

YIELD MAINTENANCE: IMPLICIT PV FACTORING (finetuned)

Table 4c

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	0.13	25.8	2.6	3.99	0.13	39.9	4.0	5.21	0.13	52.1	5.2
	6.5	1000	2.58	0.19	38.7	3.9	3.99	0.19	59.9	6.0	5.21	0.19	78.1	7.8
	6	1000	2.58	0.25	51.5	5.2	3.99	0.25	79.9	8.0	5.21	0.25	104.1	10.4
	5.5	1000	2.58	0.31	64.4	6.4	3.99	0.31	99.8	10.0	5.21	0.31	130.2	13.0
	5	1000	2.58	0.38	77.3	7.7	3.99	0.38	119.8	12.0	5.21	0.38	156.2	15.6
	4.5	1000	2.58	0.44	90.2	9.0	3.99	0.44	139.7	14.0	5.21	0.44	182.2	18.2
	4	1000	2.58	0.50	103.1	10.3	3.99	0.50	159.7	16.0	5.21	0.50	208.3	20.8
	3	1000	2.58	0.63	128.9	12.9	3.99	0.63	199.6	20.0	5.21	0.63	260.3	26.0
2	1000	2.58	0.75	154.6	15.5	3.99	0.75	239.6	24.0	5.21	0.75	312.4	31.2	
7	6	1000	2.62	0.14	26.2	2.6	4.10	0.14	41.0	4.1	5.39	0.14	53.9	5.4
	5.5	1000	2.62	0.21	39.4	3.9	4.10	0.21	61.5	6.2	5.39	0.21	80.8	8.1
	5	1000	2.62	0.29	52.5	5.2	4.10	0.29	82.0	8.2	5.39	0.29	107.8	10.8
	4.5	1000	2.62	0.36	65.6	6.6	4.10	0.36	102.5	10.3	5.39	0.36	134.7	13.5
	4	1000	2.62	0.43	78.7	7.9	4.10	0.43	123.0	12.3	5.39	0.43	161.7	16.2
	3	1000	2.62	0.57	105.0	10.5	4.10	0.57	164.0	16.4	5.39	0.57	215.6	21.6
	2	1000	2.62	0.71	131.2	13.1	4.10	0.71	205.0	20.5	5.39	0.71	269.5	26.9
	6	5	1000	2.67	0.17	26.7	2.7	4.21	0.17	42.1	4.2	5.58	0.17	55.8
4.5		1000	2.67	0.25	40.1	4.0	4.21	0.25	63.2	6.3	5.58	0.25	83.7	8.4
4		1000	2.67	0.33	53.5	5.3	4.21	0.33	84.2	8.4	5.58	0.33	111.6	11.2
3		1000	2.67	0.50	80.2	8.0	4.21	0.50	126.4	12.6	5.58	0.50	167.5	16.7
2		1000	2.67	0.67	106.9	10.7	4.21	0.67	168.5	16.8	5.58	0.67	223.3	22.3
5	4	1000	2.72	0.20	27.2	2.7	4.33	0.20	43.3	4.3	5.79	0.20	57.9	5.8
	3	1000	2.72	0.40	54.5	5.4	4.33	0.40	86.6	8.7	5.79	0.40	115.7	11.6
	2	1000	2.72	0.60	81.7	8.2	4.33	0.60	129.9	13.0	5.79	0.60	173.6	17.4
4	3	1000	2.78	0.25	27.8	2.8	4.45	0.25	44.5	4.5	6.00	0.25	60.0	6.0
	2	1000	2.78	0.50	55.5	5.6	4.45	0.50	89.0	8.9	6.00	0.50	120.0	12.0
Lock	Hold	Principal	4 Years	Prepay	%	6 Years	Prepay	%	10 Years	Prepay	%			
8	7	1000	3.31	0.13	33.1	3.3	4.62	0.13	46.2	4.6	6.71	0.13	67.1	6.7
	6.5	1000	3.31	0.19	49.7	5.0	4.62	0.19	69.3	6.9	6.71	0.19	100.7	10.1
	6	1000	3.31	0.25	66.2	6.6	4.62	0.25	92.5	9.2	6.71	0.25	134.2	13.4
	5.5	1000	3.31	0.31	82.8	8.3	4.62	0.31	115.6	11.6	6.71	0.31	167.8	16.8
	5	1000	3.31	0.38	99.4	9.9	4.62	0.38	138.7	13.9	6.71	0.38	201.3	20.1
	4.5	1000	3.31	0.44	115.9	11.6	4.62	0.44	161.8	16.2	6.71	0.44	234.9	23.5
	4	1000	3.31	0.50	132.5	13.2	4.62	0.50	184.9	18.5	6.71	0.50	268.4	26.8
	3	1000	3.31	0.63	165.6	16.6	4.62	0.63	231.1	23.1	6.71	0.63	335.5	33.6
2	1000	3.31	0.75	198.7	19.9	4.62	0.75	277.4	27.7	6.71	0.75	402.6	40.3	
7	6	1000	3.39	0.14	33.9	3.4	4.77	0.14	47.7	4.8	7.02	0.14	70.2	7.0
	5.5	1000	3.39	0.21	50.8	5.1	4.77	0.21	71.5	7.1	7.02	0.21	105.4	10.5
	5	1000	3.39	0.29	67.7	6.8	4.77	0.29	95.3	9.5	7.02	0.29	140.5	14.0
	4.5	1000	3.39	0.36	84.7	8.5	4.77	0.36	119.2	11.9	7.02	0.36	175.6	17.6
	4	1000	3.39	0.43	101.6	10.2	4.77	0.43	143.0	14.3	7.02	0.43	210.7	21.1
	3	1000	3.39	0.57	135.5	13.5	4.77	0.57	190.7	19.1	7.02	0.57	280.9	28.1
	2	1000	3.39	0.71	169.4	16.9	4.77	0.71	238.3	23.8	7.02	0.71	351.2	35.1
6	5	1000	3.47	0.17	34.7	3.5	4.92	0.17	49.2	4.9	7.36	0.17	73.6	7.4
	4.5	1000	3.47	0.25	52.0	5.2	4.92	0.25	73.8	7.4	7.36	0.25	110.4	11.0
	4	1000	3.47	0.33	69.3	6.9	4.92	0.33	98.3	9.8	7.36	0.33	147.2	14.7
	3	1000	3.47	0.50	104.0	10.4	4.92	0.50	147.5	14.8	7.36	0.50	220.8	22.1
	2	1000	3.47	0.67	138.6	13.9	4.92	0.67	196.7	19.7	7.36	0.67	294.4	29.4
5	4	1000	3.55	0.20	35.5	3.5	5.08	0.20	50.8	5.1	7.72	0.20	77.2	7.7
	3	1000	3.55	0.40	70.9	7.1	5.08	0.40	101.5	10.2	7.72	0.40	154.4	15.4
	2	1000	3.55	0.60	106.4	10.6	5.08	0.60	152.3	15.2	7.72	0.60	231.7	23.2
4	3	1000	3.63	0.25	36.3	3.6	5.24	0.25	52.4	5.2	8.11	0.25	81.1	8.1
	2	1000	3.63	0.50	72.6	7.3	5.24	0.50	104.8	10.5	8.11	0.50	162.2	16.2

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

