

RMAC SECURITIES NO. 1 PLC

(Incorporated with limited liability in England and Wales with registered number 5593541)

MORTGAGE BACKED MEDIUM TERM NOTE PROGRAMME**Issue of Series 2006-NS2 Mortgage Backed Floating Rate Notes**

Notes	Initial Principal Amount	Ratings (S&P/Moody's/Fitch)	Interest Rate	Maturity Date	Issue Price
A1a	£59,300,000	AAA/Aaa/AAA	LIBOR +0.06%	June 2024	100%
A1b	USD243,000,000	AAA/Aaa/AAA	USD LIBOR +0.06%	June 2024	100%
A1c	€54,000,000	AAA/Aaa/AAA	EURIBOR +0.06%	June 2024	100%
A2a	£210,600,000	AAA/Aaa/AAA	LIBOR +0.15%	June 2044	100%
A2c	€225,000,000	AAA/Aaa/AAA	EURIBOR +0.15%	June 2044	100%
M1a	£26,000,000	AA/Aa3/AA+	LIBOR +0.24%	June 2044	100%
M1c	€37,500,000	AA/Aa3/AA+	EURIBOR +0.24%	June 2044	100%
M2c	€35,600,000	A+/A2/A+	EURIBOR +0.43%	June 2044	100%
B1a	£15,000,000	BBB+/Baa3/BBB	LIBOR +0.83%	June 2044	100%
B1c	€13,800,000	BBB+/Baa3/BBB	EURIBOR +0.83%	June 2044	100%
B2a	£6,300,000	BBB-/NR/NR	LIBOR +2.10%	June 2044	100%

Application has been made to the Irish Financial Services Regulatory Authority (IFSRA), as competent authority under Directive 2003/71/EC (the **Prospectus Directive**), for this document to be approved. Application has been made to the Irish Stock Exchange Limited (the **Irish Stock Exchange**) for the Notes to be admitted to the Official List of the Irish Stock Exchange and trading on its regulated market. This document constitutes a prospectus (hereinafter the **Supplement**) in connection with the application for the Notes to be admitted to the Official List of the Irish Stock Exchange. Reference throughout this document to "Supplement" shall be taken to read "Prospectus".

This Supplement is a supplement to the Offering Circular (the **Offering Circular**) dated 28 March 2006, (which Offering Circular comprises a base prospectus for the purposes of the Prospectus Directive) prepared in connection with the Mortgage Backed Medium Term Note Programme (the **Programme**) established by RMAC Securities No. 1 Plc (the **Issuer**) on 29 March 2006.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular together with the Final Terms set out in Annex 1 hereto (the **Final Terms**) and relating to the Series of Notes to be issued pursuant hereto (the **Series**) and the Series Portfolio described herein. The Offering Circular is incorporated by reference into this Supplement. Unless the context otherwise requires, terms defined in the Offering Circular shall have the same meaning when used in this Supplement. Certain Series specific capitalised terms used in this Supplement have the meaning set out in the Index of Defined Terms at the back of this Supplement. References to "Notes" or the "Instruments" (or any class or holder thereof in this Supplement or the Final Terms) shall be to "Notes" or "Instruments" (or the relevant class or holder as applicable) of this Series 2006-NS2.

To the extent there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in the Offering Circular (other than the applicable Final Terms), any statement in this Supplement will prevail.

This Supplement has been prepared for the purpose of giving information about the issue of the Series 2006-NS2 Mortgage Backed Floating Rate Notes by the Issuer which will comprise the £59,300,000 A1a Mortgage Backed Floating Rate Notes due June 2024 (the **A1a Notes**), the USD 243,000,000 A1b Mortgage Backed Floating Rate Notes due June 2024 (the **A1b Notes**), the €54,000,000 A1c Mortgage Backed Floating Rate Notes due June 2024 (the **A1c Notes**) and together with the A1a and the A1b Notes, the **A1 Notes**, the £210,600,000 A2a Mortgage Backed Floating Rate Notes due June 2044 (the **A2a Notes**), the €225,000,000 A2c Mortgage Backed Floating Rate Notes due June 2044 (the **A2c Notes**) and together with the A2a Notes, the **A2 Notes** and together with the A1 Notes, the **A Notes**, the £26,000,000 M1a Mortgage Backed Floating Rate Notes due June 2044 (the **M1a Notes**), the €37,500,000 M1c Mortgage Backed Floating Rate Notes due June 2044 (the **M1c Notes**) and together with the M1a Notes, the **M1 Notes**, the €35,600,000 M2c Mortgage Backed Floating Rate Notes due June 2044 (the **M2c Notes**) and together with the M1 Notes, the **M Notes**, the £15,000,000 B1a Mortgage Backed Floating Rate Notes due June 2044 (the **B1a Notes**) the €13,800,000 B1c Mortgage Backed Floating Rate Notes due June 2044 (the **B1c Notes**) and together with the B1a Notes, the **B1 Notes**, the £6,300,000 B2a Mortgage Backed Floating Rate Notes due June 2044 (the **B2a Notes**) and together with the B1 Notes, the **B Notes**, and together with the A Notes and the M Notes, the **Notes**). The persons in whose name the Notes are registered shall be defined as the **Noteholders**.

Interest is payable on the Notes, beginning on 12 September 2006 and thereafter quarterly in arrear on the 12th day in December, March, June and September in each year, unless such day is not a Business Day, in which case interest shall be payable on the following Business Day (each such date, a **Distribution Date**). Interest on the A1a Notes shall accrue at an annual rate of the London Interbank Offered Rate (**LIBOR**) for deposits in sterling for three months or, in the case of the first Interest Period, at an annual rate obtained upon interpolation of LIBOR for 2 month sterling deposits and LIBOR for 3 month sterling deposits (**Note LIBOR**) plus 0.06 per cent. per annum. Interest on the A1b Notes shall accrue at an annual rate of LIBOR for deposits in US dollars (**USD-LIBOR**) for three months or, in the case of the first Interest Period, at an annual rate obtained upon interpolation of USD-LIBOR for 2 months US dollar deposits and USD-LIBOR for 3 months US dollar deposits (**Note USD-LIBOR**) plus 0.06 per cent. per annum. Interest on the A1c Notes shall accrue at an annual rate of the Eurozone Interbank Offered Rate (**EURIBOR**) for deposits in euro for three months or, in the case of the first Interest Period, at an annual rate obtained upon interpolation of EURIBOR for 2 month euro deposits and EURIBOR for 3 month euro deposits (**Note EURIBOR**) plus 0.06 per cent. per annum. Interest on the A2a Notes shall accrue at an annual rate of Note LIBOR plus 0.15 per cent. per annum. Interest on the A2c Notes shall accrue at an annual rate of Note EURIBOR plus 0.15 per cent. per annum. Interest on the M1a Notes shall accrue at an annual rate of Note LIBOR plus 0.24 per cent. per annum. Interest on the M1c Notes shall accrue at an annual rate of Note EURIBOR plus 0.24 per cent. per annum. Interest on the M2c Notes shall accrue at an annual rate of Note EURIBOR plus 0.43 per cent. per annum. Interest on the B1a Notes shall accrue at an annual rate of Note LIBOR plus 0.83 per cent. per annum. Interest on the B1c Notes shall accrue at an annual rate of Note EURIBOR plus 0.83 per cent. per annum. Interest on the B2a Notes shall accrue at an annual rate of Note LIBOR plus 2.10 per cent. per annum. The Notes will be issued on or about 28 June 2006 (the **Issue Date**).

In addition, on the Issue Date, the Issuer will issue to GMAC-RFC Limited twenty *pari passu* ranking classes of Series 2006-NS2 Mortgage Early Repayment Certificates due June 2044 (the **Series MERCs** and the holders thereof, the **Series MERC Holders**) and twenty *pari passu* ranking classes of Series 2006-NS2 Residual Certificates due June 2044 (the **Series Residuals** and the holders thereof, the **Series Residual Holders**). The Series MERCs and the Series Residuals are not being offered by this Supplement or by the Offering Circular. The issue of the Series MERCs and the Series Residuals is not conditional upon a rating and the Issuer has not requested any rating of the Series MERCs or the Series Residuals.

An investment in the Notes involves certain risks. For a discussion of the risks affecting the Notes see "**Risk Factors**" in the Offering Circular and in this Supplement.

Joint Lead Managers

BARCLAYS CAPITAL

MERRILL LYNCH INTERNATIONAL

Co-Manager

GMAC-RFC SECURITIES EUROPE

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Issuer (which it has taken reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

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No person is or has been authorised by the Issuer, the Programme Arranger, any of the Dealers, the Series Note Trustee or the Security Trustee to give any information or to make any representation not contained in or not consistent with this Supplement or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Programme Arranger, any of the Dealers, the Series Note Trustee or the Security Trustee.

Neither this Supplement nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Seller, the Programme Arranger, any of the Dealers, the Series Note Trustee or the Security Trustee that any recipient of this Supplement or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Supplement nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Seller, the Programme Arranger, any of the Dealers, the Series Note Trustee or the Security Trustee to any person to subscribe for or to purchase any Notes.

This Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Supplement in any jurisdiction where such action is required.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons unless such securities are registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Notwithstanding anything herein to the contrary, from the commencement of discussions with respect to the transaction contemplated by this Supplement, all persons may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transaction described herein and all materials of any kind (including opinions and other tax analyses) that are provided to such persons relating to such tax treatment and tax structure, except to the extent that any such disclosure could reasonably be expected to cause this offering not to be in compliance with securities laws. For purposes of this paragraph, the tax treatment of this transaction is the purported or claimed U.S. federal income tax treatment of this transaction and the tax structure of this transaction is any fact that may be relevant to understanding the purported or claimed U.S. federal income tax treatment of this transaction.

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RISK FACTORS

Interest Rate Matching

Interest on the Notes is payable at a rate equal to Note LIBOR, Note USD LIBOR or Note Euribor, as applicable, plus the applicable margin. Approximately 9.85% of the Mortgage Loans in the Series Initial Mortgage Pool in the Series Portfolio by value accrue interest on the same basis as the Note LIBOR-linked Notes at a rate (which may be a discounted rate for a certain period) equalling a fixed margin over LIBOR (in some cases after the expiry of an initial fixed rate period). Approximately 90.15% of the Mortgage Loans in the Series Initial Mortgage Pool by value accrue interest at either a fixed rate for a term of up to 36 months, or at a rate equalling a fixed margin (which may be a discounted rate for a certain period thereafter) over the Bank of England base rate (in some cases after the expiry of an initial fixed rate period). In the event that the Bank of England base rate, the fixed rate and LIBOR diverge such that LIBOR is significantly higher than the Bank of England base rate and the fixed rate, the Issuer may not receive sufficient income from the Mortgage Loans linked to the Bank of England base rate or from the fixed rate loans to meet its obligations due under the Notes.

Risk of losses associated with declining property values

Further to the risk factor “*Risk of Losses Associated with Declining Property Values*” under “*Risk Factors*” in the Offering Circular, the South East of England, Outer Metropolitan London and Greater London represent approximately 36.18% of the total balance of the Mortgage Loans in the Series Initial Mortgage Pool.

Risk of losses associated with Interest Only Mortgage Loans

Further to the risk factor “*Risk of Losses Associated with Interest Only Mortgage Loans*” under “*Risk Factors*” in the Offering Circular, approximately 55.88% of the Mortgage Loans in the Series Portfolio by value constitute Interest Only Mortgage Loans (see “*Characteristics of the Series Initial Mortgage Pool*” below).

Risk of losses associated with non-owner occupied properties

Further to the risk factor “*Risk of Losses Associated with Non-Owner Occupied Properties*” under “*Risk Factors*” in the Offering Circular, 202 of the Properties representing approximately 1.87% of the Mortgage Loans in the Series Initial Mortgage Pool in the Series Portfolio by value are not owner occupied (see “*Characteristics of the Series Initial Mortgage Pool*” below).

Unfair Terms in Consumer Contracts Regulations 1994 and 1999

The Risk Factor headed *Unfair Terms in Consumer Contracts Regulations 1994 and 1999* on pages 40 and 41 of the Offering Circular is hereby deleted and replaced with the following:

“The Unfair Terms in Consumer Contracts Regulations 1999 (the **1999 Regulations**) and (in so far as applicable) the Unfair Terms in Consumer Contracts Regulations 1994 (together with the 1999 Regulations, the **UTCCR**) apply to agreements made on or after 1 July 1995 and apply to all or almost all of the Mortgage Loans.

The UTCCR provide that: (a) a consumer may challenge a standard term in an agreement on the basis that it is an “unfair” term within the UTCCR, and any term in such agreement which is found to be unfair will not be binding on the consumer; and (b) the OFT, the FSA and any other “qualifying body” (as defined in the 1999 Regulations) may seek to enjoin (or, in Scotland, interdict) a business against relying on unfair terms, although the rest of the agreement will remain enforceable if it is capable of continuing in existence without the unfair term.

This will not generally affect core terms, which set out the main subject matter of the contract, such as the Borrower’s obligation to repay the principal, (provided that these terms are written in plain and intelligible language and are drawn adequately to the consumer’s attention), but may affect terms deemed to be ancillary terms, which may include the ability to choose a substitute for LIBOR, where LIBOR cannot be determined under the loan agreement, and other terms the application of which are in the lender’s discretion.

For example, if a term permitting the lender to vary the interest rate is found to be unfair, the borrower will not be liable to pay the increased rate or, to the extent that he has paid it, will be able, as against the lender or any assignee such as the Issuer, to claim repayment of the extra interest amounts paid or to

set-off the amount of such claim against the amount owing by the borrower under the loan agreement or under any other loan agreement that the borrower has taken with the lender. Any such non-recovery, claim or set-off ultimately may adversely affect the ability of the Issuer to make payments to Noteholders.

The OFT is responsible for the issue of licences under the CCA and the related Consumer Credit Regulations promulgated thereunder. The OFT may review businesses and operations, provide guidelines to follow and take actions when necessary with regard to the mortgage market in the United Kingdom.

In February 2000, the OFT issued a guidance note (the **Guidance Note**) on what the OFT considers to be “fair” or “unfair” within the Unfair Terms in Consumer Contracts Regulations 1999 (see further below) for interest variation terms. The Guidance Note comments on a term linking an interest rate to an external rate outside the lender’s control. It provides that, generally, the OFT and Consumers’ Association will not regard such term as unfair if the lender explains at the outset how the interest rate is linked to the external rate and, if the link does not provide for precise and immediate tracking, the maximum margin of difference, and the time limits within which changes will be made.

A portion of the Mortgage Loans in a Series Initial Mortgage Pool may be made on terms that provide for the mortgage rate to be at a fixed margin above LIBOR (in some cases after the expiry of a period during which the mortgage rate is fixed and during which the Guidance Note will therefore not apply), and that explain when and how the tracking will take effect. A portion of the Mortgage Loans in a Series Initial Mortgage Pool may be made on terms that provide for the mortgage rate to be at a fixed margin above BBR (in some cases after the expiry of a period during which the mortgage rate is fixed and during which the Guidance Note will therefore not apply), and that explain when and how the tracking will take effect. A portion of the Mortgage Loans in a Series Initial Mortgage Pool may be made on terms that provide for the mortgage rate to be variable (in some cases after the expiry of a period during which the mortgage rate is fixed and during which the Guidance Note will therefore not apply) and that explain when and how the tracking might take effect.

In view of mortgage regulation under the FSMA by the Financial Services Authority (FSA) (as described below), the FSA has agreed with the OFT to take responsibility for the enforcement of the 1999 Regulations in mortgage agreements. (However, it should be noted that in the context of the OFT’s investigation into credit card default charges, the OFT on 5 April 2006 publicly announced that the principles the OFT considers should be applied in assessing the fairness of credit card default charges, shall apply (or are likely to apply) also to analogous default charges in other agreements including those for mortgages.) In May 2005, the FSA issued a statement of good practice on fairness of terms in consumer contracts, which is addressed to firms authorised and regulated by the FSA in relation to products and services within the FSA’s regulatory scope. This statement provides that, for locked-in borrowers, a firm may consider drafting the contract to permit a change in the contract to be made only where any lock-in clause is not exercised.

In August 2002, the Law Commission for England and Wales and the Scottish Law Commission published a Joint Consultation Paper proposing changes to the 1999 Regulations, including harmonising provisions of the 1999 Regulations and the Unfair Contract Terms Act 1977, applying the 1999 Regulations to business-to-business contracts, and revising the 1999 Regulations to make them “clearer and more accessible”. A final report, together with a draft bill, was published in February 2005. It is not proposed that there should be any significant increase in the extent of controls over terms in consumer contracts. Some changes are proposed, however, such as that: (a) a consumer may also challenge a negotiated term in an agreement on the basis that it is “unfair” and “unreasonable” within the legislation and therefore not binding on the consumer; and (b) in any challenge by a consumer (but not by the OFT or a qualifying body) of a standard term or negotiated term, the burden of proof lies on the business to show that the term is fair and reasonable.

There can be no assurance that any such legislative or regulatory changes will not affect the Mortgage Loans.”

Consumer Credit Reform

The Risk Factor headed *Consumer Credit Reform* section on pages 42 and 43 of the Offering Circular is hereby deleted and replaced with the following:

“In November 2002, the DTI announced its intention that a credit agreement will be regulated by the CCA where, for credit agreements made after this change is implemented: (a) the borrower is or includes an individual, save for partnerships of four or more partners; (b) irrespective of the amount of credit

(although in July 2003, the DTI announced its intention that the financial limit will remain for certain business-to-business lending); and (c) the credit agreement is not an exempt agreement. In December 2003, the DTI published a White Paper proposing amendments to the CCA and to secondary legislation made under it.

In June 2004, secondary legislation was made on: (a) amending requirements as to documentation of credit agreements, which came into force on 31 May 2005, or 31 August 2005 for agreements given to the borrower for signature but not made before 31 May 2005; (b) pre-contract disclosure, which came into force on 31 May 2005; and (c) replacing the Rule of 78 formula for calculating the maximum amount payable on early settlement with a formula more favourable to the borrower, which came into force on 31 May 2005 for new agreements, or will come into force on 31 May 2007 or 31 May 2010, depending on the term of the agreement, for agreements existing before 31 May 2005.

In December 2004, the UK Parliament published a Consumer Credit Bill proposing to amend the CCA by, *inter alia*: (a) changing the definition of a credit agreement regulated by the CCA to that announced by the DTI as described above; and (b) repealing the rule that, to the extent that a credit agreement is regulated by the CCA or treated as such, it may be unenforceable totally. If these changes are enacted, then any Loan made or changed such that a new contract is entered into after this time, other than an exempt agreement under the CCA, will be regulated by the CCA. Such Loan will have to comply with requirements under the CCA as described above and, if it does not comply, it will be unenforceable without an order of the OFT or without a court order, as described above.

This Consumer Credit Bill also proposed to amend the CCA by: (a) strengthening the licensing regime; (b) changing the grounds for challenging a credit agreement, from “extortionate bargain” to “unfair relationship” between the lender and the borrower, with retrospective effect on existing agreements, and explicitly imposing liability to repay the borrower on both the originator and any assignee such as the Issuer; and (c) extending the jurisdiction of the Ombudsman to licence-holders under the CCA. The Bill was enacted as the Consumer Credit Act 2006 on 30 March 2006. The resulting amendments to the CCA will come into force on such days as the Secretary of State for Trade and Industry may appoint. Further proposals to amend the CCA and secondary legislation made under it are expected at an unspecified time.

Mortgage Loans Regulated by the FSMA and the CCA

Approximately 90.95% by balance of the Mortgage Loans are designated as regulated mortgage contracts. Approximately 9.05% by balance of the Mortgage Loans are designated as unregulated by both the FSMA and the CCA.

The Originators have interpreted certain technical rules under the CCA in a way common with many other lenders in the mortgage market. If such interpretation were held to be incorrect by a court or by the Ombudsman, then a Loan, to the extent that it is regulated by the CCA or treated as such, would be unenforceable as described above. If such interpretation were challenged by a significant number of borrowers, then this could lead to significant disruption and shortfall in the income of the Issuer. Court decisions have been made on technical rules under the CCA against certain mortgage lenders, but such decisions are very few and are generally county court decisions which are not binding on other courts.

Under each of the Series Portfolio Purchase Agreements, the Seller will be obliged to repurchase any Mortgage Loan that is wholly or partly regulated or to be treated as such under the CCA if a court or other dispute resolution authority finds that the obligation of the Borrower to repay principal and pay interest under the Mortgage Loan is not enforceable under that Act.”

Tax Considerations – Risks relating to the Introduction of International Financial Reporting Standards

Further to its announcement in the Pre-Budget Report, the UK Government has proposed legislation in the Finance (No.2) Bill 2006 which, if enacted, will extend the temporary regime under which “securitisation companies” may prepare tax computations to accounting periods ending on or before 31 December 2007. With reference to the provisions under the Finance Act 2005 whereby HM Treasury may make regulations to create a permanent corporation tax regime for securitisation special purpose companies, the UK Government has announced its intention that any such regime will have prospective effect only. Draft regulations have been published for consultation which, if they are brought into force, in substantially the form as published, would apply for accounting periods beginning on or after 1 January 2007. Broadly, the draft regulations would seek to tax securitisation companies which meet certain conditions by reference to their retained profit.

SERIES DOCUMENTS

On or about the Issue Date, the following documents will be entered into (and (other than the Series Subscription Agreement) together with the Security Deed and the Intercreditor Deed, comprise the **Series Documents**):

- (a) Series Portfolio Purchase Agreement;
- (b) Series Servicing Agreement;
- (c) Series Standby Servicing Agreement;
- (d) Series Cash Management Agreement;
- (e) Series Bank Account Agreement;
- (f) Series Agency Agreement;
- (g) Series Trust Deed;
- (h) Series Security Deed Supplement;
- (i) Series Intercreditor Deed Supplement;
- (j) Series Issuer Declaration of Trust;
- (k) Series Deed of Accession to Declaration of Trust;
- (l) Series Liquidity Facility Agreement;
- (m) Series Currency Swap Agreements;
- (n) Series Interest Rate Cap Agreement;
- (o) Series MER Loan Agreement;
- (p) Series Post-Enforcement Call Option Agreement;
- (q) Series Subscription Agreement;
- (r) Scottish Declaration of Trust; and
- (s) Scottish Supplemental Charge.

See further “*Transaction Documents*” and “*Credit Structure*” in the Offering Circular and “*Credit Structure*” below.

Series Secured Creditors in respect of the Series means the Series Note Trustee and the Security Trustee (and any receiver or other person appointed by either of them), the Noteholders of the Series, the Series MERC Holders, the Series Residual Holders, the Series MER Loan Provider, the Series Servicer, the Series Standby Servicer, the Series Cash Manager, the Series Account Bank, the Series Principal Paying Agent, the Series Agent Bank, the Series Irish Paying Agent, the Series Registrar and Transfer Agent (the Series Principal Paying Agent, the Series Agent Bank, the Series Irish Paying Agent, the Series Registrar and the Transfer Agent together, the **Series Agents**), the Series Liquidity Facility Provider, the Series Cap Provider and the Series Currency Swap Counterparty.

SERIES CREDIT STRUCTURE

In addition to the disclosure under “*Credit Structure*” in the Offering Circular, the following is a summary of the structure and credit arrangements underlying the Notes. Such summary should be read in conjunction with the information appearing elsewhere in this Supplement, the Final Terms and the Offering Circular.

The interest rates payable by Borrowers in respect of the Mortgage Loans may vary. It is anticipated that, on the Issue Date, the revenue generated by applying the weighted average of the interest rates applicable to the Mortgage Loans and amounts made available from the Series Discount Reserve will exceed paragraphs (a) through (e), (g), (i), (k) and (m) of the Series Pre-Enforcement, Pre-Acceleration Revenue Priority of Payments and paragraphs (a) through (e), (g), (i), (k) and (m) of the Series Post-Enforcement, Pre-Acceleration Revenue Priority of Payments, as applicable, by an amount, calculated as a percentage, which, on the Issue Date, will be approximately 1.48%. The actual amount of the excess will vary during the life of the Notes. Among the key factors determining such variations will be the level of delinquencies and defaults experienced, the level of prepayments and the weighted average of the mortgage interest rates from time to time.

Series Hedge Agreements

Series Interest Rate Cap Agreement

As described in the Offering Circular under “*Credit Structure – Series Interest Rate Cap Agreements*”, the Issuer will enter into a Series Interest Rate Cap Agreement with The Royal Bank of Scotland plc as Series Cap Provider (the **Series Cap Provider**) dated the Issue Date (the **Series Interest Rate Cap Agreement**) in order to hedge against a possible rise in Note LIBOR to a rate in excess of 9% from the Issue Date for a period of 4 years. Under the Series Interest Rate Cap Agreement, the excess of (a) the amount produced by applying Note LIBOR for the relevant Interest Period to the notional amount of £140,000,000 (the **Notional Amount**) and (b) the amount produced by applying 9% to the Notional Amount for the same period will be paid (if such figure is positive) by the Series Cap Provider to the Issuer on or before the next following Distribution Date and such payment will form part of Available Revenue Funds.

In the event that the short-term unsecured, unguaranteed and unsubordinated debt obligations of the Series Cap Provider are downgraded below A-1 by S&P or F1 by Fitch or that the long-term unsecured, unguaranteed and unsubordinated debt obligations of the Series Cap Provider are downgraded below A by Fitch (each a **Series Cap Provider Downgrade Event** and such ratings the **Interest Rate Cap Trigger Ratings**) or such rating is withdrawn, then the Issuer will terminate the Series Interest Rate Cap Agreement thereunder unless the Series Cap Provider, within 30 days, at its own cost either:

- (a) procures a third party to become guarantor or co-obligor in respect of its obligations under the Series Interest Rate Cap Agreement, whose short-term unsecured, unguaranteed and unsubordinated debt obligations are rated A-1 or above by S&P and F1 or above by Fitch and whose long-term unsecured, unguaranteed and unsubordinated debt obligations are rated A or above by Fitch or who is otherwise approved by S&P or Fitch, respectively; or
- (b) transfers all of its rights and obligations under the Series Interest Rate Cap Agreement to a third party provided that such third party’s short-term unsecured, unguaranteed and unsubordinated debt obligations are rated A-1 or above by S&P and F1 or above by Fitch and whose long-term unsecured, unguaranteed and unsubordinated debt obligations are rated A or above by Fitch or who is otherwise approved by S&P or Fitch, respectively; or
- (c) provides collateral for its obligations in accordance with the terms of the Series Interest Rate Cap Agreement and on terms acceptable to S&P and Fitch; or
- (d) establishes any other arrangement or takes such other action satisfactory to S&P and Fitch to maintain the then current ratings of the Notes.

In the event that the short-term unsecured, unguaranteed and unsubordinated debt obligations of the Series Cap Provider are downgraded below A-3 by S&P or F2 by Fitch or that the long-term unsecured, unguaranteed and unsubordinated debt obligations of the Series Cap Provider are downgraded below BBB- by S&P, BBB+ by Fitch, then the Issuer will terminate the Series Interest Rate Cap Agreement thereunder unless the Series Cap Provider, within 30 days in the case of a downgrade by Fitch and within 10 days in the case of a downgrade by S&P, at its own cost either:

- (a) procures a third party to become guarantor or co-obligor in respect of its obligations under the Series Interest Rate Cap Agreement, whose short-term unsecured, unguaranteed and unsubordinated debt obligations are rated A-1 or above by S&P and F-1 or above by Fitch and whose long-term unsecured, unguaranteed and unsubordinated debt obligations are rated A+ or above by Fitch or who is otherwise approved by S&P or Fitch, respectively; or
- (b) transfers all of its rights and obligations under the Series Interest Rate Cap Agreement to a third party provided that such third party's short-term, unsecured, unguaranteed and unsubordinated debt obligations are rated A-1 or above by S&P and F-1 or above by Fitch and whose long-term unsecured, unguaranteed and unsubordinated debt obligations are rated A+ or above by Fitch or who is otherwise approved by S&P or Fitch, respectively; or
- (c) establishes any other arrangement or takes such other action satisfactory to S&P or Fitch to maintain the then current ratings of the Notes.

