What does a rate reset cost the quarter?

One constant $7.2M floating-rate position with 90 days of exposure.

+75 bp	× $180	= $13,500
Rate change	Per bp, per quarter	Extra interest

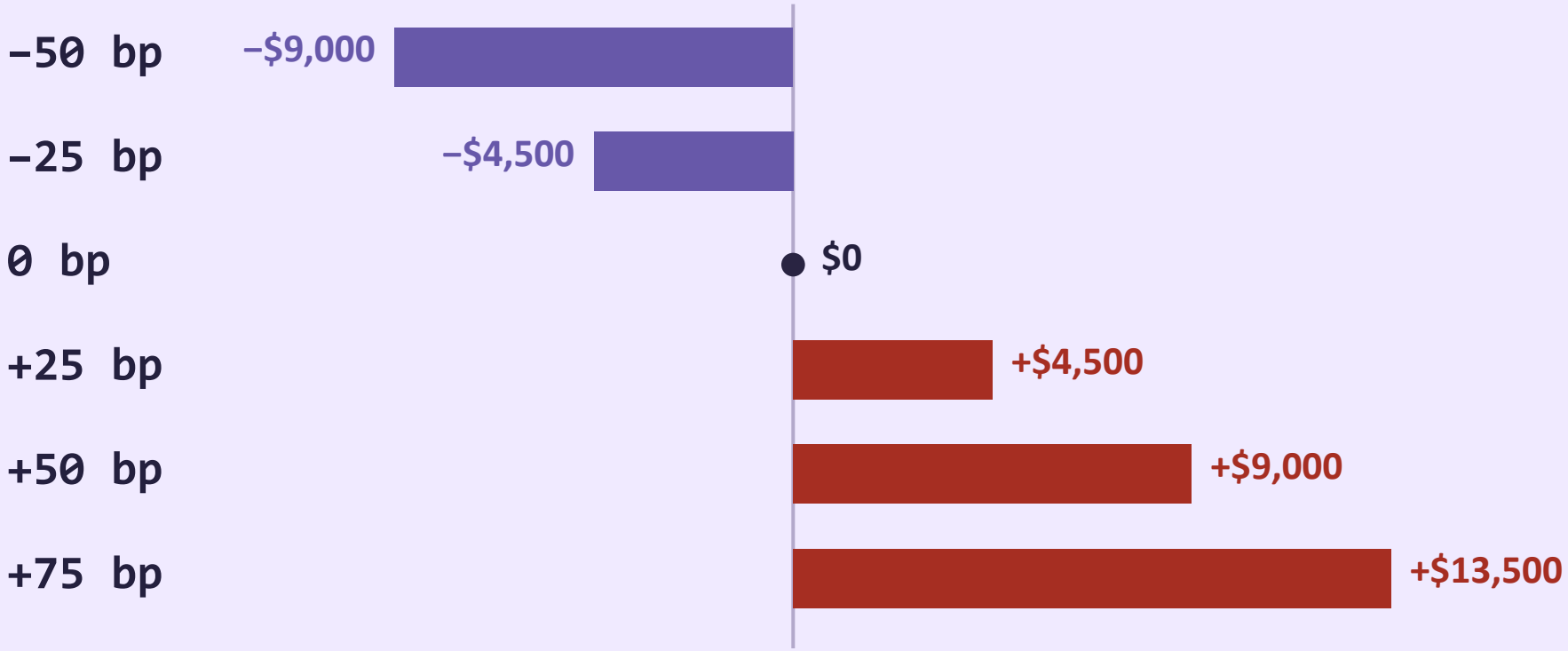
One basis point is 0.01 percentage point of annual interest.

Quarterly sensitivity = $7.2M × 0.0001 × 90/360 = $180 per basis point.

Treasury scenario. Simple interest, 90/360 and immediate pass-through unless specified.

Six reset scenarios on one cash scale

Change in quarterly interest relative to the unchanged-rate case.



Every 25 bp adds or removes $4,500 from the quarter.

The relationship is linear while the balance stays constant and no floor or cap binds.

Treasury scenario. Simple interest, 90/360 and immediate pass-through unless specified.

When does the higher rate take effect?

Scenario grid of extra interest for different numbers of days at the new rate.

Days at reset rate	+25 bp	+50 bp	+75 bp
30 days	+$1,500	+$3,000	+$4,500
60 days	+$3,000	+$6,000	+$9,000
90 days	+$4,500	+$9,000	+$13,500

A +75 bp shock costs $150 per day at this balance.

If 60 of 90 days remain after the reset, the modeled change is $9,000 instead of $13,500.

Treasury scenario. Simple interest, 90/360 and immediate pass-through unless specified.

How much of a rate rise can cash cover?

Illustrative cash reserves converted to the maximum full-quarter shock they cover.

Available reserve	Covered rise	Shortfall at +75 bp
$4,500	+25 bp	$9,000
$9,000	+50 bp	$4,500
$13,500	+75 bp	$0

A $9,000 reserve covers a 50 bp rise for 90 days.

At +75 bp the same reserve leaves $4,500 unfunded. These reserve levels illustrate the decision.

Treasury scenario. Simple interest, 90/360 and immediate pass-through unless specified.

Resize the model for the next cash plan

Alternative constant balances, holding the +75 bp rate shock and 90-day horizon fixed.

Balance	Cost per 1 bp	Additional 90-day interest
$3.6M	$90	+$6,750
$7.2M	$180	+$13,500
$10.8M	$270	+$20,250

Use the actual reset date, accrual basis and outstanding balance.

For amortizing debt, calculate each constant-balance period separately, then sum the interest changes.

Treasury scenario. Simple interest, 90/360 and immediate pass-through unless specified.