

# UROPA SECURITIES PLC

(Incorporated with limited liability in England and Wales with registered number 6169704)

## Mortgage Backed Securities Programme

### Issue of Series 2007-1B Mortgage Backed Floating Rate Notes

	Initial Principal Amount	Ratings (S&P/Moody's/Fitch)	Interest Rate	Maturity Date	Issue Price
Class A1a	£10,000,000	AAA/Aaa/AAA	LIBOR+0.10%	October 2030	100 per cent.
Class A1b	€242,000,000	AAA/Aaa/AAA	EURIBOR+0.10%	October 2030	100 per cent.
Class A1c	USD17,000,000	AAA/Aaa/AAA	USD LIBOR+0.10%	October 2030	100 per cent.
Class A2b	€269,000,000	AAA/Aaa/AAA	EURIBOR+0.15%	October 2040	100 per cent.
Class A3a	£74,000,000	AAA/Aaa/AAA	LIBOR+0.20%	October 2040	100 per cent.
Class A3b	€70,000,000	AAA/Aaa/AAA	EURIBOR+0.20%	October 2040	100 per cent.
Class A4a	£20,000,000	AAA/Aaa/AAA	LIBOR+0.25%	October 2040	100 per cent.
Class A4b	€18,000,000	AAA/Aaa/AAA	EURIBOR+0.25%	October 2040	100 per cent.
Class M1a	£25,300,000	AA/NR/AA-	LIBOR+0.35%	October 2040	100 per cent.
Class M1b	€25,000,000	AA/NR/AA-	EURIBOR+0.35%	October 2040	100 per cent.
Class M2a	£21,800,000	A/NR/A-	LIBOR+0.55%	October 2040	100 per cent.
Class B1a	£12,300,000	BBB-/NR/BBB	LIBOR+1.35%	October 2040	100 per cent.
Class B1b	€10,000,000	BBB-/NR/BBB	EURIBOR+1.35%	October 2040	100 per cent.
Class B2a	€6,000,000	BB/NR/BB	LIBOR+4.00%	October 2040	100 per cent.
Class C	£4,550,000	BBB/NR/BBB	LIBOR+1.00%	October 2040	100 per cent.
Class D	£4,250,000	BB/NR/BB	LIBOR+3.50%	October 2040	100 per cent.
Class S	£16,323,960	Unrated	LIBOR+4.25%	October 2040	100 per cent.

Application has been made to the Irish Financial Services Regulatory Authority ("**Financial Regulator**"), as competent authority under EU Directive 2003/71/EC (the "**Prospectus Directive**"), for this Supplement to be approved. Application has been made to the Irish Stock Exchange Limited (the "**Irish Stock Exchange**") for the Notes (excluding the Class S Notes) to be admitted to the Official List and trading on its regulated market. Approval of the Financial Regulator relates only to the Notes (excluding the Class S Notes) which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of EU Directive 93/22/EEC or which are to be offered to the public in any Member State of the European Economic Area. This Supplement comprises a prospectus for the purposes of the Prospectus Directive. Reference throughout this document to "**Supplement**" shall be taken to read "**Prospectus**". This Supplement, in conjunction with the Base Prospectus (the "**Base Prospectus**") dated 18 July 2007, (which Base Prospectus comprises a base prospectus for the purposes of the Prospectus Directive) is prepared in connection with the Mortgage Backed Securities Programme (the "**Programme**") established by Uropa Securities PLC (the "**Issuer**") on 18 July 2007.

This Supplement should be read in conjunction with, the Base Prospectus and relating to the Series of Notes, including Subordinated Notes to be issued pursuant hereto (the "**Series**") and the Series Portfolio described herein. The Base Prospectus is incorporated by reference into this Supplement. Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this Supplement.