Pending compliance with any of (a), (b) or (c) above, the Series Cap Provider must, at its own cost, provide collateral for its obligations in accordance with the terms of the Series Interest Rate Cap Agreement and on terms acceptable to S&P or Fitch, respectively. If any of (a), (b) or (c) above are satisfied at any time, all collateral (or the equivalent thereof, as appropriate) so transferred by the Series Cap Provider will be retransferred to the Series Cap Provider and the Series Cap Provider will not be required to transfer any additional collateral.

Where the Series Cap Provider provides collateral in accordance with the terms of the Series Interest Rate Cap Agreement, such collateral will, upon receipt by the Issuer, be credited to a separate ledger (created to record such amounts) and transferred (if in cash form) to the Series Transaction Account. Any collateral provided by the Series Cap Provider will not form part of Available Revenue Funds or Actual Redemption Funds except in accordance with the terms of the collateral agreement providing for the payment of such collateral.

Series Currency Swap Agreement

As described in the Offering Circular under “*Credit Structure – Series Currency Swap Agreements*”, in order to hedge against currency exchange and interest rate exposure in respect of its obligations under the USD Notes and the Euro Notes, the Issuer will enter into Series Currency Swap Agreements with The Royal Bank of Scotland plc as Series Currency Swap Counterparty (the **Series Currency Swap Counterparty**) dated on the Issue Date (in respect of the A1b Notes, the **A1b USD Note Currency Swap Agreement**, in respect of the A1c Notes, the **A1c Euro Note Currency Swap Agreement**, in respect of the A2c Notes, the **A2c Euro Note Currency Swap Agreement**, in respect of the M1c Notes, the **M1c Euro Note Currency Swap Agreement**, in respect of the M2c Notes, the **M2c Euro Note Currency Swap Agreement**, in respect of the B1c Notes, the **B1c Euro Note Currency Swap Agreement**, and collectively the **Series Currency Swap Agreements**).

Euro Notes means the A1c Notes, the A2c Notes, the M1c Notes, the M2c Notes and the B1c Notes.

USD Notes means the A1b Notes.

Sterling Notes means the A1a Notes, the A2a Notes, the M1a Notes, the B1a Notes and the B2a Notes.

Each Series Currency Swap Agreement may be terminated by the Series Currency Swap Counterparty in circumstances including, broadly, where the Issuer is in default by reason of failure by the Issuer to make payments or the optional redemption in full by the Issuer of the relevant Notes pursuant to Condition 9(d) or Condition 9(e). Each Series Currency Swap Agreement may be terminated by the Issuer in circumstances including, *inter alia*, where the Currency Swap Counterparty is in default by reason of the failure by the Currency Swap Counterparty to make payments, where the Currency Swap Counterparty is otherwise in breach of the Series Currency Swap Agreements and where certain insolvency related events affect the Currency Swap Counterparty.

Each Series Currency Swap Agreement may also terminate early in the event that there are changes in law resulting in the illegality of the obligations to be performed by either party.

Promptly upon the termination of any Series Currency Swap Agreement, the Issuer will notify the Series Note Trustee of each such termination.

Upon termination of a Series Currency Swap Agreement, either the Issuer or the Currency Swap Counterparty will be liable to make a termination payment to the other in accordance with the terms of the relevant Series Currency Swap Agreement. The amount of such a termination payment will be based

on market quotations of the cost of entering into a swap with the same terms and conditions that would have the effect of preserving the respective full payment obligations of the parties. Except where the Series Currency Swap Agreement is terminated following a default of the Currency Swap Counterparty or following the combination of (a) a downgrade of the Currency Swap Counterparty and (b) a failure by the Currency Swap Counterparty to comply with its obligations thereunder in respect of and following such downgrade, the termination payment due by the Issuer will rank *pari passu* with the relevant Class of Notes. The Currency Swap Counterparty is not bound to make any other payments. In particular the Currency Swap Counterparty is not obliged to make or guarantee any payments.

As at the Series Issue Date, the Series Currency Swap Counterparty will be required to have a rating assigned for its short-term unsecured, unsubordinated and unguaranteed debt obligations of at least A-1+ by S&P, P-1 by Moody's and F1 by Fitch and a rating assigned for its long-term unsecured, unsubordinated and unguaranteed debt obligation of at least A1 by Moody's and A+ by Fitch (the **Currency Swap Trigger Ratings**). If any such ratings fall below the Currency Swap Trigger Ratings, the Issuer has the right to terminate the Series Currency Swap Agreements unless the Series Currency Swap Counterparty, within 30 days of such downgrade and at its own cost, either:

- (a) provides collateral for its obligations in accordance with the terms of the Series Currency Swap Agreements; or
- (b) obtains a guarantee of its obligations under the Series Currency Swap Agreements from a third party whose ratings are equal to or higher than the Currency Swap Trigger Ratings; or
- (c) transfers all of its rights and obligations under the Series Currency Swap Agreements to a third party, provided that such third party's ratings are equal to or higher than the Currency Swap Trigger Ratings; or
- (d) takes such other actions as agreed with the Rating Agencies rating the Notes in accordance with the terms of the Series Currency Swap Agreements to maintain the current ratings of the Notes.

If the unsecured, unsubordinated and unguaranteed debt obligations of the Series Currency Swap Counterparty cease to be rated as high as: (a) in the case of short-term debt obligations, A-3 by S&P, P-2 by Moody's or F2 by Fitch or (b) in the case of long-term debt obligations, BBB- by S&P, A3 by Moody's or BBB+ by Fitch, then the Issuer will have the right to terminate the Series Currency Swap Agreements unless the Series Currency Swap Counterparty at its own cost takes any of the actions described in (b) to (d) above in the time frame prescribed in the Series Currency Swap Agreements and (if applicable) continues to provide collateral in accordance with (a) above until such action is taken.

The Series Currency Swap Counterparty may in certain circumstances transfer its obligations in respect of a Series Currency Swap Agreement to another entity provided that the Rating Agencies confirm that such transfer of obligations would not result in a downgrade of the then current ratings of the Notes.

The Issuer is not obliged under the Series Currency Swap Agreements to gross up payments made by it under the Series Currency Swap Agreements if withholding taxes are imposed on such payments.

Each of the Series Currency Swap Agreements will be governed by English law.

Series Credit Support Agreement

Series Liquidity Facility Agreement

As described in the Offering Circular under "*Credit Structure – Series Liquidity Facility Agreement*", the Issuer will enter into a Series Liquidity Facility Agreement in respect of the Notes with Barclays Bank PLC as Series Liquidity Facility Provider (the **Series Liquidity Facility Provider**) dated on or about the Issue Date (the **Series Liquidity Facility Agreement**). Pursuant to the Series Liquidity Facility Agreement, the Issuer will be entitled on any Distribution Date to make drawings up to the Liquidity Maximum Amount to the extent that after the application of amounts standing to the credit of the Series Reserve Ledger, there are insufficient amounts available for distribution standing to the credit of the Series Revenue Ledger to satisfy the Issuer's obligations in paragraphs (a) to (m) (other than paragraphs (f), (h), (j) and (l)) of the Series Pre-Enforcement, Pre-Acceleration Revenue Priority of Payments or paragraphs (a) to (m) (other than paragraphs (f), (h), (j) and (l)) of the Series Post-Enforcement, Pre-Acceleration Revenue Priority of Payments, and such drawings will be credited to the Series Transaction Account and the Series Liquidity Ledger, provided that no drawings from the Series Liquidity Ledger may be made to meet interest payments on the M1 Notes, the M2c Notes, the B1 Notes, or, as the case may be, the B2a Notes, to the extent that, after the application of the Available Revenue Funds and any amounts standing to the credit of the Series Reserve Fund, the M1 Principal Deficiency Sub-Ledger would have a debit

balance equal to or greater than 20% of the then aggregate Base Currency PAO of the M1 Notes or, as the case may be, the M2c Principal Deficiency Sub-Ledger would have a debit balance equal to or greater than 20% of the then aggregate Base Currency PAO of the M2c Notes or, as the case may be, the B1 Principal Deficiency Sub-Ledger would have a debit balance equal to or greater than 50% of the aggregate Base Currency PAO of the B1 Notes or, as the case may be, the B2a Principal Deficiency Sub-Ledger would have a debit balance equal to or greater than 50% of the aggregate Base Currency PAO of the B2a Notes.

Drawings under the Series Liquidity Facility Agreement and any other amounts payable to the Series Liquidity Facility Provider will be paid in accordance with the Series Priorities of Payments and amounts so repaid will be capable of being redrawn.

If, at any time, the credit rating of the Series Liquidity Facility Provider falls below A-1+ by S&P, P-1 by Moody's or F1+ by Fitch or the Series Liquidity Facility Provider has its short-term rating withdrawn, or the liquidity facility under the Series Liquidity Facility Agreement is not renewed and in each case the Series Liquidity Facility is not replaced by an alternative Series Liquidity Facility such that the then current ratings of the Notes are not adversely affected, the Issuer will forthwith draw down the entirety of the undrawn portion of the liquidity facility and credit such amount to a deposit account held with a bank with the above mentioned ratings. The date upon which such amount is drawn down is the **Liquidity Drawdown Date**.

Liquidity Maximum Amount means 5.85% of the aggregate Base Currency PAO on the Issue Date, subject to reduction in accordance with the terms of the Series Liquidity Facility Agreement.

Under the terms of the Series Liquidity Facility Agreement, the Liquidity Maximum Amount shall be reduced on each Distribution Date falling on or after the first Distribution Date on which the initial Liquidity Maximum Amount is greater than or equal to 5.85% of the aggregate Base Currency PAO of the Notes following application of the Actual Redemption Funds on such Distribution Date, to an amount which is the greater of:

- (a) 5.85% of the aggregate Base Currency PAO on the relevant Distribution Date; and
- (b) 1% of the aggregate Base Currency PAO on the Issue Date.

No reduction of the Liquidity Maximum Amount will be permitted on a Distribution Date if:

- (i) there is a debit balance on any of the Series Principal Deficiency Sub-Ledgers;
- (ii) the Series Servicer or the Series Cash Manager is at that time in breach of any of its obligations under the Series Servicing Agreement, the Series Cash Management Agreement or any other Transaction Document in respect of the Series;
- (iii) any amount is then outstanding under the Series Liquidity Facility Agreement;
- (iv) the aggregate value of the principal losses experienced on the Series Portfolio (whether or not such losses form part of the Series Principal Deficiency Sub-Ledgers at such time) at the immediately preceding Determination Date is greater than 1.25% of the aggregate Base Currency PAO on the Issue Date;
- (v) as at the immediately preceding Distribution Date the aggregate Balance of Mortgage Loans in respect of which payment is 90 days or more in arrears is higher than 17% of the aggregate Balance of all Mortgage Loans in the Series Portfolio;
- (vi) the aggregate balance of all Mortgage Loans foreclosed in the Series Portfolio exceeds 2.25% of the original balance of the Series Portfolio; or
- (vii) the amount constituting the Series Reserve Fund is lower than the Series Reserve Fund Required Amount.

Available Commitment means the commitment under the Series Liquidity Facility Agreement less the outstanding advances, taking into account any repayment thereof.

Base Currency PAO means the Principal Amount Outstanding in sterling of the Notes denominated in sterling and the sterling equivalent of the Principal Amount Outstanding of the USD Notes and the Euro Notes, calculated using the USD Currency Swap Rate and the Euro Currency Swap Rate, respectively, as defined in the Final Terms relating to the Notes.

Liquidity Drawn Amount means on any Determination Date: (a) at any time prior to any Liquidity Drawdown Date, the amount then drawn under the Series Liquidity Facility Agreement and not repaid together with all accrued interest up to (but excluding) the related Distribution Date pursuant to the Series Liquidity Facility Agreement; and (b) at any time on or after the Liquidity Drawdown Date, the difference between the Liquidity Maximum Amount and the Available Commitment under the Series Liquidity Facility Agreement as at the last day of the month immediately preceding such Determination Date.

Subordinated Liquidity Facility Amounts means amounts relating to a period where the Series Liquidity Facility has been fully drawn for reason of non-renewal of the Series Liquidity Facility by the Series Liquidity Facility Provider equal to the extent to which the applicable margin under the Series Liquidity Facility Agreement payable during such period (which shall for the avoidance of doubt include LIBOR) exceeds the aggregate of (i) the amount of any interest earned on the Series Liquidity Drawn Amount whilst deposited in an interest-bearing account during such period and (ii) the amount of commitment fee under the Series Liquidity Facility Agreement payable if such non-renewal had not occurred.

Reserves

Series Reserve Fund

To provide limited coverage for shortfalls in amounts under paragraphs (a) to (n) inclusive of the Pre-Enforcement, Pre-Acceleration Revenue Priority of Payments and paragraphs (a) to (n) inclusive of the Post-Enforcement, Pre-Acceleration Revenue Priority of Payments, the Issuer will on the Issue Date establish a reserve fund (the **Series Reserve Fund**) in the initial amount of £7,350,000, using part of the proceeds of the advance of the Series MER Loan to be utilised on any Distribution Date where such shortfalls occur.

Series Reserve Fund Required Amount means £7,350,000, provided that, on each Distribution Date falling on or after the first Distribution Date on which the Series Reserve Fund is equal to or greater than 2.1% of the aggregate Base Currency PAO (the **Reserve Fund Determination Date**) and if the following conditions are satisfied:

- (a) all balances on each of the Series Principal Deficiency Sub-Ledgers (as described below) are zero;
- (b) no amount is outstanding under the Series Liquidity Facility Agreement (other than a liquidity standby drawing);
- (c) the amount in the Series Reserve Fund is equal to or greater than the Series Reserve Fund Required Amount as of the relevant Reserve Fund Determination Date;
- (d) the total balance of all Mortgage Loans in the Series Portfolio which are 90 days or more in arrears does not exceed 17% of the total balance of all the Mortgage Loans in the Series Portfolio;
- (e) the total balance of all Mortgage Loans foreclosed in the Series Portfolio does not exceed 2.25% of the original balance of the Series Portfolio; and
- (f) the total losses suffered by the Issuer from the Issue Date until the relevant Reserve Fund Determination Date are lower than 1.25% of the original balance of the Series Portfolio,

then the Series Reserve Fund Required Amount will be reduced to an amount equal, on such Reserve Fund Determination Date, to the greater of £3,500,000 and 2.1% of the then aggregate Base Currency PAO.

Following a reduction to the Series Reserve Fund Required Amount, any amounts standing to the credit of the Series Reserve Fund in excess of the Series Reserve Fund Required Amount (the **Series Reserve Fund Excess**) will be applied as Available Revenue Funds and applied in accordance with the Series Priorities of Payments.

On any Distribution Date to the extent that amounts are available after payment of any amounts under paragraphs (a) to (n) of the Series Pre-Enforcement, Pre-Acceleration Revenue Priority of Payments or paragraphs (a) to (n) of the Series Post-Enforcement, Pre-Acceleration Revenue Priority of Payments, the excess, if any, will be deposited in the Series Reserve Fund to the extent necessary to replenish and maintain the Series Reserve Fund Required Amount as set out under the Series Pre-Enforcement, Pre-Acceleration Revenue Priority of Payments and the Series Post-Enforcement, Pre-Acceleration Revenue Priority of Payments, as applicable.

On any Distribution Date on which the Notes are redeemed in full, the Series Reserve Fund will be applied as Available Revenue Funds in accordance with the Series Priorities of Payments.

Series Discount Reserve

To cover the Expected Differentials (as defined below) resulting from Discounted Mortgage Loans in the Series Portfolio, the Issuer will establish a reserve (the **Series Discount Reserve**) on the Issue Date using part of the proceeds of the advance of the Series MER Loan (described below) in an amount equal to the Series Discount Reserve Required Amount as at the Issue Date.

On the Issue Date, the Series Cash Manager will determine the Loan Expected Differential (as defined below) and the anticipated Expected Differential for the first Determination Period.

On each Determination Date, the Series Cash Manager will calculate the Loan Expected Differential in respect of any Substitute Mortgage Loans, Consolidated Mortgage Loans or Further Advances transferred into the Series Portfolio in the immediately preceding Determination Period which are Discounted Mortgage Loans and any Discounted Mortgage Loans to be transferred into the Series Portfolio or in respect of which Further Advances are to be made on the immediately succeeding Distribution Date and will calculate the Expected Differential in respect of the current Determination Period to take into account such substitutions or advances and any redemptions, repurchases or purchases of Discounted Mortgage Loans and their Related Security during the immediately preceding Determination Period.

On each Distribution Date a portion of the amount standing to the credit of the Series Discount Reserve equal to the amount of any Expected Differential determined in respect of the Determination Period ending immediately prior to such Distribution Date (the **Discount Reserve Applicable Amount**) shall be debited to the Series Discount Reserve and credited to the Series Transaction Account and will be applied as Available Revenue Funds in accordance with the Series Priorities of Payments.

Under the Pre-Enforcement, Pre-Acceleration Revenue Priority of Payments and the Post-Enforcement, Pre-Acceleration Revenue Priority of Payments and subject to the availability of funds, on each Distribution Date the Series Cash Manager will allocate amounts to the Series Discount Reserve to cover the additional Loan Expected Differential arising from anticipated discounts on Substitute Mortgage Loans, Consolidated Mortgage Loans and Further Advances on Mortgage Loans in the Series Portfolio.

In addition, if at any time the amount standing to the credit of the Series Discount Reserve exceeds the Series Discount Reserve Required Amount, the amount of such excess shall be debited from the Series Discount Reserve and credited to the Series Transaction Account for application in accordance with the Series Priorities of Payments.

On any Distribution Date on which the Notes are redeemed in full or on which all discounts applicable to Discounted Mortgage Loans which then form part of the Series Portfolio have expired, the Series Discount Reserve (if any) will be applied as Available Revenue Funds.

Discount BBR-Linked Mortgage Loans means BBR-Linked Mortgage Loans with the Bank of England Base Rate-Linked Mortgage Rate discounted by between 0.01% and 1.55% until one of several dates ending no later than 1 June 2008.

Discount LIBOR-Linked Mortgage Loans means LIBOR-Linked Mortgage Loans with the LIBOR-Linked Mortgage Rate discounted by between 0.50% and 2.50% until one of several dates ending no later than 14 March 2009.

Effective Interest Margin means the weighted average margin above LIBOR (in the case of the Discount LIBOR-Linked Mortgage Loans) or the Bank of England base rate (in the case of the Discount BBR-Linked Mortgage Loans) charged to the relevant Borrowers during the period when discounts apply to Discounted Mortgage Loans in the Series Portfolio.

Expected Differential means an amount calculated in respect of each Determination Period that falls during the period when discounts apply to Discounted Mortgage Loans in the Series Portfolio as the difference between the Unadjusted Margin and the Effective Interest Margin, multiplied by the principal amount outstanding of the Discounted Mortgage Loans in the Series Portfolio as of the first day of the relevant Determination Period and the actual number of days to elapse in the relevant Determination Period and divided by 365 (or 366 if the relevant Distribution Date following such Determination Period falls in a leap year).

Loan Expected Differential means, as calculated on the Issue Date and each Determination Date, the aggregate of the Expected Differentials applying to each Determination Period that falls during the period when discounts apply to Discounted Mortgage Loans that form part of the Series Portfolio as at the first day of the relevant Determination Period.

Series Discount Reserve Required Amount means the amount calculated by the Series Cash Manager as being the amount required to meet the Loan Expected Differential in respect of the Series Portfolio.

Unadjusted Margin means on any Distribution Date, the weighted average margin above LIBOR (in the case of Discount LIBOR-Linked Mortgage Loans) or the Bank of England base rate (in the case of Discount BBR-Linked Mortgage Loans), that will apply in respect of such Mortgage Loans when the discount period expires.

Use of Proceeds of the Series MER Loan

In connection with the Notes, the Issuer will enter into a Series MER Loan Agreement with Barclays Bank PLC as Series MER Loan Provider (the **Series MER Loan Provider**) dated on or about the Issue Date (the **Series MER Loan Agreement**). Amounts advanced under the Series MER Loan Agreement will be used to fund (a) the costs and expenses arising in respect of the Notes which are issued on the Issue Date, (b) the Series Reserve Fund, and (c) the Series Discount Reserve.

An amount equal to the Mortgage Early Repayment Charges received by the Issuer in respect of the Series Portfolio in the Determination Period immediately preceding each Distribution Date will be a Permitted Withdrawal on such Distribution Date and applied in repayment in full of all amounts due to the Series MER Loan Provider under the Series MER Loan Agreement. Repayment of the Series MER Loan will also be made under the Series Priorities of Payments to the extent of available funds.

Following payment in full of all amounts outstanding under the Series MER Loan Agreement, amounts equal to the Mortgage Early Repayment Charges will be paid to the holders of the Series MERs described below. See further “*Credit Structure – Series MER Loans*” in the Offering Circular.

Series MERs

On the Issue Date, the Issuer will issue to GMAC-RFC Limited 20 *pari passu* ranking classes of Mortgage Early Repayment Certificates due June 2044 (the **Series MERs** and the holders thereof, the **Series MERC Holders**). The Series MERs constitute amounts payable to Series MERC Holders on a *pro rata* basis in respect of Mortgage Early Repayment Charges received by the Issuer in respect of the Series Portfolio (less any Series MER Payments then payable). See further “*Credit Structure – Series MERs*” in the Offering Circular.

Series Residuals

On the Issue Date, the Issuer will issue to GMAC-RFC Limited 20 *pari passu* ranking classes of Residual Certificates due June 2044 (the **Series Residuals** and the holders thereof, the **Series Residual Holders**). The Series Residuals will pay on each Distribution Date such residual amount (the **Series Residual Payment**) as is available for such purpose in accordance with the applicable Priorities of Payments relating to the Series (following payment of or provision for all higher ranking items) divided by the number of Series Residuals.

Series Ledgers

In addition to the Series Ledgers described under “*Transaction Documents – Series Cash Management Agreements – Series Ledgers*”, the following five Series Sub-Ledgers in respect of the Series Principal Deficiency Ledger will be established by the Series Cash Manager. The five Series Sub-Ledgers will be identified as the **A Principal Deficiency Sub-Ledger**, the **M1 Principal Deficiency Sub-Ledger**, the **M2c Principal Deficiency Sub-Ledger**, the **B1 Principal Deficiency Sub-Ledger** and the **B2a Principal Deficiency Sub-Ledger**, respectively, and collectively the **Series Principal Deficiency Sub-Ledgers** and will be established in order to record any principal deficiencies as they occur (each, respectively, the **A Principal Deficiency**, the **M1 Principal Deficiency**, the **M2c Principal Deficiency**, the **B1 Principal Deficiency** and the **B2a Principal Deficiency**, and each a **Principal Deficiency**).

Any Principal Deficiency shall be debited (a) first, to the B2a Principal Deficiency Sub-Ledger so long as the debit balance on such Sub-Ledger is less than the Base Currency PAO of the B2a Notes (the **B2a Note Principal Deficiency Limit**), (b) second, to the B1 Principal Deficiency Sub-Ledger so long as the debit balance on such sub-ledger is less than the Base Currency PAO of the B1 Notes (the **B1 Note Principal**

Deficiency Limit), (c) third, to the M2c Principal Deficiency Sub-Ledger so long as the debit balance on such sub-ledger is less than the Base Currency PAO of the M2c Notes (the **M2c Note Principal Deficiency Limit**), (d) fourth, to the M1 Principal Deficiency Sub-Ledger so long as the debit balance on such sub-ledger is less than the Base Currency PAO of the M1 Notes (the **M1 Note Principal Deficiency Limit**), and (e) fifth, to the A Principal Deficiency Sub-Ledger. For the avoidance of doubt, the A Principal Deficiency will relate to the A1 Notes and the A2 Notes *pro rata*. A Principal Deficiency will be recorded on the relevant Series Principal Deficiency Sub-Ledger in respect of any amount of principal which remains outstanding under any Mortgage Loan after completion by the Servicer of the arrears and default procedures (as more particularly described under “*Transaction Documents – Series Servicing Agreement – Arrears and Default Procedures*” in the Offering Circular).

Amounts allocated to each Series Principal Deficiency Sub-Ledger shall be reduced to the extent of Available Revenue Funds available therefor on any Distribution Date in accordance with the Pre-Enforcement, Pre-Acceleration Revenue Priority of Payments and the Post-Enforcement, Pre-Acceleration Revenue Priority of Payments, as applicable.

Series Permitted Withdrawals

Further to “*Series Permitted Withdrawals*” under “*Credit Structure*” in the Offering Circular, Series Pro Rata Amounts and the Series Referable Amounts that are Series Permitted Withdrawals in respect of the Series will be the following amounts, as applicable:

- (a) paragraphs (a)(i) and (ii), (b)(i) to the extent such amount is to be applied to a Programme expense to be applied under the Programme Priority of Payments, (b)(ii), (b)(iv), (c)(i) and (ii) and (c)(iv) and (v) of the Series Pre-Enforcement, Pre-Acceleration Revenue Priority of Payments;
- (b) paragraphs (a)(i) and (ii), (b)(i) to the extent such amount is to be applied to a Programme expense to be applied under the Programme Priority of Payments, (b)(ii), (b)(iv), (c)(i) and (ii) and (c)(iv) and (v) of the Series Post-Enforcement, Pre-Acceleration Revenue Priority of Payments; and
- (c) paragraphs (a)(i) and (ii), (b)(i) and (ii), (b)(iv) and (v), (c)(ii) to the extent such amount is to be applied to a Programme expense to be applied under the Programme Priority of Payments and (c)(iii) and (iv) of the Series Post-Acceleration Priority of Payments.

