Prospectus supplement to prospectus dated April 30, 2002

Federal Agricultural Mortgage Corporation

FARMERMAC
Financing Rural America

Guarantor

Farmer Mac Mortgage Securities Corporation

Depositor

$2,420,000 Guaranteed Agricultural Mortgage-Backed Securities, Series 9/30/03

Consider carefully the risk factors on page S-6 in this prospectus supplement and on page 11 in the prospectus.

This prospectus supplement does not contain complete information about this offering. There is additional information in the prospectus. You should read both this prospectus supplement and the prospectus in full. This prospectus supplement may be used to offer and sell certificates only if accompanied by the prospectus.

We will create a trust fund to hold a pool of agricultural real estate mortgage loans and issue certificates backed by those loans. The trust fund will issue—

	Class SA1012
Approximate original principal amount(1)	$2,420,000
CUSIP number	31315NEX8
Approximate initial pass-through rate(2)	4.11%
Payment frequency	Annually
First distribution date	May 25, 2004
Final distribution date	May 25, 2018

(1) May be up to 5% more or less.
(2) Will vary with the amount of net interest funds distributed on each distribution date.

The Federal Agricultural Mortgage Corporation, which is also known as Farmer Mac, guarantees the timely payment of net interest funds on and principal of the certificates. The obligations of Farmer Mac under this 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.

We will not list the certificates on any national securities exchange or on any automated quotation system of any registered securities association, such as NASDAQ.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The Depositor is offering the Certificates in exchange for the agricultural real mortgage loans constituting the trust fund. See "*Method of Distribution*" in this prospectus supplement.

September 30, 2003

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We provide information to you about the certificates we are offering in two separate documents that progressively provide more detail:

- the accompanying prospectus, which provides general information, some of which may not apply to your certificates; and

- this prospectus supplement, which describes the specific terms of your certificates.

If the description of your certificates varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

SUMMARY OF TERMS

This summary highlights selected information from this document and does not contain all of the information that you need to consider in making your investment decision. To understand all of the terms of the offering of the certificates, read carefully this entire document and the accompanying prospectus.

OFFERED SECURITIES

Farmer Mac Mortgage Securities Corporation (the "Depositor"), a wholly-owned subsidiary of Farmer Mac, is forming a trust fund (the "Trust Fund") to issue Guaranteed Agricultural Mortgage-Backed Securities (the "Certificates") in one class, as listed on the front cover of this prospectus supplement. The Certificates represent beneficial ownership interests in the Trust Fund. The assets of the Trust Fund consist of:

- one pool of agricultural real estate mortgage loans;
- proceeds and collections on these loans that are received after September 30, 2003 (the "Cut-off Date"); and
- a guarantee of timely payment of principal and interest on the Certificates by Farmer Mac.

As a holder of the Class SA1012 Certificates, you will be entitled to receive distributions derived primarily from amounts collected on the mortgage loans in the pool designated as SA1012. The Certificates will be issued in an original principal amount approximately equal to the original principal amount of its corresponding pool of mortgage loans, subject to a permitted variance of plus or minus 5% as described in "*Description of the Certificates — General*" in this prospectus supplement.

DISTRIBUTIONS ON THE CERTIFICATES

Distributions on the Certificates will be made on an annual basis on May 25th of each year beginning on May 25, 2004. If a distribution date falls on a day that is not a business day, the distribution will be made on the next business day. Distributions on the Certificates will be made only to those persons in whose names the Certificates are registered on the close of business on the last business day of the month prior to the month in which the distribution date occurs.

Distributions of Interest

On each applicable distribution date, the trustee will distribute to the holders of Certificates the related Net Interest Funds, as described in "*Description of the Certificates — Distributions — Interest*" in this prospectus supplement.

Distributions of Principal

On each distribution date, the trustee will distribute principal on the Certificates in an aggregate amount equal to the sum of the following for pool SA1012:

- All payments or recoveries of principal (including any balloon payments) on the mortgage loans in the pool received during the preceding Due Period;

-- plus --

- the scheduled principal balance of each mortgage loan included in the pool that was repurchased or became a liquidated mortgage loan (if Farmer Mac, as the master servicer of the mortgage loans, has determined that all amounts to be received on the mortgage loan have been recovered) during the preceding Due Period;

-- plus --

- all full or partial principal prepayments received on the mortgage loans in the pool during the preceding Due Period (to the extent a full principal prepayment has not previously been distributed as a special distribution).

