Pool. For purposes hereof, the "Net Mortgage Rate" for each Qualified Loan will equal the interest rate thereon (the "Mortgage Interest Rate") less a rate representing the combined fees of the applicable Central Servicer, Master Servicer, Field Servicer and Farmer Mac as guarantor (such amount, the "Administrative Fee Rate"). The weighted average Administrative Fee Rate as of the Cut-off Date for each Pool is set forth in ANNEX I hereto. The Pass-Through Rate for each Pool and Distribution Date is calculated by (1) multiplying the outstanding balance of each Qualified Loan in such Pool by its Net Mortgage Rate to derive such Qualified Loan's weighted interest amount ("Weighted Interest Amount");

(2) dividing the sum of all such Pool's Weighted Interest Amounts by the Class Certificate Balance of the related Class of Certificates, before giving effect to the distribution of principal on the related Distribution Date; and (3) truncating such interest rate to three decimal places.

Principal. Principal in respect of each Class will be distributed on each applicable Distribution Date in an aggregate amount equal to the Principal Distribution Amount for the related Pool on such Distribution Date. On each Distribution Date, the "Principal Distribution Amount" for each Pool as of each applicable Distribution Date will equal the sum of (i) the principal portion of all scheduled payments (including any balloon payments) on the Qualified Loans in such Pool due during the preceding Due Period, (ii) the scheduled principal balance of each Qualified Loan included in such Pool which was repurchased or became a Liquidated Qualified Loan during the preceding Due Period, and (iii) all full or partial principal prepayments received during the preceding Due Period. The "Due Period" for each Pool and Distribution Date will commence on the second day of the month of the preceding Distribution Date (or, in the case of the first Distribution Date for each Class, on the day following the Cut-off Date) and will end on the first day of the month of such current Distribution Date. A "Liquidated Qualified Loan" is generally any defaulted Qualified Loan as to which it has been determined that all amounts to be received thereon have been recovered.

Certificate Pool Factors. As soon as practicable following the fifth Business Day of each month of a Distribution Date, Farmer Mac will make available to financial publications and electronic services for each applicable Pool of Qualified Loans, among other things, the factor (carried to eight decimal places) which, when multiplied by the original Certificate Balance of a Certificate evidencing an interest in such Pool, will equal the remaining principal balance of such Certificate after giving effect to the distribution of principal to be made on the Distribution Date in such month.

Yield Maintenance Charges. In the event a Borrower is required to pay a Yield Maintenance Charge, to the extent such payment is collected by the applicable Central Servicer, the Master Servicer will distribute such amount, adjusted to the related Net Mortgage Rate as described below, to Holders of the related Class of Certificates. Each Yield Maintenance Charge has been designed to mitigate reinvestment losses to the noteholder on the prepaid amount of any Qualified Loan. Generally, such charge represents the excess of reinvestment earnings at the related Mortgage Interest Rate (net of the related servicing fee rates) on such prepaid amount (i.e., the amount that would have been received by the related noteholder in the absence of the prepayment) over earnings calculated at a prevailing interest rate (a specified Treasury yield) on such prepaid amount. Amounts, if any, passed through to Holders in respect of Yield Maintenance Charges will be calculated on the basis of the related Net Mortgage Rate rather than the Mortgage Interest Rate. The distribution of any Yield Maintenance Charge to Holders will not reduce the Certificate Balance of the related Certificates. Farmer Mac will not guarantee to Holders of the related Class of Certificates the collection of any Yield Maintenance Charge payable in connection with a principal payment on a Qualified Loan. See "FARMER MAC GUARANTEE" herein.

Advances

Under the terms of its Servicing Agreement, Zions First National Bank, as Central Servicer, will be required to advance its own funds with respect to delinquent Qualified Loans. Under the terms of its Servicing Agreement, Equitable Agri-Business, Inc., as Central Servicer**,** will not be required to so advance. Because Farmer Mac guarantees timely distribution of interest and principal on the Certificates (including any balloon payments), the presence or absence of an advancing obligation will not affect distributions of interest and principal to such Holders.

FARMER MAC GUARANTEE

Pursuant to the Trust Agreement, Farmer Mac will guarantee (the "Farmer Mac Guarantee") the timely distribution of interest accrued on the Certificates and the distribution of the full Principal Distribution Amount (including any balloon payments) for the related Pool and Distribution Date. In addition, Farmer Mac is obligated to distribute on a timely basis the outstanding Class Certificate Balance of each Class of Certificates in full no later than the related Final Distribution Date (as set forth on the cover hereof), whether or not sufficient funds are available in the Certificate Account. The Farmer Mac Guarantee will not cover the distribution to Holders of the related Class of Certificates of any uncollected Yield Maintenance Charge. See "RISK FACTORS" herein.

Farmer Mac's obligations under the Farmer Mac Guarantee are obligations solely of Farmer Mac and are not backed by the full faith and credit of the United States. Furthermore, Farmer Mac anticipates that its future contingent liabilities in respect of guarantees of outstanding securities backed by agricultural mortgage loans will greatly exceed its resources, including its limited ability to borrow from the United States Treasury. See "OUTSTANDING GUARANTEES" herein and "FEDERAL AGRICULTURAL MORTGAGE CORPORATION" in the Prospectus.

OUTSTANDING GUARANTEES

As of the Cut-off Date, Farmer Mac had outstanding guarantees on approximately $857.6 million aggregate principal amount of securities (including approximately $283.5 million of securities evidencing assets which are guaranteed by the Secretary of the United States Department of Agriculture). Farmer Mac is authorized to borrow up to $1,500,000,000 from the Secretary of the Treasury, subject to certain conditions, to enable Farmer Mac to fulfill its guarantee obligations. See "FEDERAL AGRICULTURAL MORTGAGE CORPORATION" in the Prospectus. As of the Cut-off Date, Farmer Mac had not borrowed any amounts from the Secretary of the Treasury to fund guarantee payments.

YIELD, PREPAYMENT AND MATURITY CONSIDERATIONS

The rate of payment of principal on each Class of Certificates and the yield to maturity thereof will correspond directly to the rate of payments of principal on the Qualified Loans in the related Pool. The rate of payments of principal of the Qualified Loans will in turn be affected by the rate of principal prepayments thereon by Borrowers, by liquidations of defaulted Qualified Loans, by repurchases as a result of defective documentation and breaches of representations and warranties or for certain other reasons. There is little or no historical data available to provide assistance in estimating the rate of prepayments and defaults on loans secured by Agricultural Real Estate generally or the Qualified Loans particularly.