SERIES PRIORITIES OF PAYMENTS

Series Pre-Enforcement, Pre-Acceleration Revenue Priority of Payments

On each Distribution Date (and two Business Days before each Distribution Date in the case of payments to the Series Currency Swap Counterparty) prior to the service of a Series Enforcement Notice or a Series Acceleration Notice in respect of the Series, Available Revenue Funds standing to the credit of the Series Transaction Account will be applied by or on behalf of the Issuer in making the following payments and provisions (the **Series Pre-Enforcement, Pre-Acceleration Revenue Priority of Payments**) (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

- (a) first, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) the Series Pro Rata Amount in respect of any remuneration and indemnity amounts due and payable by the Issuer to the Security Trustee under the Security Deed, the Intercreditor Deed and the other Transaction Documents and any costs, charges, liabilities and expenses incurred by the Security Trustee thereunder to be credited to the Programme Account;
 - (ii) the Series Referable Amount in respect of any remuneration and indemnity amounts due and payable by the Issuer to the Security Trustee under the Security Deed, the Intercreditor Deed and the other Transaction Documents and any costs, charges, liabilities and expenses incurred by the Security Trustee thereunder to be paid to the Security Trustee; and
 - (iii) any remuneration and indemnity amounts due and payable to the Series Note Trustee under the Series Trust Deed and the other Transaction Documents, and any costs, charges, liabilities and expenses incurred by the Series Note Trustee thereunder to be paid to the Series Note Trustee;
- (b) second, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) the Series Referable Amount in respect of amounts then accrued but remaining unpaid to third parties (including audit fees and value added tax, if any but excluding, for the avoidance of doubt, Series Secured Creditors of the Series) and incurred without breach by the Issuer of the Transaction Documents, to be credited to the Programme Account or paid directly to the relevant third party, as the case may be;
 - (ii) the Series Pro Rata Amount in respect of amounts then accrued but remaining unpaid to third parties (including audit fees and value added tax, if any but excluding, for the avoidance of doubt, Series Secured Creditors of the Series) and incurred without breach by the Issuer of the Transaction Documents to be credited to the Programme Account;
 - (iii) the Series Referable Amount in respect of amounts payable in respect of insurance contracts relating to the Series Portfolio maintained by or on behalf of the Issuer;
 - (iv) the Series Pro Rata Amount in respect of amounts payable in respect of insurance contracts relating to the Series Portfolio maintained by or on behalf of the Issuer to be credited to the Programme Account; and
 - (v) the Series Referable Amount to provide on an accruing basis for Securities Holdings' liability or possible liability for tax to be credited to the Programme Account;
- (c) third, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) the Series Pro Rata Amount in respect of amounts due and payable to the Corporate Services Provider under the Corporate Services Agreement to be credited to the Programme Account;
 - (ii) the Series Pro Rata Amount in respect of amounts due and payable to the Programme Account Bank under the Programme Bank Account Agreement to be credited to the Programme Account;
 - (iii) amounts due and payable to the Series Account Bank under the Series Bank Account Agreement, to be paid to the Series Account Bank;

- (iv) the Series Pro Rata Amount in respect of amounts due and payable to the Programme Cash Manager under the Programme Cash Management Agreement to be credited to the Programme Account;
 - (v) the Series Pro Rata Amount in respect of amounts due and payable to the Programme Financial Servicer under the Programme Cash Management Agreement to be credited to the Programme Account;
 - (vi) amounts due and payable to the Series Cash Manager under the Series Cash Management Agreement, to be paid to the Series Cash Manager;
 - (vii) on a *pro rata* and *pari passu* basis, amounts due and payable to the Series Agents under the Series Agency Agreement, to be paid to the Series Agents; and
 - (viii) on a *pro rata* and *pari passu* basis, amounts due and payable to the Series Servicer under the Series Servicing Agreement, such fee being an amount equal to one quarter of 0.15% per annum of the average total principal balance of the Mortgage Loans outstanding on the first day of each of the three months immediately prior to the relevant Determination Date, and to the Series Standby Servicer under the Series Standby Servicing Agreement, to be paid to the Series Servicer and the Series Standby Servicer, as the case may be;
- (d) fourth, amounts due and payable to the Series Liquidity Facility Provider under the Series Liquidity Facility Agreement (other than any Subordinated Liquidity Facility Amounts), to be paid to the Series Liquidity Facility Provider;
- (e) fifth, (i) first, to pay *pari passu* and *pro rata* (A) amounts (other than in respect of principal) payable in respect of the A Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the A Noteholders), and (B) amounts payable to the Series Currency Swap Counterparty in respect of notional interest and any termination payment under the terms of the A1b USD Note Currency Swap Agreement, the A1c Euro Note Currency Swap Agreement and the A2c Euro Note Currency Swap Agreement (except for any relevant Currency Swap Counterparty Default Payment where **Currency Swap Counterparty Default Payment** means any termination payment due or payable under a Series Currency Swap Agreement as a result of the occurrence of an Event of Default (as defined therein) where the Series Currency Swap Counterparty is the Defaulting Party or an Additional Termination Event relating to the combination of the downgrade of the credit rating of the Series Currency Swap Counterparty and of the failure of the Series Currency Swap Counterparty to comply with its obligations under the relevant Series Currency Swap Agreement in respect of and following such downgrade (as such terms are defined in the relevant Series Currency Swap Agreement)) and if any of the A1b USD Note Currency Swap Agreement, the A1c Euro Note Currency Swap Agreement or the A2c Euro Note Currency Swap Agreement are not in place, to apply *pari passu* and *pro rata* with such amounts an amount up to the amount which would have been so payable by the Issuer under the relevant Series Currency Swap Agreement in exchange for US dollars or euro in the spot exchange market in order to meet the interest then due on the relevant class of the A Notes and (ii) second, to the extent that in relation to any spot exchange for US dollars or euro, an amount is obtained which is insufficient to pay interest due on the A1b Notes and/or the A1c Notes and/or the A2c Notes, as the case may be, to apply such further amounts in exchange for US dollars or euro in the spot exchange market in order to meet such shortfall;
- (f) sixth, to pay amounts to be credited to the A Principal Deficiency Sub-Ledger (such amounts to be applied in redemption of the Notes in accordance with Condition 9 (*Redemption and Post-Enforcement Call Option*)) until the balance of the A Principal Deficiency Sub-Ledger has reached zero;
- (g) seventh, (i) first, to pay *pari passu* and *pro rata* (A) amounts (other than in respect of principal) payable in respect of the M1 Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the M1 Noteholders), and (B) amounts payable to the Series Currency Swap Counterparty in respect of notional interest and any termination payment under the terms of the M1c Euro Note Currency Swap Agreement (except for any relevant Currency Swap Counterparty Default Payment) and if the M1c Euro Note Currency Swap Agreement is not in place, to apply *pari passu* and *pro rata* with such amounts an amount up to the amount which would have been so payable by the Issuer under the M1c Euro Note Currency Swap Agreement in exchange for euro in the spot exchange market in order to meet the interest then due on the M1c Notes and (ii) second, to the extent that in relation to any spot exchange for euro, an amount is obtained which is

insufficient to pay interest due on the M1c Notes to apply such further amounts in exchange for euro in the spot exchange market in order to meet such shortfall;

- (h) eighth, to pay amounts to be credited to the M1 Principal Deficiency Sub-Ledger (such amounts to be applied in redemption of the Notes in accordance with Condition 9 (*Redemption and Post-Enforcement Call Option*)) until the balance of the M1 Principal Deficiency Sub-Ledger has reached zero;
- (i) ninth, to pay (A) amounts (other than in respect of principal) payable in respect of the M2c Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the M2c Noteholders), and (B) amounts payable to the Series Currency Swap Counterparty in respect of notional interest and any termination payment under the terms of the M2c Euro Note Currency Swap Agreement (except for any relevant Currency Swap Counterparty Default Payment) and if the M2c Euro Note Currency Swap Agreement is not in place, to apply *pari passu* and *pro rata* with such amounts an amount up to the amount which would have been so payable by the Issuer under the M2c Euro Note Currency Swap Agreement in exchange for euro in the spot exchange market in order to meet the interest then due on the M2c Notes and (ii) second, to the extent that in relation to any spot exchange for euro, an amount is obtained which is insufficient to pay interest due on the M2c Notes to apply such further amounts in exchange for euro in the spot exchange market in order to meet such shortfall;
- (j) tenth, to pay amounts to be credited to the M2c Principal Deficiency Sub-Ledger (such amounts to be applied in redemption of the Notes in accordance with Condition 9 (*Redemption and Post-Enforcement Call Option*)) until the balance of the M2c Principal Deficiency Sub-Ledger has reached zero;
- (k) eleventh, (i) first, to pay *pari passu* and *pro rata* (A) amounts (other than in respect of principal) payable in respect of the B1 Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the B1 Noteholders), and (B) amounts payable to the Series Currency Swap Counterparty in respect of notional interest and any termination payment under the terms of the B1c Euro Note Currency Swap Agreement (except for any relevant Currency Swap Counterparty Default Payment) and if the B1c Euro Note Currency Swap Agreement is not in place, to apply *pari passu* and *pro rata* with such amounts an amount up to the amount which would have been so payable by the Issuer under the B1c Euro Note Currency Swap Agreement in exchange for euro in the spot exchange market in order to meet the interest then due on the B1c Notes and (ii) second, to the extent that in relation to any spot exchange for euro, an amount is obtained which is insufficient to pay interest due on the B1c Notes, to apply such further amounts in exchange for euro in the spot exchange market in order to meet such shortfall;
- (l) twelfth, to pay amounts to be credited to the B1 Principal Deficiency Sub-Ledger (such amounts to be applied in redemption of the Notes in accordance with Condition 9 (*Redemption and Post-Enforcement Call Option*)) until the balance of the B1 Principal Deficiency Sub-Ledger has reached zero;
- (m) thirteenth, to pay amounts (other than in respect of principal) payable in respect of the B2a Notes;
- (n) fourteenth, to pay amounts to be credited to the B2a Principal Deficiency Sub-Ledger (such amounts to be applied in redemption of the Notes in accordance with Condition 9 (*Redemption and Post-Enforcement Call Option*)) until the balance of the B2a Principal Deficiency Sub-Ledger has reached zero;
- (o) fifteenth, to credit the Series Reserve Ledger, until the balance of the Series Reserve Fund reaches the Series Reserve Fund Required Amount;
- (p) sixteenth, to credit the Series Discount Reserve Ledger, to the extent that the amount credited to the Series Discount Reserve Ledger is less than the Series Discount Reserve Required Amount;
- (q) seventeenth, to credit to the Programme Account in respect of Securities Holdings' Profit Ledger an amount equal to 0.01% of the Available Revenue Funds in respect of such Distribution Date less any liability for tax on such amount as has been provided for in accordance with subparagraph (b)(v) on such Distribution Date;
- (r) eighteenth, Subordinated Liquidity Facility Amounts due and payable to the Series Liquidity Facility Provider under the Series Liquidity Facility Agreement, to be paid to the Series Liquidity Facility Provider;

- (s) nineteenth, (after taking into account any payments to the Series MER Loan Provider which are Permitted Withdrawals) to pay interest then due and repay principal outstanding in respect of the Series MER Loan;
- (t) twentieth, in or towards payment of any Currency Swap Counterparty Default Payment payable to the Series Currency Swap Counterparty under the terms of the Series Currency Swap Agreements;
- (u) twenty-first, in or towards satisfaction of all other amounts due and payable to any other Series Secured Creditor that are not otherwise provided for in this priority of payments or in the Series Pre-Acceleration Principal Priority of Payments;
- (v) twenty-second, to pay amounts payable in respect of the Series Residuals; and
- (w) twenty-third, to pay any remaining amount to the Issuer or other persons entitled thereto.

Available Revenue Funds on any Distribution Date means the aggregate of:

- (a) the Discount Reserve Applicable Amount, if any;
- (b) any amount standing to the credit of the Series Discount Reserve in excess of the Series Discount Reserve Required Amount;
- (c) the Series Reserve Fund Excess, if any;
- (d) on any Distribution Date on which the Notes are redeemed in full, all amounts standing to the credit of the Series Reserve Fund;
- (e) on any Distribution Date on which all discounts applicable to the Discounted Mortgage Loans in the Series Portfolio have expired, all amounts standing to the credit of the Series Discount Reserve;
- (f) any swap termination payments received from the Series Currency Swap Counterparty under the Series Currency Swap Agreements and remaining after such payments have been applied towards the appointment of a replacement Series Currency Swap Counterparty;
- (g) any payment received by the Issuer from a replacement Series Currency Swap Counterparty in consideration for the Issuer entering into replacement Series Currency Swap Agreements in respect of the Series;
- (h) any amount received by the Issuer from the Series Cap Provider and remaining after such payments have been applied towards the appointment of a replacement Series Cap Provider;
- (i) to the extent there is a shortfall in funds available for application under paragraphs (a) to (n) inclusive of the Pre-Enforcement, Pre-Acceleration Revenue Priority of Payments or the Post-Enforcement, Pre-Acceleration Revenue Priority of Payments, as applicable, an amount standing to the credit of the Series Reserve Fund equal to such shortfall;
- (j) any drawings in respect of such Distribution Date under the Series Liquidity Facility Agreement available for application in accordance with the terms thereof; and
- (k) all other amounts standing to the credit of the Series Transaction Account (including, for the avoidance of doubt, interest receipts in respect of Mortgage Loans in the Series Portfolio) other than (A) Actual Redemption Funds (and any amounts standing to the credit of the Series Principal Ledger), (B) any amounts credited to the Series Discount Reserve Ledger or the Series Reserve Ledger (other than amounts mentioned as Available Revenue Funds in subparagraphs (a) to (e) inclusive and (i) above), or (C) any amounts credited to the Series Mortgage Early Repayment Charges Ledger, the Series Tax Ledger, the Series Securities Holdings Profit Ledger, or the Series Further Advances Ledger.

On each Distribution Date, Series Permitted Withdrawals that are not amounts provided for under the applicable Series Priorities of Payments and that are permitted to be made on such Distribution Date in accordance with the terms of the Transaction Documents applicable to the Series will be made out of amounts standing to the credit of the Series Transaction Account and such amounts will not form part of the Available Revenue Funds to be applied on such Distribution Date. See further “*Credit Structure – Series Permitted Withdrawals*” in the Offering Circular.

Series Post-Enforcement, Pre-Acceleration Revenue Priority of Payments

On each Distribution Date (and two Business Days before each Distribution Date in the case of payments to the Series Currency Swap Counterparty) following service of a Series Enforcement Notice but prior to

service of a Series Acceleration Notice in respect of the Series, the Security Trustee or any appointee or receiver will hold on trust all Available Revenue Funds received or recovered by it and such Available Revenue Funds will be applied by the Series Cash Manager on behalf of the Security Trustee on each Distribution Date in making the following payments and provisions (the **Series Post-Enforcement, Pre-Acceleration Revenue Priority of Payments**) (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

- (a) first, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) the Series Pro Rata Amount in respect of any remuneration and indemnity amounts due and payable by the Issuer to the Security Trustee under the Security Deed, the Intercreditor Deed and the other Transaction Documents, and any costs, charges, liabilities and expenses incurred by the Security Trustee thereunder and any receiver (including any administrative receiver) or other person appointed by it in respect of the Series under the Security Deed or any other Transaction Document, to be credited to the Programme Account;
 - (ii) the Series Referable Amount in respect of any remuneration and indemnity amounts due and payable by the Issuer to the Security Trustee under the Security Deed, the Intercreditor Deed and the other Transaction Documents, and any costs, charges, liabilities and expenses incurred by the Security Trustee thereunder and any receiver (including any administrative receiver) or other person appointed by it in respect of the Series under the Security Deed or any other Transaction Document, to be paid to the Security Trustee; and
 - (iii) any remuneration and indemnity amounts due and payable to the Series Note Trustee under the Series Trust Deed and the other Transaction Documents and any costs, charges, liabilities and expenses incurred by the Series Note Trustee, to be paid to the Series Note Trustee;
- (b) second, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) prior to a Programme Insolvency Event and/or deemed service of a Programme Enforcement Notice, the Series Referable Amount in respect of amounts then accrued but remaining unpaid to third parties (including audit fees and value added tax, if any but excluding, for the avoidance of doubt, Series Secured Creditors of the Series) incurred without breach by the Issuer of the Transaction Documents, to be credited to the Programme Account or paid directly to the relevant third party, as the case may be;
 - (ii) prior to a Programme Insolvency Event and/or deemed service of a Programme Enforcement Notice, the Series Pro Rata Amount in respect of amounts then accrued but remaining unpaid to third parties (including audit fees and value added tax, if any but excluding, for the avoidance of doubt, Series Secured Creditors of the Series) incurred without breach by the Issuer of the Transaction Documents to be credited to the Programme Account;
 - (iii) the Series Referable Amount in respect of amounts payable in respect of insurance contracts relating to the Series Portfolio maintained by or on behalf of the Issuer;
 - (iv) the Series Pro Rata Amount in respect of amounts payable in respect of insurance contracts relating to the Series Portfolio maintained by or on behalf of the Issuer to be credited to the Programme Account; and
 - (v) prior to a Programme Insolvency Event and/or service of a Programme Enforcement Notice, the Series Referable Amount to provide on an accruing basis for Securities Holdings' liability or possible liability for tax to be credited to the Programme Account;
- (c) third, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) the Series Pro Rata Amount in respect of amounts due and payable to the Corporate Services Provider under the Corporate Services Agreement to be credited to the Programme Account;
 - (ii) the Series Pro Rata Amount in respect of amounts due and payable to the Programme Account Bank under the Programme Bank Account Agreement to be credited to the Programme Account;
 - (iii) amounts due and payable to the Series Account Bank under the Series Bank Account Agreement, to be paid to the Series Account Bank;

- (iv) the Series Pro Rata Amount in respect of amounts due and payable to the Programme Cash Manager under the Programme Cash Management Agreement to be credited to the Programme Account;
 - (v) the Series Pro Rata Amount in respect of amounts due and payable to the Programme Financial Servicer under the Programme Cash Management Agreement to be credited to the Programme Account;
 - (vi) amounts due and payable to the Series Cash Manager under the Series Cash Management Agreement, to be paid to the Series Cash Manager;
 - (vii) on a *pro rata* and *pari passu* basis, amounts due and payable to the Series Agents under the Series Agency Agreement, to be paid to the Series Agents; and
 - (viii) on a *pro rata* and *pari passu* basis, amounts due and payable to the Series Servicer under the Series Servicing Agreement, such fee being an amount equal to one quarter of 0.15% per annum of the average total principal balance of the Mortgage Loans outstanding on the first day of each of the three months immediately prior to the relevant Determination Date, and to the Series Standby Servicer under the Series Standby Servicing Agreement, to be paid to the Series Servicer and the Series Standby Servicer, as the case may be;
- (d) fourth, amounts due and payable to the Series Liquidity Facility Provider under the Series Liquidity Facility Agreement (other than any Subordinated Liquidity Facility Amounts), to be paid to the Series Liquidity Facility Provider;
 - (e) fifth, (i) first, to pay *pari passu* and *pro rata* (A) amounts (other than in respect of principal) payable in respect of the A Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the A Noteholders), and (B) amounts payable to the Series Currency Swap Counterparty in respect of notional interest and any termination payment under the terms of the A1b USD Note Currency Swap Agreement, the A1c Euro Note Currency Swap Agreement and the A2c Euro Note Currency Swap Agreement (except for any relevant Currency Swap Counterparty Default Payment) and if any of the A1b USD Note Currency Swap Agreement, the A1c Euro Note Currency Swap Agreement or the A2c Euro Note Currency Swap Agreement are not in place, to apply *pari passu* and *pro rata* with such amounts an amount up to the amount which would have been so payable by the Issuer under the relevant Series Currency Swap Agreement in exchange for US dollars or euro in the spot exchange market in order to meet the interest then due on the relevant class of the A Notes and (ii) second, to the extent that in relation to any spot exchange for US dollars or euro, an amount is obtained which is insufficient to pay interest due on the A1b Notes and/or the A1c Notes and/or the A2c Notes, as the case may be, to apply such further amounts in exchange for US dollars or euro in the spot exchange market in order to meet such shortfall;
 - (f) sixth, to pay amounts to be credited to the A Principal Deficiency Sub-Ledger (such amounts to be applied in redemption of the Notes in accordance with Condition 9 (*Redemption and Post-Enforcement Call Option*)) until the balance of the A Principal Deficiency Sub-Ledger has reached zero;
 - (g) seventh, (i) first, to pay *pari passu* and *pro rata* (A) amounts (other than in respect of principal) payable in respect of the M1 Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the M1 Noteholders), and (B) amounts payable to the Series Currency Swap Counterparty in respect of notional interest and any termination payment under the terms of the M1c Euro Note Currency Swap Agreement (except for any relevant Currency Swap Counterparty Default Payment) and if the M1c Euro Note Currency Swap Agreement is not in place, to apply *pari passu* and *pro rata* with such amounts an amount up to the amount which would have been so payable by the Issuer under the M1c Euro Note Currency Swap Agreement in exchange for euro in the spot exchange market in order to meet the interest then due on the M1c Notes and (ii) second, to the extent that in relation to any spot exchange for euro, an amount is obtained which is insufficient to pay interest due on the M1c Notes to apply such further amounts in exchange for euro in the spot exchange market in order to meet such shortfall;
 - (h) eighth, to pay amounts to be credited to the M1 Principal Deficiency Sub-Ledger (such amounts to be applied in redemption of the Notes in accordance with **Condition 9** (*Redemption and Post-Enforcement Call Option*)) until the balance of the M1 Principal Deficiency Sub-Ledger has reached zero;

- (i) ninth, (i) first, to pay *pari passu* and *pro rata* (A) amounts (other than in respect of principal) payable in respect of the M2c Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the M2c Noteholders), and (B) amounts payable to the Series Currency Swap Counterparty in respect of notional interest and any termination payment under the terms of the M2c Euro Note Currency Swap Agreement (except for any relevant Currency Swap Counterparty Default Payment) and if the M2c Euro Note Currency Swap Agreement is not in place, to apply *pari passu* and *pro rata* with such amounts an amount up to the amount which would have been so payable by the Issuer under the M2c Euro Note Currency Swap Agreement in exchange for euro in the spot exchange market in order to meet the interest then due on the M2c Notes and (ii) second, to the extent that in relation to any spot exchange for euro, an amount is obtained which is insufficient to pay interest due on the M2c Notes to apply such further amounts in exchange for euro in the spot exchange market in order to meet such shortfall;
- (j) tenth, to pay amounts to be credited to the M2c Principal Deficiency Sub-Ledger (such amounts to be applied in redemption of the Notes in accordance with **Condition 9** (*Redemption and Post-Enforcement Call Option*)) until the balance of the M2c Principal Deficiency Sub-Ledger has reached zero;
- (k) eleventh, (i) first, to pay *pari passu* and *pro rata* (A) amounts (other than in respect of principal) payable in respect of the B1 Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the B1 Noteholders), and (B) amounts payable to the Series Currency Swap Counterparty in respect of notional interest and any termination payment under the terms of the B1c Euro Note Currency Swap Agreement (except for any relevant Currency Swap Counterparty Default Payment) and if the B1c Euro Note Currency Swap Agreement is not in place, to apply *pari passu* and *pro rata* with such amounts an amount up to the amount which would have been so payable by the Issuer under the B1c Euro Note Currency Swap Agreement in exchange for euro in the spot exchange market in order to meet the interest then due on the B1c Notes and (ii) second, to the extent that in relation to any spot exchange for euro, an amount is obtained which is insufficient to pay interest due on the B1c Notes, to apply such further amounts in exchange for euro in the spot exchange market in order to meet such shortfall;
- (l) twelfth, to pay amounts to be credited to the B1 Principal Deficiency Sub-Ledger (such amounts to be applied in redemption of the Notes in accordance with **Condition 9** (*Redemption and Post-Enforcement Call Option*)) until the balance of the B1 Principal Deficiency Sub-Ledger has reached zero;
- (m) thirteenth, to pay amounts (other than in respect of principal) payable in respect of the B2a Notes;
- (n) fourteenth, to pay amounts to be credited to the B2a Principal Deficiency Sub-Ledger (such amounts to be applied in redemption of the Notes in accordance with **Condition 9** (*Redemption and Post-Enforcement Call Option*)) until the balance of the B2a Principal Deficiency Sub-Ledger has reached zero;
- (o) fifteenth; to credit the Series Reserve Ledger, until the balance of the Series Reserve Fund reaches the Series Reserve Fund Required Amount;
- (p) sixteenth, to credit the Series Discount Reserve Ledger, to the extent that the amount credited to the Series Discount Reserve Ledger is less than the Series Discount Reserve Required Amount;
- (q) seventeenth, prior to a Programme Insolvency Event and/or service of a Programme Enforcement Notice, to credit to the Programme Account in respect of Securities Holdings' Profit Ledger an amount equal to 0.01% of the Available Revenue Funds in respect of such Distribution Date less any liability for tax on such amount as has been provided for in accordance with subparagraph (b)(v) above on such Distribution Date;
- (r) eighteenth, Subordinated Liquidity Facility Amounts due and payable to the Series Liquidity Facility Provider under the Series Liquidity Facility Agreement, to be paid to the Series Liquidity Facility Provider;
- (s) nineteenth, (after taking into account any payments to the Series MER Loan Provider which are Permitted Withdrawals) to pay interest then due and repay principal outstanding in respect of the Series MER Loan;
- (t) twentieth, in or towards payment of any Currency Swap Counterparty Default Payment payable to the Series Currency Swap Counterparty under the terms of the Series Currency Swap Agreements;

- (u) twenty-first, prior to a Programme Insolvency Event and/or service of a Programme Enforcement Notice, in or towards satisfaction of all other amounts due and payable to any other Series Secured Creditor that are not otherwise provided for in this priority of payments or in the Series Pre-Acceleration Principal Priority of Payments;
- (v) twenty-second, to provide for amounts payable in respect of the Series Residuals, provided that such amounts will be retained in the Series Transaction Account and applied by or on behalf of the Security Trustee on the next Distribution Date as Available Revenue Funds under this priority of payments or applied under the Series Post-Acceleration Priority of Payments, as applicable. After the satisfaction in full of amounts ranking in priority to the Series Residuals in this priority of payments (taking into account any such amounts payable on any future Distribution Date), Available Revenue Funds in an amount equal to the amount otherwise payable on the Series Residuals under this paragraph will be applied by or on behalf of the Security Trustee as Actual Redemption Funds under the Series Pre-Acceleration Principal Priority of Payments. After the satisfaction in full of all amounts under the Series Pre-Acceleration Principal Priority of Payments (taking into account any such amounts payable on any future Distribution Date), Available Revenue Funds will be applied to make payment on the Series Residuals under this paragraph and shall not be retained by or on behalf of the Security Trustee; and
- (w) twenty-third, to provide for any remaining amount to the Issuer or other persons entitled thereto, provided that such amounts will be retained in the Series Transaction Account and applied by or on behalf of the Security Trustee on the next Distribution Date as Available Revenue Funds under this priority of payments or applied under the Series Post-Acceleration Priority of Payments, as applicable. After the satisfaction in full of amounts ranking in priority to this paragraph (taking into account any such amounts payable on any future Distribution Date), Available Revenue Funds in an amount equal to the amount otherwise payable under this paragraph will be applied by or on behalf of the Security Trustee as Actual Redemption Funds under the Series Pre-Acceleration Principal Priority of Payments. After the satisfaction in full of all amounts under the Series Pre-Acceleration Principal Priority of Payments (taking into account any such amounts payable on any future Distribution Date), Available Revenue Funds payable under this paragraph will be deposited in the Programme Account for application in accordance with the Programme Priority of Payments set out in the Offering Circular.