Each "Due Period" begins on the second day of the month in which the previous distribution date occurred and ends on the first day of the month in which the related distribution date occurs. However, the first Due Period will begin on October 1, 2003 and end on May 1, 2004.

Special Distributions

If a full principal prepayment on a mortgage loan is received other than during the last month of the related annual Due Period, the Trustee will make a special distribution of the amount of the full principal prepayment to the holders of the Certificates on the 25th day of the month immediately following the calendar month in which the full principal prepayment is received. In each case, if a special distribution date falls on a day that is not a business day, the distribution will be made on the next business day. Any full principal prepayments received during the last month of the related Due Period will be included in the principal amount distributed to holders of the Certificates on the related regular distribution date.

THE GUARANTEE

Farmer Mac guarantees the timely payment of net interest funds on and principal of the Certificates (including any principal payments due as balloon payments on the related mortgage loans). Farmer Mac's obligations are not backed by the full faith and credit of the United States.

See "Farmer Mac Guarantee" in this prospectus supplement and "Description of the Trust Funds — The Assets in Each Trust Fund — Farmer Mac's Guarantee" in the prospectus for additional information concerning Farmer Mac's guarantee.

The Master Servicer

Farmer Mac will act as master servicer of the mortgage loans. The mortgage loans will be directly serviced by a mortgage servicing institution that we call a central servicer, which will act on behalf of Farmer Mac under a servicing contract that may be supplemented from time to time.

Optional Termination

Under the conditions described in "*Description of the Agreements — Optional Termination*" in this prospectus supplement, Farmer Mac, as master servicer, has the right to terminate the trust fund and retire the Certificates.

The Trustee

The trustee for the Certificates will be U.S. Bank National Association, a national banking association organized and existing under the federal laws of the United States.

Federal Income Tax Consequences

The Depositor expects that 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* "*Material Federal Income Tax Consequences*" *in this prospectus supplement and in the accompanying prospectus for additional information concerning the application of federal income tax laws.*

ERISA Considerations

Subject to important considerations described under "*ERISA Considerations*" in this prospectus supplement and in the accompanying prospectus, if you are investing assets of employee benefit plans or individual retirement accounts, you can purchase the Certificates.

Legal Investment

The Certificates will constitute securities guaranteed by Farmer Mac for purposes of Farmer Mac's charter. Subject to important considerations described under "*Legal Investment*" in this prospectus supplement and in the accompanying prospectus, the Certificates will, by statute, be legal investments for some types of institutional investors.

If your investment authority is subject to legal restrictions, you should consult your own legal advisors to determine whether and the extent to which Certificates constitute legal investments for you.

Offices of Farmer Mac and the Depositor

The principal executive offices of Farmer Mac and the Depositor are located at 1133 Twenty-First Street, N.W., Washington, D.C. 20036. The telephone number there is (202) 872-7700.

RISK FACTORS

You should carefully consider the following risks, together with the risks set forth under the heading "Risk Factors" in the prospectus, before investing in the Certificates. If any of the following risks actually occurs, your investment could be materially and adversely affected.

The Mortgage Loans Are Not Subject To Yield Maintenance Charges. None of the mortgage loans in the Trust Fund require the borrower to pay a charge if the borrower prepays the mortgage loan in whole or in part within a specified time. These charges are known as "Yield Maintenance Charges." Borrowers under mortgage loans that are not subject to Yield Maintenance Charges may be more likely to prepay those mortgage loans than borrowers under mortgage loans that are subject to Yield Maintenance Charges. Prepayments on mortgage loans may adversely affect the yield to maturity on your Certificates.

Variations In Cash Flows May Adversely Affect Your Yield. All of the mortgage loans accrue interest on the simple interest method under which the portion of each scheduled payment applied to interest and principal depends on the actual number of days since receipt of the prior scheduled payment. As a result, the amount of principal distributed on the Certificates may vary simply as a result of the timing of receipt of scheduled payments by the related borrowers.