In the case of Qualified Loans, social, economic, political, trade, geographic, climatic, demographic, legal and other factors may influence prepayments and defaults, including the age of the Qualified Loans, the geographic distribution of the related Mortgaged Properties, the payment terms of the Qualified Loans, the characteristics of the borrowers, weather, economic conditions generally and in the geographic area in which the Mortgaged Properties are located, enforceability of due-on-sale clauses, servicing decisions, the availability of mortgage funds, the extent of the borrowers' net equity in the Mortgaged Properties, mortgage market interest rates in relation to the effective interest rates on the Qualified Loans and other unforeseeable variables, both domestic and international, affecting particular commodity groups and the farming industry in general. Generally, if prevailing interest rates fall significantly below the interest rates on the Qualified Loans, the Qualified Loans are likely to be subject to higher prepayments than if prevailing rates remain at or above the interest rates on such Qualified Loans. Conversely, if prevailing interest rates rise above the interest rates on the Qualified Loans, the rate of prepayment would be expected to decrease. There can be no certainty as to the rate of prepayments on the

Qualified Loans during any period or over the lives of the Certificates. The rate of default on the Qualified Loans will also affect the rate of payment of principal on the Qualified Loans. Prepayments, liquidations and repurchases of the Qualified Loans will result in distributions to Holders of the related Class of Certificates of amounts which would otherwise be distributed over the remaining terms of the Qualified Loans.

All of the Qualified Loans impose Yield Maintenance Charges that, if enforced by the Central Servicer, could be a deterrent to prepayments. Under each Servicing Contract (as defined herein), the Central Servicer may not waive the collection of any Yield Maintenance Charge without the prior written consent of Farmer Mac, as Master Servicer. It is Farmer Mac's policy generally not to consent to the waiver of the collection of a Yield Maintenance Charge unless the amount of such charge is unduly large relative to the unpaid principal balance of the related Qualified Loan. In such cases, and other circumstances that raise similar equitable concerns, Farmer Mac's policy is to require Central Servicers to attempt to collect a portion of such Yield Maintenance Charge in connection with any prepayment of principal; however, there may be situations in which Farmer Mac may consider it appropriate to waive any collection of a Yield Maintenance Charge. Generally, a principal prepayment resulting from the condemnation of, or casualty on, the related Mortgaged Property (as defined herein) will not be accompanied by a Yield Maintenance Charge. With respect to each Qualified Loan, any Yield Maintenance Charge payable in connection with a prepayment thereon, whether in whole or in part, will be calculated with reference to United States Treasury securities in a manner designed to mitigate reinvestment losses, if any, that would otherwise be incurred by the noteholder in connection with such prepayment.

Because Farmer Mac does not guarantee the collection of any Yield Maintenance Charge, the expected yield to investors in the Certificates may be sensitive in varying degrees to the extent such amounts are not collected.

The required payment of any Yield Maintenance Charge, if any, may not be a sufficient disincentive to prevent the voluntary prepayment of the related Qualified Loan and, even if collected, may be insufficient to offset fully the adverse effects on the anticipated yield thereon arising out of the corresponding principal payment.

In addition, all of the Qualified Loans include "due-on-sale" clauses; however, it is generally the policy of the Central Servicers not to enforce such clauses unless the transferor of the related Mortgaged Property does not meet the Underwriting Standards of Farmer Mac and the Servicing Contracts do not require any such enforcement. In addition, at the request of the Borrower, the applicable Central Servicer may allow the partial release of a Mortgaged Property provided the collateral property is reappraised and a partial prepayment is made such that the resulting loan-to-value ratio is no greater than 70% and the cash flows from the remaining property are sufficient to service the remaining debt. Such partial release may result in a prepayment in part (together with any required Yield Maintenance Charge, calculated as described herein) on the related Qualified Loan and a corresponding reamortization of the unpaid principal balance of such Qualified Loan to the maturity date (or the original amortization date if the Qualified Loan provides for a balloon payment) for such loan. Any Qualified Loan as to which a partial release occurs will remain in the Trust Fund.

The yield to maturity to investors in the Certificates of a Class will be sensitive to the rate and timing of principal payments (including prepayments) of the Qualified Loans in the related Pool, which generally can be prepaid at any time, subject to the restrictions and prepayment penalties described above. In addition, the yield to maturity on a Certificate may vary depending on the extent to which such Certificate is purchased at a discount or premium. Investors should consider, in the case of any Certificates purchased at a discount, the risk that a slower than anticipated rate of principal payments on the related Qualified Loans could result in an actual yield that is lower than the anticipated yield and, in the case of any Certificates purchased at a premium, the risk that a faster than anticipated rate of principal payments on the related Qualified Loans could result in an actual yield that is lower than the anticipated yield, particularly if any Yield Maintenance Charge is not distributed to such Holders.

The timing of changes in the rate of prepayments on the Qualified Loans may significantly affect an investor's actual yield to maturity, even if the average rate of principal payments is consistent with an investor's expectation. In general, the earlier a prepayment of principal of the related Qualified Loans, the greater the effect on an investor's yield to maturity. The effect on an investor's yield of principal payments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the issuance of the Certificates may not be offset by a subsequent like decrease (or increase) in the rate of principal payments. An investor must make an independent decision as to the appropriate prepayment scenario to be used in deciding whether to purchase the Certificates.

Investors should consider the risk that rapid rates of prepayments on the Qualified Loans, and therefore of principal payments on the related Class of Certificates, may coincide with periods of low prevailing interest rates. During such periods, the effective interest rates on securities in which an investor may choose to reinvest amounts received as principal payments on such investor's Certificate may be lower than the applicable Pass-Through Rate. Conversely, slow rates of prepayments on the Qualified Loans, and therefore of principal payments on the related Class of Certificates, may coincide with periods of high prevailing interest rates. During such periods, the amount of principal payments available to an investor for reinvestment at such high prevailing interest rates may be relatively low.

The Pass-Through Rate for each Class of Certificates will equal the weighted average of the Net Mortgage Rates of the Qualified Loans in the related Pool. Prepayments of Qualified Loans with relatively higher Mortgage Interest Rates, particularly if such Qualified Loans have larger unpaid principal balances, will reduce the Pass-Through Rate for the related Class of Certificates from that which would have existed in the absence of such prepayments. In addition, the Qualified Loans in a Pool will not prepay at the same rate or at the same time. Qualified Loans with relatively higher Mortgage Interest Rates may prepay at faster rates than Qualified Loans with relatively lower Mortgage Interest Rates in response to a given change in market interest rates. If such differential prepayments were to occur, the yield on the related Class of Certificates would be adversely affected.

