

# YIELD MAINTENANCE: EXPLICIT PV FACTORING (finetuned)

**Table 4d**

| 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      | 2.62    | 0.13   | 26.2  | 2.6     | 4.10   | 0.13  | 41.0    | 4.1    | 5.39 | 0.13  | 53.9  | 5.4  |
|      | 6.5  | 1000      | 2.65    | 0.19   | 39.7  | 4.0     | 4.16   | 0.19  | 62.3    | 6.2    | 5.48 | 0.19  | 82.3  | 8.2  |
|      | 6    | 1000      | 2.67    | 0.25   | 53.5  | 5.3     | 4.21   | 0.25  | 84.2    | 8.4    | 5.58 | 0.25  | 111.6 | 11.2 |
|      | 5.5  | 1000      | 2.70    | 0.31   | 67.4  | 6.7     | 4.27   | 0.31  | 106.8   | 10.7   | 5.68 | 0.31  | 142.1 | 14.2 |
|      | 5    | 1000      | 2.72    | 0.38   | 81.7  | 8.2     | 4.33   | 0.38  | 129.9   | 13.0   | 5.79 | 0.38  | 173.6 | 17.4 |
|      | 4.5  | 1000      | 2.75    | 0.44   | 96.2  | 9.6     | 4.39   | 0.44  | 153.6   | 15.4   | 5.89 | 0.44  | 206.2 | 20.6 |
|      | 4    | 1000      | 2.78    | 0.50   | 111.0 | 11.1    | 4.45   | 0.50  | 178.1   | 17.8   | 6.00 | 0.50  | 240.1 | 24.0 |
|      | 3    | 1000      | 2.83    | 0.63   | 141.4 | 14.1    | 4.58   | 0.63  | 229.0   | 22.9   | 6.23 | 0.63  | 311.5 | 31.2 |
| 2    | 1000 | 2.88      | 0.75    | 173.0  | 17.3  | 4.71    | 0.75   | 282.8 | 28.3    | 6.47   | 0.75 | 388.3 | 38.8  |      |
| 7    | 6    | 1000      | 2.67    | 0.14   | 26.7  | 2.7     | 4.21   | 0.14  | 42.1    | 4.2    | 5.58 | 0.14  | 55.8  | 5.6  |
|      | 5.5  | 1000      | 2.70    | 0.21   | 40.5  | 4.0     | 4.27   | 0.21  | 64.1    | 6.4    | 5.68 | 0.21  | 85.2  | 8.5  |
|      | 5    | 1000      | 2.72    | 0.29   | 54.5  | 5.4     | 4.33   | 0.29  | 86.6    | 8.7    | 5.79 | 0.29  | 115.7 | 11.6 |
|      | 4.5  | 1000      | 2.75    | 0.36   | 68.7  | 6.9     | 4.39   | 0.36  | 109.7   | 11.0   | 5.89 | 0.36  | 147.3 | 14.7 |
|      | 4    | 1000      | 2.78    | 0.43   | 83.3  | 8.3     | 4.45   | 0.43  | 133.6   | 13.4   | 6.00 | 0.43  | 180.1 | 18.0 |
|      | 3    | 1000      | 2.83    | 0.57   | 113.1 | 11.3    | 4.58   | 0.57  | 183.2   | 18.3   | 6.23 | 0.57  | 249.2 | 24.9 |
|      | 2    | 1000      | 2.88    | 0.71   | 144.2 | 14.4    | 4.71   | 0.71  | 235.7   | 23.6   | 6.47 | 0.71  | 323.6 | 32.4 |
|      | 6    | 5         | 1000    | 2.72   | 0.17  | 27.2    | 2.7    | 4.33  | 0.17    | 43.3   | 4.3  | 5.79  | 0.17  | 57.9 |
| 4.5  |      | 1000      | 2.75    | 0.25   | 41.2  | 4.1     | 4.39   | 0.25  | 65.8    | 6.6    | 5.89 | 0.25  | 88.4  | 8.8  |
| 4    |      | 1000      | 2.78    | 0.33   | 55.5  | 5.6     | 4.45   | 0.33  | 89.0    | 8.9    | 6.00 | 0.33  | 120.0 | 12.0 |
| 3    |      | 1000      | 2.83    | 0.50   | 84.9  | 8.5     | 4.58   | 0.50  | 137.4   | 13.7   | 6.23 | 0.50  | 186.9 | 18.7 |
| 2    |      | 1000      | 2.88    | 0.67   | 115.4 | 11.5    | 4.71   | 0.67  | 188.5   | 18.9   | 6.47 | 0.67  | 258.9 | 25.9 |
| 5    | 4    | 1000      | 2.78    | 0.20   | 27.8  | 2.8     | 4.45   | 0.20  | 44.5    | 4.5    | 6.00 | 0.20  | 60.0  | 6.0  |
|      | 3    | 1000      | 2.83    | 0.40   | 56.6  | 5.7     | 4.58   | 0.40  | 91.6    | 9.2    | 6.23 | 0.40  | 124.6 | 12.5 |
|      | 2    | 1000      | 2.88    | 0.60   | 86.5  | 8.7     | 4.71   | 0.60  | 141.4   | 14.1   | 6.47 | 0.60  | 194.2 | 19.4 |
| 4    | 3    | 1000      | 2.83    | 0.25   | 28.3  | 2.8     | 4.58   | 0.25  | 45.8    | 4.6    | 6.23 | 0.25  | 62.3  | 6.2  |
|      | 2    | 1000      | 2.88    | 0.50   | 57.7  | 5.8     | 4.71   | 0.50  | 94.3    | 9.4    | 6.47 | 0.50  | 129.4 | 12.9 |