The Pass-Through Nature Of The Certificates May Make It More Difficult To Predict Distributions. The Certificates will be entitled to distributions each year that reflect the actual recoveries and advances of principal and interest amounts due but unpaid during the preceding year as described in this prospectus supplement. In particular, the Certificates do not accrue interest at a fixed pass-through rate, a pass-through rate that adjusts by reference to an index or any other readily determinable pass-through rate. As a result, you will not be able to determine accurately the amount of interest or principal to which you are entitled on any distribution date in advance of that distribution date and will not be able to predict your likely yield to maturity with any degree of certainty. This feature may reduce the liquidity of the Certificates.

Limited Number of Mortgage Loans May Adversely Affect Your Yield. As of September 26, 2003, pool SA1012 included three mortgage loans. Because losses on individual mortgage loans result in accelerated prepayments of principal under Farmer Mac's guarantee, those losses affect the yield on the Certificates. The effect on the yield on your Certificates may be severe if losses occur on one or more of the mortgage loans in pool SA1012. If losses result in early principal payments, and if the anticipated yield on your Certificates (taking into account the purchase price you paid) is higher than prevailing market yields when these payments occur, your overall investment return will be less than anticipated.

Principal payments include voluntary prepayments, which may be made in whole or in part at any time without penalty, and prepayments due to defaults, liquidations and otherwise. Because pool SA1012 consists of relatively few mortgage loans, the impact of principal payments on the individual underlying mortgage loans will have much more of an effect on the pass-through rate and, therefore, the yield of the Certificates than if the pool included more loans. To the extent any such loan bears interest at a rate, net of fees and expenses, in excess of the then applicable pass-through rate on the Certificates, principal payments on the loan will lower the pass-through rate for the Certificates in future Interest Accrual Periods because the weighted average mortgage loan rate will decrease. If the pass-through rate decreases, you will receive less interest on your Certificates.

The Geographic Concentration Of The Loans May Adversely Affect Your Yield. All of the mortgage loans in the Trust Fund as of the Cut-off Date are secured by properties located in Iowa. The geographic concentration in Iowa increases the risk that localized economic conditions in Iowa may have a disproportionate effect on the Qualified Loans. If economic conditions in Iowa were to cause defaults on the Qualified Loans, you could receive substantial prepayments on your Certificates as a result of defaults or liquidations, which may adversely affect the yield on your Certificates.

DESCRIPTION OF THE MORTGAGE LOANS

The Trust Fund will consist primarily of one pool of agricultural real estate mortgage loans (collectively, the "Qualified Loans") that the Depositor will assign to the Trust Fund. For a detailed description of the characteristics of the Qualified Loans, see "*Annex I: Description of the Qualified Loan Pool*" at the end of this prospectus supplement. The aggregate outstanding principal balance of the Qualified Loans in the pool is subject to the permitted variance described in "*Description of the Certificates — General*" in this prospectus supplement. 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 $3.9 million, 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 $12 million. "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 (1) are used for the production of one or more agricultural commodities and (2) include at least five acres *or* produce minimum annual receipts of $5,000.

All of the Qualified Loans meet Farmer Mac's Underwriting and Appraisal Standards (the "Underwriting Standards") for newly originated loans. The Underwriting Standards are described in "*Description of the Trust Funds — Qualified Loans — General*" in the prospectus.

All the Qualified Loans provide for regular annual scheduled payments of principal and interest and accrue interest in accordance with the simple interest accrual method under which the portion of each scheduled payment applied to interest and principal depends on the actual number of days since receipt of the prior scheduled payment.

The description of the Qualified Loans and the related Mortgaged Properties is based upon the pool as constituted at the close of business on September 26, 2003, as adjusted for any scheduled principal payments due on or before that date. Before we issue the Certificates, we may remove Qualified Loans from the pool (1) if we deem removal necessary or appropriate, (2) as a result of prepayments in full or (3) as a result of incomplete documentation or otherwise. We may add a limited number of other Qualified Loans to the pool before we issue the Certificates unless the addition of those Qualified Loans would materially alter the characteristics of the pool as described in this prospectus supplement. The Depositor believes that the information set forth in "*Annex I: Description of the Qualified Loan Pool*" will be representative of the characteristics of the pool as it will be constituted at the time the Certificates are issued, although the range of mortgage interest rates and maturities and other characteristics of the Qualified Loans in the pool may vary. Under the Swap Agreement, the Seller has made limited representations and warranties regarding 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: Description of the Qualified Loan Pool*" regarding the Qualified Loans will be revised to reflect any adjustments in the composition of the Trust Fund and, if revised, will be included in a Form 8-K to be filed with the SEC by October 15, 2003. The information will be available to Holders promptly after any filing through the facilities of the SEC as described under "*Where You Can Find Additional Information*" in the prospectus.