The effective yield to the Holders will be lower than the yield otherwise produced by the applicable purchase price and Pass-Through Rate because the distributions of principal, if any, and interest will not be payable to such Holders until at least the 25th day of the month following the period in which interest accrues (without any additional distribution of interest or earnings thereon in respect of such delay).

DESCRIPTION OF THE AGREEMENTS

The Certificates will be issued pursuant to the Trust Agreement. Farmer Mac will act as Master Servicer of the Qualified Loans. The Qualified Loans will be directly serviced by one of the Central Servicers acting on behalf of Farmer Mac pursuant to a Master Central Servicing Contract (as supplemented) between it and Farmer Mac (the "Servicing Contract"). See "DESCRIPTION OF THE AGREEMENTS" in the Prospectus. For a statement of the numbers of Qualified Loans (and related principal balances) in each Pool serviced by each Central Servicer, see the narrative description for each Pool set forth in ANNEX I hereto. Each Central Servicer may subcontract the performance of certain of its servicing duties to a subservicer who may be the seller (the "Seller(s)") and/or originator of the respective Qualified Loans. In addition, each of the Sellers of the Qualified Loans has transferred and assigned its respective Qualified Loans to the Depositor pursuant to a separate Selling and Servicing Agreement or a Master Loan Sale Agreement (a "Sale Agreement"). The Sale Agreement includes certain representations and warranties of the related Seller respecting the related Qualified Loans which representations and warranties and the remedies for their breach will be assigned by Farmer Mac to the

Trustee for the benefit of Holders pursuant to the Trust Agreement. See "DESCRIPTION OF THE AGREEMENTS—Representations and Warranties; Repurchases" in the Prospectus.

Trustee

The Trustee for the Certificates will be First Trust National Association, a national banking association organized and existing under the federal laws of the United States with an office at 180 East Fifth Street, St. Paul, Minnesota 55101.

Servicing and Other Compensation And Payment of Expenses

Each Central Servicer will be paid a servicing fee calculated on a loan-by-loan basis. Additional servicing compensation in the form of assumption fees or similar fees (other than late payment charges in certain cases) may be retained by the Central Servicers. The Depositor, the Master Servicer and the Central Servicers are obligated to pay all expenses incurred in connection with their respective responsibilities under the Trust Agreement and the Servicing Contracts (subject to reimbursement for liquidation expenses), including the fees of the Trustee, and also including, without limitation, the various other items of expense enumerated in the Prospectus. See "DESCRIPTION OF THE CERTIFICATES" in the Prospectus.

Optional Termination

The Master Servicer may effect an early termination of the Trust Fund on a Distribution Date for any Class when the aggregate principal balance of Qualified Loans in all of the Pools in the Trust Fund is reduced to less than the Termination Percentage thereof as of the Cut-off Date by repurchasing all the Qualified Loans and REO Property (as defined herein) at a price equal to 100% of the unpaid principal balance of the Qualified Loans, including any Qualified Loans as to which the related property is held as part of the Trust, plus accrued and unpaid interest thereon at the applicable Mortgage Interest Rate, determined as provided in the Trust Agreement. The proceeds thereof will be distributed to Holders of the then outstanding Classes of Certificates on such Distribution Date whether or not such Distribution Date is a Distribution Date for all such Classes of Certificates. See "DESCRIPTION OF CERTIFICATES—Termination" in the Prospectus.

Repurchases of Qualified Loans

Under the Trust Agreement, Farmer Mac, as Master Servicer, will have the right (without obligation and in its discretion) to repurchase from the Trust Fund, upon payment of the purchase price provided in the Trust Agreement, any Qualified Loan at any time after such loan becomes and remains delinquent as to any scheduled payment for a period of ninety days. Farmer Mac will also have a similar right to purchase from the Trust Fund any property acquired by the Trust Fund upon foreclosure or comparable conversion of any Qualified Loan (“REO Property”). See also "DESCRIPTION OF THE AGREEMENTS—Representations and Warranties; Repurchases" in the Prospectus.

THE DEPOSITOR

Farmer Mac Mortgage Securities Corporation, the Depositor, is a wholly owned subsidiary of Farmer Mac and was incorporated in the State of Delaware in December 1991. The principal executive offices of the Depositor are located at 919 18th Street, N.W., Washington, D.C. 20006 (telephone (202)-872-7700).

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following general discussion of certain material anticipated federal income tax consequences of an investment in the Certificates is to be considered only in connection with the discussion in the Prospectus under the caption "CERTAIN FEDERAL INCOME TAX CONSEQUENCES."

No election will be made to treat the Trust Fund as a real estate mortgage investment conduit ("REMIC") for federal income tax purposes. In the opinion of Fried, Frank, Harris, Shriver & Jacobson, counsel for the Depositor, (i) the Trust Fund will be treated as a grantor trust for federal income tax purposes and not as an association taxable as a corporation; (ii) a Certificate owned by a real estate investment trust representing an interest in Qualified Loans will be considered to represent "real estate assets" within the meaning of Code Section 856(c)(4)(A), and interest income on the Qualified Loans will be considered "interest on obligations secured by mortgages on real property" within the meaning of Code Section 856(c)(3)(B), to the extent that the Qualified Loans represented by that Certificate are of a type described in such Code section; and (iii) a Certificate owned by a REMIC will represent "obligation[s] . . . which [are] principally secured by an interest in real property" within the meaning of Code Section 860G(a)(3) to the extent that the Qualified Loans represented by that Certificate are of a type described in such Code section. If the value of the real property securing a Qualified Loan is lower than the amount of such Qualified Loan, any such Qualified Loan may not qualify in its entirety under the foregoing Code sections. The Holders will be treated as owners of their pro rata interests in the assets of the Trust Fund with respect to the related Pool. The Trust Fund intends to account for all servicing fees as reasonable servicing fees. However, if any servicing fees, determined on a Qualified Loan by Qualified Loan basis, were determined to exceed reasonable servicing fees, the Certificates would be treated as representing an interest in one or more "stripped bonds."