| 8    | 7    | 1000      | 3.39    | 0.13   | 33.9  | 3.4     | 4.77   | 0.13  | 47.7    | 4.8    | 7.02 | 0.13  | 70.2  | 7.0  |
|      | 6.5  | 1000      | 3.43    | 0.19   | 51.4  | 5.1     | 4.84   | 0.19  | 72.6    | 7.3    | 7.19 | 0.19  | 107.8 | 10.8 |
|      | 6    | 1000      | 3.47    | 0.25   | 69.3  | 6.9     | 4.92   | 0.25  | 98.3    | 9.8    | 7.36 | 0.25  | 147.2 | 14.7 |
|      | 5.5  | 1000      | 3.51    | 0.31   | 87.6  | 8.8     | 5.00   | 0.31  | 124.9   | 12.5   | 7.54 | 0.31  | 188.4 | 18.8 |
|      | 5    | 1000      | 3.55    | 0.38   | 106.4 | 10.6    | 5.08   | 0.38  | 152.3   | 15.2   | 7.72 | 0.38  | 231.7 | 23.2 |
|      | 4.5  | 1000      | 3.59    | 0.44   | 125.6 | 12.6    | 5.16   | 0.44  | 180.5   | 18.1   | 7.91 | 0.44  | 276.9 | 27.7 |
|      | 4    | 1000      | 3.63    | 0.50   | 145.2 | 14.5    | 5.24   | 0.50  | 209.7   | 21.0   | 8.11 | 0.50  | 324.4 | 32.4 |
|      | 3    | 1000      | 3.72    | 0.63   | 185.9 | 18.6    | 5.42   | 0.63  | 270.9   | 27.1   | 8.53 | 0.63  | 426.5 | 42.7 |
| 2    | 1000 | 3.81      | 0.75    | 228.5  | 22.8  | 5.60    | 0.75   | 336.1 | 33.6    | 8.98   | 0.75 | 539.0 | 53.9  |      |
| 7    | 6    | 1000      | 3.47    | 0.14   | 34.7  | 3.5     | 4.92   | 0.14  | 49.2    | 4.9    | 7.36 | 0.14  | 73.6  | 7.4  |
|      | 5.5  | 1000      | 3.51    | 0.21   | 52.6  | 5.3     | 5.00   | 0.21  | 74.9    | 7.5    | 7.54 | 0.21  | 113.1 | 11.3 |
|      | 5    | 1000      | 3.55    | 0.29   | 70.9  | 7.1     | 5.08   | 0.29  | 101.5   | 10.2   | 7.72 | 0.29  | 154.4 | 15.4 |
|      | 4.5  | 1000      | 3.59    | 0.36   | 89.7  | 9.0     | 5.16   | 0.36  | 128.9   | 12.9   | 7.91 | 0.36  | 197.8 | 19.8 |
|      | 4    | 1000      | 3.63    | 0.43   | 108.9 | 10.9    | 5.24   | 0.43  | 157.3   | 15.7   | 8.11 | 0.43  | 243.3 | 24.3 |
|      | 3    | 1000      | 3.72    | 0.57   | 148.7 | 14.9    | 5.42   | 0.57  | 216.7   | 21.7   | 8.53 | 0.57  | 341.2 | 34.1 |
|      | 2    | 1000      | 3.39    | 0.71   | 169.4 | 16.9    | 5.60   | 0.71  | 280.1   | 28.0   | 8.98 | 0.71  | 449.1 | 44.9 |
|      | 6    | 5         | 1000    | 3.55   | 0.17  | 35.5    | 3.5    | 5.08  | 0.17    | 50.8   | 5.1  | 7.72  | 0.17  | 77.2 |
| 4.5  |      | 1000      | 3.59    | 0.25   | 53.8  | 5.4     | 5.16   | 0.25  | 77.4    | 7.7    | 7.91 | 0.25  | 118.7 | 11.9 |
| 4    |      | 1000      | 3.63    | 0.33   | 72.6  | 7.3     | 5.24   | 0.33  | 104.8   | 10.5   | 8.11 | 0.33  | 162.2 | 16.2 |
| 3    |      | 1000      | 3.72    | 0.50   | 111.5 | 11.2    | 5.42   | 0.50  | 162.5   | 16.3   | 8.53 | 0.50  | 255.9 | 25.6 |
| 2    |      | 1000      | 3.81    | 0.67   | 152.3 | 15.2    | 5.60   | 0.67  | 224.1   | 22.4   | 8.98 | 0.67  | 359.3 | 35.9 |
| 5    | 4    | 1000      | 3.63    | 0.20   | 36.3  | 3.6     | 5.24   | 0.20  | 52.4    | 5.2    | 8.11 | 0.20  | 81.1  | 8.1  |
|      | 3    | 1000      | 3.72    | 0.40   | 74.3  | 7.4     | 5.42   | 0.40  | 108.3   | 10.8   | 8.53 | 0.40  | 170.6 | 17.1 |
|      | 2    | 1000      | 3.81    | 0.60   | 114.2 | 11.4    | 5.60   | 0.60  | 168.0   | 16.8   | 8.98 | 0.60  | 269.5 | 26.9 |
| 4    | 3    | 1000      | 3.72    | 0.25   | 37.2  | 3.7     | 5.42   | 0.25  | 54.2    | 5.4    | 8.53 | 0.25  | 85.3  | 8.5  |
|      | 2    | 1000      | 3.81    | 0.50   | 76.2  | 7.6     | 5.60   | 0.50  | 112.0   | 11.2   | 8.98 | 0.50  | 179.7 | 18.0 |

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