DESCRIPTION OF THE CERTIFICATES

General

The Certificates will be issued as a separate series under a Trust Agreement dated as of June 1, 1996, as supplemented by an Issue Supplement dated as of the Cut-off Date (together, the "Trust Agreement"), each among Farmer Mac, the Depositor and the Trustee. See "*Description of the Certificates*" and "*Description of the Agreements*" in the prospectus for important additional information regarding the terms and conditions of the Trust Agreement and the Certificates. The Certificates are issued as a separate series under the Trust Agreement with a series designation corresponding to the date this offering is completed. The Certificates will be issued in an initial Certificate Balance approximately equal to the original principal amount of the related pool subject to a permitted variance of plus or minus 5% with respect to the pool.

The Certificates will evidence beneficial ownership interests in the Trust Fund, which consists primarily of (1) the Qualified Loans; (2) the Farmer Mac Guarantee; and (3) proceeds and collections on the Qualified Loans, deposited in, or held as investments in, the Collection Accounts and the Certificate Account, each as defined and described in the prospectus. The pool of Qualified Loans is evidenced by a single class of Certificates bearing the same alphanumeric designation as the underlying pool, which is SA1012. Distributions of interest and principal on the Certificates will be calculated with reference to the Qualified Loans in pool SA1012.

Book-Entry Certificates

The Certificates will be issued in book-entry form, and investors will hold beneficial interests in the Certificates 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 additional increments of $1.

The Certificates will be maintained on the Fed book-entry system in a manner that permits separate trading and ownership. The Certificates have been assigned a CUSIP number and will be tradable separately under that CUSIP number, which is specified on the front cover of this prospectus supplement.

Under the procedures established for the Fed book-entry system, the Federal Reserve Banks will maintain book-entry accounts for the Certificates and make distributions on the Certificates on behalf of Farmer Mac, as master servicer, on the applicable Distribution Dates by crediting Holders' accounts at the Federal Reserve Banks.

Those entities whose names appear on the book-entry records of a Federal Reserve Bank as the entities for whose accounts the Certificates have been deposited are 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. The terms "Holder" and "Holders" used in this prospectus supplement refer to both Holders of Book-Entry Certificates and holders of Certificates that are not Book-Entry

Certificates, unless specific reference is made only to either Holders of Book-Entry Certificates or holders of Certificates that are not Book-Entry Certificates.

Distributions

General. Distributions of principal and interest on the Certificates will be made on an annual basis on the 25th day of May of each year (each, a "Distribution Date"), beginning on May 25, 2004. If any of those days is not a Business Day, distributions will be made on the next succeeding Business Day to persons in whose names the Certificates are registered on the applicable Record Date. A "Business Day" 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 required by law to be closed or Farmer Mac is closed. The "Record Date" for the Certificates and related Distribution Date will be the close of business on the last Business Day of the month preceding the month in which the Distribution Date occurs.

The final Distribution Date for the Certificates, which is set forth on the front cover of this prospectus supplement, has been set to coincide with the latest maturing underlying Qualified Loan in pool SA1012.

Interest. Interest on each the Certificates will be distributed on each Distribution Date in an aggregate amount equal to the Net Interest Funds. "Net Interest Funds" for the Certificates and the related Distribution Date and Due Period will be an amount equal to Interest Funds for that Due Period, less the sum of: (1) the fee payable with respect to each related Qualified Loan computed on the same accrual calculation method on the same principal balance on which the Qualified Loan interest rate accrues and on the basis of the Administrative Fee Rate and (2) reimbursements for advances made in prior Due Periods with respect to Qualified Loans for which payments were received in that Due Period. "Interest Funds" for the Certificates and the related Distribution Date and Collection Period will be an amount equal to the sum of: (1) the interest portion of payments received from borrowers on the related Qualified Loans during that Due Period; (2) the interest portion of recoveries received during that Due Period; and (3) the interest portion of advances, if any, relating to that Due Period. The "Administrative Fee Rate" for each Qualified Loan, which represents the combined fees of the central servicer, any field servicer, Farmer Mac, as master servicer, and Farmer Mac, as guarantor, is the difference between the Mortgage Rate and the Net Mortgage Rate as specified for each Qualified Loan in "*Annex I: Description of the Qualified Loan Pool.*" The weighted average Administrative Fee Rate as of the Cut-off Date for pool SA1012 is 0.989% as of the Cut-off Date.