On August 5, 1997, the President signed into law the Taxpayer Relief Act of 1997 (the "1997 Act"). The 1997 Act amends certain of the rules discussed in the Prospectus under the caption "CERTAIN FEDERAL INCOME TAX CONSEQUENCES," as described below:

(1) Effective for tax years beginning after August 5, 1997, the 1997 Act requires the use of the Prepayment Assumption Rule in the computation of OID in the case of "any pool of debt instruments the yield on which may be affected by reason of prepayments (or to the extent provided in regulations, by reason of other events)." This provision appears to apply the Prepayment Assumption Rule to computations of OID with respect to all Grantor Trust Certificates, including Grantor Trust Certificates issued by a Trust Fund as part of a single class of Certificates. Because this provision is new, and because the relevant legislative history contains very limited guidance as to how the provision is meant to work, it is uncertain whether, and if so, how, the provision will be applicable to Grantor Trust Certificates. As noted in the Prospectus in "CERTAIN FEDERAL INCOME TAX CONSEQUENCES" under the caption "b. Multiple Classes of Grantor Trust Certificates," the Master Servicer intends to compute OID on Grantor Trust Certificates that constitute Stripped Bond Certificates or Stripped Coupon Certificates in accordance with the Prepayment Assumption Rule. In the absence of clear authority under the 1997 Act, the Master Servicer does not intend to compute OID on Grantor Trust Certificates that are issued as part of a single class of Certificates in accordance with the Prepayment Assumption Rule. Potential investors should consult their own tax advisors regarding the application of this provision of the 1997 Act.

(2) Effective August 5, 1997, the Secretary of the Treasury has authority to issue regulations under Code Section 7701(a)(4) defining whether a partnership will be considered domestic or foreign. The relevant legislative history states that it is expected that a recharacterization of a partnership as foreign rather than domestic under such regulations will be based only on material factors such as the residence of the partners and the extent to which the partnership is engaged in business in the United States or earns U.S. source income. The provisions of any such regulations could affect whether a partnership is considered a "U.S. Person" as that term is used in the Prospectus. Generally, such regulations will apply

only to partnerships created or organized after the date that the regulations are promulgated in final form. Potential investors which are partnerships should consult their own tax advisors with respect to the application of such regulations to their individual situations.

(3) As noted in the Prospectus under the caption “CERTAIN FEDERAL INCOME TAX CONSEQUENCES,” the sale or exchange of a Grantor Trust Certificate, REMIC Regular Certificate or REMIC Residual Certificate will result in capital gain or loss if such Certificate is held as a capital asset. Under the 1997 Act capital gain recognized by a non-corporate holder will be subject to a reduced rate of tax if the Certificate was held for more than twelve months as of the date of the sale or exchange and will be subject to a further reduced rate if the Certificate was held for more than eighteen months as of the date of the sale or exchange.

(4) The 1997 Act redesignates Code Section 856(c)(5)(A) as Code Section 856(c)(4)(A). Consequently, references to Code Section 856(c)(5)(A) in the Prospectus should be read as referring to Code Section 856(c)(4)(A).

Potential investors should consult their tax advisors before acquiring Certificates.

ERISA CONSIDERATIONS

The acquisition of Certificates by a plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or any individual retirement account ("IRA") or any other plan subject to Code Section 4975 could, in some instances, result in a prohibited transaction or other violations of the fiduciary responsibility provisions of ERISA and Code Section 4975. Certain exemptions from the prohibited transaction rules could, however, be applicable.

As discussed under the caption "ERISA CONSIDERATIONS" in the Prospectus, Final Regulations (as defined in the Prospectus) provide a plan asset exception for a Plan's (as defined in the Prospectus) purchase and holding of "guaranteed governmental mortgage pool certificates." The Final Regulations provide that where a Plan acquires a guaranteed governmental mortgage pool certificate, the Plan's assets include the certificate and all of its rights with respect to such certificate under applicable law, but do not, solely by reason of the Plan's holding of such certificate, include any of the mortgages underlying such certificate. The term "guaranteed governmental mortgage pool certificate" is defined as a certificate backed by, or evidencing an interest in, specified mortgages or participation interests therein, and with respect to which interest and principal payable pursuant to the certificate is guaranteed by the United States or an agency or instrumentality thereof. Fried, Frank, Harris, Shriver & Jacobson, counsel to Farmer Mac, has advised Farmer Mac that the Certificates satisfy the conditions set forth in the Final Regulations and thus qualify as "guaranteed governmental mortgage pool certificates"; no assurance can be given, however, that the DOL or any other authority would concur with such analysis.

Prospective Plan investors should consult with their legal advisors concerning the impact of ERISA and the Code, and the potential consequences in their specific circumstances, prior to making an investment in the Certificates. Moreover, each Plan fiduciary should determine whether under the general fiduciary standards of investment prudence and diversification, an investment in the Certificates is appropriate for the Plan, taking into account the overall investment policy of the Plan and the composition of the Plan's investment portfolio. See "ERISA CONSIDERATIONS" in the Prospectus.

LEGAL INVESTMENT

The Certificates will constitute securities guaranteed by Farmer Mac for purposes of the Farmer Mac Charter and, as such, will, by statute, be legal investments for certain types of institutional investors to the extent that those investors are authorized under any applicable law to purchase, hold, or invest in obligations issued by or guaranteed as to principal and interest by the United States or any agency or instrumentality of the United States. Investors whose investment authority is subject to legal restrictions should consult their own legal advisors to determine whether and the extent to which specific Classes of the Certificates constitute legal investments for them.

METHOD OF DISTRIBUTION

Subject to the terms and conditions set forth in the Underwriting Agreement among Farmer Mac, the Depositor and each Underwriter identified on the cover page hereof, the Certificates offered hereby are being purchased from the Depositor by each such Underwriter upon issuance. Distribution of the Certificates will be made by each such Underwriter from time to time in negotiated transactions or otherwise at varying prices to be determined at the time of sale. The proceeds to the Depositor from the sale of the Certificates are set forth on the cover page hereof. To the extent provided in the Underwriting Agreement, if the proceeds to the Underwriter or Underwriters from the offering of the Certificates exceed certain levels, the purchase price for the Certificates payable to the Depositor by each such Underwriter will be increased. Any such increase to the proceeds to the Depositor will be included on a Form 8-K to be filed with the Commission within 15 days after the Closing Date and be available to Holders promptly thereafter through the facilities of the Commission as described on page S-3 herein and under "AVAILABLE INFORMATION" in the Prospectus. In connection with the purchase and sale of the Certificates offered hereby, each Underwriter may be deemed to have received compensation from the Depositor in the form of underwriting discounts.

In addition to purchasing the Certificates pursuant to the Underwriting Agreement, each Underwriter named on the cover page hereof and their affiliates may be engaged in several ongoing business relationships with Farmer Mac.

The Underwriting Agreement provides that Farmer Mac and the Depositor will indemnify each Underwriter named on the cover page hereof against certain civil liabilities under the Securities Act of 1933 or contribute to payments each such Underwriter may be required to make in respect thereof.

