

BancPath Report FAQ

How are assets analyzed in the model?

The BancPath® model analyzes each individual asset based on its unique pricing characteristics. For example, each loan by loan number is analyzed based on its pricing structure and its amortization schedule, calculated by analyzing the payment amount and frequency. This method of analysis allows for a more granular and more accurate measurement of interest rate risk versus grouping like-type loans and then performing the analysis. Additionally, the information that is collected allows us to analyze pricing decisions made by management. This collected information allows us to calculate offering rates, which are used as the discount rate for each loan type when calculating the Market Value of Equity (MVE) and for calculating Net Interest Income (NII) when a loan reprices in the short-term. Securities are analyzed using Bloomberg cusip level data.

Unique solution ID: #1004

Author: Sean Doherty

Last update: 2018-01-24 17:08