Solely for purposes of reporting distributions of interest on the Certificates, a Pass-Through Rate will be calculated for the Certificates for each Distribution Date. For any Distribution Date, the "Pass-Through Rate" for the Certificates will be a variable rate equal the product of (x) 12 and (y) the percentage equivalent of a fraction, the numerator of which is the related Net Interest Funds for the related Due Period and the denominator of which is the related Certificate Balance immediately prior to that Distribution Date. As of any date of determination, the "Certificate Balance" of the Certificates will equal their Original Principal Amount, as specified on the front cover of this prospectus supplement, less all amounts distributed on the Certificates in respect of principal on preceding Distribution Dates or Special Distribution Dates.

Principal. Principal in respect of the Certificates will be distributed on each applicable

Distribution Date in an aggregate amount equal to the Principal Distribution Amount for pool SA1012 on such Distribution Date. On each Distribution Date, the "Principal Distribution Amount" for pool SA1012 will equal the sum of (1) the principal portion of all scheduled payments (including any balloon payments) on the Qualified Loans in that pool due during the preceding Due Period, (2) the scheduled principal balance of each Qualified Loan included in that pool that was repurchased or became a Liquidated Qualified Loan during the preceding Due Period, and (3) all full or partial principal prepayments received during the preceding Due Period (other than full principal prepayments previously distributed as a special distribution as described below under "— *Special Distributions*"). A "Liquidated Qualified Loan" is generally any defaulted Qualified Loan as to which it has been determined that all amounts to be received have been recovered. (including any balloon payments, principal prepayments and recoveries in respect of principal).

Priority of Payments. On each Distribution Date for the Certificates, the Trustee will distribute the amounts listed below in the following order of priority:

> *first,* to the Holders of the Certificates, the related Net Interest Funds for the related Due Period; and
>
> *second,* to the Holders of the Certificates, the related Principal Distribution Amount for the related Due Period.

Special Distributions. If a full principal prepayment on a Qualified Loan is received other than during the last month of the related annual Due Period, the Trustee will make a special distribution of the amount of the full principal prepayment to the holders of the Certificates on the 25th day of the month immediately following the calendar month in which the full principal prepayment was received. In each case, if a special distribution date falls on a day that is not a business day, the distribution will be made on the next business day. Special distributions on the Certificates will be made only to those persons in whose names the Certificates are registered on the close of business on the last business day of the month prior to the month in which the special distribution occurs. Any full principal prepayments received during the last month of the related Due Period will be included in the related Principal Distribution Amount distributed to holders of the Certificates on the related Distribution Date. All payments of principal pursuant to any special distribution shall be made in the same priority and manner as distributions of principal on any Distribution Date. Any amounts distributed as a special distribution shall be applied in reduction of the Certificate Balance of the Certificates.

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 the pool of Qualified Loans, among other things, the factor (carried to eight decimal places) that, when multiplied by the original Certificate Balance of the Certificates, will equal the remaining principal balance of the Certificates after giving effect to the distribution of principal to be made on the Distribution Date in that month.

Advances

Under the terms of its Servicing Contract, MONY Life Insurance Company, as Central Servicer, will be required to advance its own funds with respect to delinquent Qualified Loans. 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 Holders.

FARMER MAC

The Federal Agricultural Mortgage Corporation, which is also known as 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.

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 Distribution Date. In addition, Farmer Mac is obligated to distribute on a timely basis the outstanding Certificate Balance in full no later than the related Final Distribution Date (as set forth on the front cover of this prospectus supplement), whether or not sufficient funds are available in the Certificate Account.

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*" in this prospectus supplement and "*Risk Factors — Farmer Mac's guarantee of the timely payment of interest on and principal of certificates is limited*" and "*Description of the Trust Funds — The Assets in Each Trust Fund*" in the prospectus.

