

YIELD MAINTENANCE: INFINITE PV FACTORING (regular)

Table 4

A	B	C	D	E	F	G	D	E	F	G	D	E	F	G			
Lock	Hold	Principal	3 Years			Prepay	%	5 Years			Prepay	%	7 Years			Prepay	%
8	7	1000	2.58	2.62	22.5	2.2	3.99	4.10	32.4	3.2	5.21	5.39	39.3	3.9			
	6	1000	2.58	2.67	45.8	4.6	3.99	4.38	56.6	5.7	5.21	5.58	81.6	8.2			
	5	1000	2.58	2.72	70.0	7.0	3.99	4.10	114.4	11.4	5.21	5.79	127.2	12.7			
	4	1000	2.58	2.78	95.2	9.5	3.99	3.84	165.9	16.6	5.21	6.00	176.4	17.6			
	3	1000	2.58	2.83	121.3	12.1	3.99	3.59	211.6	21.2	5.21	6.23	229.6	23.0			
	2	1000	2.58	2.88	148.5	14.8	3.99	3.36	252.1	25.2	5.21	6.47	287.1	28.7			
7	6	1000	2.62	2.67	23.3	2.3	4.10	4.21	34.3	3.4	5.39	5.58	42.3	4.2			
	5	1000	2.62	2.72	47.5	4.8	4.10	4.36	69.1	6.9	5.39	5.79	87.9	8.8			
	4	1000	2.62	2.78	72.7	7.3	4.10	4.07	124.2	12.4	5.39	6.00	137.2	13.7			
	3	1000	2.62	2.83	98.8	9.9	4.10	3.80	173.0	17.3	5.39	6.23	190.3	19.0			
	2	1000	2.62	2.88	126.0	12.6	4.10	3.55	216.0	21.6	5.39	6.47	247.8	24.8			
6	5	1000	2.67	2.72	24.2	2.4	4.21	4.33	36.3	3.6	5.58	5.79	45.6	4.6			
	4	1000	2.67	2.78	49.4	4.9	4.21	4.34	79.3	7.9	5.58	6.00	94.9	9.5			
	3	1000	2.67	2.83	75.5	7.6	4.21	4.04	131.5	13.2	5.58	6.23	148.0	14.8			
	2	1000	2.67	2.88	102.7	10.3	4.21	3.76	177.4	17.7	5.58	6.47	205.5	20.6			
5	4	1000	2.72	2.78	25.2	2.5	4.33	4.45	38.4	3.8	5.79	6.00	49.2	4.9			
	3	1000	2.72	2.83	51.3	5.1	4.33	4.31	87.1	8.7	5.79	6.23	102.4	10.2			
	2	1000	2.72	2.88	78.5	7.8	4.33	4.01	136.3	13.6	5.79	6.47	159.9	16.0			
4	3	1000	2.78	2.83	26.1	2.6	4.45	4.58	40.7	4.1	6.00	6.23	53.2	5.3			
	2	1000	2.78	2.88	53.3	5.3	4.45	4.29	92.3	9.2	6.00	6.47	110.6	11.1			
Lock	Hold	Principal	4 Years			Prepay	%	6 Years			Prepay	%	10 Years			Prepay	%
8	7	1000	3.31	3.39	27.9	2.8	4.62	4.77	36.2	3.6	6.71	7.02	45.2	4.5			
	6	1000	3.31	3.47	57.1	5.7	4.62	4.92	74.8	7.5	6.71	7.36	95.2	9.5			
	5	1000	3.31	3.55	87.7	8.8	4.62	5.08	116.0	11.6	6.71	7.72	150.7	15.1			
	4	1000	3.31	3.63	119.8	12.0	4.62	5.24	160.1	16.0	6.71	8.11	212.4	21.2			
	3	1000	3.31	3.72	153.5	15.3	4.62	5.42	207.3	20.7	6.71	8.53	280.9	28.1			
	2	1000	3.31	3.81	188.8	18.9	4.62	5.60	257.8	25.8	6.71	8.98	357.2	35.7			
7	6	1000	3.39	3.47	29.2	2.9	4.77	4.92	38.6	3.9	7.02	7.36	50.0	5.0			
	5	1000	3.39	3.55	59.8	6.0	4.77	5.08	79.9	8.0	7.02	7.72	105.6	10.6			
	4	1000	3.39	3.63	91.9	9.2	4.77	5.24	124.0	12.4	7.02	8.11	167.2	16.7			
	3	1000	3.39	3.72	125.6	12.6	4.77	5.42	171.1	17.1	7.02	8.53	235.7	23.6			
	2	1000	3.39	3.81	161.0	16.1	4.77	5.60	221.6	22.2	7.02	8.98	312.0	31.2			
6	5	1000	3.47	3.55	30.6	3.1	4.92	5.08	41.3	4.1	7.36	7.72	55.5	5.6			
	4	1000	3.47	3.63	62.7	6.3	4.92	5.24	85.4	8.5	7.36	8.11	117.2	11.7			
	3	1000	3.47	3.72	96.4	9.6	4.92	5.42	132.5	13.3	7.36	8.53	185.7	18.6			
	2	1000	3.47	3.81	131.8	13.2	4.92	5.60	183.0	18.3	7.36	8.98	262.0	26.2			
5	4	1000	3.55	3.63	32.1	3.2	5.08	5.24	44.1	4.4	7.72	8.11	61.7	6.2			
	3	1000	3.55	3.72	65.8	6.6	5.08	5.42	91.3	9.1	7.72	8.53	130.2	13.0			
	2	1000	3.55	3.81	101.1	10.1	5.08	5.60	141.8	14.2	7.72	8.98	206.4	20.6			
4	3	1000	3.63	3.72	33.7	3.4	5.24	5.42	47.2	4.7	8.11	8.53	68.5	6.9			
	2	1000	3.63	3.81	69.0	6.9	5.24	5.60	97.7	9.8	8.11	8.98	144.8	14.5			

PREPAY = PRINCIPAL x RATE DIFFERENTIAL x PRESENT VALUE FACTOR (x2)
 A=Lock Rate; B =Hold Rate; C=Principal; D =Lock-PV; E =Hold-PV; F =Prepay; G =% Rate