Series Pre-Acceleration Principal Priority of Payments

On each Distribution Date (and two Business Days before each Distribution Date in the case of payments to the Series Currency Swap Counterparty) prior to the service of a Series Acceleration Notice, Actual Redemption Funds standing to the credit of the Series Transaction Account will be applied by or on behalf of the Issuer in making the following payments and provisions (the **Series Pre-Acceleration Principal Priority of Payments**) (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

- (a) first, *pari passu* and at a ratio of 26.07% to 57.60% to 16.33% (being the ratio of Base Currency PAO at issue of A1a Notes to A1b Notes to A1c Notes) to (i) the holders of the A1a Notes in respect of principal of the A1a Notes, (ii) the Series Currency Swap Counterparty in respect of principal under the terms of the A1b USD Note Currency Swap Agreement (except for any termination payment due to the Series Currency Swap Counterparty under such agreement), and (iii) the Series Currency Swap Counterparty in respect of principal under the terms of the A1c Euro Note Currency Swap Agreement (except for any termination payment due to the Series Currency Swap Counterparty under such agreement), or, in the case of (ii) and/or (iii) above, if there is no A1b USD Note Currency Swap Agreement and/or A1c Euro Note Currency Swap Agreement then in place, to exchange for US dollars and/or euro respectively in the spot exchange market (all US dollar and/or euro amounts received under part (ii) and (iii) above or in the spot exchange market (the **A1b USD Redemption Amounts** and the **A1c Euro Redemption Amounts**, respectively) shall be applied in redemption of the A1b Notes and the A1c Notes respectively, as provided in **Condition 9 (Redemption and Post-Enforcement Call Option)**) until the A1 Notes are redeemed in full;
- (b) second, *pari passu* and at a ratio of 57.64% to 42.36% (being the ratio of Base Currency PAO at issue of A2a Notes to A2c Notes) to (i) the holders of the A2a Notes in respect of principal of the A2a Notes and (ii) the Series Currency Swap Counterparty in respect of principal under the terms of the A2c Euro Note Currency Swap Agreement (except for any termination payment due to the Series Currency Swap Counterparty under such agreement), or, in the case of (ii) above, if there is

no A2c Euro Note Currency Swap Agreement then in place, to exchange for euro in the spot exchange market (all euro amounts received under part (ii) above or in the spot exchange market (the **A2c Euro Redemption Amounts**) shall be applied in redemption of the A2c Notes, as provided in **Condition 9 (Redemption and Post-Enforcement Call Option)**) until the A2 Notes are redeemed in full;

- (c) third, *pari passu* and at a ratio of 50.19% to 49.81% (being the ratio of Base Currency PAO at issue of M1a Notes to M1c Notes) to (i) the holders of the M1a Notes in respect of principal of the M1a Notes; and (ii) the Series Currency Swap Counterparty in respect of principal under the terms of the M1c Euro Note Currency Swap Agreement (except for any termination payment due to the Series Currency Swap Counterparty under such agreement), or, in the case of (ii) above, if there is no M1c Euro Note Currency Swap Agreement then in place, to exchange for euro in the spot exchange market (all euro amounts received under part (ii) above or in the spot exchange market (the **M1c Euro Redemption Amounts**) shall be applied in redemption of the M1c Notes as provided in **Condition 9 (Redemption and Post-Enforcement Call Option)**) until the M1 Notes are redeemed in full;
- (d) fourth, to the Series Currency Swap Counterparty in respect of principal under the terms of the M2c Euro Note Currency Swap Agreement (except for any termination payment due to the Series Currency Swap Counterparty under such agreement), or if there is no M2c Euro Note Currency Swap Agreement then in place, to exchange for euro in the spot exchange market (all euro amounts received under the M2c Euro Note Currency Swap Agreement or in the spot exchange market (the **M2c Euro Redemption Amounts**) shall be applied in redemption of the M2c Notes as provided in **Condition 9 (Redemption and Post-Enforcement Call Option)**) until the M2c Notes are redeemed in full;
- (e) fifth, *pari passu* and at a ratio of 61.22% to 38.78% (being the ratio of Base Currency PAO at issue of B1a Notes to B1c Notes) to (i) the holders of the B1a Notes in respect of principal of the B1a Notes and (ii) the Series Currency Swap Counterparty in respect of principal under the terms of the B1c Euro Note Currency Swap Agreement (except for any termination payment due to the Series Currency Swap Counterparty under such agreement), or, in the case of (ii) above, if there is no B1c Euro Note Currency Swap Agreement then in place, to exchange for euro in the spot exchange market (all euro amounts received under part (ii) above or in the spot exchange market (the **B1c Euro Redemption Amounts**) shall be applied in redemption of the B1c Notes, as provided in **Condition 9 (Redemption and Post-Enforcement Call Option)**) until the B1 Notes are redeemed in full; and
- (f) sixth, to the holders of the B2a Notes in respect of principal of the B2a Notes until the B2a Notes are redeemed in full,

provided always that the Actual Redemption Funds shall not be applied in the order set out in the Series Pre-Acceleration Principal Priority of Payments but shall instead be applied *pro rata* between items (a) to (f) of the Series Pre-Acceleration Principal Priority of Payments on any Distribution Date immediately succeeding a Determination Date on which all of the following conditions are met:

- (i) after the previous Distribution Date, the result produced by the fraction $(M+B)/(A+M+B)$ is greater than or equal to twice the result produced by that fraction as at the Issue Date;
- (ii) all balances on each of the Series Principal Deficiency Sub-Ledgers are zero;
- (iii) the balance of the Series Reserve Fund is at the Series Reserve Fund Required Amount;
- (iv) the Liquidity Drawn Amount is zero; and
- (v) the total balance of all Mortgage Loans in the Series Portfolio which are 90 days or more in arrears does not exceed 17% of the total balance of all the Mortgage Loans in the Series Portfolio.

For the purposes of this paragraph, as at any date:

A = the aggregate Base Currency PAO of the A Notes on such date;

M = the aggregate Base Currency PAO of the M Notes on such date; and

B = the aggregate Base Currency PAO of the B Notes on such date.

Actual Redemption Funds as at any Determination Date is an amount calculated as the aggregate of:

- (a) the amount standing to the credit of the Series Principal Ledger and the amount (if any) standing to the credit of the Series Further Advances Ledger (before the transfer of the Committed Further Advances calculated on that Determination Date from the Series Principal Ledger) in each case as at the last Business Day of the month immediately preceding such Determination Date; and
- (b) the amount (if any) calculated on the Determination Date pursuant to the Series Pre-Enforcement, Pre-Acceleration Revenue Priority of Payments or the Series Post-Enforcement, Pre-Acceleration Revenue Priority of Payments, as applicable, to be the amount by which the debit balance on any Series Principal Deficiency Sub-Ledger is expected to be reduced by the application of Available Revenue Funds on the immediately succeeding Distribution Date;

LESS

the Committed Further Advances calculated on such Determination Date.

Series Post-Acceleration Priority of Payments

Following service of a Series Acceleration Notice, all moneys received or recovered by the Security Trustee (or a receiver appointed on its behalf) in respect of the Series under the Security Deed will be applied by the Series Cash Manager on behalf of the Security Trustee in the following order of priority (the **Series Post-Acceleration Priority of Payments**) (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

- (a) first, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) the Series Pro Rata Amount in respect of any remuneration and indemnity amounts due and payable by the Issuer to the Security Trustee under the Security Deed, the Intercreditor Deed and the other Transaction Documents, and any costs, charges, liabilities and expenses incurred by the Security Trustee thereunder and any receiver (including any administrative receiver) or other person appointed by it under the Security Deed or any other Transaction Document to be credited to the Programme Account;
 - (ii) the Series Referable Amount in respect of any remuneration and indemnity amounts due and payable to the Security Trustee under the Security Deed, the Intercreditor Deed and the other Transaction Documents, and any costs, charges, liabilities and expenses incurred by the Security Trustee thereunder and any receiver (including any administrative receiver) or other person appointed by it under the Security Deed or any other Transaction Document in respect of the Series, to be paid to the Security Trustee; and
 - (iii) any remuneration and indemnity amounts due and payable to the Series Note Trustee under the Series Trust Deed and the other Transaction Documents, and any costs, charges, liabilities and expenses incurred by the Series Note Trustee thereunder, to be paid to the Series Note Trustee;
- (b) second, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) the Series Pro Rata Amount in respect of amounts due and payable to the Corporate Services Provider under the Corporate Services Agreement to be credited to the Programme Account;
 - (ii) the Series Pro Rata Amount in respect of amounts due and payable to the Programme Account Bank under the Programme Bank Account Agreement to be credited to the Programme Account;
 - (iii) amounts due and payable to the Series Account Bank under the Series Bank Account Agreement, to be paid to the Series Account Bank;
 - (iv) the Series Pro Rata Amount in respect of amounts due and payable to the Programme Cash Manager under the Programme Cash Management Agreement to be credited to the Programme Account;
 - (v) the Series Pro Rata Amount in respect of amounts due and payable to the Programme Financial Servicer under the Programme Cash Management Agreement to be credited to the Programme Account;

- (vi) amounts due and payable to the Series Cash Manager under the Series Cash Management Agreement, to be paid to the Series Cash Manager;
 - (vii) on a *pro rata* and *pari passu* basis, amounts due and payable to the Series Agents under the Series Agency Agreement, to be paid to the Series Agents; and
 - (viii) on a *pro rata* and *pari passu* basis, amounts due and payable to the Series Servicer, such fee being an amount equal to one quarter of 0.15% per annum of the average total principal balance of the Mortgage Loans outstanding on the first day of each of the three months immediately prior to the relevant Determination Date under the Series Servicing Agreement, and to the Series Standby Servicer under the Series Standby Servicing Agreement, to be paid to the Series Servicer and the Series Standby Servicer, as the case may be;
- (c) third, prior to a Programme Insolvency Event and/or service of a Programme Enforcement Notice, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof:
- (i) the Series Referable Amount to provide on an accruing basis for Securities Holdings' liability or possible liability for tax;
 - (ii) the Series Referable Amount in respect of amounts then accrued but remaining unpaid to third parties (including audit fees and value added tax, if any but excluding, for the avoidance of doubt, Series Secured Creditors of the Series) incurred without breach by the Issuer of the Transaction Documents, to be credited to the Programme Account or paid directly to the relevant third party, as the case may be;
 - (iii) the Series Pro Rata Amount in respect of amounts then accrued but remaining unpaid to third parties (including audit fees and value added tax, if any but excluding, for the avoidance of doubt, Series Secured Creditors of the Series) incurred without breach by the Issuer of the Transaction Documents to be credited to the Programme Account;
 - (iv) the Series Pro Rata Amount in respect of amounts payable in respect of insurance contracts relating to the Series Portfolio maintained by or on behalf of the Issuer to be credited to the Programme Account; and
 - (v) the Series Referable Amount in respect of amounts payable in respect of insurance contracts relating to the Series Portfolio maintained by or on behalf of the Issuer;
- (d) fourth, amounts due and payable to the Series Liquidity Facility Provider under the Series Liquidity Facility Agreement (other than any Subordinated Liquidity Facility Amounts), to be paid to the Series Liquidity Facility Provider;
- (e) fifth, to pay, *pro rata* and *pari passu*:
- (i) (A) amounts (other than in respect of principal) payable in respect of the A Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the A Noteholders) and amounts payable to the Series Currency Swap Counterparty in respect of notional interest and any termination payment under the terms of the A1b USD Note Currency Swap Agreement, the A1c Euro Note Currency Swap Agreement and the A2c Euro Note Currency Swap Agreement (except in each case for any relevant Currency Swap Counterparty Default Payment) and if any of the Series Currency Swap Agreements are not in place, to apply *pari passu* and *pro rata* with such amounts an amount up to the amount which would have been so payable by the Issuer under the relevant Series Currency Swap Agreement in exchange for US dollars or euro, as applicable, in the spot exchange market in order to meet the interest then due on the relevant class of the A Notes; and
 - (B) to the extent that in relation to any spot exchange for US dollars or euro, an amount is obtained which is insufficient to pay interest due on the A1b Notes and/or the A1c Notes and/or the A2c Notes, as the case may be, to apply such further amounts in exchange for US dollars or euro, as applicable, in the spot exchange market in order to meet such shortfall (all US dollar and/or euro amounts received pursuant to exchange in the spot market under (A) and (B) above are to be applied in payment of interest due in respect of the A1b Notes, the A1c Notes and the A2c Notes, respectively);
 - (ii) at a ratio of 10.00% to 22.10% to 6.27% to 35.52% to 26.11% (being the ratio of Base Currency PAO at issue of A1a Notes to A1b Notes to A1c Notes to A2a Notes to A2c Notes) to (A) the holders of the A1a Notes and the A2a Notes in respect of principal of the A1a Notes and A2a Notes, respectively, (B) the Series Currency Swap Counterparty in respect of principal

under the terms of the A1b USD Note Currency Swap Agreement (except for any relevant Currency Swap Counterparty Default Payment) and (C) the Series Currency Swap Counterparty in respect of principal under the terms of the A1c Euro Note Currency Swap Agreement and/or the Series Currency Swap Counterparty in respect of principal under the terms of the A2c Euro Note Currency Swap Agreement (except for any relevant Currency Swap Counterparty Default Payment), or, in the case of (B) and/or (C) above, if there is no A1b USD Note Currency Swap Agreement and/or A1c Euro Note Currency Swap Agreement and/or A2c Euro Note Currency Swap Agreement (as the case may be) then in place, to exchange for US dollars and/or euro respectively in the spot exchange market (all such A1b USD Redemption Amounts and/or A1c Euro Redemption Amounts and/or A2c Euro Redemption Amounts (as the case may be) shall be applied in redemption of the A1b Notes and/or A1c Notes and/or A2c Notes (as appropriate) as provided in **Condition 9 (Redemption and Post-Enforcement Call Option)**) until the A Notes are redeemed in full;

(f) sixth, to pay, *pro rata* and *pari passu*:

- (i) (A) amounts (other than in respect of principal) payable in respect of the M1 Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the M1 Noteholders) and amounts payable to the Series Currency Swap Counterparty in respect of notional interest and any termination payment under the terms of the M1c Euro Note Currency Swap Agreement (except for any relevant Currency Swap Counterparty Default Payment) and if the M1c Euro Note Currency Swap Agreement is not in place, to apply *pari passu* and *pro rata* with such amounts an amount up to the amount which would have been so payable by the Issuer under the M1c Euro Note Currency Swap Agreement in exchange for euro in the spot exchange market in order to meet the interest then due on the M1c Notes; and
- (B) to the extent that in relation to any spot exchange for euro, an amount is obtained which is insufficient to pay interest due on the M1c Notes to apply such further amounts in exchange for euro in the spot exchange market in order to meet such shortfall (all euro amounts received pursuant to exchange in the spot market under (A) and (B) above are to be applied in payment of interest due in respect of the M1c Notes);
- (ii) at a ratio of 50.19% to 49.81% (being the ratio of Base Currency PAO at the issue of M1a Notes to M1c Notes) to (A) the holders of the M1a Notes in respect of principal of the M1a Notes, and (B) the Series Currency Swap Counterparty in respect of principal under the terms of the M1c Euro Note Currency Swap Agreement (except for any relevant Currency Swap Counterparty Default Payment), or, in the case of (B) above, if there is no M1c Euro Note Currency Swap Agreement then in place, to exchange for euro in the spot exchange market (all such M1c Euro Redemption Amounts shall be applied in redemption of the M1c Notes as provided in **Condition 9 (Redemption and Post-Enforcement Call Option)**) until the M1 Notes are redeemed in full;

(g) seventh, to pay, *pro rata* and *pari passu*:

- (i) (A) amounts (other than in respect of principal) payable in respect of the M2c Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the M2c Noteholders) and amounts payable to the Series Currency Swap Counterparty in respect of notional interest and any termination payment under the terms of the M2c Euro Note Currency Swap Agreement (except for any relevant Currency Swap Counterparty Default Payment) and if the M2c Euro Note Currency Swap Agreement is not in place, to apply *pari passu* and *pro rata* with such amounts an amount up to the amount which would have been so payable by the Issuer under the M2c Euro Note Currency Swap Agreement in exchange for euro in the spot exchange market in order to meet the interest then due on the M2c Notes; and
- (B) to the extent that in relation to any spot exchange for euro, an amount is obtained which is insufficient to pay interest due on the M2c Notes, to apply such further amounts in exchange for euro in the spot exchange market in order to meet such shortfall (all euro amounts received pursuant to exchange in the spot market under (A) and (B) above are to be applied in payment of interest due in respect of the M2c Notes);
- (ii) to the Series Currency Swap Counterparty in respect of principal under the terms of the M2c Euro Note Currency Swap Agreement (except for any relevant Currency Swap Counterparty Default Payment), or if there is no M2c Euro Note Currency Swap Agreement then in place, to

exchange for euro in the spot exchange market (all such M2c Euro Redemption Amounts shall be applied in redemption of the M2c Notes as provided in **Condition 9** (*Redemption and Post-Enforcement Call Option*)) until the M2c Notes are redeemed in full;

- (h) eighth, to pay, *pro rata* and *pari passu*:
 - (i) (A) amounts (other than in respect of principal) payable in respect of the B1 Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the B1 Noteholders) and amounts payable to the Series Currency Swap Counterparty in respect of notional interest and any termination payment under the terms of the B1c Euro Note Currency Swap Agreement (except for any relevant Currency Swap Counterparty Default Payment) and if the B1c Euro Note Currency Swap Agreement is not in place, to apply *pari passu* and *pro rata* with such amounts an amount up to the amount which would have been so payable by the Issuer under the B1c Euro Note Currency Swap Agreement in exchange for euro in the spot exchange market in order to meet the interest then due on the B1c Notes; and
 - (B) to the extent that in relation to any spot exchange for euro, an amount is obtained which is insufficient to pay interest due on the B1c Notes, to apply such further amounts in exchange for euro in the spot exchange market in order to meet such shortfall (all euro amounts received pursuant to exchange in the spot market under (A) and (B) above are to be applied in payment of interest due in respect of the B1c Notes);
- (ii) at a ratio of 61.22% to 38.78% (being the ratio of Base Currency PAO at issue of the B1a Notes to B1c Notes) to (A) the holders of the B1a Notes in respect of principal of the B1a Notes, and (B) the Series Currency Swap Counterparty in respect of principal under the terms of the B1c Euro Note Currency Swap Agreement (except for any relevant Currency Swap Counterparty Default Payment), or in the case of (B) above, if there is no B1c Euro Note Currency Swap Agreement then in place, to exchange for euro in the spot exchange market (all such B1c Euro Redemption Amounts shall be applied in redemption of the B1c Notes as provided in **Condition 9** (*Redemption and Post-Enforcement Call Option*)) until the B1c Notes are redeemed in full;
- (i) ninth, to pay:
 - (i) amounts (other than in respect of principal) payable in respect of the B2a Notes;
 - (ii) to the holders of the B2a Notes in respect of principal of the B2a Notes until the B2a Notes are redeemed in full;
- (j) tenth, Subordinated Liquidity Facility Amounts due and payable to the Series Liquidity Facility Provider under the Series Liquidity Facility Agreement, to be paid to the Series Liquidity Facility Provider;
- (k) eleventh, to pay all outstanding interest and repay all outstanding principal in respect of the Series MER Loan;
- (l) twelfth, in or towards payment of any Currency Swap Counterparty Default Payment payable to the Series Currency Swap Counterparty under the terms of the Series Currency Swap Agreements;
- (m) thirteenth, prior to a Programme Insolvency Event and/or service of a Programme Enforcement Notice, in or towards satisfaction of all other amounts due and payable to any other Series Secured Creditor that are not otherwise provided for in this priority of payments;
- (n) fourteenth, prior to a Programme Insolvency Event and/or service of a Programme Enforcement Notice, to credit to the Programme Account in respect of Securities Holdings' Profit Ledger an amount equal to 0.01% of the revenue amounts applied under this priority of payments less any liability for tax on such amount as has been provided for in accordance with subparagraph (c)(i) above on such date;
- (o) fifteenth, to pay amounts payable in respect of the Series Residuals; and
- (p) sixteenth, to deposit any remaining amount in the Programme Account of the Issuer.

Determination Date means the date which falls five Business Days prior to a Distribution Date or a Programme Distribution Date, as the case may be.

Distribution Date means 12 September 2006 and thereafter the 12th day in December, March, June and September in each year, unless such day is not a Business Day, in which case it shall be the next following Business Day.

USE OF PROCEEDS

The net proceeds from the issue of Notes (after exchanging the net USD proceeds of the USD Notes for sterling proceeds and the net euro proceeds of the Euro Notes for sterling proceeds, in each case calculated by reference to the relevant USD Currency Swap Rate or the Euro Currency Swap Rate, respectively, as defined in the Final Terms relating to the Notes) are expected to amount to approximately £698,867,400 and will primarily be applied by the Issuer to purchase from the Seller on the Issue Date the Series Completion Mortgage Pool.

The amounts advanced under the Series MER Loan will be used to fund the expenses of the issue being start-up costs, the underwriting and selling commissions in respect of the Notes, the Series Discount Reserve and to fund the deposit into the Series Reserve Fund.

The start-up costs (other than underwriting and selling commissions payable in respect of the Notes but including expenses incurred in connection with the offering of the Notes and the fee payable to the Series Cap Provider under the Series Interest Rate Cap Agreement), together with the deposit into the Series Reserve Fund and the Series Discount Reserve relating to the issue of the Notes are estimated not to exceed £10,200,000.

BARCLAYS BANK PLC

Barclays Bank PLC is a public limited company registered in England and Wales under number 1026167. The liability of the members of Barclays Bank PLC is limited. It has its registered head office at 1 Churchill Place, London E14 5HP. Barclays Bank PLC was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, Barclays Bank PLC was re-registered as a public limited company and its name was changed from “Barclays Bank International Limited” to “Barclays Bank PLC”.

Barclays Bank PLC and its subsidiary undertakings (taken together, the **Barclays Group**) is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of Barclays Bank PLC is beneficially owned by Barclays PLC, which is the ultimate holding company of the Barclays Group and one of the largest financial services companies in the world by market capitalisation.

The short-term unsecured obligations of Barclays Bank PLC are rated A-1+ by S&P, P-1 by Moody's and F1+ by Fitch and the long-term obligations of Barclays Bank PLC are rated AA by S&P, Aa1 by Moody's and AA+ by Fitch.

By Regulation, the European Union agreed that virtually all listed companies must use International Financial Reporting Standards (**IFRS**) adopted for use in the European Union in the preparation of their 2005 consolidated accounts. Barclays PLC and Barclays Bank PLC have applied IFRS from 1 January 2004, with the exception of the standards relating to financial instruments (IAS 32 and IAS 39) and insurance contracts (IFRS 4) which were applied only with effect from 1 January 2005. Therefore, in the 2005 Barclays PLC Annual Report and the 2005 Barclays Bank PLC Annual Report, the impacts of adopting IAS 32, IAS 39 and IFRS 4 are not included in the 2004 comparatives in accordance with First-time Adoption of International Financial Reporting Standards (**IFRS 1**). The results for 2005 are therefore not entirely comparable to those for 2004 in affected areas.

Based on the Barclays Group's audited financial information for the year ended 31 December 2005, the Barclays Group has total assets of £924,170 million (2004: £538,300 million), total net loans and advances of £300,001 million (2004: £343,041 million), total deposits of £313,811 million (2004: £328,516 million), and total shareholders' equity of £24,243 million (2004: £16,849 million) (including minority interests of £1,578 million (2004: £211 million)). The profit before tax of the Group for the year ended 31 December 2005 was £5,311 million (2004: £4,589 million) after charging an impairment loss on loans and advances and other credit provisions of £1,571 million (2004: £1,093 million).

The following documents have been filed with the U.S. Securities and Exchange Commission for Barclays PLC and Barclays Bank PLC:

- the audited joint Annual Report on Form 20-F in respect of the year ended 31 December 2004 (with the exception of the information incorporated by reference in the Annual Report referred to in the Exhibit Index of the Annual Report, which shall not be deemed to be incorporated in this Prospectus);
- the amendment to the audited joint Annual Report on Form 20-F/A in respect of year ended 31 December 2004 as filed on 6 May 2005 (with the exception of information incorporated by reference in the Annual Report referred to in the Exhibit Index of the Annual Report, which shall not be deemed as incorporated into this Prospectus); and
- the Interim Announcement of Results for 2005 on Form 6-K in respect of the semi-annual period ended 30 June 2005.

Barclays will provide, without charge to each person to whom this prospectus is delivered, on the request of that person, a copy of the Form 20-F and Form 6-K referred to in the previous sentence. Written requests should be directed to: Barclays Bank PLC, 1 Churchill Place, London E14 5HP, England, Attention: Barclays Corporate Secretariat.

None of the Notes will be obligations of Barclays Bank PLC or any of its affiliates.

(1) Total net loans and advances include balances in relation to both bank and customer accounts.

(2) Total deposits include deposits from bank and customer accounts.

**THE SERIES CURRENCY SWAP COUNTERPARTY
AND THE INTEREST RATE CAP PROVIDER**

The Royal Bank of Scotland Group plc (the **RBS Group**) is the holding company of one of the world's largest banking and financial services groups, with a market capitalisation of £56 billion at 31 December, 2005. Headquartered in Edinburgh, the Group operates in the UK, the US and internationally through its two principal subsidiaries, The Royal Bank of Scotland plc (**RBS**) and National Westminster Bank Plc (**NatWest**). Both RBS and NatWest are major UK clearing banks whose origins go back over 275 years. The RBS Group has a large and diversified customer base and provides a wide range of products and services to personal, commercial and large corporate and institutional customers.

The RBS Group's operations are conducted principally through RBS and its subsidiaries (including NatWest) other than the general insurance business (primarily Direct Line Group).

The RBS Group had total assets of £776.8 billion and shareholders' equity of £35.4 billion at 31 December 2005. The Group is capitalised with a total capital ratio of 11.7% and tier 1 capital ratio of 7.6% as at 31 December 2005.

The short-term unsecured and unguaranteed debt obligations of RBS are currently rated A-1+ by S&P, P-1 by Moody's and F1+ by Fitch. The long-term senior unsecured and unguaranteed debt obligations of RBS are currently rated AA by S&P, Aa1 by Moody's and AA+ by Fitch.

In its capacity as Series Currency Swap Counterparty and as Interest Rate Cap Provider, RBS will be acting through its branch at 135 Bishopsgate, London, EC2M 3UR.

The information contained herein with respect to RBS and the RBS Group relates to and has been obtained from it. Delivery of this Supplement shall not create any implication that there has been no change in the affairs of RBS or the RBS Group since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to its date.

HISTORICAL DATA OF PRIOR SECURITISED MORTGAGE POOLS

The following tables set forth certain historical data of the mortgage pools of the 21 previous securitisations by issuers RMAC 1999 – NS1 PLC through RMAC 2005 – NS4 PLC, of mortgage loans originated or acquired by the Seller and securitised between 1999 and 2005. The tables do not include data of the Series 2006 – NS1 Initial Mortgage Pool of the Issuer, which was established in March 2006. The tables show aggregate delinquency experience and cumulative loss experience for the mortgage pools as at December 31, 2001, 2002, 2003, 2004 and 2005 and March 31, 2006. See “Arrears and Default Procedures” in the Offering Circular. The data has been extracted from the investor reports with respect to these mortgage pools, which are available on the internet at www.rmacinvestors.com.

A mortgage loan is shown as “30 to 59 days” delinquent when a payment due on any due date remains unpaid as of the close of business on the next following monthly due date. However, since the determination as to whether a loan falls into this category is made as of the close of business on the last business day of each month, a loan with a payment due on November 1 that remained unpaid as of the close of business on November 30 would still be considered current as of November 30. If that payment remained unpaid as of the close of business on December 31, the loan would then be considered to be 30 to 59 days delinquent.

The mortgage loans described in these tables consist of “Prime”, “Near Prime” and “Non-Conforming” mortgage loans that were originated in accordance with the lending criteria of the relevant originator at the time of offer of the mortgage loans and were sold by the Seller subject to the warranties relevant to each securitisation. The Seller is obliged to repurchase mortgage loans that are in breach of these warranties. The mortgage loans included in the aggregate portfolio as of any given date do not include mortgage loans that are repurchased or redeemed prior to such date, but may include further advances made and substitute mortgage loans sold prior to such date. The data includes mortgage loans from mortgage pools up to the date that the notes in respect of those mortgage pools have been fully redeemed, after which those mortgage pools are excluded from the data. Some mortgage loans from those mortgage pools are included in the Series 2006-NS2 Initial Mortgage Pool. The historical data presented in these tables should not be taken to be indicative of the future performance of the Mortgage Loans in the Series 2006-NS2 Initial Mortgage Pool.