OUTSTANDING GUARANTEES

As of September 1, 2003, Farmer Mac had outstanding guarantees on approximately $5.571 billion aggregate principal amount of securities (including approximately $715 million of securities evidencing assets that are guaranteed by the Secretary of the United States Department of Agriculture). Farmer Mac is authorized to borrow up to $1.5 billion 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 the Certificates and their yield to maturity 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 by borrowers, by liquidations of defaulted Qualified Loans, by repurchases as a result of defective documentation and breaches of representations and warranties or for 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 Iowa, 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 the 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 Certificates of amounts that would otherwise be distributed over the remaining terms of the Qualified Loans.

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 those clauses unless the transferee of the related Mortgaged Property does not meet the Underwriting Standards of Farmer Mac and the Servicing Contracts do not require any 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. A partial release may result in a prepayment in part on the related Qualified Loan and a corresponding reamortization of the unpaid principal balance of the Qualified Loan to the maturity date (or the original amortization date if the Qualified Loan provides for a balloon payment) for the 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 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. In addition, the yield to maturity on the Certificates may vary depending on the extent to which the Certificates are 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.

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 Certificates, may coincide with periods of low prevailing interest rates. During those periods, the effective interest rates on securities in which an investor may choose to reinvest amounts received as principal payments on the 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 Certificates, may coincide with periods of high prevailing interest rates. During those periods, the amount of principal payments available to an investor for reinvestment at high prevailing interest rates may be relatively low.

Prepayments of Qualified Loans with relatively higher interest rates, particularly if the Qualified Loans have larger unpaid principal balances, will reduce the Pass-Through Rate for the Certificates from that which would have existed in the absence of prepayments. In addition, the Qualified Loans in the pool will not prepay at the same rate or at the same time. Qualified Loans with relatively higher interest rates may prepay at faster rates than Qualified Loans with relatively lower interest rates in response to a given change in market interest rates. If differential prepayments were to occur, the yield on the 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 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 for the 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 MONY Life Insurance Company as central servicer acting on behalf of Farmer Mac pursuant to a Master Central Servicing Contract (as supplemented) with Farmer Mac (the "Servicing Contract"). See "*Description of the Agreements*" in the prospectus. For a statement of the number of Qualified Loans (and related principal balances) in the pool serviced by the central servicer, see the narrative description set forth in "*Annex I: Description of the Qualified Loan Pool*" in this prospectus supplement. The central servicer may subcontract the performance of some of its servicing duties to a subservicer who may be the seller (the "Seller") and/or originator of the respective Qualified Loans. In addition, the Seller of the Qualified Loans has transferred and assigned the Qualified Loans to the Depositor in exchange for the Certificates pursuant to a Swap Commitment/Purchase Agreement (the "Swap Agreement"). The Swap Agreement includes limited representations and warranties of the Seller regarding the related Qualified Loans. Farmer Mac will assign these representations and warranties and the remedies for their breach to the Trustee for the benefit of Holders under the Trust Agreement. See "*Description of the Agreements — Representations and Warranties; Repurchases*" in the prospectus.

Trustee

The trustee (the "Trustee") for the Certificates pursuant to the Trust Agreement will be U.S. Bank 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

The central servicer will be paid a servicing fee calculated on a loan-by-loan basis. The central servicers may retain additional servicing compensation in the form of assumption fees or similar fees (other than late payment charges in some cases). The Depositor, Farmer Mac, as master servicer, and the central servicer are obligated to pay all expenses incurred in connection with their respective responsibilities under the Trust Agreement and the Servicing Contract (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

As master servicer, Farmer Mac may effect an early termination of the Trust Fund on a Distribution Date when the aggregate principal balance of Qualified Loans in the Trust Fund is less than one percent of their aggregate principal balance as of the Cut-off Date. If Farmer Mac elects to terminate the Trust Fund, it will repurchase all the Qualified Loans and REO Property 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 at the applicable Mortgage Interest Rate, determined as provided in the Trust Agreement. The proceeds of this repurchase will be distributed to Holders of the then outstanding Certificates on the Distribution Date whether or not that Distribution Date is a Distribution Date for the 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 the 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 1133 Twenty-First Street, N.W., Washington, D.C. 20036. The Depositor's telephone number is (202) 872-7700.