LEGAL MATTERS

Certain legal matters relating to the Certificates will be passed upon for the Depositor by the General Counsel of Farmer Mac and by Fried, Frank, Harris, Shriver & Jacobson and for the Underwriter by Stroock & Stroock & Lavan LLP, New York, New York. Fried, Frank, Harris, Shriver & Jacobson has also acted as special tax counsel to the Trust Fund.

INDEX OF PRINCIPAL TERMS

Unless the context indicates otherwise, the following terms shall have the meanings set forth on the pages indicated below. The reference to Balloon Payment is to an "A" page; all other references are to "S" pages.

ANNEX I: DESCRIPTION OF THE QUALIFIED LOAN POOLS

The description of the Qualified Loans and the related Mortgaged Properties set forth below is based upon each Pool as constituted at the close of business on the Cut-off Date, as adjusted for the scheduled principal payments due before such date. Prior to the issuance of the Certificates, Qualified Loans may be removed from each Pool as a result of incomplete documentation or otherwise, if the Depositor deems such removal necessary or appropriate, or as a result of prepayments in full. A limited number of other Qualified Loans may be added to each Pool prior to the issuance of the Certificates unless including such Qualified Loans would materially alter the characteristics of such Pool as described herein. The Depositor believes that the information set forth herein will be representative of the characteristics of the related Pool as it will be constituted at the time the Certificates are issued although the range of Mortgage Interest Rates and maturities and certain other characteristics of the Qualified Loans in such Pool may vary.

The composition of each Pool is subject to adjustment, with the amount of such variance restricted to no more than 5% of the aggregate principal balance of the Qualified Loans in such Pool, as stated herein. The information set forth as to the Qualified Loans will be revised to reflect such adjustments and included on a Form 8-K to be filed with the Commission within 15 days after the Closing Date. Such information will be available to Holders of Certificates promptly thereafter through the facilities of the Commission as described on page S-3 herein and under "AVAILABLE INFORMATION" in the Prospectus.

Percentages in the following tables have been rounded and, therefore, the total of the percentages in any given column may not add to 100%.

DESCRIPTION OF POOL AM1003

The Qualified Loans in Pool AM1003 will have had individual principal balances as of the Cut-off Date of not less than $45,868 and not more than $850,000. None of the Qualified Loans in Pool AM1003 will have been originated prior to December 1, 1997. None of the Qualified Loans in Pool AM1003 will have a scheduled maturity prior to January 1, 2013 nor later than April 1, 2013. The Qualified Loans in Pool AM1003 will have a weighted average Administrative Fee Rate as of the Cut-off Date of approximately 1.329%.

All of the Qualified Loans in Pool AM1003 require the payment of a Yield Maintenance Charge in connection with any principal prepayment, in whole or in part, made prior to six months before the maturity date of each such Qualified Loan.

Four of the Qualified Loans in Pool AM1003 (approximately 43% by aggregate outstanding principal balance as of the Cut-off Date) provide for the semi-annual payment of principal and interest on a level basis to amortize fully each such Qualified Loan over its stated term. All of the remaining Qualified Loans in Pool AM1003 are balloon loans which provide for regular semi-annual payments of principal and interest computed on the basis of an amortization term that is longer than the related term to stated maturity, with a "balloon" payment (each, a "Balloon Payment") due at stated maturity that will be significantly larger than the semi-annual payments (each, a "Qualified Balloon Loan").

Equitable Agri-Business, Inc. will be the Central Servicer with respect to all six of the Qualified Loans in Pool AM1003 having an aggregate principal balance as of the Cut-off Date of $1,797,835.

The following schedule provides specific information with respect to each Qualified Loan in, and certain summary data with respect to, Pool AM1003.

Qualified Loan Schedule
Pool: AM1003
Cut-off Date: 03/01/1998

Loan Information:

	Next Pmt Date	Next Pmt Type (1)	Cut-off Date Principal Balance	Mortgage Rate	Net Mortgage Rate	Maturity Date	Remain Amort Term (months) (2)	Amort Type (3)	Yield Maintenance Expiration Date	Loan-to-Value Ratio	Balloon-to-Value Ratio (4)	Total Debt Coverage Ratio (5)
CA	04/01/1998	IO	$ 105,000	7.950%	6.650%	04/01/2013	180	F	10/01/2012	70%	0%	1.34
CA	04/01/1998	PI	$ 250,000	7.830%	6.630%	03/01/2013	180	F	09/01/2012	61%	0%	1.44
CA	04/01/1998	PI	$ 365,167	8.250%	7.180%	01/01/2013	178	F	07/01/2012	65%	0%	2.08
IL	04/01/1998	PI	$ 181,800	8.540%	6.690%	03/01/2013	300	B	09/01/2012	61%	40%	1.27
IN	04/01/1998	PI	$ 850,000	8.150%	6.780%	03/01/2013	300	B	09/01/2012	51%	33%	1.48
SD	04/01/1998	PI	$ 45,868	8.070%	6.720%	02/01/2013	179	F	08/01/2012	63%	0%	2.56
Totals	**Count: 6**		$ 1,797,835									

Summary Information:

	Cut-off Date Principal Balance	Mortgage Rate	Net Mortgage Rate	Administr-ative Fee Rate	Maturity Date (6)	Remain Amort Term (months) (2)	Loan-to-Value Ratio	Total Debt Coverage Ratio (5)
Weighted Average	$ 299,639	8.152%	6.822%	1.329%	03/01/2013	248	58%	1.59
Minimum	$ 45,868	7.830%	6.630%	1.070%	01/01/2013	178	51%	1.25
Maximum	$ 850,000	8.540%	7.180%	1.850%	04/01/2013	300	70%	2.56

(1) PPI = Partial Principal and Interest. The principal portion of the payment will be the principal amount as if a full payment were collected plus the accrued interest from the Cut-off Date. PI= Principal and Interest for a full period. IO = The next payment will be interest only.

(2) The Remaining Amortization Term represents the number of amortization periods converted to months. For example, 300 months on an annual pay loan represents 25 amortization periods.

(3) Amortization Type - B = Balloon Loan, F = Fully Amortizing.

(4) The Balloon-to-Value Ratio is the percentage of the Balloon Payment of each Qualified Balloon Loan in the Pool to the appraised value of the related Mortgaged Property.

(5) Total Debt Coverage Ratio is the ratio determined by dividing the borrower's total annual net income (net of living expenses and taxes) from all sources by the borrower's total annual debt service obligations (including capital lease payments).

(6) (6) The Weighted Average Maturity Date is rounded to the closest payment date.

The following table provides information with respect to the commodities produced on Mortgaged Properties securing Qualified Loans in Pool AM1003.