Losses are recorded when a property securing a mortgage loan is sold and the net sale price after costs is less than the amount outstanding on the mortgage loan. This loss may subsequently be reduced following action to recover any shortfall.

RMAC Programme Delinquency Experience for Mortgage Loans in Securitised Pools

	At 31 December 2001		At 31 December 2002		At 31 December 2003		At 31 December 2004		At 31 December 2005		At 31 March 2006	
	No. of Loans	Amount of Loans (£)	No. of Loans	Amount of Loans (£)	No. of Loans	Amount of Loans (£)	No. of Loans	Amount of Loans (£)	No. of Loans	Amount of Loans (£)	No. of Loans	Amount of Loans (£)
Total Loan Portfolio	19,435	1,504,921,953.32	27,218	2,146,121,227.74	40,152	3,267,135,788.17	60,042	5,307,999,174.10	72,686	6,991,830,384.66	71,674	6,917,529,445.79
Period of Delinquency												
30 to 59 days	712	53,156,443.10	1,957	152,225,872.66	1,681	143,883,748.80	2,152	201,736,441.61	2,362	242,649,441.88	2,631	264,438,940.09
60 to 89 days	402	29,520,586.79	990	77,716,809.90	881	77,887,400.44	1,225	117,638,547.01	1,465	147,442,171.65	1,585	162,062,453.91
90 to 119 days	201	16,342,418.58	489	37,600,501.60	537	47,129,940.31	830	79,522,216.53	959	99,118,477.12	1,075	112,605,230.96
120+ Days	507	39,219,134.46	768	60,171,400.32	1,172	109,705,967.93	1,349	138,834,892.43	2,803	302,750,042.24	2,680	293,764,609.94
In Repossession	58	5,292,774.46	43	3,700,134.44	46	5,063,226.51	121	14,607,673.27	238	28,752,514.13	337	40,077,167.42
Total Delinquent Loans	1,880	143,531,357.39	4,247	331,414,718.92	4,317	383,670,283.99	5,677	552,339,770.85	7,827	820,712,647.02	8,308	872,948,402.32
Percent of Loan Portfolio	9.67%	9.54%	15.60%	15.44%	10.75%	11.74%	9.46%	10.41%	10.77%	11.74%	11.59%	12.62%

RMAC Programme Loss Experience for Mortgage Loans in Securitised Pools

	At 31 December 2001		At 31 December 2002		At 31 December 2003		At 31 December 2004		At 31 December 2005		At 31 March 2006	
	Amount of Loans (£)	Percent of Cumulative Issuance	Amount of Loans (£)	Percent of Cumulative Issuance	Amount of Loans (£)	Percent of Cumulative Issuance	Amount of Loans (£)	Percent of Cumulative Issuance	Amount of Loans (£)	Percent of Cumulative Issuance	Amount of Loans (£)	Percent of Cumulative Issuance
Cumulative Issuance (£) ⁽¹⁾	1,877,200,000.00		3,002,200,000.00		5,052,200,000.00		8,302,200,000.00		11,005,000,000.00		11,405,000,000.00	
Cumulative Net Losses (£)	537,057.29	0.03%	1,775,472.37	0.06%	1,598,544.78	0.03%	2,641,570.29	0.03%	4,696,642.42	0.04%	6,264,617.69	0.05%

(1) Aggregate Cumulative Principal Balance of Securitised Mortgage Loans

SERIES PORTFOLIO

Key characteristics of the Series Initial Mortgage Pool

As at 31 May 2006 (the Cut-off Date), the Series Initial Mortgage Pool has the characteristics described below.

Key Characteristics of the Initial Mortgage Pool

	<i>Total Pool</i>	<i>Recently Originated Loans</i>	<i>Loans from called RMAC Transactions</i>
Aggregate Balance (£):			
Prime	14,588,077.17	0.00	14,588,077.17
Near Prime	8,699,547.71	0.00	8,699,547.71
Non-Conforming	811,150,615.25	771,417,264.99	39,733,350.26
<i>Total</i>	<u>834,438,240.13</u>	<u>771,417,264.99</u>	<u>63,020,975.14</u>
Percentage of Preliminary Pool:			
Prime	1.75%	0.00%	23.15%
Near Prime	1.04%	0.00%	13.80%
Non-Conforming	97.21%	100.00%	63.05%
<i>Total</i>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Number of Mortgage Loans:			
Prime	198	0	198
Near Prime	98	0	98
Non-Conforming	7,191	6,613	578
<i>Total</i>	<u>7,487</u>	<u>6,613</u>	<u>874</u>
Average mortgage loan balance (£)	111,451.61	116,651.64	72,106.38
Maximum mortgage loan balance (£)	509,639.03	509,639.03	427,171.47
Weighted average seasoning (years)	0.45	0.09	4.85
Weighted average remaining term (years)	21.54	22.00	15.92
Weighted average original loan to value ratio %	78.11	78.73	70.55
Self-certified borrowers (by % of balance)	65.90	68.62	32.61
No income declared borrowers (by % of balance)	0.80	0.00	10.58
Arrears (by % of balance) Days Past Due:			
Current	97.26	97.54	93.77
30 - 59 days	2.14	1.91	5.00
60 - 89 days	0.60	0.55	1.24
Total Portfolio in Arrears (by % of balance)	<u>2.74</u>	<u>2.46</u>	<u>6.23</u>
CCJs (by % of balance)*:			
Borrowers with 1 CCJ*	11.72	12.06	7.64
Borrowers with > 1 CCJ*	5.23	5.01	7.87
Total Borrowers with CCJs (by % of balance)*	<u>16.95</u>	<u>17.07</u>	<u>15.51</u>
Geographic concentrations (by % of balance):			
South East, Greater London, Outer Metropolitan	36.18	34.70	54.39
Mortgage Purpose (by % of balance):			
Refinance	64.06	65.01	52.39
Purchase	35.94	34.99	47.61
Right to Buy (purchase and refinance)	4.37	4.23	6.04
Investment Mortgage Loans	1.87	1.46	6.83

* The CCJ information is in accordance with the Seller's Lending Criteria.

Most of the Mortgage Loans in the Series Initial Mortgage Pool have been originated by the Seller or the CL Originators (see further “*The Series Portfolios – Origination Procedures and Monitoring of Brokers*” in the Offering Circular). 0.17% by loan count (or 0.16% by balance) of the Mortgage Loans (the **Amber Mortgage Loans**) in the Series Initial Mortgage Pool were originated by Amber Home Loans Limited (**Amber**) generally in accordance with the Amber Lending Criteria (as defined below) as in effect on the date on which they were originated. The Seller also acquired 7.55% of the Mortgage Loans in the Series Initial Mortgage Pool by value from RMAC 1999-NS1 Plc in September 2005, from RMAC 1999-NS2 Plc in March 2005, from RMAC 2000-NS1 Plc in March 2005, from RMAC 2000-NS2 Plc in September 2005, from RMAC 2000-NS3 Plc in March 2006, from RMAC 2001-NS1 Plc in March 2006, and from RMAC 2001-NSP2 Plc in June 2006 all of which loans were originated by GMAC-RFC, FM or the CL Originators.

Prior to the Issue Date, in forming the Series Completion Mortgage Pool, the Seller will exclude from the Series Initial Mortgage Pool all Mortgage Loans which do not comply with the Lending Criteria or the Amber Lending Criteria (as in effect on the relevant date) or permitted exceptions (as described below), or with the warranties to be given in respect of the Mortgage Loans in the Series Portfolio Purchase Agreement. Accordingly, the aggregate balance of the Series Completion Mortgage Pool may be less than the aggregate balance of the Series Initial Mortgage Pool.

Characteristics of the Mortgage Loans

Repayment Terms

Of the Mortgage Loans in the Series Initial Mortgage Pool, approximately 41.29% by balance are Repayment Mortgage Loans, approximately 55.88% by balance are Interest Only Mortgage Loans and approximately 2.84% by balance are Part and Part Mortgage Loans.

In relation to Amber Mortgage Loans which are either Interest Only Mortgage Loans or Part and Part Mortgage Loans, the type of repayment vehicle to be used by the Borrower is established and noted by Amber at the application stage.

Payment Holidays/Overpayment

Amber Mortgage Loans allow for a Borrower to take Payment Holidays or make overpayments. Payment Holidays may only be taken if a “surplus” exists. A surplus will exist if the Borrower has previously made overpayments in relation to the Mortgage Loan, although such a surplus will be reduced by the aggregate value of any Payment Holidays that the Borrower has already taken. Payment Holidays may be taken for up to three consecutive months, subject to certain conditions, which include,

- No Payment Holiday is allowed until six months after the end of the month when the Amber Mortgage Loan was completed;
- No Payment Holiday is allowed if the Amber Mortgage Loan is in arrears or has been in arrears at any time within the last six months before the Payment Holiday request;
- No Payment Holiday will be allowed if it will result in any surplus being exceeded at the end of the proposed Payment Holiday;
- A Payment Holiday may not be taken in respect of more than six monthly payments in any period of twelve consecutive months; and
- Following the Payment Holiday the outstanding balance of the Amber Mortgage Loan must not exceed 95% of the most recent valuation of the Property.

Although the obligation to make Monthly Payments is suspended during any Payment Holiday, interest continues to be charged on the Amber Mortgage Loan on a daily basis on the amount of the Mortgage Loan which is outstanding. A Borrower’s Monthly Payments will be increased following any Payment Holiday.

Prepayment

Amber Mortgage Loans allow for prepayments of the Mortgage Loans in whole or in part at any time during the life of the Mortgage Loan. In connection with any prepayment, a Borrower may be obliged to pay additional fees and to cover any expense of the Seller in relation to the prepayment. Any prepayment will be effective to reduce the balance of the Mortgage Loan for interest charging purposes at the point at which the prepayment is credited to the relevant Mortgage Loan account.

Interest Rate Setting – LIBOR-Linked Mortgage Loans

Approximately 8.59% by loan count and 5.58% by balance of the Mortgage Loans in the Series Initial Mortgage Pool are currently LIBOR-Linked Mortgage Loans. Approximately 4.84% by loan count and 4.27% by balance of the Mortgage Loans in the Series Initial Mortgage Pool are Discount LIBOR-Linked Mortgage Loans where the LIBOR-Linked Rate has been discounted by between 0.50% and 2.50% until one of several dates ending no later than 14 March 2009. Approximately 19.02% by loan count and 20.68% by balance of the Mortgage Loans in the Series Initial Mortgage Pool are currently Fixed LIBOR-Linked Mortgage Loans. Approximately 0.08% by loan count and 0.06% by balance of the Mortgage Loans in the Series Initial Mortgage Pool are Stepped Discount LIBOR-Linked Mortgage Loans. See further “*Interest Rate Setting*” under “*The Series Portfolios*” in the Offering Circular.

Interest Rate Setting – Bank of England Base Rate-Linked Mortgage Loans

Approximately 4.17% by loan count and 3.04% by balance of the Mortgage Loans in the Series Initial Mortgage Pool are currently BBR-Linked Mortgage Loans. Approximately 12.58% by loan count and 14.03% by balance of the Mortgage Loans in the Series Initial Mortgage Pool are Discount BBR-Linked Mortgage Loans where the BBR-Linked Rate has been discounted by between 0.01% and 1.55% until one of several dates ending no later than 1 June 2008. Approximately 50.81% by loan count and 52.40% by balance of the Mortgage Loans in the Series Initial Mortgage Pool are currently Fixed BBR-Linked Mortgage Loans. See further “*Interest Rate Setting*” under “*The Series Portfolios*” in the Offering Circular.

Interest in relation to each of the Amber Mortgage Loans is linked to LIBOR. LIBOR in relation to both Mortgage Loans originated by the Seller and the Amber Mortgage Loans, is reset on the same dates. No Amber Mortgage Loan is subject to a fixed rate of interest for any period.

Mortgage Payment Dates

The payment date in relation to each Amber Mortgage Loan is the first day of each calendar month.

Right-to-Buy Scheme

Approximately 4.37% of the Mortgage Loans in the Series Initial Mortgage Pool by balance and 7.41% by loan count are RTB Mortgage Loans. No Amber Mortgage Loan is a RTB Mortgage Loan.

Origination Procedures

Amber may derive its mortgage business from the use of intermediaries or brokers.

Approximately 4.43% by balance of the Mortgage Loans in the Series Initial Mortgage Pool were originated under the correspondent lending programme. The remote processing programme operated by the Seller accounts for approximately 35.07% by balance of the Series Initial Mortgage Pool.

The Seller will sub-delegate to the Issuer under a power of attorney its rights under the power of attorney given to the Seller by Amber in so far as that power of attorney relates to the Amber Mortgage Loans in the Series Portfolio.

Lending Criteria

Approximately 97.21% of the Mortgage Loans in the Series Initial Mortgage Pool have been extended to Borrowers who broadly satisfy the Non-Conforming Lending Criteria category. The Series Initial Mortgage Pool consists of four Mortgage Loans to Non-Conforming Borrowers who have been subject to repossession in the past. See further “*The Series Portfolios – Lending Criteria Categories of the Seller*” in the Offering Circular.

Income Multiples

Unless an exception applies, a Mortgage Loan will not exceed (a) the income of the primary Borrower multiplied by 4.50 and added to the income of any secondary Borrower or (b) the Borrower's joint income multiplied by 3.75, except where LTV is higher than 75%, in which case a Mortgage Loan will not exceed either (a) the income of the primary Borrower multiplied by 4.00 and added to the income of any secondary Borrower or (b) the Borrowers' joint income multiplied by 3.30.

Retentions

As of the Cut-Off Date, approximately £75,779.36 in retention monies relating to the Mortgage Loans in the Series Initial Mortgage Pool were being held by the Seller awaiting completion of required works on the Properties.

There are no retention monies relating to the Amber Mortgage Loans.

Express Completion Service

There are 40 Mortgage Loans in the Series Initial Mortgage Pool that have been originated pursuant to the Express Completion Service, representing an aggregate principal loan balance of approximately 0.32% of the Series Initial Mortgage Pool.

The Express Completion Service does not relate to the Amber Mortgage Loans.

Mortgages on Let Properties

Only 202 of the Mortgage Loans in the Series Initial Mortgage Pool (representing an aggregate principal loan balance of approximately £15,576,442.96) are Investment Mortgage Loans. These Mortgage Loans represent approximately 1.87% by balance of the Series Initial Mortgage Pool.

Amber Lending Criteria

The general underwriting guidelines of Amber (the **Amber Lending Criteria**) are similar to the Seller's. In some instances, the Amber Lending Criteria are more restrictive than the Seller's. However, there are a limited number of examples where the Amber Lending Criteria are less restrictive, in particular Amber will, in certain circumstances, accept a flying freehold as security whereas the Seller usually will not.

Collection of payments

As at the Cut-Off Date, approximately 94.50% of the payments from the Borrowers are made by direct debit and the remaining 5.50% are made by debit card payments, cash, cheques, paying-in books or standing orders.

AMENDMENTS TO THE OFFERING CIRCULAR

In addition to the amendments to the Offering Circular referred to under “*Risk Factors*”, please also note the following amendments:

The sub-sub-sections of the section *The Series Portfolios* headed *Prime* and *Near Prime* on pages 107 and 108 of the Offering Circular are hereby deleted and replaced with the following:

“Prime

Prime Borrowers must have a credit history which, in the six years prior to the application for a mortgage loan, must not include:

- (a) any Bankruptcy Orders or their Scottish or Northern Irish equivalents (**BOs**); or
- (b) any Individual Voluntary Arrangements (**IVAs**) (a less formal procedure open to insolvent individuals, even those already subject to bankruptcy proceedings),

and which does not include any unsatisfied County Court Judgments or their Scottish or Northern Irish equivalents (**CCJs**). A Prime Borrower may have one of either a CCJ or a CAIS (**Credit Account Information Sharing**) “Default” (a **CAIS Default**) against them (but not both) in the amount of less than £300 in value. This restriction will not apply where the CCJ was satisfied in the year prior to the application for a Mortgage Loan or the CAIS Default registered over 3 years prior to the application for a Mortgage Loan. The CAIS Default and any CCJ must be settled for a Prime Borrower at the time of the application to fulfil the Lending Criteria of the Seller. In addition such Borrowers must be up-to-date in respect of all their current financial obligations.

Near Prime

Near-Prime Borrowers must have a credit history which has no BOs or IVAs placed against them for a period of 6 years prior to an application for a Mortgage Loan. A Near Prime Borrower may have one of either a CCJ or a CAIS Default against them (but not both) which has been settled in the 12 months prior to the application for a Mortgage Loan provided that the CCJ was of less than £300 value. This restriction will not apply if the CCJ or CAIS Default was settled over 1 year before the Borrower’s application. In addition, such Borrower’s application must be up-to-date in respect of all their current financial obligations.”

The sub-section of the section *The Series Portfolios* headed *Age of the Borrower* on page 108 of the Offering Circular is hereby deleted and replaced with the following:

“Age of Borrower

Borrowers must be at least 18 years of age prior to the completion of the Mortgage Loan. For Investment Mortgage Loans, Borrowers must be at least 25 years of age. Furthermore, the term of Mortgage Loans usually must tend before the primary applicant reaches his/her 76th birthday (subject to approved exceptions). In instances where the second applicant will be over the age of 75 at the end of the term of the Mortgage Loan and the second applicant’s income is not required to support the application, there is no maximum age requirement for the second applicant.”

The sub-section of the section *The Series Portfolios* headed *Employment Details* on pages 108 and 109 of the Offering Circular is hereby deleted and replaced with the following:

“Employment Details

The Seller currently checks applicants’ income (Quality Assurance Check) on a sample basis, although it retains the right to apply Quality Assurance Checks to all applications (with the exception of Star Loans). Where an applicant is selected for a Quality Assurance Check, the applicant will be required to verify his or her income, and no offer will normally be made until proof of income has been received.

The policies of the Seller in regard to the verification of the details of an applicant’s income distinguish between two different categories of applicant, employed and self-employed. The income of employed applicants may be verified by (i) a formal reference form from the applicant’s employer; (ii) a P60 or three months’ supporting payslips; or (iii) self-certification by the applicant (only for Mortgage Loans up to certain maximum amounts and where the terms of the product allow). For the purpose of calculating an applicant’s gross income, items can be considered in addition to base salary such as a certain percentage

of guaranteed overtime, bonuses and commissions, confirmed pension income, regular investment and rental income, employer subsidies and maintenance payments.

The income of self-employed applicants may be verified either by (i) a signed certificate of income or a minimum of one year's accounts in each case prepared and signed by an accountant with acceptable qualifications. For Mortgage Loans up to £250,000 preparation and signature by a bookkeeper may be sufficient; or (ii) self-certification by the applicant (only if the applicant has been trading for a minimum of six months and for Mortgage Loans up to certain maximum amounts and where the terms of the product allow).

Verification of income is requested on "high risk" and on a random basis. Self-certification of income is permitted for Borrowers who must meet adequate credit-scoring levels based on such factors as size of loan, loan-to-income ratios credit, credit quality and LTV.

On applications where a Quality Assurance Check is not carried out, a telephone call may be made to the applicant's place of work to confirm that he or she works there, having independently verified the telephone number. In the case of self-employed applicants, a telephone call may be made to the accountant to confirm that he or she acts for the applicant. For Star Loans, where no income is declared, the employer or an accountant of the Borrower is telephoned in every case, for the purpose of confirming the employment (but not the income) of that Borrower."

The sub-section of the section *The Series Portfolios* headed *Mortgage Loan Amount* on page 109 of the Offering Circular is hereby deleted and replaced with the following:

"Mortgage Loan Amount

The Seller will not originate, and will not allow a Remote Processor (and, prior to 31 October 2004, did not allow a CL Originator) to originate, a Mortgage Loan that will be £25,000 or less at the time of completion, subject to exceptions in certain circumstances. A Mortgage Loan, including Further Advances, will, subject to exceptions in certain circumstances, not exceed £3m."

The sub-section of the section *The Series Portfolios* headed *Mortgages on Let Properties* on page 112 of the Offering Circular is hereby deleted and replaced with the following:

"Mortgages on Let Properties

The Seller offers a type of mortgage loan (**Investment Mortgage Loans**) exclusively for investment properties (**Investment Properties**). Prohibited from occupying an Investment Property itself, the Borrower must let an Investment Property within a certain period of completion on a shorthold tenancy (in Scotland, a short assured tenancy) or on a company let not exceeding a certain number of months to tenants who have demonstrated themselves to be of an acceptable character and able to meet their obligations to pay rent. No sub-letting by the tenants is permitted.

Investment Mortgage Loans are extended only with the Investment Properties as collateral. The Seller takes no additional security for the purposes of the Investment Mortgage Loans.

The Lending Criteria for Investment Mortgage Loans originated by the Seller also differ from the criteria applied to other Mortgage Loans in certain respects, including the following:

- As Investment Mortgage Loans are seen as self-financing, there is no requirement for the Borrower to achieve certain income multiples. However the gross monthly rental income must achieve a certain percentage of the monthly mortgage interest payment depending on the product. For prime investment Mortgage Loans the gross monthly rental income must be at least equivalent to the bank base rate at that time, plus one per cent. For non-conforming investment mortgage loans, the gross monthly rental income must be at least 110 per cent. of the monthly interest payment.
- For similar reasons, the Seller may sometimes extend an Investment Mortgage Loan to a Borrower for a term that will last up to that particular Borrower 76th birthday (see "*Age of the Borrower*" above).
- The maximum LTV for an Investment Mortgage Loan is 89 per cent. (in the case of Prime and Near Prime Borrowers) and 80 per cent. for Non-Conforming Borrowers (prior to 31 January 2005 it was 85 per cent. for Prime and Near Prime Borrowers).
- As the primary assessment of the Borrower's ability to pay is based on expected rental income, this is assessed as part of the manual valuation.

- No more than two Borrowers may be party to an Investment Mortgage Loan.

In addition to the Investment Mortgage Loans, exceptions may be granted in relation to certain other Mortgage Loans originated by the Seller in a Series Portfolio to allow the Borrowers to let their Properties. In such circumstances, the Seller may increase the Mortgage Rate on such Mortgage Loans.”

CHARACTERISTICS OF THE SERIES INITIAL MORTGAGE POOL

The Series Initial Mortgage Pool has the aggregate characteristics indicated in Tables 1-16 (columns of percentages may not add up to 100% due to rounding). The valuations quoted in this section are as at the date of the initial origination of the Mortgage Loans.

Table 1
Distribution of Mortgage Loans by Original Loan to Value Ratios (by Number)

Original LTV (%)	No. of Mortgage Loans	% of Mortgage Loans	Current Principal Balance (£)	% of Total balance
0.01 - 25.00	95	1.27	3,670,346.58	0.44
25.01 - 50.00	640	8.55	44,229,831.72	5.30
50.01 - 55.00	260	3.47	20,641,520.26	2.47
55.01 - 60.00	316	4.22	29,431,444.00	3.53
60.01 - 65.00	384	5.13	34,838,302.25	4.18
65.01 - 70.00	493	6.58	47,681,088.82	5.71
70.01 - 75.00	971	12.97	103,675,085.42	12.42
75.01 - 80.00	693	9.26	77,376,140.30	9.27
80.01 - 85.00	1,674	22.36	211,316,568.17	25.32
85.01 - 90.00	1,655	22.10	222,314,049.84	26.64
90.01 - 95.00	306	4.09	39,263,862.77	4.71
	<u>7,487</u>	<u>100.00</u>	<u>834,438,240.13</u>	<u>100.00</u>
<i>Weighted Average LTV</i>	78.11%			
<i>Minimum LTV</i>	7.59%			
<i>Maximum LTV</i>	95.00%			

Table 2
Distribution of Mortgage Loans by Current Principal Balance

<i>Current Principal Balance (£)</i>	<i>No. of Mortgage Loans</i>	<i>% of Mortgage Loans</i>	<i>Current Principal Balance (£)</i>	<i>% of Total balance</i>
0.00 - 20,000.00	24	0.32	365,004.39	0.04
20,000.01 - 30,000.00	151	2.02	3,914,181.30	0.47
30,000.01 - 40,000.00	245	3.27	8,595,378.60	1.03
40,000.01 - 50,000.00	383	5.12	17,244,687.27	2.07
50,000.01 - 60,000.00	497	6.64	27,218,959.12	3.26
60,000.01 - 70,000.00	640	8.55	41,352,305.81	4.96
70,000.01 - 80,000.00	630	8.41	46,957,781.34	5.63
80,000.01 - 90,000.00	641	8.56	54,223,738.19	6.50
90,000.01 - 100,000.00	588	7.85	55,714,342.86	6.68
100,000.01 - 110,000.00	534	7.13	55,697,263.32	6.67
110,000.01 - 120,000.00	444	5.93	50,804,338.28	6.09
120,000.01 - 130,000.00	428	5.72	53,253,630.89	6.38
130,000.01 - 140,000.00	395	5.28	53,044,065.52	6.36
140,000.01 - 150,000.00	311	4.15	44,955,153.90	5.39
150,000.01 - 175,000.00	612	8.17	98,292,680.92	11.78
175,000.01 - 200,000.00	338	4.51	62,772,201.47	7.52
200,000.01 - 225,000.00	225	3.01	47,655,705.58	5.71
225,000.01 - 250,000.00	161	2.15	37,924,155.77	4.54
250,000.01 - 350,000.00	195	2.60	55,783,342.11	6.69
350,000.01 - 500,000.00	41	0.55	16,655,826.90	2.00
500,000.01 - 550,000.00	4	0.05	2,013,496.59	0.24
	<u>7,487</u>	<u>100.00</u>	<u>834,438,240.13</u>	<u>100.00</u>
<i>Average Balance</i>	£111,451.61			
<i>Minimum Balance</i>	£7,113.46			
<i>Maximum Balance</i>	£509,639.03			

Table 3
Distribution of CCJs by Original Loan to Value Ratios*

<i>Loan to Value (%)</i>	<i>No. of Mortgage Loans</i>	<i>% of Mortgage Loans</i>	<i>No. 0 CCJs</i>	<i>% 0 CCJs</i>	<i>No. 1 CCJs</i>	<i>% 1 CCJs</i>	<i>No. >1 CCJs</i>	<i>% >1 CCJs</i>
0.01 - 25.00	95	1.27	78	1.04	12	0.16	5	0.07
25.01 - 50.00	640	8.55	538	7.19	74	0.99	28	0.37
50.01 - 55.00	260	3.47	205	2.74	42	0.56	13	0.17
55.01 - 60.00	316	4.22	250	3.34	50	0.67	16	0.21
60.01 - 65.00	384	5.13	308	4.11	52	0.69	24	0.32
65.01 - 70.00	493	6.58	401	5.36	57	0.76	35	0.47
70.01 - 75.00	971	12.97	755	10.08	153	2.04	63	0.84
75.01 - 80.00	693	9.26	535	7.15	107	1.43	51	0.68
80.01 - 85.00	1,674	22.36	1,301	17.38	232	3.10	141	1.88
85.01 - 90.00	1,655	22.10	1,499	20.02	123	1.64	33	0.44
90.01 - 95.00	306	4.09	271	3.62	27	0.36	8	0.11
	<u>7,487</u>	<u>100.00</u>	<u>6,141</u>	<u>82.02</u>	<u>929</u>	<u>12.41</u>	<u>417</u>	<u>5.57</u>

Table 4
Distribution of CCJs by Margin (Bank Base Rate Loans)*

<i>Margin over Bank Base Rate (%)</i>	<i>No. of Mortgage Loans</i>	<i>% of Mortgage Loans</i>	<i>No. 0 CCJs</i>	<i>% 0 CCJs</i>	<i>No. 1 CCJs</i>	<i>% 1 CCJs</i>	<i>No. >1 CCJs</i>	<i>% >1 CCJs</i>
0.00 - 1.25	0	0.00	0	0.00	0	0.00	0	0.00
1.26 - 1.75	36	0.71	33	0.65	2	0.04	1	0.02
1.76 - 2.25	4,568	90.31	3,983	78.75	472	9.33	113	2.23
2.26 - 2.75	339	6.70	241	4.76	67	1.32	31	0.61
2.76 - 3.25	113	2.23	61	1.21	35	0.69	17	0.34
3.26 - 6.00	2	0.04	1	0.02	1	0.02	0	0.00
	<u>5,058</u>	<u>100.00</u>	<u>4,319</u>	<u>85.39</u>	<u>577</u>	<u>11.41</u>	<u>162</u>	<u>3.20</u>
<i>Weighted Average Margin</i>		2.12%						
<i>Minimum LTV</i>		1.44%						
<i>Maximum LTV</i>		3.64%						

* The CCJ information is in accordance with the Seller's Lending Criteria.