MATERIAL FEDERAL INCOME TAX CONSEQUENCES

The following general discussion of 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 "*Material Federal Income Tax Consequences*."

No election will be made to treat the Trust Fund as a real estate mortgage investment conduit, or REMIC, for federal income tax purposes. The Depositor expects that (1) the Trust Fund will be treated as a grantor trust for federal income tax purposes and not as an association taxable as a corporation; (2) a Certificate owned by a real estate investment trust representing an interest in Qualified Loans will be considered to represent "loans . . . secured by an interest in real property" within the meaning of Section 7701(a)(19)(C)(v) of the Internal Revenue Code of 1986, as amended (the "Code") and "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 that Code section; and (3) 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 that Code section. If the value of the real property securing a Qualified Loan is lower than the amount of the Qualified Loan, that 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 could be treated as representing an interest in one or more "stripped bonds."

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. 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 relating to the certificate under applicable law, but do not, solely by reason of the Plan's holding of the certificate, include any of the mortgages underlying the 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 in specified mortgages, where interest and principal payable under the certificate are guaranteed by the United States or an agency or instrumentality of the United States. The Department of Labor 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." Accordingly, none of Farmer Mac, the trustee, the master servicer or any central servicer will be subject to ERISA standards of conduct in dealing with Qualified Loans or other assets of the Trust Fund.

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, before they invest 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

Because the Certificates are securities guaranteed by Farmer Mac for purposes of the Farmer Mac Charter, they will, by statute, be legal investments for some types of institutional investors who are authorized 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 the Certificates constitute legal investments for them.

METHOD OF DISTRIBUTION

The Depositor has agreed to issue the Certificates to the Seller in exchange for the Qualified Loans comprising the Trust Fund, which have an aggregate principal balance equal to the aggregate initial Certificate Balance of the Certificates offered by this Prospectus Supplement. There is currently no secondary market for the Certificates.

The Depositor's issuance of the Certificates to the Seller in exchange for the Qualified Loans is conditioned on the Seller's full compliance with the applicable terms and conditions of the Swap Agreement.

FORWARD-LOOKING STATEMENTS

Some statements in this prospectus supplement represent our expectations or projections for the certificates offered by this prospectus supplement only as of the date of this prospectus supplement. You can generally identify those statements, which are called "forward-looking statements," by the use of the words "may," "will," "expect," "intend," "estimate," "anticipate" or "believe" or similar language.

We believe the expectations expressed in all forward-looking statements are reasonable and accurate based on information we currently have. However, our expectations may not prove to be correct. Important factors that could cause actual results to differ from our expectations are disclosed under "*Risk Factors*" and in other parts of this prospectus supplement. You should always consider those factors in evaluating any subsequent written and oral forward-looking statements by us, or persons acting on our behalf, in connection with this offering.

We will not report to the public any changes to any forward-looking statements to reflect events, developments or circumstances that occur after the date of this prospectus supplement.

INDEX OF PRINCIPAL TERMS

Unless the context indicates otherwise, the following terms shall have the meanings set forth on the pages indicated below.

ANNEX I: DESCRIPTION OF THE QUALIFIED LOAN POOL

The description of the Qualified Loans and the related Mortgaged Properties set forth below is based upon pool SA1012 as constituted at the close of business on September 26, 2003, as adjusted for the scheduled principal payments due before that date. Before we issue the Certificates, we may remove Qualified Loans from the pool: (1) if we deem removal necessary or appropriate; (2) as a result of prepayments in full; or (3) as a result of incomplete documentation or otherwise. We may add a limited number of other Qualified Loans to the pool before we issue the Certificates unless the addition of those Qualified Loans would materially alter the characteristics of the pool as described in this Annex I. The Depositor believes that the information set forth in this Annex I will be representative of the characteristics of pool SA1012 as it will be constituted at the time the Certificates are issued, although the range of mortgage interest rates and maturities and other characteristics of the Qualified Loans in the pool may vary.

The composition of pool SA1012 is subject to adjustment, with the amount of the variance restricted to no more than 5% of the aggregate principal balance of the Qualified Loans in the pool, as stated in this Annex I. The information set forth as to the Qualified Loans will be revised to reflect any adjustments in the composition of the Trust Fund and, if so revised, will be included in a Form 8-K to be filed with the SEC by October 15, 2003. The information will be available to Holders of Certificates promptly after any filing through the facilities of the SEC as described under "*Where You Can Find Additional Information*" in the prospectus.

