

Table 1(con't)

Derivation of Risk Weights for 1-4 yr. family mortgages

Fixed-Rate Mortgages				Scenario 1			Scenario 2		
				200 basis point rise			200 basis point decline		
Time Band	Maturity*	Coupon	Price (% OF PAR)	Price (% OF PAR)	% Change in Present Value (Risk Weights)	Price (% OF PAR)	% Change in Present Value (Risk Weights)	Price (% OF PAR)	% Change in Present Value (Risk Weights)
0-3 Months	1.5 Mo.	7.50%	100.00%	99.77%	-0.20%	100.23%	0.20%		
3-12 Months	7.5 Mo.	7.50%	100.00%	99.30%	-0.70%	100.71%	0.70%		
1-3 Years	2 Years	7.50%	100.00%	98.08%	-2.00%	101.98%	2.00%		
3-5 Years	4 Years	7.50%	98.76%	93.10%	-5.70%	103.17%	4.50%		
5-10 Years	7.5 Years	7.50%	97.57%	90.19%	-7.60%	103.25%	5.80%		
10-20 Years	15 Years	7.50%	95.55%	87.40%	-8.50%	102.74%	7.50%		
Over 20 Years	25 Years	7.50%	92.07%	81.46%	-11.50%	101.87%	10.60%		

Adjustable-Rate Mortgages									
Reset Frequency	Maturity*	Coupon	Price (% OF PAR)	Price (% OF PAR)	% Change in Present Value (Risk Weights)	Price (% OF PAR)	% Change in Present Value (Risk Weights)	Price (% OF PAR)	% Change in Present Value (Risk Weights)
0 to 6 Months	6 mo CMT	7.50%	101.31%	97.03%	-4.20%	102.93%	1.60%		
6 Months to 1 Year	12 mo CMT	7.50%	102.12%	97.60%	-4.40%	104.04%	1.90%		
Greater than 1 Year	3 yr CMT	7.50%	99.58%	92.99%	-6.60%	104.62%	5.10%		
Near Lifetime Cap	12 mo CMT	7.50%	99.10%	92.13%	-7.00%	103.42%	4.40%		

* No prepayments are assumed for these hypothetical instruments

- (a) 6 mos CMT, 100 bp periodic cap, 275 bp margin, 500 bp from lifetime cap
 (b) 12 mo. CMT, 200 bp periodic cap, 275 bp margin, 500 bp from lifetime cap
 (c) 3 yr. CMT, 200 bp periodic cap, 275 bp margin, 500 bp from lifetime cap
 (d) 12 mo. CMT, no periodic cap, 275 bp margin, 200 bp from lifetime cap