Table 5
Distribution of CCJs by Margin (LIBOR Loans)*

Margin over LIBOR(%)	<i>No. of Mortgage Loans</i>	<i>% of Mortgage Loans</i>	<i>No. 0 CCJs</i>	<i>% 0 CCJs</i>	<i>No. 1 CCJs</i>	<i>% 1 CCJs</i>	<i>No. >1 CCJs</i>	<i>% >1 CCJs</i>
0.00 – 2.00	143	5.89	128	5.27	9	0.37	6	0.25
2.01 – 2.50	545	22.44	471	19.39	56	2.31	18	0.74
2.51 – 3.00	666	27.42	510	21.00	100	4.12	56	2.31
3.01 – 3.50	456	18.77	322	13.26	65	2.68	69	2.84
3.51 – 4.00	307	12.64	208	8.56	58	2.39	41	1.69
4.01 – 4.50	156	6.42	105	4.32	30	1.24	21	0.86
4.51 – 5.00	48	1.98	24	0.99	9	0.37	15	0.62
5.01 – 5.50	35	1.44	21	0.86	8	0.33	6	0.25
5.51 – 6.00	61	2.51	23	0.95	16	0.66	22	0.91
6.01 – 7.50	12	0.49	10	0.41	1	0.04	1	0.04
	<u>2,429</u>	<u>100.00</u>	<u>1,822</u>	<u>75.01</u>	<u>352</u>	<u>14.49</u>	<u>255</u>	<u>10.50</u>
<i>Weighted Average Margin</i>		3.19%						
<i>Minimum Margin</i>		0.90%						
<i>Maximum Margin</i>		7.50%						

Table 6
Distribution of Mortgage Loans by Loan Purpose

Loan Purpose	<i>No. of Mortgage Loans</i>	<i>% of Mortgage Loans</i>	<i>Current Principal Balance (£)</i>	<i>% of Total balance</i>
Purchase	2,647	35.35	299,931,389.70	35.94
Remortgage	4,840	64.65	534,506,850.43	64.06
	<u>7,487</u>	<u>100.00</u>	<u>834,438,240.13</u>	<u>100.00</u>

Table 7
Distribution of Mortgage Loans by Tenure by Original Loan to Value

Original LTV (%)	<i>No. of Mortgage Loans</i>	<i>% of Mortgage Loans</i>	<i>No. of Freehold</i>	<i>% of Freehold</i>	<i>No. of Leasehold</i>	<i>% of Leasehold</i>	<i>No. of Feuhold</i>	<i>% of Feuhold</i>
0.01 – 25.00	95	1.27	84	1.12	10	0.13	1	0.01
25.01 – 50.00	640	8.55	576	7.69	59	0.79	5	0.07
50.01 – 55.00	260	3.47	232	3.10	28	0.37	0	0.00
55.01 – 60.00	316	4.22	287	3.83	27	0.36	2	0.03
60.01 – 65.00	384	5.13	335	4.47	48	0.64	1	0.01
65.01 – 70.00	493	6.58	436	5.82	50	0.67	7	0.09
70.01 – 75.00	971	12.97	847	11.31	110	1.47	14	0.19
75.01 – 80.00	693	9.26	613	8.19	68	0.91	12	0.16
80.01 – 85.00	1,674	22.36	1,469	19.62	181	2.42	24	0.32
85.01 – 90.00	1,655	22.10	1,410	18.83	223	2.98	22	0.29
90.01 – 95.00	306	4.09	244	3.26	54	0.72	8	0.11
	<u>7,487</u>	<u>100</u>	<u>6,533</u>	<u>87.26</u>	<u>858</u>	<u>11.46</u>	<u>96</u>	<u>1.28</u>

* The CCJ information is in accordance with the Seller's Lending Criteria.

Table 8
Distribution of Mortgage Loans by Property Type

<i>Property Type</i>	<i>No. of Mortgage Loans</i>	<i>% of Mortgage Loans</i>	<i>Current Principal Balance (£)</i>	<i>% of Total balance</i>
Detached Bungalow	168	2.24	23,622,100.01	2.83
Detached House	931	12.43	153,627,548.02	18.41
End Terraced	929	12.41	93,199,670.40	11.17
Flat/Maisonette	17	0.23	2,180,899.12	0.26
Leasehold Flat	618	8.25	69,426,822.16	8.32
Maisonette	68	0.91	7,267,674.83	0.87
Semi-Detached House	2,483	33.16	267,459,797.54	32.05
Semi-Detached Bungalow	84	1.12	9,502,216.82	1.14
Terraced	2,181	29.13	207,344,644.58	24.85
Terraced Bungalow	8	0.11	806,866.65	0.10
	7,487	100.00	834,438,240.13	100.00

Table 9
Distribution of Mortgage Loans by Region (by Number)

<i>Region</i>	<i>No. of Mortgage Loans</i>	<i>% of Mortgage Loans</i>	<i>Current Principal Balance (£)</i>	<i>% of Total balance</i>
East Anglia	261	3.49	28,815,030.58	3.45
East Midlands	491	6.56	50,923,018.08	6.10
Greater London	403	5.38	63,211,979.95	7.58
North	457	6.10	38,932,703.57	4.67
North West	1,059	14.14	103,274,614.66	12.38
Northern Ireland	41	0.55	2,296,206.67	0.28
Outer Metropolitan	535	7.15	85,466,804.05	10.24
Scotland	504	6.73	46,046,161.50	5.52
South East	1,120	14.96	153,252,452.87	18.37
South West	580	7.75	69,172,650.06	8.29
Wales	583	7.79	54,947,516.31	6.58
West Midlands	745	9.95	74,322,710.35	8.91
Yorkshire	708	9.46	63,776,391.48	7.64
	7,487	100.00	834,438,240.13	100.00

Table 10
Distribution of Mortgage Loans by Months to Maturity

<i>Months to Maturity</i>	<i>No. of Mortgage Loans</i>	<i>% of Mortgage Loans</i>	<i>Current Principal Balance (£)</i>	<i>% of Total balance</i>
0 - 51	24	0.32	1,235,988.29	0.15
52 - 72	62	0.83	4,781,387.09	0.57
73 - 96	73	0.98	5,433,371.23	0.65
97 - 120	256	3.42	27,046,144.76	3.24
121 - 144	227	3.03	21,759,521.80	2.61
145 - 168	193	2.58	20,295,261.72	2.43
169 - 192	661	8.83	68,629,902.14	8.22
193 - 216	350	4.67	38,774,625.68	4.65
217 - 240	1,169	15.61	135,477,855.14	16.24
241 - 264	649	8.67	63,418,702.79	7.60
265 - 288	487	6.50	54,723,838.78	6.56
289 - 312	2,710	36.20	323,387,160.20	38.76
313 - 336	47	0.63	5,297,647.19	0.63
337 - 360	579	7.73	64,176,833.32	7.69
	<u>7,487</u>	<u>100.00</u>	<u>834,438,240.13</u>	<u>100.00</u>

Table 11
Distribution of Mortgage Loans by Repayment Method

<i>Repayment Method</i>	<i>No. of Mortgage Loans</i>	<i>% of Mortgage Loans</i>	<i>Current Principal Balance (£)</i>	<i>% of Total balance</i>
Interest Only	3,463	46.25	466,274,511.63	55.88
Part & Part	236	3.15	23,664,851.10	2.84
Repayment	3,788	50.59	344,498,877.40	41.29
	<u>7,487</u>	<u>100.00</u>	<u>834,438,240.13</u>	<u>100.00</u>

Table 12
Distribution of Mortgage Loans – Current and in Arrears

<i>Days Past Due</i>	<i>No. of Mortgage Loans</i>	<i>% of Mortgage Loans</i>	<i>Current Principal Balance (£)</i>	<i>% of Total balance</i>
Current	7,298	97.48	811,537,914.97	97.26
30-59 days	144	1.92	17,891,513.82	2.14
60-89 days	45	0.60	5,008,811.34	0.60
	<u>7,487</u>	<u>100.00</u>	<u>834,438,240.13</u>	<u>100.00</u>

Table 13
Distribution of Mortgage Loans by Status

<i>Status</i>	<i>No. of Mortgage Loans</i>	<i>% of Mortgage Loans</i>	<i>Current Principal Balance (£)</i>	<i>% of Total balance</i>
Full Status	2,964	39.59	277,891,360.87	33.30
Self Certified	4,458	59.54	549,881,305.59	65.90
No Income Declared	65	0.87	6,665,573.67	0.80
	<u>7,487</u>	<u>100.00</u>	<u>834,438,240.13</u>	<u>100.00</u>

Table 14
Distribution of Mortgage Loans by Rate Type

Rate Type	No. of Mortgage Loans	% of Mortgage Loans	Current Principal Balance (£)	% of Total balance
DISCOUNT for 1 Month	1	0.01	112,391.53	0.01
DISCOUNT for 2 Months	10	0.13	903,822.26	0.11
DISCOUNT for 3 Months	8	0.11	1,022,279.36	0.12
DISCOUNT for 4 Months	9	0.12	774,817.91	0.09
DISCOUNT for 5 Months	1	0.01	89,909.41	0.01
DISCOUNT for 6 Months	11	0.15	924,884.49	0.11
DISCOUNT for 8 Months	41	0.55	3,806,140.61	0.46
DISCOUNT for 9 Months	3	0.04	373,230.76	0.04
DISCOUNT for 10 Months	74	0.99	7,049,451.90	0.84
DISCOUNT for 11 Months	134	1.79	13,780,346.38	1.65
DISCOUNT for 12 Months	27	0.36	2,610,633.44	0.31
DISCOUNT for 16 Months	1	0.01	182,474.28	0.02
DISCOUNT for 17 Months	5	0.07	849,411.36	0.10
DISCOUNT for 18 Months	7	0.09	885,018.14	0.11
DISCOUNT for 19 Months	6	0.08	838,174.34	0.10
DISCOUNT for 20 Months	14	0.19	1,986,898.54	0.24
DISCOUNT for 21 Months	16	0.21	2,392,541.54	0.29
DISCOUNT for 22 Months	150	2.00	19,345,902.24	2.32
DISCOUNT for 23 Months	441	5.89	52,979,067.48	6.35
DISCOUNT for 24 Months	343	4.58	41,507,386.62	4.97
DISCOUNT for 25 Months	1	0.01	153,688.87	0.02
DISCOUNT for 34 Months	1	0.01	73,645.58	0.01
Total Discount	1,304	17.42	152,642,117.04	18.29
FIXED for 2 Months	1	0.01	197,796.54	0.02
FIXED for 4 Months	3	0.04	400,989.89	0.05
FIXED for 8 Months	11	0.15	1,271,089.30	0.15
FIXED for 11 Months	28	0.37	3,329,071.59	0.40
FIXED for 12 Months	2	0.03	230,936.16	0.03
FIXED for 14 Months	15	0.20	1,635,927.60	0.20
FIXED for 15 Months	4	0.05	419,406.11	0.05
FIXED for 16 Months	39	0.52	5,560,390.57	0.67
FIXED for 18 Months	27	0.36	3,469,990.02	0.42
FIXED for 20 Months	453	6.05	55,711,459.32	6.68
FIXED for 22 Months	11	0.15	1,363,327.73	0.16
FIXED for 23 Months	2,943	39.31	337,595,160.92	40.46
FIXED for 24 Months	510	6.81	65,220,348.43	7.82
FIXED for 25 Months	31	0.41	3,634,699.62	0.44
FIXED for 26 Months	452	6.04	48,950,940.97	5.87
FIXED for 28 Months	1	0.01	73,219.61	0.01
FIXED for 33 Months	8	0.11	1,053,924.24	0.13
FIXED for 34 Months	365	4.88	43,816,870.63	5.25
FIXED for 35 Months	143	1.91	15,713,624.67	1.88
FIXED for 36 Months	181	2.42	20,167,566.25	2.42
Total Fixed	5,228	69.83	609,816,740.17	73.08
Variable Rate (BBR)	312	4.17	25,389,750.20	3.04
Variable Rate (LIBOR)	643	8.59	46,589,632.72	5.58
Total Floating	955	12.76	71,979,382.92	8.63
Total	7,487	100.00	834,438,240.13	100.00

Table 15
Distribution of Mortgage Loans by Early Repayment Charges

<i>Mortgage Early Redemption Charges with reference to remaining years redemption</i>	<i>No. of Mortgage Loans</i>	<i>% of Mortgage Loans</i>	<i>Current Principal Balance (£)</i>	<i>% of Total balance</i>
3%, 2%, 1%	8	0.11	652,484.27	0.08
3%, 3%	1	0.01	50,289.71	0.01
4%	11	0.15	1,070,524.43	0.13
5%	3	0.04	291,653.77	0.03
5%, 3%, 2%	1	0.01	46,999.39	0.01
5%, 4%	8	0.11	957,248.32	0.11
5%, 5%	1	0.01	47,078.04	0.01
5%, 5%, 5%	12	0.16	1,273,338.84	0.15
6%	7	0.09	822,467.59	0.10
6%, 5%	981	13.10	121,239,054.73	14.53
6%, 5%, 4%	506	6.76	56,231,052.23	6.74
6%, 6%	4,445	59.37	517,708,622.64	62.04
6%, 6%, 1%	55	0.73	7,295,751.91	0.87
6%, 6%, 6%	577	7.71	63,936,746.13	7.66
6, 6, 6, 6, 6, Months Gross Interest	2	0.03	283,781.54	0.03
6 Months Gross Interest Expired	12	0.16	1,435,063.11	0.17
None	800	10.69	57,710,635.12	6.92
	57	0.76	3,385,448.36	0.41
	<u>7,487</u>	<u>100.00</u>	<u>834,438,240.13</u>	<u>100.00</u>

Table 16
Distribution of Mortgage Loans by Loan Index

<i>Loan Index</i>	<i>No. of Mortgage Loans</i>	<i>% of Mortgage Loans</i>	<i>Current Principal Balance (£)</i>	<i>% of Total balance</i>
Bank Base Rate	5,058	67.56	579,671,594.26	69.47
LIBOR	2,429	32.44	254,766,645.87	30.53
	<u>7,487</u>	<u>100.00</u>	<u>834,438,240.13</u>	<u>100.00</u>

SERIES PORTFOLIO PURCHASE AGREEMENT

Further Advances

As described in the Offering Circular under “*Transaction Documents – Series Portfolio Purchase Agreements – Further Advances*”, Further Advances may be made as a Series Permitted Withdrawal on behalf of the Issuer on any date prior to a Series Event of Default. On each Determination Date, the aggregate of (a) the amount of Further Advances in respect of the Series Portfolio which the Seller is committed to advancing (but has not yet advanced) as at the Determination Date and (b) the amount which the Seller anticipates it will require for future (but uncommitted) Further Advances in respect of the Series Portfolio, such amount (in respect of this item (b) only) not to be greater than £500,000 (such aggregate amount, the **Committed Further Advances**) will be transferred from the Series Principal Ledger to the Series Further Advances Ledger. Available Capital Funds may be applied or set aside by the Issuer on any day for the making of Further Advances after any amounts then standing to the credit of the Series Further Advances Ledger have been exhausted.

In addition to the conditions to the making of a Further Advance specified under “*Transaction Documents – Series Portfolio Purchase Agreements – Further Advances*”, Further Advances in respect of the Series Portfolio, will be made by the Seller and will be purchased from the Seller subject to the amount of the Further Advance (together with all other Further Advances made with respect to other Mortgage Loans in the Series Portfolio and the aggregate balances of Substitute Mortgage Loans acquired by the Issuer in respect of the Series Portfolio on that day) when added to the amount of any Further Advances previously made and the aggregate balances of Substitute Mortgage Loans in respect of the Series Portfolio previously purchased does not exceed 10% of the aggregate Balances of the Mortgage Loans in the Series Portfolio on the Issue Date.

Representations and Warranties

In addition to the representations and warranties specified under “*Transaction Documents – Series Portfolio Purchase Agreements – Representations and Warranties*” in the Offering Circular, the following representations and warranties will be required in connection with the purchase of the Series Completion Mortgage Pool:

- (a) the interest payable under the Mortgage Loans in the Series Portfolio is determined by reference to: (a) in the case of LIBOR-linked Mortgage Loans, a fixed margin over LIBOR; (b) in the case of the BBR-linked Mortgage Loans, a fixed margin above the Bank of England base rate; subject, in (a) and (b) above, to certain Mortgage Loans having fixed interest rates until one of 120 dates between 1 July 2006 and 30 May 2009; and
- (b) in the case of each Mortgage Loan in the Series Portfolio (with the exception of 25 Mortgage Loans in the Series Initial Mortgage Pool) secured on leasehold property, the relevant leasehold interest has an unexpired term left to run of not less than 30 years after the maturity of the relevant Mortgage Loan.

Substitute Mortgage Loans

In addition to the conditions to the sale of Substitute Mortgage Loans to the Issuer, the sale of a Substitute Mortgage Loan to the Issuer in respect of the Series Portfolio will only be permitted subject to the amount of the balance of the Substitute Mortgage Loan to be sold (together with the amount of all Further Advances made and the aggregate balances of the other Substitute Mortgage Loans acquired by the Issuer in respect of the Series Portfolio on that day) when added to the amount of any Further Advances previously made and the aggregate balances of Substitute Mortgage Loans previously purchased in respect of the Series Portfolio does not exceed 10% of the aggregate Balances of the Mortgage Loans in the Series Portfolio on the Issue Date.

WEIGHTED AVERAGE LIVES OF THE NOTES

Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in net reduction of principal of such security (assuming no losses). The weighted average lives of the Notes will be influenced by, among other things, the actual rate of redemption of the Mortgage Loans in the Series Portfolio and the extent to which Available Revenue Funds are sufficient to cover any Series Principal Deficiencies.

The model used in this Supplement for the Mortgage Loans represents an assumed constant per annum rate of prepayment (CPR) each month relative to the then outstanding principal balance of a pool of mortgages. CPR does not purport to be either an historical description of the prepayment experience of any pool of mortgage loans or a prediction of the expected rate of prepayment of any mortgage loans, including the Mortgages to be included in the Completion Mortgage Pool in respect of the Series Portfolio.

The following tables were prepared based on the characteristics of the Mortgage Loans included in the Series Portfolio and the following additional assumptions (the **Modelling Assumptions**):

- (a) there are no arrears (other than those specified herein) or enforcements;
- (b) no Mortgage Loan is sold by the Issuer;
- (c) no Series Principal Deficiency arises;
- (d) the Seller is not in breach of the terms of the Series Portfolio Purchase Agreement;
- (e) no Mortgage Loan is repurchased by the Seller;
- (f) no Substitute Mortgage Loans are purchased;
- (g) no Further Advances are made in respect of the Series Portfolio;
- (h) the portfolio mix of loan characteristics remains the same throughout the life of the Notes;
- (i) following the expiry of the fixed rate/discount period (if applicable), the interest rate on each Mortgage Loan in the Series Portfolio is equal to LIBOR plus a fixed margin, the Bank of England base rate plus a fixed margin, as applicable;
- (j) the Notes are issued on 28 June 2006 and all payments on the Notes are received on the 12th day of every third calendar month commencing from September 2006;
- (k) LIBOR is equal to 4.58 per cent and is applied both to the aggregate Base Currency PAO and the Mortgage Loans in the Series Portfolio;
- (l) the Bank of England base rate is equal to 4.50 per cent;
- (m) in the case of tables stating "with optional redemption", the Notes are redeemed at their Principal Amount Outstanding on the Distribution Date following the Distribution Date on which the aggregate Base Currency PAO is less than 10% of the initial Base Currency PAO;
- (n) interest on the Notes is always calculated on the basis of actual days elapsed in a 365 year (without adjustment);
- (o) the Series Discount Reserve has not been calculated for the purposes of these calculations;
- (p) the Notes will be redeemed in accordance with the Conditions; and
- (q) the Series Portfolio will be purchased on the Issue Date and has the characteristics defined below.

Replines

<i>Collateral Line</i>	<i>Current Principal Balance (£)</i>	<i>Mortgage Rate (%)</i>	<i>Fully Indexed Margin (%)</i>	<i>Remaining Term to Maturity (months)</i>	<i>Next Interest Reset (months)</i>	<i>Interest Only Period (months)</i>	<i>Discount (%)</i>	<i>Months to Full Floating Rate</i>
1	11,681,261.32	6.518	1.9962	189	1	188	0.0000	0
2	9,617,888.55	6.477	1.9736	203	1	0	0.0000	0
3	65,471,274.95	6.063	2.1798	245	1	244	0.6169	24
4	32,720,546.54	6.004	2.1382	270	1	0	0.6357	24
5	205,420,218.48	6.088	2.1369	259	23	258	0.0000	23
6	161,368,197.25	6.033	2.0932	276	23	0	0.0000	23
7	18,278,143.33	5.904	3.2632	244	1	243	1.9397	11
8	11,579,634.05	5.582	2.8286	280	1	0	1.8263	12
9	91,345,024.46	6.735	3.3919	259	29	258	0.0000	29
10	53,434,339.89	6.388	3.0521	279	28	0	0.0000	28
11	18,808,196.66	7.622	3.0364	193	1	192	0.0000	0
12	20,275,274.51	7.471	2.8906	209	1	0	0.0000	0

Collateral lines 1-6 are linked to BBR

Collateral lines 7-12 are linked to LIBOR

**Percentage of the Original Principal Amount Outstanding of the A1 Notes at the Specified CPRs
(Without Optional Redemption)**

	<u>0%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>30%</u>	<u>35%</u>	<u>40%</u>	<u>15%/35%¹</u>
28 June 06	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
12 June 07	97.3	51.5	36.3	21.0	5.8	0.0	0.0	51.5
12 June 08	94.4	10.5	0.0	0.0	0.0	0.0	0.0	0.0
12 June 09	91.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 10	88.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 11	85.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 12	81.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 13	77.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 14	73.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 15	69.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 16	64.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 17	59.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 18	54.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 19	48.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 20	42.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 21	36.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 22	23.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 23	8.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 24	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 25	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 26	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 27	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 28	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 29	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 30	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 31	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 32	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 33	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 34	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 36	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Without Optional Redemption)								
Weighted Average Life (years)	11.54	1.15	0.88	0.71	0.59	0.51	0.44	0.96
Payment Window (start)	Sep-06	Sep-06	Sep-06	Sep-06	Sep-06	Sep-06	Sep-06	Sep-06
Payment Window (end)	Sep-24	Dec-08	Mar-08	Dec-07	Sep-07	Jun-07	Jun-07	Mar-08
(With Optional Redemption)								
Weighted Average Life (years)	11.54	1.15	0.88	0.71	0.59	0.51	0.44	0.96
Payment Window (start)	Sep-06	Sep-06	Sep-06	Sep-06	Sep-06	Sep-06	Sep-06	Sep-06
Payment Window (end)	Sep-24	Dec-08	Mar-08	Dec-07	Sep-07	Jun-07	Jun-07	Mar-08

¹ relates to CPR 15% in the first 12 months, followed by 35% thereafter.

**Percentage of the Original Principal Amount Outstanding of the A2 Notes at the Specified CPRs
(Without Optional Redemption)**

	0%	15%	20%	25%	30%	35%	40%	15%/35% ¹
28 June 06	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
12 June 07	100.0	100.0	100.0	100.0	100.0	94.1	84.6	100.0
12 June 08	100.0	100.0	91.0	76.5	62.8	53.2	45.1	74.6
12 June 09	100.0	85.1	66.1	53.3	43.6	34.2	26.8	45.8
12 June 10	100.0	66.9	52.3	39.6	30.2	22.0	15.9	29.5
12 June 11	100.0	55.2	41.4	29.4	20.9	14.2	9.4	18.9
12 June 12	100.0	46.3	32.7	21.7	14.4	9.1	5.6	12.2
12 June 13	100.0	38.9	25.8	16.1	10.0	5.8	3.3	7.8
12 June 14	100.0	32.6	20.4	11.9	6.9	3.7	2.0	5.0
12 June 15	100.0	27.2	16.0	8.8	4.7	2.4	1.2	3.2
12 June 16	100.0	22.8	12.6	6.5	3.3	1.5	0.7	2.0
12 June 17	100.0	19.0	9.9	4.8	2.2	1.0	0.4	1.3
12 June 18	100.0	15.8	7.8	3.5	1.5	0.6	0.2	0.8
12 June 19	100.0	13.2	6.1	2.6	1.1	0.4	0.1	0.5
12 June 20	100.0	10.9	4.7	1.9	0.7	0.3	0.1	0.3
12 June 21	100.0	9.0	3.7	1.4	0.5	0.2	0.0	0.2
12 June 22	100.0	7.3	2.8	1.0	0.3	0.1	0.0	0.1
12 June 23	100.0	5.8	2.1	0.7	0.2	0.1	0.0	0.1
12 June 24	100.0	4.8	1.6	0.5	0.1	0.0	0.0	0.0
12 June 25	96.2	3.9	1.3	0.4	0.1	0.0	0.0	0.0
12 June 26	91.4	3.2	1.0	0.3	0.1	0.0	0.0	0.0
12 June 27	64.1	2.1	0.6	0.1	0.0	0.0	0.0	0.0
12 June 28	4.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
12 June 29	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 30	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 31	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 32	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 33	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 34	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 36	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Weighted Average Life (years) 21.18 7.28 5.59 4.39 3.60 2.99 2.54 3.63								
Payment Window (start) Sep-24 Dec-08 Mar-08 Dec-07 Sep-07 Jun-07 Jun-07 Mar-08								
Payment Window (end) Dec-29 Dec-29 Dec-29 Dec-29 Dec-29 Dec-29 Dec-29 Dec-29								
(With Optional Redemption)								
Weighted Average Life (years) 21.16 6.80 5.13 4.00 3.30 2.72 2.32 3.37								
Payment Window (start) Sep-24 Dec-08 Mar-08 Dec-07 Sep-07 Jun-07 Jun-07 Mar-08								
Payment Window (end) Jun-28 Dec-19 Sep-16 Jun-14 Mar-13 Dec-11 Mar-11 Sep-12								

¹ relates to CPR 15% in the first 12 months, followed by 35% thereafter.

