

TABLE 6.—BENCHMARK INSTRUMENTS FOR SCHEDULE 3

RESET frequency					
6 Months or less: 6 Month treasury 275 margin 330 month WARM 7.50% WAC		Over 6 months to 1 year: 1 Year treasury 275 margin 330 month WARM 7.50% WAC			Over 1 year: 3 Year treasury 275 margin 330 month WARM 7.50% WAC
		No Cap: No periodic cap	Cap <150bp: 100 bp periodic cap and floor	Cap > 150bp: 200 bp periodic cap and floor	No Cap: No periodic cap Cap: 200 bp periodic cap

DISTANCE FROM LIFETIME CAP

Instruments 200 basis points or less from lifetime cap: 200 basis points
 Instruments 201 to 400 basis points from lifetime cap: 300 basis points.
 Instruments 401 to 600 basis points from lifetime cap: 500 basis points.
 Instruments more than 600 basis points from lifetime cap: 700 basis points.

3. Benchmark Instruments for Schedule 4 periodic and lifetime caps as shown in Table 7.

Schedule 4 collects information on an ARM's rate index, reset frequency,

TABLE 7.—ADJUSTABLE-RATE MORTGAGE INFORMATION FOR SCHEDULE 4

Current market index by reset frequency							Lagging market index by reset frequency	
6 Months or less		Over 6 months to 1 year			Over 1 year		1 Month or less	Over 1 month
		No Cap	Cap of 150 bp or less	Cap of more than 150				
No cap	Cap				No Cap	Cap		

Treasury ARM securities were used as the benchmark for the class of mortgages labeled *Current Market Index*. COFI ARM securities were used as the benchmark for the class of mortgages labeled as *Lagging Market Index*. Within each reset frequency and cap range for the *Current Market Index* and *Lagging Market Index* mortgage classes, benchmark instruments were used. The WAC and cap benchmarks for the instruments used for Schedule 4 are as follows:

a. Current Market Index By Reset Frequency

(1) *6 Months or Less, No Cap*: 6-month Treasury ARM securities, as published in the OTS price tables as of September 30, 1994, subject to the aforementioned linear interpolation were used for this category. OTS price tables provide price data on 7.00 percent WAC and 8.50 percent WAC 6-Month Treasury ARM securities. The benchmark weighted average coupons for each WAC range are provided in Table 8.

TABLE 8.—BENCHMARK WACS FOR 6 MONTH TREASURY ARMS

Weighted average coupon	Benchmark WAC (percent)
4.75% and under	4.00
4.76% to 6.25%	5.50
6.26% to 7.75%	7.00
Over 7.75%	8.50

(2) *6 Months or Less, Cap*: The same benchmark WAC's as those listed in Table 7 were used for the benchmark instruments in this category, subject to a 100 basis point periodic cap and floor.

(3) *Over 6 Months to 1 year, No Cap*: 12-Month Treasury ARM securities, as published in the OTS price tables as of September 30, 1994, were used for this category. Because the WAC ranges provided in the OTS price tables vary based on the underlying index, the WAC ranges developed for the supervisory measurement system also vary with the underlying index. OTS price tables provide price information on 7.00 percent WAC and 8.50 WAC 12-Month Treasury ARM securities. The benchmark weighted average coupon used for the WAC ranges are provided in Table 9.

TABLE 9.—BENCHMARK WACS FOR 12-MONTH TREASURY ARMS

Weighted average coupon	Benchmark WAC (percent)
4.75% and under	4.00
4.76% to 6.25%	5.50
6.26% to 7.75%	7.00
Over 7.75%	8.50

(4) *Over 6 Months to 1 Year, Cap of 150 Basis Points or Less*: The same benchmark WAC's as those listed in Table 10 were used for the benchmark instruments in this category, subject to a 100 basis point periodic cap and floor.

(5) *Over 6 Months to 1 Year, Cap of More Than 150 Basis Points*: The same benchmark WAC's as those listed in Table 10 were used for the benchmark instruments in this category, subject to a 200 basis point periodic cap and floor.

(6) *Over 1 Year, No Cap*: 36-Month Treasury ARM securities, as published in the OTS price tables as of September 30, 1994, were used for this category. Because the WAC ranges provided in the OTS price tables vary based on the underlying index, the WAC ranges developed for the supervisory measurement system also vary with the underlying index. OTS price tables