



STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA  
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No. 91/65

September 3, 1991

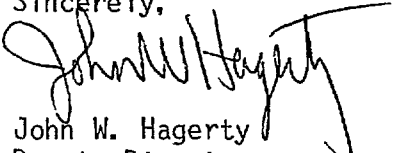
TO COUNTY ASSESSORS:

HISTORICAL PROPERTIES ASSESSED UNDER SECTIONS  
439, 439.1, 439.2, 439.3, AND 439.4 OF THE  
REVENUE AND TAXATION CODE  
YIELD RATE COMPONENT - 1992 LIEN DATE

Historical property assessed under provisions of Revenue and Taxation Code Sections 439 through 439.4 is subject to valuation by the capitalization of income method in a specified manner.

In accordance with Section 439.2, Revenue and Taxation Code, the Board is required to announce the interest component which is equal to the effective rate on conventional mortgages as determined by the Federal Home Loan Bank Board. This yield rate, when rounded to the nearest quarter percent, is to be used as a component of the capitalization rate in the valuation of properties subject to Historical Property Contracts for the 1992 lien date.

The interest rate compilation duties formerly handled by the Federal Home Loan Bank Board are now carried out by the Federal Housing Finance Board. Information from the Federal Housing Finance Board indicates that the latest effective rate was 9.41 percent. When rounded to the nearest one-quarter percent, the interest component is 9.50 percent.

Sincerely,  
  
John W. Hagerty  
Deputy Director  
Property Taxes Department

JWH: sk