

Office of Thrift Supervision

TB 36-2 was rescinded 4/27/90 by TB 36-2a. Click [HERE](#) to link to TB 36-2a.

Handbook: Thrift Activities
Subject: Capital Adequacy

Section: 320
TB 36-2

March 13, 1990

Interest Rates Used for Financial
Projections Contained in Capital Plans

RESCINDED

Summary: Attachments A and B of this Bulletin contain information on interest rates that should be used as guidelines for financial projections contained in capital plans. The Attachments update Tables 1 and 2 of TB 36-1.

For Further Information Contact: Your District Office or Supervision Policy, OTS, Washington, D.C.

Thrift Bulletin 36-2

Thrift Bulletin 36, *Guidelines for FIRREA Capital Plans, Exemptions, and Exceptions*, issued on November 6, 1989, indicated that the financial projections provided in any savings association's capital plan should be

based on the continuation of existing interest rates and regional economic conditions. Thrift Bulletin 36-1, *Guidelines on Interest, Prepayment, and Loan Origination Rates*, provided further guidance on the preparation of financial projections contained in capital plans. In particular, Tables 1 and 2 of TB 36-1 provided data on interest rates that were to be used as guidelines in formulating conservative capital plan projections. In TB

36-1, this Office indicated that it would provide quarterly updates of Tables 1 and 2.

Attachments A and B of this Bulletin represent the first quarterly update of Tables 1 and 2. They provide information on interest rates that should be used as guidelines for financial projections contained in capital plans submitted from the date of this Bulletin until the next quarter-end update is issued.

Attachments

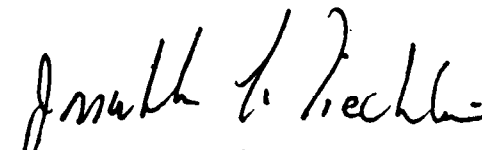

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TABLE 1

PROJECTED SHORT-TERM AND
LONG-TERM TREASURY
RATES BASED ON YIELD CURVE
(As of the week of December 29, 1989)

<u>PERIOD</u>	<u>ONE-MONTH TREASURY BILL RATE</u>	<u>5-YEAR ZERO COUPON TREASURY RATE</u>
1989: Q4	8.0	7.9
1990		
Q1	7.6	7.9
Q2	7.3	7.8
Q3	7.1	7.7
Q4	7.0	7.7
1991		
Q1	6.9	7.7
Q2	6.8	7.6
Q3	6.7	7.6
Q4	6.6	7.5
1992		
Q1	6.5	7.5
Q2	6.5	7.5
Q3	6.5	7.5
Q4	6.4	7.5
1993		
Q1	6.4	7.4
Q2	6.4	7.4
Q3	6.4	7.5
Q4	6.5	7.5
1994		
Q1	6.5	7.5
Q2	6.6	7.6
Q3	6.6	7.6
Q4	6.7	7.7

TABLE 2

SELECTED INTEREST RATES
(As of December 29, 1989)

<u>Commercial Paper</u>		<u>London Interbank Offered Rates (LIBOR)</u>	
30 Days	8.65%	One Month	8.50%
60 Days	8.45	Three Months	8.38
90 Days	8.30	Six Months	8.31
		One Year	8.25
<u>Certificate of Deposit</u>		<u>Corporate Bonds</u>	
One Month	7.93%	1-10yr. High Quality	8.97%
Two Months	7.83	1-10yr. Med. Quality	9.47
Three Months	7.77	10+yr. High Quality	9.21
Six Months	7.59	10+yr. Med. Quality	9.80
One Year	7.59	High-Yield Corporate	14.38
<u>Other Rates</u>			
3-month T-Bill	7.55%		
Prime Rate	10.50		