Pool - AM1003 Distribution by Commodity Group (1)			
Commodity Group	**Number of Loans**	**Aggregate Principal Balance As of Cut-off Date**	**Percentage of Aggregate Principal Balance As of Cut-off Date**
Cotton/Tobacco	1	$ 37,800	2%
Dairy	2	$ 407,667	23%
Feed Grains	4	$ 327,768	18%
Food Grains	2	$ 61,200	3%
Greenhouse/ Nursery	1	$ 250,000	14%
Oilseeds	1	$ 45,450	3%
Potatoes, Tomatoes, and Other Vegetables	1	$ 127,500	7%
Sugarbeets, Cane and Other Crops	2	$ 540,450	30%
Grand Total	14	$ 1,797,835	100%

(1) The number of loans in each commodity group will not equal the total number of loans because a Mortgaged Property may be used to produce multiple commodities and thus the related Qualified Loan may be allocated to more than one commodity group. As to any Qualified Loan allocated to more than one commodity group, the principal balance thereof is allocated among commodity groups based on the proportion of the Mortgaged Property used for the production of each commodity.

DESCRIPTION OF POOL AS1022

The Qualified Loans in Pool AS1022 will have had individual principal balances as of the Cut-off Date of not less than $34,000 and not more than $1,225,000. None of the Qualified Loans in Pool AS1022 will have been originated prior to December 1, 1997. All of the Qualified Loans will have a scheduled maturity of January 1, 2013. The Qualified Loans in Pool AS1022 will have a weighted average Administrative Fee Rate as of the Cut-off Date of approximately 1.275%.

All of the Qualified Loans in Pool AS1022 require the payment of a Yield Maintenance Charge in connection with any principal prepayment, in whole or in part, made prior to six months before the maturity date of each such Qualified Loan.

Twelve of the Qualified Loans in Pool AS1022 (approximately 29% by aggregate outstanding principal balance as of the Cut-off Date) provide for the semi-annual payment of principal and interest on a level basis to amortize fully each such Qualified Loan over its stated term. All of the remaining Qualified Loans in Pool AS1022 are balloon loans which provide for regular semi-annual payments of principal and interest computed on the basis of an amortization term that is longer than the related term to stated maturity, with a "balloon" payment (each, a "Balloon Payment") due at stated maturity that will be significantly larger than the semi-annual payments (each, a "Qualified Balloon Loan").

Equitable Agri-Business, Inc. will be the Central Servicer with respect to 18 of the Qualified Loans in Pool AS1022 having an aggregate principal balance as of the Cut-off Date of $6,518,925. Zions First National Bank will be the Central Servicer with respect to 24 of the Qualified Loans in Pool AS1022 having an aggregate principal balance as of the Cut-off Date of $7,787,500.

The following schedule provides specific information with respect to each Qualified Loan in, and certain summary data with respect to, Pool AS1022.

Qualified Loan Schedule

Pool: AS1022

Cut-off Date: 03/01/1998

Loan Information:

	Next Pmt Date	Next Pmt Type (1)	Cut-off Date Principal Balance	Mortgage Rate	Net Mortgage Rate	Maturity Date	Remain Amort Term (months) (2)	Amort Type (3)	Yield Maintenance Expiration Date	Loan-to-Value Ratio	Balloon-to-Value Ratio (4)	Total Debt Coverage Ratio (5)
CA	07/01/1998	PPI	$ 100,000	8.180%	6.980%	01/01/2013	180	F	07/01/2012	53%	0%	1.54
CA	07/01/1998	PPI	$ 450,000	8.750%	6.940%	01/01/2013	300	B	07/01/2012	66%	44%	3.53
CA	07/01/1998	PPI	$ 925,000	8.180%	6.980%	01/01/2013	180	F	07/01/2012	61%	0%	1.91
CA	07/01/1998	PPI	$ 265,000	8.040%	6.790%	01/01/2013	300	B	07/01/2012	65%	43%	0.00
CO	07/01/1998	PPI	$ 192,500	8.460%	6.810%	01/01/2013	300	B	07/01/2012	55%	37%	1.89
CO	07/01/1998	PPI	$ 485,000	7.900%	6.800%	01/01/2013	180	F	07/01/2012	30%	0%	1.38
IA	07/01/1998	PPI	$ 425,000	7.790%	6.690%	01/01/2013	300	B	07/01/2012	61%	40%	1.28
ID	07/01/1998	PPI	$ 376,000	8.050%	6.650%	01/01/2013	180	F	07/01/2012	69%	0%	1.31
ID	07/01/1998	PPI	$ 164,000	8.000%	6.650%	01/01/2013	300	B	07/01/2012	48%	32%	1.41
ID	07/01/1998	PPI	$ 176,050	8.360%	7.010%	01/01/2013	300	B	07/01/2012	70%	46%	1.45
ID	07/01/1998	PPI	$ 1,225,000	7.470%	6.520%	01/01/2013	180	F	07/01/2012	70%	0%	1.59
ID	07/01/1998	PPI	$ 760,000	8.000%	6.800%	01/01/2013	300	B	07/01/2012	68%	44%	1.34
ID	07/01/1998	PPI	$ 350,000	8.000%	6.800%	01/01/2013	300	B	07/01/2012	62%	40%	1.34
IL	07/01/1998	PPI	$ 168,000	8.100%	6.960%	01/01/2013	180	F	07/01/2012	58%	0%	1.83
KS	07/01/1998	PPI	$ 246,900	7.990%	6.590%	01/01/2013	300	B	07/01/2012	70%	46%	1.36
KS	07/01/1998	PPI	$ 268,700	8.050%	6.700%	01/01/2013	300	B	07/01/2012	65%	42%	3.95
MN	07/01/1998	PPI	$ 250,000	7.990%	6.720%	01/01/2013	300	B	07/01/2012	69%	45%	1.33
MN	07/01/1998	PPI	$ 269,000	8.610%	6.900%	01/01/2013	300	B	07/01/2012	70%	47%	1.82
MN	07/01/1998	PPI	$ 144,000	8.500%	6.650%	01/01/2013	300	B	07/01/2012	61%	41%	1.46
MN	07/01/1998	PPI	$ 100,000	8.450%	6.620%	01/01/2013	180	F	07/01/2012	39%	0%	1.75
MN	07/01/1998	PPI	$ 215,000	7.950%	6.740%	01/01/2013	180	F	07/01/2012	61%	0%	1.43
MN	07/01/1998	PPI	$ 350,000	7.870%	6.620%	01/01/2013	300	B	07/01/2012	54%	35%	1.55
MN	07/01/1998	PPI	$ 183,750	7.750%	6.620%	01/01/2013	300	B	07/01/2012	61%	39%	1.33
MN	07/01/1998	PPI	$ 101,400	7.750%	6.620%	01/01/2013	300	B	07/01/2012	53%	34%	1.33
MN	07/01/1998	PPI	$ 291,125	7.750%	6.620%	01/01/2013	300	B	07/01/2012	55%	36%	1.33
MN	07/01/1998	PPI	$ 140,000	8.100%	6.650%	01/01/2013	300	B	07/01/2012	52%	34%	1.39
MT	07/01/1998	PPI	$ 640,000	8.000%	6.910%	01/01/2013	300	B	07/01/2012	55%	36%	1.59
ND	07/01/1998	PPI	$ 165,000	8.200%	6.790%	01/01/2013	300	B	07/01/2012	64%	42%	1.34

