Upon completion of this lesson, candidates should be able to:

Demonstrate knowledge of mortgage-backed securities.Including:

Describe types of mortgage-backed securities

Discuss prepayment options within residential mortgages

Discuss and apply methods of measuring unscheduled prepayment rates such as conditional prepayment rates (CPRs) and the resulting Public SecuritiesAssociation (PSA) benchmark

Describe prepayment factors not associated with changing interest rates

Describe commercial mortgage-backed securities as compared with residential mortgage-backed securities