List of Abbreviations

1s3s	1-month LIBOR – 3-month LIBOR basis swap
1x4	“1 by 4” swap; 3-year swap, one year forward
1x6	“1 by 6” swap; 5-year swap, one year forward
2x5	“2 by 5” swap; 3-year swap, two years forward
2x7	“2 by 7” swap; 5-year swap, two years forward
3mL	3-month LIBOR
3x5 cap	“3 by 5” cap; 2-year cap, three years forward
5ncl	5 noncall 1
5np2	5 nonput 2
5x10	“5 by 10”swap; 5-year swap, five years forward
30/360	thirty three-sixty
Act/360	actual three-sixty
ARM	adjustable rate mortgage
ATM	at-the-money
ATMF	at-the-money forward
BBA	British Bankers’ Association
bn	billion
bp	basis point (“bip”)
bps	basis points
CDO	collateralized debt obligation
CEV	Constant Elasticity of Variance
CF	cash flow

CFTC	Commodity Futures Trading Commission
CMO	collateralized mortgage obligation
CMS	Constant Maturity Swap
CMT	Constant Maturity Treasury
CSA	Credit Support Annex
CVA	Credit Valuation Adjustment
FAS	Financial Accounting Standards
FCM	futures commission merchant
FHA	Federal Housing Administration
FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association
FV	future value
GC	general collateral
GSEs	government-sponsored enterprises
IANs	index amortization notes
IO	interest only
ISDA	International Swaps and Derivatives Association
JPY	Japanese yen
L	LIBOR
LBSF	Lehman Brothers Special Financing Inc.
LEANs	LIBOR Enhancement Accrual Notes
LIBOR	London Interbank Offered Rate
LTV	loan to value
MBS	mortgage-backed security
mm	million
NPV	net present value
OCC	Office of the Comptroller of the Currency
OIS	Overnight Index Swap
OTC	over-the-counter
P&L	profit and loss
PMT	annuity payment per period
PV	present value
PV01	present value of a basis point
qm	quarterly money; quarterly Act/360
SABR	Stochastic Alpha, Beta, Rho
sb	semi-bond; semi 30/360
SEC	Securities and Exchange Commission
SNs	structured notes
T	time to maturity or time to expiration
T_3	yield of the on-the-run 3-year Treasury
T_5	yield of the on-the-run 5-year Treasury

T_{30}	yield of the on-the-run 30-year Treasury
USD	U.S. dollars
vol	volatility
zc	zero coupon