OH	07/01/1998	PPI	$	290,000	7.820%	6.720%	01/01/2013	300	B	07/01/2012	48%	31%	1.33
OR	07/01/1998	PPI	$	220,000	8.000%	6.790%	01/01/2013	300	B	07/01/2012	35%	23%	1.69
OR	07/01/1998	PPI	$	225,000	8.000%	6.730%	01/01/2013	300	B	07/01/2012	67%	44%	1.44
SD	07/01/1998	PPI	$	500,000	8.040%	6.790%	01/01/2013	300	B	07/01/2012	69%	45%	1.27
SD	07/01/1998	PPI	$	90,000	8.150%	6.650%	01/01/2013	180	F	07/01/2012	61%	0%	1.29
SD	07/01/1998	PPI	$	34,000	8.150%	6.650%	01/01/2013	180	F	07/01/2012	68%	0%	1.34
SD	07/01/1998	PPI	$	225,000	8.000%	6.760%	01/01/2013	180	F	07/01/2012	41%	0%	1.39
SD	07/01/1998	PPI	$	375,000	8.400%	6.910%	01/01/2013	300	B	07/01/2012	66%	44%	1.29
WA	07/01/1998	PPI	$	210,000	8.000%	6.550%	01/01/2013	300	B	07/01/2012	45%	29%	1.78
WA	07/01/1998	PPI	$	580,000	8.250%	6.800%	01/01/2013	300	B	07/01/2012	66%	44%	1.47
WA	07/01/1998	PPI	$	200,000	8.000%	6.650%	01/01/2013	180	F	07/01/2012	44%	0%	2.88
WA	07/01/1998	PPI	$	369,000	7.850%	6.800%	01/01/2013	300	B	07/01/2012	57%	37%	1.30
WI	07/01/1998	PPI	$	680,000	8.100%	6.720%	01/01/2013	300	B	07/01/2012	70%	46%	1.52
WY	07/01/1998	PPI	$	882,000	8.290%	6.940%	01/01/2013	300	B	07/01/2012	70%	46%	1.46
Totals	**Count: 42**		$	14,306,425									

Summary Information:

		Cut-off Date Principal Balance	Mortgage Rate	Net Mortgage Rate	Administr-ative Fee Rate	Maturity Date (6)	Remain Amort Term (months) (2)	Loan-to-Value Ratio	Total Debt Coverage Ratio (5)
Weighted Average	$	340,629	8.043%	6.768%	1.275%	01/01/2013	265	61%	1.59
Minimum	$	34,000	7.470%	6.520%	0.950%	01/01/2013	180	30%	-
Maximum	$	1,225,000	8.750%	7.010%	1.850%	01/01/2013	300	70%	3.95

(1) PPI = Partial Principal and Interest. The principal portion of the payment will be the principal amount as if a full payment were collected plus the accrued interest from the Cut-off Date. PI= Principal and Interest for a full period. IO = The next payment will be interest only.

(2) The Remaining Amortization Term represents the number of amortization periods converted to months. For example, 300 months on an annual pay loan represents 25 amortization periods.

(3) Amortization Type - B = Balloon Loan, F = Fully Amortizing.

(4) The Balloon-to-Value Ratio is the percentage of the Balloon Payment of each Qualified Balloon Loan in the Pool to the appraised value of the related Mortgaged Property.

(5) Total Debt Coverage Ratio is the ratio determined by dividing the borrower's total annual net income (net of living expenses and taxes) from all sources by the borrower's total annual debt service obligations (including capital lease payments).

(6) The Weighted Average Maturity Date is rounded to the closest payment date.

The following table provides information with respect to the commodities produced on Mortgaged Properties securing Qualified Loans in Pool AS1022.

Pool - AS1022
Distribution by Commodity Group (1)

Commodity Group	Number of Loans		Aggregate Principal Balance As of Cut-off Date	Percentage of Aggregate Principal Balance As of Cut-off Date
Cattle and Calves	4	$	2,090,940	15%
Feed Grains	25	$	3,244,188	23%
Food Grains	11	$	1,771,430	12%
Hogs	2	$	285,260	2%
Oilseeds	14	$	1,448,128	10%
Permanent Plantings	8	$	2,693,000	19%
Potatoes, Tomatoes, and Other Vegetables	8	$	1,146,730	8%
Sugarbeets, Cane and Other Crops	10	$	1,626,750	11%
Grand Total	82	$	14,306,425	100%

(1) The number of loans in each commodity group will not equal the total number of loans because a Mortgaged Property may be used to produce multiple commodities and thus the related Qualified Loan may be allocated to more than one commodity group. As to any Qualified Loan allocated to more than one commodity group, the principal balance thereof is allocated among commodity groups based on the proportion of the Mortgaged Property used for the production of each commodity.

DESCRIPTION OF POOL CS1018

The Qualified Loans in Pool CS1018 will have had individual principal balances as of the Cut-off Date of not less than $83,000 and not more than $875,000. None of the Qualified Loans in Pool CS1018 will have been originated prior to January 1, 1998. All of the Qualified Loans will have a scheduled maturity of January 1, 2003. The Qualified Loans in Pool CS1018 will have a weighted average Administrative Fee Rate as of the Cut-off Date of approximately 1.479%.

All of the Qualified Loans in Pool CS1018 require the payment of a Yield Maintenance Charge in connection with any principal prepayment, in whole or in part, made prior to six months before the maturity date of each such Qualified Loan.

All Qualified Loans in Pool CS1018 are balloon loans which provide for regular semi-annual payments of principal and interest computed on the basis of an amortization term that is longer than the related term to stated maturity, with a "balloon" payment (each, a "Balloon Payment") due at stated maturity that will be significantly larger than the semi-annual payments (each, a "Qualified Balloon Loan").