Percentages and principal balances of Qualified Loans in the following tables have been rounded. Accordingly, the total of the percentages in any given column may not add to 100%, and the total of the principal balances in any given column may not add to the amount shown as the total for the column.

DESCRIPTION OF POOL SA1012

As of the Cut-off Date, the Qualified Loans in pool SA1012 have individual principal balances of not less than $670,000 and not more than $900,000. All of the Qualified Loans in pool SA1012 have a scheduled maturity in April 2018. The Qualified Loans in pool SA1012 have a weighted average Administrative Fee Rate as of the Cut-off Date of approximately 0.989%.

None of the Qualified Loans in pool SA1012 require the payment of a Yield Maintenance Charge in connection with any principal prepayment.

All the Qualified Loans in pool SA1012 are balloon loans that provide for: (1) regular annual payments of principal and interest computed on the basis of an amortization term that is longer than the related term to stated maturity; and (2) a payment at stated maturity of a lump sum or "balloon" payment equal to the remaining principal balance of the loan that is significantly larger than the regular annual payments. All of the Qualified Loans included in pool SA1012 have fixed interest rates for the lives of the loans.

All of the Mortgaged Properties securing the Qualified Loans in pool SA1012 are located in Iowa.

MONY Life Insurance Company, a New York corporation, will be the central servicer for all of the Qualified Loans in pool SA1012, which have an aggregate principal balance of approximately $2,420,000 as of the Cut-off Date.

The following tables provide specific information for each Qualified Loan in pool SA1012 and certain summary data for pool SA1012 as of the Cut-off Date.

Qualified Loan Schedule
Pool SA1012
Cut-off Date: September 30, 2003

Loan Information:

State	Next Payment Date	Next Payment Type (1)	Cut-off Date Principal Balance	Mortgage Rate	Net Mortgage Rate	Maturity Date	Amortization Type (2)	Loan-to-Value Ratio	Balloon-to-Value Ratio (3)	Total Debt Coverage Ratio (4)
IA	4/15/2004	PI	$900,000	5.100%	4.075%	4/15/2018	B	52%	15%	2.44
IA	4/8/2004	PI	$850,000	5.100%	4.175%	4/8/2018	B	46%	13%	1.62
IA	4/15/2004	PI	$670,000	5.100%	4.075%	4/15/2018	B	41%	12%	2.44

Total Balance: $2,420,000
Total Number of Loans: 3

Summary Information:

	Cut-off Date Principal Balance	Mortgage Rate	Net Mortgage Rate	Administrative Fee Rate	Maturity Date (5)	Remaining Amortization Term (6)	Loan-to-Value Ratio	Total Debt Coverage Ratio (4)
Weighted Average	$806,666	5.100%	4.110%	0.989%	4/12/2018	236	47%	2.15
Minimum	$670,000	5.100%	4.075%	0.925%	4/8/2018	236	41%	1.62
Maximum	$900,000	5.100%	4.175%	1.025%	4/15/2018	236	52%	2.44

(1) PI = Principal and Interest for a full period. IO = Next payment will be interest only.

(2) B = Balloon Loan. F = Fully Amortizing Loan.

(3) The Balloon-to-Value Ratio is the percentage of the balloon payment of the Qualified Loan to the appraised value of the related Mortgaged Property.

(4) 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). Loans that were processed through Fast Track will have no Total Debt Coverage Ratio calculated.

(5) The Weighted Average Maturity Date is rounded to the next payment date.

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

Distribution by Commodity Group
Pool SA1012

Commodity Group	Number of Loans (1)	Aggregate Principal Balance As of Cut-off Date	Percentage of Aggregate Principal Balance As of Cut-off Date
Feed Grains	3	$1,210,000	50.0%
Oilseeds	1	$450,000	18.6%
Potatoes, Tomatoes, and Other Vegetables	2	$760,000	31.4%
Grand Total:		$2,420,000	100.0%

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

$2,420,000
Guaranteed Agricultural
Mortgage-Backed Securities,
Series 9/30/03

Federal Agricultural
Mortgage Corporation

PROSPECTUS SUPPLEMENT

September 30, 2003