**Percentage of the Original Principal Amount Outstanding of the M1 Notes at the Specified CPRs
(Without Optional Redemption)**

	<i>0%</i>	<i>15%</i>	<i>20%</i>	<i>25%</i>	<i>30%</i>	<i>35%</i>	<i>40%</i>	<i>15%/35%¹</i>
28 June 06	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
12 June 07	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
12 June 08	100.0	100.0	100.0	100.0	100.0	89.6	77.1	100.0
12 June 09	100.0	100.0	100.0	86.2	69.3	57.7	45.8	71.9
12 June 10	100.0	100.0	79.2	64.0	48.0	37.1	27.2	46.2
12 June 11	100.0	87.8	62.6	47.4	33.2	23.8	16.1	29.7
12 June 12	100.0	73.7	49.5	35.2	23.0	15.3	9.6	19.1
12 June 13	100.0	61.8	39.1	26.0	15.9	9.8	5.7	12.2
12 June 14	100.0	51.8	30.8	19.2	11.0	6.3	3.4	7.8
12 June 15	100.0	43.4	24.3	14.2	7.6	4.0	2.0	5.0
12 June 16	100.0	36.2	19.1	10.5	5.2	2.6	1.2	3.2
12 June 17	100.0	30.2	15.0	7.7	3.6	1.6	0.7	2.0
12 June 18	100.0	25.2	11.8	5.7	2.5	1.0	0.4	1.3
12 June 19	100.0	20.9	9.2	4.2	1.7	0.7	0.2	0.8
12 June 20	100.0	17.4	7.2	3.0	1.1	0.4	0.1	0.5
12 June 21	100.0	14.4	5.6	2.2	0.8	0.3	0.1	0.3
12 June 22	100.0	11.6	4.3	1.6	0.5	0.2	0.0	0.2
12 June 23	100.0	9.2	3.2	1.1	0.3	0.1	0.0	0.1
12 June 24	100.0	7.6	2.5	0.8	0.2	0.1	0.0	0.1
12 June 25	100.0	6.2	1.9	0.6	0.2	0.0	0.0	0.0
12 June 26	100.0	5.1	1.5	0.4	0.1	0.0	0.0	0.0
12 June 27	97.3	3.3	0.9	0.2	0.1	0.0	0.0	0.0
12 June 28	6.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0
12 June 29	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 30	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 31	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 32	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 33	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 34	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 36	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Weighted Average Life (years)	21.73	9.64	7.24	5.90	4.79	4.10	3.50	4.59
Payment Window (start)	Mar-27	Dec-10	Sep-09	Mar-09	Sep-08	Jun-08	Mar-08	Dec-08
Payment Window (end)	Dec-29	Dec-29	Dec-29	Dec-29	Dec-29	Dec-29	Dec-29	Dec-29
(With Optional Redemption)								
Weighted Average Life (years)	21.69	8.87	6.54	5.26	4.31	3.64	3.13	4.19
Payment Window (start)	Mar-27	Dec-10	Sep-09	Mar-09	Sep-08	Jun-08	Mar-08	Dec-08
Payment Window (end)	Jun-28	Dec-19	Sep-16	Jun-14	Mar-13	Dec-11	Mar-11	Sep-12

¹ relates to CPR 15% in the first 12 months, followed by 35% thereafter.

**Percentage of the Original Principal Amount Outstanding of the M2c Notes at the Specified CPRs
(Without Optional Redemption)**

	0%	15%	20%	25%	30%	35%	40%	15%/35% ¹
28 June 06	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
12 June 07	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
12 June 08	100.0	100.0	100.0	100.0	100.0	89.6	77.1	100.0
12 June 09	100.0	100.0	100.0	86.2	69.3	57.7	45.8	71.9
12 June 10	100.0	100.0	79.2	64.0	48.0	37.1	27.2	46.2
12 June 11	100.0	87.8	62.6	47.4	33.2	23.8	16.1	29.7
12 June 12	100.0	73.7	49.5	35.2	23.0	15.3	9.6	19.1
12 June 13	100.0	61.8	39.1	26.0	15.9	9.8	5.7	12.2
12 June 14	100.0	51.8	30.8	19.2	11.0	6.3	3.4	7.8
12 June 15	100.0	43.4	24.3	14.2	7.6	4.0	2.0	5.0
12 June 16	100.0	36.2	19.1	10.5	5.2	2.6	1.2	3.2
12 June 17	100.0	30.2	15.0	7.7	3.6	1.6	0.7	2.0
12 June 18	100.0	25.2	11.8	5.7	2.5	1.0	0.4	1.3
12 June 19	100.0	20.9	9.2	4.2	1.7	0.7	0.2	0.8
12 June 20	100.0	17.4	7.2	3.0	1.1	0.4	0.1	0.5
12 June 21	100.0	14.4	5.6	2.2	0.8	0.3	0.1	0.3
12 June 22	100.0	11.6	4.3	1.6	0.5	0.2	0.0	0.2
12 June 23	100.0	9.2	3.2	1.1	0.3	0.1	0.0	0.1
12 June 24	100.0	7.6	2.5	0.8	0.2	0.1	0.0	0.1
12 June 25	100.0	6.2	1.9	0.6	0.2	0.0	0.0	0.0
12 June 26	100.0	5.1	1.5	0.4	0.1	0.0	0.0	0.0
12 June 27	97.3	3.3	0.9	0.2	0.1	0.0	0.0	0.0
12 June 28	6.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0
12 June 29	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 30	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 31	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 32	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 33	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 34	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 36	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Weighted Average Life (years)	21.73	9.64	7.24	5.90	4.79	4.10	3.50	4.59
Payment Window (start)	Mar-27	Dec-10	Sep-09	Mar-09	Sep-08	Jun-08	Mar-08	Dec-08
Payment Window (end)	Dec-29	Dec-29	Dec-29	Dec-29	Dec-29	Dec-29	Dec-29	Dec-29
(With Optional Redemption)								
Weighted Average Life (years)	21.69	8.87	6.54	5.26	4.31	3.64	3.13	4.19
Payment Window (start)	Mar-27	Dec-10	Sep-09	Mar-09	Sep-08	Jun-08	Mar-08	Dec-08
Payment Window (end)	Jun-28	Dec-19	Sep-16	Jun-14	Mar-13	Dec-11	Mar-11	Sep-12

¹ relates to CPR 15% in the first 12 months, followed by 35% thereafter.

**Percentage of the Original Principal Amount Outstanding of the B1 Notes at the Specified CPRs
(Without Optional Redemption)**

	0%	15%	20%	25%	30%	35%	40%	15%/35% ¹
28 June 06	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
12 June 07	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
12 June 08	100.0	100.0	100.0	100.0	100.0	89.6	77.1	100.0
12 June 09	100.0	100.0	100.0	86.2	69.3	57.7	45.8	71.9
12 June 10	100.0	100.0	79.2	64.0	48.0	37.1	27.2	46.2
12 June 11	100.0	87.8	62.6	47.4	33.2	23.8	16.1	29.7
12 June 12	100.0	73.7	49.5	35.2	23.0	15.3	9.6	19.1
12 June 13	100.0	61.8	39.1	26.0	15.9	9.8	5.7	12.2
12 June 14	100.0	51.8	30.8	19.2	11.0	6.3	3.4	7.8
12 June 15	100.0	43.4	24.3	14.2	7.6	4.0	2.0	5.0
12 June 16	100.0	36.2	19.1	10.5	5.2	2.6	1.2	3.2
12 June 17	100.0	30.2	15.0	7.7	3.6	1.6	0.7	2.0
12 June 18	100.0	25.2	11.8	5.7	2.5	1.0	0.4	1.3
12 June 19	100.0	20.9	9.2	4.2	1.7	0.7	0.2	0.8
12 June 20	100.0	17.4	7.2	3.0	1.1	0.4	0.1	0.5
12 June 21	100.0	14.4	5.6	2.2	0.8	0.3	0.1	0.3
12 June 22	100.0	11.6	4.3	1.6	0.5	0.2	0.0	0.2
12 June 23	100.0	9.2	3.2	1.1	0.3	0.1	0.0	0.1
12 June 24	100.0	7.6	2.5	0.8	0.2	0.1	0.0	0.1
12 June 25	100.0	6.2	1.9	0.6	0.2	0.0	0.0	0.0
12 June 26	100.0	5.1	1.5	0.4	0.1	0.0	0.0	0.0
12 June 27	97.3	3.3	0.9	0.2	0.1	0.0	0.0	0.0
12 June 28	6.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0
12 June 29	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 30	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 31	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 32	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 33	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 34	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 36	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Weighted Average Life (years)	21.73	9.64	7.24	5.90	4.79	4.10	3.50	4.59
Payment Window (start)	Mar-27	Dec-10	Sep-09	Mar-09	Sep-08	Jun-08	Mar-08	Dec-08
Payment Window (end)	Dec-29	Dec-29	Dec-29	Dec-29	Dec-29	Dec-29	Dec-29	Dec-29
(With Optional Redemption)								
Weighted Average Life (years)	21.69	8.87	6.54	5.26	4.31	3.64	3.13	4.19
Payment Window (start)	Mar-27	Dec-10	Sep-09	Mar-09	Sep-08	Jun-08	Mar-08	Dec-08
Payment Window (end)	Jun-28	Dec-19	Sep-16	Jun-14	Mar-13	Dec-11	Mar-11	Sep-12

¹ relates to CPR 15% in the first 12 months, followed by 35% thereafter.

**Percentage of the Original Principal Amount Outstanding of the B2a Notes at the Specified CPRs
(Without Optional Redemption)**

	0%	15%	20%	25%	30%	35%	40%	15%/35% ¹
28 June 06	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
12 June 07	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
12 June 08	100.0	100.0	100.0	100.0	100.0	89.6	77.1	100.0
12 June 09	100.0	100.0	100.0	86.2	69.3	57.7	45.8	71.9
12 June 10	100.0	100.0	79.2	64.0	48.0	37.1	27.2	46.2
12 June 11	100.0	87.8	62.6	47.4	33.2	23.8	16.1	29.7
12 June 12	100.0	73.7	49.5	35.2	23.0	15.3	9.6	19.1
12 June 13	100.0	61.8	39.1	26.0	15.9	9.8	5.7	12.2
12 June 14	100.0	51.8	30.8	19.2	11.0	6.3	3.4	7.8
12 June 15	100.0	43.4	24.3	14.2	7.6	4.0	2.0	5.0
12 June 16	100.0	36.2	19.1	10.5	5.2	2.6	1.2	3.2
12 June 17	100.0	30.2	15.0	7.7	3.6	1.6	0.7	2.0
12 June 18	100.0	25.2	11.8	5.7	2.5	1.0	0.4	1.3
12 June 19	100.0	20.9	9.2	4.2	1.7	0.7	0.2	0.8
12 June 20	100.0	17.4	7.2	3.0	1.1	0.4	0.1	0.5
12 June 21	100.0	14.4	5.6	2.2	0.8	0.3	0.1	0.3
12 June 22	100.0	11.6	4.3	1.6	0.5	0.2	0.0	0.2
12 June 23	100.0	9.2	3.2	1.1	0.3	0.1	0.0	0.1
12 June 24	100.0	7.6	2.5	0.8	0.2	0.1	0.0	0.1
12 June 25	100.0	6.2	1.9	0.6	0.2	0.0	0.0	0.0
12 June 26	100.0	5.1	1.5	0.4	0.1	0.0	0.0	0.0
12 June 27	97.3	3.3	0.9	0.2	0.1	0.0	0.0	0.0
12 June 28	6.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0
12 June 29	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 30	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 31	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 32	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 33	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 34	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 35	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12 June 36	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Weighted Average Life (years)	21.73	9.64	7.24	5.90	4.79	4.10	3.50	4.59
Payment Window (start)	Mar-27	Dec-10	Sep-09	Mar-09	Sep-08	Jun-08	Mar-08	Dec-08
Payment Window (end)	Dec-29	Dec-29	Dec-29	Dec-29	Dec-29	Dec-29	Dec-29	Dec-29
(With Optional Redemption)								
Weighted Average Life (years)	21.69	8.87	6.54	5.26	4.31	3.64	3.13	4.19
Payment Window (start)	Mar-27	Dec-10	Sep-09	Mar-09	Sep-08	Jun-08	Mar-08	Dec-08
Payment Window (end)	Jun-28	Dec-19	Sep-16	Jun-14	Mar-13	Dec-11	Mar-11	Sep-12

¹ relates to CPR 15% in the first 12 months, followed by 35% thereafter.

General

Any U.S. federal tax discussion in this Supplement was not intended or written to be used, and cannot be used, by any taxpayer for purposes of avoiding U.S. federal income tax penalties that may be imposed on the taxpayer. Any such tax discussion was written to support the promotion or marketing of the Notes to be issued or sold pursuant to this Supplement. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax adviser.

The following discussion supplements and must be read in conjunction with the discussion in the accompanying Offering Circular under "*United States Federal Income Taxation*" and describes certain U.S. federal income tax consequences that may be relevant to the acquisition, ownership and disposition of the Notes to be offered under this Supplement to the Offering Circular.

Taxation of U.S. Holders of the Notes

Characterisation of the Notes

Upon issuance of the Notes, the Issuer will receive an opinion from Allen & Overy LLP, special U.S. tax counsel to the Issuer, that although there is no statutory, judicial or administrative authority directly addressing the characterisation of the Notes or instruments similar to the Notes for U.S. federal income tax purposes, the A Notes, M Notes and B1 Notes will and the B2a Notes should, when issued, be treated as debt for U.S. federal income tax purposes. This opinion is based upon, among other things, representations made by the Issuer to Allen & Overy LLP in a representation letter that the Issuer certified to be true and complete in all material respects, as well as certain assumptions. In addition, only the Issuer may rely upon the foregoing opinion and such opinion will not be binding upon the U.S. Internal Revenue Service (the **IRS**) or the courts, and no ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax treatment of the Notes. Accordingly, there can be no assurances that the IRS will not contend, and that a court will not ultimately hold, that the Notes are equity in the Issuer or that any of the other items discussed below are treated differently. If any of the Notes were treated as equity in the Issuer for U.S. federal income tax purposes, there might be adverse tax consequences upon the sale, exchange, or other disposition of, or the receipt of certain types of distributions on, such Notes by a U.S. Holder (as described in the Offering Circular under "*United States Federal Income Taxation – Characterisation of the Notes as Equity*"). The discussion below assumes that the Notes will be treated as debt for U.S. federal income tax purposes.

Prospective investors should consult their own tax advisers regarding the appropriate characterisation of, and U.S. federal income tax and other tax consequences of investing in, the Notes.

Payments of Interest

Interest on a Note will be taxable to a U.S. Holder as ordinary interest income at the time it is received or accrued, depending on the U.S. Holder's method of accounting for U.S. federal income tax purposes subject to, in the case of the M1 Notes, M2c Notes, B1 Notes and B2a Notes the original issue discount (**OID**) discussion below. Because the Issuer is permitted to defer interest payments on the M1 Notes, M2c Notes, B1 Notes and B2a Notes in certain limited circumstances, it is possible the M1 Notes, M2c Notes, B1 Notes and B2a Notes, could be treated as issued with OID for U.S. federal income tax purposes. A U.S. Holder (including a cash basis holder) of M1 Notes, M2c Notes, B1 Notes or B2a Notes treated as issued with OID would be required to accrue OID on such Notes as taxable income for U.S. federal income tax purposes for each day on which the U.S. Holder holds such Notes. The U.S. federal income tax treatment of the M1 Notes, M2c Notes, B1 Notes and B2a Notes, Notes under the OID rules is uncertain. If the M1 Notes, M2c Notes, B1 Notes and B2a Notes are issued at an issue price equal to their principal amount, the Issuer intends not to calculate OID under the "PAC Method" referred to below, and instead to take the position that the amount of OID that accrued on such M1 Notes, M2c Notes, B1 Notes and B2a Notes in each accrual period is equal to the amount of interest (including any deferred interest with respect to the M1 Notes, M2c Notes, B1 Notes and B2a Notes) that accrues on such M1 Notes, M2c Notes, B1 Notes and B2a Notes during such period. Unless the M1 Notes, M2c Notes, B1 Notes and B2a Notes are issued at an issue price equal to their principal amount, the Issuer intends, absent definitive guidance, to treat the M1 Notes, M2c Notes, B1 Notes and B2a Notes as subject to an income accrual method analogous to the method applicable to debt instruments whose payments are subject to acceleration using an assumption as to the expected prepayments on the M1 Notes, M2c Notes, B1 Notes and B2a Notes (the **PAC Method**). The OID accruing under the PAC Method would likely equal the amount by which (a) the sum of (i) the present value of all remaining payments to be made as of the end of such period plus (ii) the payments

made during such period included in the stated redemption price at maturity, exceeds (b) the “adjusted issue price” as of the beginning of the period. The present value of the remaining payments is calculated based on (x) the original yield to maturity of such instrument, (y) events (including actual prepayments) that have occurred prior to the end of the period and (z) the appropriate prepayment assumption for such Notes. With respect to the M1 Notes, M2c Notes, B1 Notes and B2a Notes, the stated redemption price is likely to be the sum of all payments expected thereon, determined in accordance with the appropriate prepayment assumption for such Notes. There can be no assurance that the payments will actually be made in accordance with any prepayment assumption for the M1 Notes, M2c Notes, B1 Notes and B2a Notes. The **adjusted issue price** of the M1 Notes, M2c Notes, B1 Notes and B2a Notes at the beginning of any accrual period generally would be the sum of the issue price and the amount of OID allocable to all prior accrual periods, less the amount of any payments made in all prior accrual periods. If the OID is negative for any period, the U.S. Holder generally will not be allowed a current deduction for the negative amount but instead will be entitled to offset such amount only against future positive OID from such instruments. The accrual of OID may require holders to recognise income in advance of payments.

Prospective purchasers should consult their own tax advisers regarding the applicability and consequences of the OID rules to the M1 Notes, M2c Notes, B1 Notes and B2a Notes.

ADDITIONAL SELLING RESTRICTIONS

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member state, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

France

Each of the Dealers and the Issuer has represented and agreed that:

- (a) Offer to the public in France

it has only made and will only make an offer of Notes to the public (*appel public à l'épargne*) in France in the period beginning (i) when a prospectus in relation to those Notes has been approved by the *Autorité des marchés financiers* (AMF), on the date of such publication or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval of the Base Prospectus, all in accordance with articles L.412-1 and L.621-8 of the French Code *monétaire et financier* and the *Règlement general* of the AMF; or

- (b) Private placement in France

it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, articles L.411-1 and L.411-2, D.411-1 of the French Code *monétaire et financier*.

Netherlands

This Supplement may not be distributed and the Notes (including rights representing an interest in a Global Note) may not be offered, sold, transferred or delivered as part of their initial distribution or at

any time thereafter, directly or indirectly, to individuals or legal entities who or which are established, domiciled or have their residence in The Netherlands (**Dutch Residents**) other than (a) Notes with a denomination of €100,000 or more (or its foreign currency equivalent) each where the identity of initial investors or that of any future investors is not reasonably known to the Issuer; or (b) Notes which can only be purchased as a block or package having an aggregate value of at least €100,000 (or its foreign currency equivalent) where the identity of initial investors or that of any future investors is not reasonably known to the Issuer; or (c) the following entities (hereinafter referred to as **Professional Market Parties** or **PMPs**) provided they acquire the Notes for their own account and trade or invest in securities in the conduct of a business or profession:

- (a) banks, insurance companies, securities firms, collective investment institutions or pension funds that are supervised or licensed under Dutch law;
- (b) banks or securities firms licensed or supervised in a European Economic Area member state (other than the Netherlands) and registered with the Dutch Central Bank (De Nederlandsche Bank N.V., or **DNB**) or the Dutch Authority for the Financial Markets (Stichting Autoriteit Financiële Markten) acting through a branch office in the Netherlands;
- (c) Netherlands collective investment institutions which offer their shares or participations exclusively to professional investors and are not required to be supervised or licensed under Dutch law;
- (d) the Dutch government (de Staat der Nederlanden), DNB, Dutch regional, local or other decentralised governmental institutions, or any international treaty organisations and supranational organisations located in the Netherlands;
- (e) Netherlands enterprises or entities with total assets of at least €500,000,000 (or the equivalent thereof in another currency) according to their balance sheet at the end of the financial year preceding the date they purchase or acquire the Notes;
- (f) Netherlands enterprises, entities or individuals with net assets (eigen vermogen) of at least €10,000,000 (or the equivalent thereof in another currency) according to their balance sheet at the end of the financial year preceding the date they purchase or acquire the Notes and who or which have been active in the financial markets on average twice a month over a period of at least two consecutive years preceding such date;
- (g) Netherlands subsidiaries of the entities referred to under (i) above provided such subsidiaries are subject to prudential supervision;
- (h) Netherlands enterprises or entities that have a credit rating from an approved rating agency or whose securities have such a rating; and
- (i) such other Netherlands entities designated by the competent Netherlands authorities after the date hereof by any amendment of the applicable regulations.

Spain

The sale of the Notes by the Dealers on behalf of the Issuer does not form part of any public offer of such Notes in Spain. Each sale of Notes is an individual transaction and has been negotiated and/or agreed with the relevant Dealers in respect of the Notes. Each investor in respect of the Notes acknowledges that they have not received any advertising or marketing material from the relevant Dealers regarding this Supplement. Any subsequent transaction any investor executes regarding the Notes to which this Supplement refers, including requesting the relevant Dealer to transfer the Notes to any entity managed or controlled by them, will be executed on such investor's own behalf or for the account of the relevant Dealer. The Notes may not be directly/indirectly sold, transferred or delivered in any manner, at any time other than to institutional investors in Spain (defined under Spanish law to include only pension funds, collective investment schemes, insurance companies, banks, saving banks and securities companies). Should any investor purchase the Notes, they will be deemed to have represented that (i) they have made their own independent decision to purchase the Notes and have not relied on any recommendation or advice from any Dealer; and (ii) they already have all required information and understand all terms, conditions and restrictions of the Notes.

GENERAL INFORMATION

1. It is expected that each Tranche of Notes which is to be admitted to the Official List of the Irish Stock Exchange will be admitted separately as and when issued, subject only to the issue of a Global Note initially representing the Notes of such Tranche. The listing of the Programme in respect of the Notes was granted on or around 29 March 2006.
- 1.1 The Series Irish Paying Agent in respect of the Series will be J.P. Morgan Bank (Ireland) plc.
- 1.2 The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer dated 7 June 2006.
- 1.3 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had during the previous 12 months a significant effect on the financial position or profitability of the Issuer.
- 1.4 Save as disclosed in this Supplement, there has been no material adverse change in the financial position or prospects of the Issuer since the date of its incorporation.
- 1.5 The Notes have been accepted for clearance through Euroclear, Clearstream, Luxembourg and DTC as follows:

	<i>Rule 144A ISIN</i>	<i>Rule 144A Common Code</i>	<i>Rule 144A CUSIP</i>	<i>Reg S ISIN</i>	<i>Reg S Common Code</i>
A1a Notes	XS0257373778	25737377	(not applicable)	XS0257365089	25736508
A1b Notes	US749624AB88	25880056	749624AB8	XS0257365592	25736559
A1c Notes	XS0257374073	25737407	(not applicable)	XS0257365832	25736583
A2a Notes	XS0257374313	25737431	(not applicable)	XS0257367960	25736796
A2c Notes	XS0257375559	25737555	(not applicable)	XS0257369073	25736907
M1a Notes	XS0257375807	25737580	(not applicable)	XS0257369156	25736915
M1c Notes	XS0257377175	25737717	(not applicable)	XS0257370329	25737032
M2c Notes	XS0257378652	25737865	(not applicable)	XS0257371137	25737113
B1a Notes	XS0257378736	25737873	(not applicable)	XS0257371301	25737130
B1c Notes	XS0257379114	25737911	(not applicable)	XS0257372374	25737237
B2a Notes	XS0257379544	25737954	(not applicable)	XS0257372705	25737270

- 1.6 From the date hereof and for so long as the Notes are outstanding, copies of the following documents will, when published, be available from the registered office of the Issuer and from the specified offices of the Series Paying Agents for the time being in London and in Dublin:
 - (a) this Supplement;
 - (b) the Final Terms relating to the Notes and attached as Annex 1 to this Supplement;
 - (c) the Series Trust Deed relating to the Notes;
 - (d) the Series Intercreditor Deed Supplement relating to the Notes;
 - (e) the Series Portfolio Purchase Agreement relating to the Notes;
 - (f) the Series Servicing Agreement relating to the Notes;
 - (g) the Series Standby Servicing Agreement relating to the Notes;
 - (h) the Series Cash Management Agreement relating to the Notes;
 - (i) the Series Bank Account Agreement relating to the Notes;
 - (j) the Series Agency Agreement relating to the Notes;
 - (k) the Series Liquidity Facility Agreement relating to the Notes;
 - (l) the Series Currency Swap Agreements relating to the Notes;
 - (m) the Series Interest Rate Cap Agreement relating to the Notes;
 - (n) the Series MER Loan Agreement relating to the Notes;

- (o) the Series Post-Enforcement Call Option Agreement relating to the Notes;
- (p) the Scottish Declaration of Trust relating to the Notes;
- (q) the Scottish Supplemental Charge relating to the Notes;
- (r) the Series Issuer Declaration of Trust;
- (s) the Series Deed of Accession to Declaration of Trust; and
- (t) the Series Security Deed Supplement.

ANNEX 1

FINAL TERMS

DATED 22 JUNE 2006

RMAC SECURITIES NO. 1 PLC

(Incorporated with limited liability in England and Wales with registered number 5993541)

MORTGAGE BACKED MEDIUM TERM NOTE PROGRAMME

Issue of Series 2006-NS2 Mortgage Backed Floating Rate Notes

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions as set forth in the Offering Circular dated 28 March 2006 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and the supplemental offering circular to the Offering Circular dated 22 June 2006. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular (as supplemented from time to time). Copies of the Offering Circular are available free of charge to the public at the registered office of the Issuer and from the specified office of each of the Series Paying Agents.

