1043-60-129   **Srdjan Stojanovic*** (`srdjan@math.uc.edu`), Department of Mathematical Scinces, University of Cincinnati, Cincinnati, OH 45221-0025. *Term structure of risk premium, risk aversion, and humped yield curves.*

Two models for risk premium in the Vasicek short rate model are introduced and solved explicitly. The corresponding yield curves are fitted to empirical data. The results suggest that the humped yield curves can be explained (and quantified) via term structure of risk premium and some out-of-ordinary market risk aversions. (Received August 24, 2008)