Equitable Agri-Business, Inc. will be the Central Servicer with respect to eight of the Qualified Loans in Pool CS1018 having an aggregate principal balance as of the Cut-off Date of $2,507,000. Zions First National Bank will be the Central Servicer with respect to three of the Qualified Loans in Pool CS1018 having an aggregate principal balance as of the Cut-off Date of $1,120,000.

The following schedule provides specific information with respect to each Qualified Loan in, and certain summary data with respect to, Pool CS1018.

Qualified Loan Schedule
Pool: CS1018
Cut-off Date: 03/01/1998

Loan Information:

	Next Pmt Date	Next Pmt Type (1)	Cut-off Date Principal Balance	Mortgage Rate	Net Mortgage Rate	Maturity Date	Remain Amort Term (months) (2)	Amort Type (3)	Yield Maintenance Expiration Date	Loan-to-Value Ratio	Balloon-to-Value Ratio (4)	Total Debt Coverage Ratio (5)
CA	07/01/1998	PPI	$ 205,000	8.300%	7.040%	01/01/2003	300	B	07/01/2002	28%	26%	1.37
CA	07/01/1998	PPI	$ 220,000	8.040%	6.940%	01/01/2003	300	B	07/01/2002	53%	49%	1.46
CA	07/01/1998	PPI	$ 185,000	8.040%	6.940%	01/01/2003	300	B	07/01/2002	39%	36%	1.46
CA	07/01/1998	PPI	$ 500,000	7.950%	6.210%	01/01/2003	300	B	07/01/2002	45%	42%	1.38
ID	07/01/1998	PPI	$ 83,000	7.700%	6.320%	01/01/2003	180	B	07/01/2002	43%	35%	1.43
ID	07/01/1998	PPI	$ 250,000	7.750%	6.480%	01/01/2003	180	B	07/01/2002	30%	24%	1.34
NE	07/01/1998	PPI	$ 525,000	8.330%	6.480%	01/01/2003	300	B	07/01/2002	58%	54%	1.61
SD	07/01/1998	PPI	$ 170,000	7.820%	6.470%	01/01/2003	180	B	07/01/2002	70%	57%	1.37
TX	07/01/1998	PPI	$ 390,000	7.900%	6.410%	01/01/2003	180	B	07/01/2002	62%	50%	1.60
UT	07/01/1998	PPI	$ 224,000	7.600%	6.180%	01/01/2003	300	B	07/01/2002	61%	57%	1.26
WY	07/01/1998	PPI	$ 875,000	8.150%	6.710%	01/01/2003	300	B	07/01/2002	34%	31%	1.30
Totals	**Count: 11**		$ 3,627,000									

Summary Information:

	Cut-off Date Principal Balance	Mortgage Rate	Net Mortgage Rate	Administr-ative Fee Rate	Maturity Date (6)	Remain Amort Term (months) (2)	Loan-to-Value Ratio	Total Debt Coverage Ratio (5)
Weighted Average	$ 329,727	8.030%	6.551%	1.479%	01/01/2003	270	46%	1.42
Minimum	$ 83,000	7.600%	6.180%	1.100%	01/01/2003	180	28%	1.26
Maximum	$ 875,000	8.330%	7.040%	1.850%	01/01/2003	300	70%	1.61

(1) PPI = Partial Principal and Interest. The principal portion of the payment will be the principal amount as if a full payment were collected plus the accrued interest from the Cut-off Date. PI= Principal and Interest for a full period. IO = The next payment will be interest only.

(2) The Remaining Amortization Term represents the number of amortization periods converted to months. For example, 300 months on an annual pay loan represents 25 amortization periods.

(3) Amortization Type - B = Balloon Loan, F = Fully Amortizing.

(4) The Balloon-to-Value Ratio is the percentage of the Balloon Payment of each Qualified Balloon Loan in the Pool to the appraised value of the related Mortgaged Property.

(5) Total Debt Coverage Ratio is the ratio determined by dividing the borrower's total annual net income (net of living expenses and taxes) from all sources by the borrower's total annual debt service obligations (including capital lease payments).

(6) The Weighted Average Maturity Date is rounded to the closest payment date.

The following table provides information with respect to the commodities produced on Mortgaged Properties securing Qualified Loans in Pool CS1018.

Pool - CS1018			
Distribution by Commodity Group (1)			
Commodity Group	**Number of Loans**	**Aggregate Principal Balance As of Cut-off Date**	**Percentage of Aggregate Principal Balance As of Cut-off Date**
Cattle and Calves	3	$ 684,000	19%
Cotton/Tobacco	3	$ 235,500	6%
Feed Grains	7	$ 414,150	11%
Food Grains	5	$ 484,740	13%
Oilseeds	3	$ 249,480	7%
Permanent Plantings	5	$ 988,500	27%
Potatoes, Tomatoes, and Other Vegetables	1	$ 50,000	1%
Sheep, Lambs and Other Livestock	1	$ 341,250	9%
Sugarbeets, Cane and Other Crops	4	$ 179,380	5%
Grand Total	32	$ 3,627,000	100%

(1) The number of loans in each commodity group will not equal the total number of loans because a Mortgaged Property may be used to produce multiple commodities and thus the related Qualified Loan may be allocated to more than one commodity group. As to any Qualified Loan allocated to more than one commodity group, the principal balance thereof is allocated among commodity groups based on the proportion of the Mortgaged Property used for the production of each commodity.

No person has been authorized to give any information or to make any representations other than those contained in this Prospectus Supplement or the Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by the Depositor or by any Underwriter. This Prospectus Supplement and the Prospectus do not constitute an offer to sell, or a solicitation of an offer to buy, the securities offered hereby by anyone in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make any such offer or solicitation. Neither the delivery of this Prospectus Supplement and the Prospectus nor any sale made hereunder shall, under any circumstances, create an implication that information herein or therein is correct as of any time since the date of this Prospectus Supplement or the Prospectus.

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PROSPECTUS SUPPLEMENT

PROSPECTUS

Until 90 days after the date of this Prospectus Supplement, all dealers effecting transactions in the Certificates offered hereby, whether or not participating in this distribution, may be required to deliver a Prospectus Supplement and Prospectus to which it relates. This is in addition to the obligation of dealers to deliver a Prospectus Supplement and Prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

$19,731,260

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Guaranteed Agricultural Mortgage-Backed Securities

Federal Agricultural Mortgage Corporation

PROSPECTUS SUPPLEMENT

Bear, Stearns & Co. Inc.

March 20, 1998