PART 1

CONTRACTUAL TERMS

1. Issuer: RMAC Securities No. 1 Plc
2. (a) Series: 2006-NS2
(b) Tranche:
3. Specified Currency or Currencies: Sterling in the case of the A1a Notes, the A2a Notes, the M1a Notes, the B1a Notes and the B2a Notes. U.S. dollars in the case of the A1b Notes. Euro in the case of the A1c Notes, the A2c Notes, M1c Notes, M2c Notes and the B1c Notes.
4. Aggregate Nominal Amount:
 - (a) Series:
 - £59,300,000 A1a Notes
 - USD243,000,000 A1b Notes
 - €54,000,000 A1c Notes
 - £210,600,000 A2a Notes
 - €225,000,000 A2c Notes
 - £26,000,000 M1a Notes
 - €37,500,000 M1c Notes
 - €35,600,000 M2c Notes
 - £15,000,000 B1a Notes
 - €13,800,000 B1c Notes
 - £6,300,000 B2a Notes
 - (b) Tranche: As Series
5. Issue Price: 100% of the Aggregate Nominal Amount
6. Specified Denominations: A minimum of £100,000 with increments of £10,000 thereafter in the case of the A1a Notes, the A2a Notes, the M1a Notes, the B1a Notes and the B2a Notes; a minimum of \$100,000 with increments of \$10,000 thereafter in the case of the A1b Notes; and a minimum of €100,000 with increments of €10,000 thereafter in the case of

- the A1c Notes, the A2c Notes, the M1c Notes, the M2c Notes and the B1c Notes.
7. (a) Issue Date: 28 June 2006
 (b) Interest Commencement Date: 28 June 2006
8. Final Maturity Date: June 2044 in the case of all Notes other than the A1 Notes.
 June 2024 in the case of the A1 Notes.
9. Interest Basis: Floating
10. Rate of Interest: In respect of the A1a Notes, 3 month LIBOR or, in the case of the first Interest Period, at an annual rate obtained upon interpolation of LIBOR for 2 month sterling deposits and LIBOR for 3 month sterling deposits plus in each case 0.06 per cent.
 In respect of the A1b Notes, 3 month USD LIBOR or, in the case of the first Interest Period, at an annual rate obtained upon interpolation of USD-LIBOR for 2 months US dollar deposits and USD-LIBOR for 3 months US dollar deposits plus in each case 0.06 per cent.
 In respect of the A1c Notes, 3 month EURIBOR or, in the case of the first Interest Period, at an annual rate obtained upon interpolation of EURIBOR for 2 month euro deposits and EURIBOR for 3 month euro deposits plus in each case 0.06 per cent.
 In respect of the A2a Notes, 3 month LIBOR or, in the case of the first Interest Period, at an annual rate obtained upon interpolation of LIBOR for 2 month sterling deposits and LIBOR for 3 month sterling deposits plus in each case 0.15 per cent.
 In respect of the A2c Notes, 3 month EURIBOR or, in the case of the first Interest Period, at an annual rate obtained upon interpolation of EURIBOR for 2 month euro deposits and EURIBOR for 3 month euro deposits plus in each case 0.15 per cent.
 In respect of the M1a Notes, 3 month LIBOR or, in the case of the first Interest Period, at an annual rate obtained upon interpolation of LIBOR for 2 month sterling deposits and LIBOR for 3 month sterling deposits plus in each case 0.24 per cent.
 In respect of the M1c Notes, 3 month EURIBOR or, in the case of the first Interest Period, at an annual rate obtained upon interpolation of EURIBOR for 2 month euro deposits and EURIBOR for 3 month euro deposits plus in each case 0.24 per cent.
 In respect of the M2c Notes, 3 month EURIBOR or, in the case of the first Interest Period, at an annual rate obtained upon interpolation of EURIBOR for 2 month euro deposits and EURIBOR for 3 month euro deposits plus in each case 0.43 per cent.
 In respect of the B1a Notes, 3 month LIBOR or, in the case of the first Interest Period, at an annual rate obtained upon interpolation of LIBOR for 2

- month sterling deposits and LIBOR for 3 month sterling deposits plus in each case 0.83 per cent.
In respect of the B1c Notes, 3 month EURIBOR or, in the case of the first Interest Period, at an annual rate obtained upon interpolation of EURIBOR for 2 month euro deposits and EURIBOR for 3 month euro deposits plus in each case 0.83 per cent.
- In respect of the B2a Notes, 3 month LIBOR or, in the case of the first Interest Period, at an annual rate obtained upon interpolation of LIBOR for 2 month sterling deposits and LIBOR for 3 month sterling deposits plus in each case 2.10 per cent.
EURIBOR means Eurozone Interbank Offered Rate.
LIBOR means London Interbank Offered Rate.
USD LIBOR means LIBOR for deposits in US dollars. (further particulars specified below)
11. Redemption/Payment Basis: Redemption at par
12. Deferral of Interest: So long as there are A Notes outstanding, interest on the M1 Notes may be deferred.
So long as there are A Notes or M1 Notes outstanding, interest on the M2c Notes may be deferred.
So long as there are A Notes, M1 Notes or M2c Notes outstanding, interest on the B1 Notes may be deferred.
So long as there are A Notes, M1 Notes, M2c Notes or B1 Notes outstanding, interest on the B2a Notes may be deferred.
13. Change of Interest Basis or Redemption/Payment Basis: Not applicable
14. Yield: Not Applicable
15. (a) Listing: Irish Stock Exchange
(b) Admission to trading: It is expected that listing of the Notes on the Official List of the Irish Stock Exchange will be granted on or about 22 June 2006, subject only to the issue of Global Notes.
(c) Estimate of total expenses related to admission to trading: The estimated cost of the applications for admission to the Official List and admission to trading on the Irish Stock Exchange's regulated market for listed securities is €3,000.
16. Method of distribution: Syndicated

CLASSES OF NOTES

17. Classes of Notes: £59,300,000 A1a Mortgage Backed Floating Rate Notes due June 2024, (the **A1a Notes**)
USD 243,000,000 A1b Mortgage Backed Floating Rate Notes due June 2024, (the **A1b Notes**)
€54,000,000 A1c Mortgage Backed Floating Rate Notes due June 2024 (the **A1c Notes**, and

together with the A1a Notes and the A1b Notes, the **A1 Notes**)

£210,600,000 A2a Mortgage Backed Floating Rate Notes due June 2044, (the **A2a Notes**)

€225,000,000 A2c Mortgage Backed Floating Rate Notes due June 2044 (the **A2c Notes** and together with the A2a Notes, the **A2 Notes** and together with the A1 Notes, the **A Notes**)

£26,000,000 M1a Mortgage Backed Floating Rate Notes due June 2044, (the **M1a Notes**)

€37,500,000 M1c Mortgage Backed Floating Rate Notes due June 2044, (the **M1c Notes** and together with the M1a Notes, the **M1 Notes**)

€35,600,000 M2c Mortgage Backed Floating Rate Notes due June 2044, (the **M2c Notes** and together with the M1 Notes, the **M Notes**)

£15,000,000 B1a Mortgage Backed Floating Rate Notes due June 2044, (the **B1a Notes**)

€13,800,000 B1c Mortgage Backed Floating Rate Notes due June 2044, (the **B1c Notes** and together with the B1a Notes, the **B1 Notes**)

£6,300,000 B2a Mortgage Backed Floating Rate Notes due June 2044 (the **B2a Notes** and together with the B1 Notes, the **B Notes**)

18. Ranking between Classes/Subordination provisions:

Payments in respect of the Series Residuals are subordinated to, *inter alia*, payments of interest (and if the Series Post-Acceleration Priority of Payments applies, payments of interest and principal) on the A Notes, the M Notes and the B Notes.

Payments of principal and interest on the B2a Notes are subordinated to, *inter alia*, payments of principal and interest on the B1 Notes, the M Notes and the A Notes.

Payments of principal and interest on the B1 Notes are subordinated to, *inter alia*, payments of principal and interest on the M Notes and the A Notes.

Payments of principal and interest on the M2c Notes are subordinated to, *inter alia*, payments of principal and interest on the A Notes and the M1 Notes.

Payments of principal and interest on the M1 Notes are subordinated to, *inter alia*, payments of principal and interest on the A Notes.

Payments of principal on the A2 Notes are subordinated, prior to the giving of a Series Acceleration Notice, *inter alia*, to payments of principal on the A1 Notes.

The Notes (together with the Series MERCs and Series Residuals) are all constituted by the Series Trust Deed and are secured by the same security, but the A Notes will rank in priority to the M1 Notes, the M2c Notes, the B1 Notes and the B2a Notes in point of security; the M1 Notes will rank in priority to the M2c Notes, the B1 Notes and the B2a Notes in point of security; the M2c Notes will rank in priority to the B1 Notes and the B2a Notes in point of security and the B1 Notes will rank in priority to the B2a Notes in point of security. The Series MERCs are entitled to payment only from the proceeds of Mortgage Early Repayment Charges in respect of the Series Portfolio, to which the Notes and the Series Residuals are not entitled.

As regards interests of Noteholders, the Series Trust Deed contains provisions requiring the Series Note Trustee to have regard to the interests of the A Noteholders, the M1 Noteholders, the M2c Noteholders, the B1 Noteholders, the B2a Noteholders, the Series MERC Holders and the Series Residual Holders as regards all powers, trusts, authorities, duties and discretions of the Series Note Trustee (except where expressly provided otherwise), but requiring the Series Note Trustee in any such case to have regard only to the interests of:

- (i) the A Noteholders if, in the Series Note Trustee's opinion, there is a conflict between the interests of the A Noteholders and the interests of the M1 Noteholders and/or the M2c Noteholders and/or the B1 Noteholders and/or the B2a Noteholders and/or the Series MERC Holders and/or the Series Residual Holders;
- (ii) the M1 Noteholders if all of the A Notes have been redeemed in full and if, in the Series Note Trustee's opinion, there is a conflict between the interests of the M1 Noteholders and the interests of the M2c Noteholders and/or the B1 Noteholders and/or the B2a Noteholders and/or the Series MERC Holders and/or the Series Residual Holders;
- (iii) the M2c Noteholders if all of the A Notes and the M1 Notes have been redeemed in full and if, in the Series Note Trustee's opinion, there is a conflict between the interests of the M2c Noteholders and the interests of the B1 Noteholders and/or the B2a Noteholders and/or the Series MERC Holders and/or the Series Residual Holders;

- (iv) the B1 Noteholders if all of the A Notes, the M1 Notes and the M2c Notes have been redeemed in full and if, in the Series Note Trustee's opinion there is a conflict between the interests of the B1 Noteholders and/or the B2a Noteholders and/or the Series MERC Holders and/or the Series Residual Holders; and
- (v) the B2a Noteholders if all of the A Notes, the M1 Notes, the M2c Notes and the B1 Notes have been redeemed in full and if, in the Series Note Trustee's opinion there is a conflict between the interests of the B2a Noteholders and/or the Series MERC Holders and/or the Series Residual Holders.

The Series Trust Deed contains provisions (i) limiting the rights of the A1a Noteholders to request or direct the Series Note Trustee to take any action or to pass any Extraordinary Resolution (as defined in the Series Trust Deed) according to the effect thereof on the interests of the A1b Noteholders, the A1c Noteholders, the A2a Noteholders and the A2c Noteholders (ii) limiting the rights of the A1b Noteholders to request or direct the Series Note Trustee to take any action or to pass any Extraordinary Resolution (as defined in the Series Trust Deed) according to the effect thereof on the interests of the A1a Noteholders, the A1c Noteholders, the A2a Noteholders and the A2c Noteholders, (iii) limiting the rights of the A1c Noteholders to request or direct the Series Note Trustee to take any action or to pass any Extraordinary Resolution (as determined in the Series Trust Deed) according to the effect thereof on the interests of the A1a Noteholders, the A1b Noteholders, the A2a Noteholders and the A2c Noteholders (iv) limiting the rights of the A2a Noteholders to request or direct the Series Note Trustee to take any action or to pass any Extraordinary Resolution (as defined in the Series Trust Deed) according to the effect thereof on the interests of the A1a Noteholders, the A1b Noteholders, the A1c Noteholders and the A2c Noteholders and (iv) limiting the rights of the A2c Noteholders to request or direct the Series Note Trustee to take any action or to pass any Extraordinary Resolution (as defined in the Series Trust Deed) according to the effect thereof on the interests of the A1a Noteholders, the A1b Noteholders, the A1c Noteholders and the A2a Noteholders.

The Series Trust Deed contains provisions limiting the powers of the M1a Noteholders to request or direct the Series Note Trustee to take any action or to pass any Extraordinary Resolution according to the effect thereof on the interests of the M1c Noteholders and limiting the rights on the M1c Noteholders to request or direct the Series Note Trustee to take any action or to pass any Extraordinary Resolution according to the effect thereof on the interests of the M1a Noteholders.

The Series Trust Deed contains provisions limiting the powers of the B1a Noteholders to request or direct the Series Note Trustee to take any action or to pass any Extraordinary Resolution according to the effect thereof on the interests of the B1c Noteholders and limiting the rights on the B1c Noteholders to request or direct the Series Note Trustee to take any action or to pass any Extraordinary Resolution according to the effect thereof on the interests of the B1a Noteholders.

The Series Trust Deed contains provisions limiting the powers of the M1 Noteholders, the M2c Noteholders, the B1 Noteholders, the B2a Noteholders, the Series MERC Holders and the Series Residual Holders, *inter alia*, to request or direct the Series Note Trustee to take any action or to pass any Extraordinary Resolution according to the effect thereof on the interests of the A Noteholders. Except in certain circumstances, the Series Trust Deed imposes no limitations on the powers of the A Noteholders, the exercise of which will be binding on the M1 Noteholders, the M2c Noteholders, the B1 Noteholders, the B2a Noteholders, the Series MERC Holders and the Series Residual Holders, irrespective of the effect thereof on their interests.

The Series Trust Deed contains provisions limiting the powers of the M2c Noteholders, the B1 Noteholders, the B2a Noteholders, the Series MERC Holders and the Series Residual Holders, *inter alia*, to request or direct the Series Note Trustee to take any action or to pass any Extraordinary Resolution according to the effect thereof on the interests of the M1 Noteholders. Except in certain circumstances, the Series Trust Deed imposes no limitations on the powers of the M1 Noteholders, the exercise of which will be binding on the M2c Noteholders, the B1 Noteholders, the B2a Noteholders, the Series MERC Holders and the Series Residual Holders irrespective of the effect thereof on their interests.

The Series Trust Deed contains provisions limiting the powers of the B1 Noteholders, the B2a Noteholders, the Series MERC Holders and the Series Residual Holders, *inter alia*, to request or direct the Series Note Trustee to take any action or to pass any Extraordinary Resolution according to the effect thereof on the interests of the M2c Noteholders. Except in certain circumstances, the Series Trust Deed imposes no limitations on the powers of the M2c Noteholders, the exercise of which will be binding on the B1 Noteholders, the B2a Noteholders, the Series MERC Holders and the Series Residual Holders irrespective of the effect thereof on their interests.

The Series Trust Deed contains provisions limiting the powers of the B2a Noteholders, the Series MERC Holders and the Series Residual Holders, *inter alia*, to request or direct the Series Note Trustee to take any action or to pass any Extraordinary Resolution according to the effect thereof on the interests of the B1 Noteholders. Except in certain circumstances, the Series Trust Deed imposes no limitations on the powers of the B1 Noteholders, the exercise of which will be binding on the B2a Noteholders, the Series MERC Holders and the Series Residual Holders irrespective of the effect thereof on their interests.

The Series Trust Deed contains provisions limiting the powers of the Series MERC Holders and the Series Residual Holders, *inter alia*, to request or direct the Series Note Trustee to take any action or to pass any Extraordinary Resolution according to the effect thereof on the interests of the B2a Noteholders. Except in certain circumstances, the Series Trust Deed imposes no limitations on the powers of the B2a Noteholders, the exercise of which will be binding on the Series MERC Holders and the Series Residual Holders irrespective of the effect thereof on their interests.

The Series Trust Deed contains provisions limiting the powers of the Series MERC Holders and the Series Residual Holders, *inter alia*, to request or direct the Series Note Trustee to take any action or to pass any Extraordinary Resolution according to the effect thereof on the interest of the Noteholders and each other.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

19. Fixed Rate Note Provisions:	Not Applicable
20. Floating Rate Note Provisions:	Applicable
(a) Specified Distribution Dates:	12th of September, December, March and June in each year
(b) Business Day Convention:	Following Business Day Convention
(c) Additional Business Centre(s):	New York
(d) Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination
(e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Series Agent Bank):	Series Agent Bank
(f) Screen Rate Determination:	Applicable
Reference Rate:	In respect of the A1a Notes, the A2a Notes, the M1a Notes, the B1a Notes and the B2a Notes 3 month LIBOR or, in the case of the first Interest Period, at an annual rate obtained upon interpolation of LIBOR for 2 month sterling deposits and LIBOR for 3 month sterling deposits; in respect of the A1b Notes, 3 month USD-LIBOR or, in the case of the first Interest Period, at an annual rate obtained upon interpolation of USD-LIBOR for 2 months US dollar deposits and USD-LIBOR for 3 months US dollar deposits; and in respect of the A1c Notes, the A2c Notes, the M1c Notes, the M2c Notes and the B1c Notes, 3 month EURIBOR or, in the case of the first Interest Period, at an annual rate obtained upon interpolation of EURIBOR for 2 month euro deposits and EURIBOR for 3 month euro deposits.
Interest Determination Date(s):	<p>In relation to the A1a Notes, the A2a Notes, the M1a Notes, the B1a Notes and the B2a Notes, each Distribution Date (as defined in the Supplement relating to the Series) and in respect of the first Interest Period, the Issue Date.</p> <p>In relation to the A1b Notes, the second Business Day preceding each Distribution Date and in respect of the first Interest Period, two Business Days prior to the Issue Date.</p> <p>In relation to the A1c Notes, the A2c Notes, the M1c Notes, the M2c Notes and the B1c Notes, the second day on which the TARGET System is open prior to each Distribution Date and in respect of the first Interest Period, the second day on which the TARGET System is open prior to the Issue Date.</p>
Relevant Screen Page:	<p>Telerate Page 3750 in respect of all Notes other than A1c Notes, the A2c Notes, the M1c Notes, the M2c Notes and the B1c Notes.</p> <p>In respect of A1c Notes, the A2c Notes, the M1c Notes, the M2c Notes and the B1c Notes, Telerate Page 248</p>

(g) Margin(s):	In respect of the A1a Notes, +0.06 per cent. per annum In respect of the A1b Notes, +0.06 per cent. per annum In respect of the A1c Notes, +0.06 per cent. per annum In respect of the A2a Notes, +0.15 per cent. per annum In respect of the A2c Notes, +0.15 per cent. per annum In respect of the M1a Notes, +0.24 per cent. per annum In respect of the M1c Notes, +0.24 per cent. per annum In respect of the M2c Notes, +0.43 per cent. per annum In respect of the B1a Notes, +0.83 per cent. per annum In respect of the B1c Notes, +0.83 per cent. per annum In respect of the B2a Notes, +2.10 per cent. per annum
(h) Minimum Rate of Interest:	Not applicable
(i) Maximum Rate of Interest:	Not applicable
(j) Day Count Fraction:	Actual/365 (Sterling) for A1a Notes, A2a Notes, M1a Notes, the B1a Notes and B2a Notes Actual/360 for A1b Notes, A1c Notes, A2c Notes, M1c Notes, M2c Notes and B1c Notes
(k) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Not Applicable
21. Zero Coupon Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

22. Final Redemption Amount of each Note:	Principal Amount Outstanding on Final Maturity Date
23. Final Maturity Date:	June 2044 in the case of all Notes other than the A1 Notes. June 2024 in the case of the A1 Notes.
24. Mandatory Redemption in part:	In accordance with Condition 9 and the Series Pre-Acceleration Principal Priority of Payments applicable to Series 2006-NS2
25. Optional Redemption:	Applicable
(a) Optional Redemption for Tax Reasons:	Applicable. Subject to the terms of Condition 9(d), provided that each reference to "Series Servicer" in Condition 9(d) shall, for the purposes of Series 2006-NS2 be deleted and replaced with a reference to "Seller".
(b) Optional Redemption (Minimum Amount Outstanding):	Applicable. Subject to the terms of Condition 9(e)(i), on any Distribution Date following the

Distribution Date on which the aggregate Principal Amount Outstanding of the Notes is equal to or less than 10% of the initial aggregate Base Currency PAO (Optional Redemption Date).

Base Currency PAO means the Principal Amount Outstanding in sterling of the Notes denominated in sterling and the sterling equivalent of the Principal Amount Outstanding of the USD Notes and the Euro Notes calculated using the USD Currency Swap Rate and the Euro Currency Swap Rate, respectively.

USD Currency Swap Rate means in the case of A1b Notes, USD 1 per GBP 0.5392921811.

Euro Currency Swap Rate means: (a) in the case of A1c Notes, A2c Notes and M1c Notes, GBP 1 per EUR 1.4534883721; (b) in the case of M2c Notes, GBP 1 per EUR 1.4530612245; and (c) in the case of B1c Notes, GBP 1 per EUR 1.4526315789.

(c) Optional Redemption Amount of each Note:

For purposes of Condition 9(e)(i) the Optional Redemption Amount means the Principal Amount Outstanding of the Notes on the redemption date.

26. Remarketing/Conditional Purchase:

Not Applicable

27. Early Redemption Amount of each Note:

For purposes of Condition 9(d) and 9(f) Early Redemption Amount means the Principal Amount Outstanding of the Notes on the redemption date.

28. Additional Series Event of Default:

Not Applicable

29. Other

Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

30. Form of Notes:

Registered Notes:

The A1a Notes, the A1b Notes, the A1c Notes, the A2a Notes and the A2c Notes initially offered and sold outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act (such A1a Notes referred to as the **Reg S A1a Notes**, such A1b Notes referred to as the **Reg S A1b Notes** such A1c Notes referred to as the **Reg S A1c Notes**, and together with the Reg S A1a Notes and the Reg S A1b Notes, the **Reg S A1 Notes**, such A2a Notes referred to as the **Reg S A2a Notes**, such A2c Notes referred to as the **Reg S A2c Notes** and together with the Reg S A2a Notes, the **Reg S A2 Notes** and together with the Reg S A1 Notes, the **Reg S A Notes**) will each be represented by a global note in registered form (a **Reg S Global A1a Note**, a **Reg S Global A1b Note**, a **Reg S Global A1c Note**, a **Reg S Global A2a Note**, a **Reg S Global A2c Note**, respectively, and collectively, the **Reg S Global A Notes**).

The A1a Notes, the A1b Notes, the A1c Notes, the A2a Notes and the A2c Notes initially offered and

sold within the United States to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act), in reliance on Rule 144A under the Securities Act (such A1a Notes referred to as the **Rule 144A A1a Notes**, such A1b Notes referred to as the **Rule 144A A1b Notes**, such A1c Notes referred to as the **Rule 144A A1c Notes** and together with the Rule 144A A1a Notes and the Rule 144A A1b Notes, the **Rule 144A A1 Notes**, such A2a Notes referred to as the **Rule 144A A2a Notes**, such A2c Notes referred to as the **Rule 144A A2c Notes** and together with the Rule 144A A2a Notes, the **Rule 144A A2 Notes** and together with the Rule 144A A1 Notes, the **Rule 144A A Notes**), will each be represented by a global note in registered form (a **Rule 144A Global A1a Note**, a **Rule 144A Global A1b Note**, a **Rule 144A Global A1c Note**, a **Rule 144A Global A2a Note** and a **Rule 144A Global A2c Note**, respectively, and collectively, the **Rule 144A Global A Notes** and, together with the Reg S Global A Notes, the **Global A Notes**), which, in aggregate, will represent the aggregate principal amount of the outstanding A1a Notes, A1b Notes, A1c Notes, A2a Notes and A2c Notes.

The M1a Notes, the M1c Notes and the M2c Notes initially offered and sold outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act (the **Reg S M1a Notes**, the **Reg S M1c Notes**, and the **Reg S M2c Notes**, respectively, and, collectively, the **Reg S M Notes**) will each be represented by a global note in registered form (a **Reg S Global M1a Note**, a **Reg S Global M1c Note**, and a **Reg S Global M2c Note**, respectively, and, collectively, the **Reg S Global M Notes**).

The M1a Notes, the M1c Notes and the M2c Notes initially offered and sold within the United States to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act), in reliance on Rule 144A under the Securities Act (the **Rule 144A M1a Notes**, the **Rule 144A M1c Notes** and the **Rule 144A M2c Notes**, respectively, and, collectively, the **Rule 144A M Notes**), will each be represented by a global note in registered form (a **Rule 144A Global M1a Note**, a **Rule 144A Global M1c Note** and a **Rule 144A Global M2c Note**, respectively, and, collectively, the **Rule 144A Global M Notes** and, together with the Reg S Global M Notes, the **Global M Notes**), which in aggregate will represent the aggregate principal amount of the outstanding M1a Notes, M1c Notes and M2c Notes.

The B1a Notes, the B1c Notes and the B2a Notes initially offered and sold outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act (the **Reg S B1a Notes**,

the **Reg S B1c Notes** and the **Reg S B2a Notes**, respectively and collectively, the **Reg S B Notes** and together with the **Reg S A Notes** and the **Reg S M Notes**, the **Reg S Notes**) will each be represented by a global note in registered form (a **Reg S Global B1a Note**, a **Reg S Global B1c Note** and a **Reg S Global B2a Note**, respectively, and collectively, the **Reg S Global B Notes**, together with the **Reg S Global A Notes** and the **Reg S Global M Notes**, the **Reg S Global Notes**).

The **B1a Notes**, the **B1c Notes** and the **B2a Notes** initially offered and sold within the United States to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act), in reliance on Rule 144A under the Securities Act (the **Rule 144A B1a Notes**, the **Rule 144A B1c Notes** and the **Rule 144A B2a Notes**, respectively and collectively the **Rule 144A B Notes** together with the **Rule 144A A Notes** and the **Rule 144A M Notes**, the **Rule 144A Notes**) will each be represented by a global note in registered form (a **Rule 144A Global B1a Note**, a **Rule 144A Global B1c Note** and a **Rule 144A Global B2a Note**, respectively, and collectively the **Rule 144A Global B Notes**) which, in aggregate, will represent the aggregate principal amount of the outstanding **B1a Notes**, **B1c Notes** and **B2a Notes**. The **Rule 144A Global A Notes**, the **Rule 144A Global M Notes**, and the **Rule 144A Global B Notes** together, the **Rule 144A Global Notes**.

The **Reg S Global Notes** and the **Rule 144A Global Notes** (other than the **Rule 144A Global A1b Note**) will be registered in the name of a nominee of the common depositary of Euroclear and Clearstream, Luxembourg. The **Rule 144A Global A1b Note** will be registered in the name of a nominee for DTC.

- | | |
|---|--|
| 31. Additional Financial Centre(s) or other special provisions relating to Distribution Dates: | New York |
| 32. Detachable Coupons: | No |
| 33. Talons for future Coupons to be attached to Notes in definitive form (and dates on which such Talons mature): | No |
| 34. Redenomination applicable: | Applicable. The provisions of Condition 5 (Redenomination) will apply. |

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Mortgage Backed Medium Term Note Programme of RMAC Securities No. 1 Plc.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Final Terms.

Signed on and behalf of the Issuer:

By:

Duly authorised

PART 2

OTHER INFORMATION

DISTRIBUTION

- | | |
|---|--|
| 35. (a) Lead Manager(s): | Barclays Bank PLC
Merrill Lynch International |
| (b) Stabilising Managers (if any): | Barclays Capital/Merrill Lynch |
| 36. Dealer(s): | Lead Managers
RFSC International Limited |
| 37. Whether TEFRA D rules applicable or TEFRA rules not applicable: | TEFRA not applicable |
| 38. Additional selling restrictions: | Applicable. See Supplement. |

OPERATIONAL INFORMATION

- | | |
|--|---|
| 39. Clearing system(s): | Euroclear
Clearstream, Luxembourg
DTC |
| 40. Names and addresses of additional Series Paying Agent(s) (if any): | Not Applicable |
| 41. Ratings: | The A1a Notes, the A1b Notes, the A1c Notes, the A2a Notes, the A2c Notes, the M1a Notes, the M1c Notes, the M2c Notes, the B1c Notes, the B1a Notes and the B2a Notes are expected on issue to be assigned the relevant ratings set out opposite the relevant Notes in the Supplement by S&P, Fitch (except in the case of the B2a Notes) and Moody's (except in the case of the B2a Notes). |
| 42. Governing Law: | English Law |
| 43. Note Notices Newspaper: | Pursuant to Condition 19. |

RESIDUALS/MERCS

- | | |
|-----------------------------|--|
| 44. Residuals to be issued: | Applicable |
| 45. MERCs to be issued: | Applicable |
| 46. Instruments: | Notes, Series MERCs and Series Residuals |

ADDITIONAL INFORMATION RELATED TO THE SERIES

Not Applicable

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