This Supplement has been prepared for the purpose of giving information about the issue of the Series 2007-1B Mortgage Backed Floating Rate Notes by the Issuer which will comprise the Class A1a Notes, the Class A1b Notes, the Class A1c Notes, the Class A2b Notes, the Class A3a Notes, the Class A3b Notes, the Class A4a Notes and the Class A4b Notes (the "**Class A Notes**"), the Class M1a Notes, the Class M1b Notes and the Class M2a Notes (the "**Class M Notes**"), the Class B1a Notes, the Class B1b Notes and the Class B2a Notes (the "**Class B Notes**"), the Class C Notes and the Class D Notes, (together the "**Mortgage Backed Floating Rate Notes**"), the Class S Notes (the "**Subordinated Notes**"), and (together with the Mortgage Backed Floating Rate Notes, the "**Notes**"). The holders of the Class A1a Notes shall be defined as the "**A1a Noteholders**", the holders of the Class A1b Notes shall be defined as the "**A1b Noteholders**" and the holders of the Class A1c Notes shall be defined as the "**A1c Noteholders**", and together with the A1a Noteholders and A1b Noteholders, the "**A1 Noteholders**". The holders of the Class A2b Notes shall be defined as the "**A2b Noteholders**" or the "**A2 Noteholders**". The holders of the Class A3a Notes shall be defined as the "**A3a Noteholders**" and the holders of the Class A3b Notes shall be defined as the "**A3b Noteholders**", and together with the A3a Noteholders, the "**A3 Noteholders**". The holders of the Class A4a Notes shall be defined as the "**A4a Noteholders**" and the holders of the Class A4b Notes shall be defined as the "**A4b Noteholders**", and together with the A4a Noteholders, the "**A4 Noteholders**". The A1 Noteholders, the A2 Noteholders, the A3 Noteholders, and the A4 Noteholders shall be defined as the "**A Noteholders**". The holders of the Class M1a Notes shall be defined as the "**M1a Noteholders**". The holders of the Class M1b Notes shall be defined as the "**M1b Noteholders**", and together with the M1a Noteholders, the "**M1 Noteholders**". The holders of the Class M2a Notes shall be defined as the "**M2a Noteholders**" or the "**M2 Noteholders**", and together with the M1 Noteholders, the "**M Noteholders**". The holders of the Class B1a Notes shall be defined as the "**B1a Noteholders**". The holders of the Class B1b Notes shall be defined as the "**B1b Noteholders**", and together with the B1a Noteholders, the "**B1 Noteholders**". The holders of the Class B2a Notes shall be defined as the "**B2a Noteholders**" or the "**B2 Noteholders**", and together with the B1 Noteholders, the "**B Noteholders**". The holders of the Class C Notes shall be defined as the "**C Noteholders**". The holders of the Class D Notes shall be defined as the "**D Noteholders**". The holders of the Class S Notes shall be defined as the "**Subordinated Noteholders**". The holders of the Notes shall be defined as the "**Noteholders**" and the holders of each class of Notes shall be defined as a "**class of Noteholders**". The Class A1c Notes shall be the "**USD Notes**" and the Class A1b Notes, the Class A2b Notes, the Class A3b Notes, the Class A4b Notes, the Class M1b Notes and the Class B1b Notes shall together be the "**Euro Notes**".

The Subordinated Notes are not being offered by this Supplement.

The Notes will be issued on or about 18 July 2007 (the "**Issue Date**").

Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Financial Regulator.

An investment in the Notes involves certain risks. The risks in this Supplement are the same as those set out in the Base Prospectus. For a discussion of these risks see "**Risk Factors**" in the Base Prospectus.

**Programme Arranger, Bookrunner and Lead Manager**

**ABN AMRO**

Co-Managers for the Class A2 Notes

**Danske Bank A/S**

**RBC Capital Markets**

**RZB-Austria Raiffeisen Zentralbank  
Österreich AG**

The date of this Supplement is 18 July 2007.

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.

This Supplement is to be read in conjunction with the Base Prospectus and all other documents which are deemed to be incorporated herein by reference. This Supplement shall be read and construed on the basis that such documents are incorporated and form part of this Supplement.

None of the Programme Arranger, the Dealers in respect of the Series, the Series Liquidity Facility Provider, any Series Originator, the Legal Titleholder, the Programme Servicer, the Special Servicer, the Programme Cash Manager, the Series Cash Manager, the Series Hedge Provider, the Series GIC Provider, the Series AssetCo, the Series Account Bank, the Trustee, the Series Trustee, the Series Agents or the Series Security Trustee has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Programme Arranger, the Dealers in respect of the Series, the Series Liquidity Facility Provider, the Trustee, the Series Trustee, the Series Agents or the Series Security Trustee as to the accuracy or completeness of the information contained or incorporated in this Supplement or any other information provided by the Issuer in connection with the Programme. None of the Programme Arranger, the Dealers of the Series, the Series Liquidity Facility Provider, any Series Originator, the Legal Titleholder, the Programme Servicer, the Special Servicer, the Programme Cash Manager, the Series Cash Manager, the Series Hedge Provider, the Series GIC Provider, the Series AssetCo, the Series Account Bank, the Trustee, the Series Trustee, the Series Agents or the Series Security Trustee accepts any liability in relation to the information contained or incorporated by reference in this Supplement or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer, the Programme Arranger, the Dealers in respect of the Series, the Trustee, the Series Trustee or the Series 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, the Dealers in respect of the Series, the Trustee, the Series Trustee or the Series 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, the Dealers in respect of the Series, the Trustee, the Series Trustee or the Series 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, the Dealers in respect of the Series, the Trustee, the Series Trustee or the Series 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. The Notes (excluding the S Notes) may be offered and sold outside the United States to non-U.S. persons pursuant to the requirements of Regulation S under the Securities Act.

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## ADDITIONAL INFORMATION ABOUT CERTAIN TRANSACTION PARTIES

### **GMAC-RFC Limited**

GMAC-RFC Limited (in its capacity as originator of the GMAC Loans, "**GMAC-RFC**").

GMAC-RFC Limited is a private limited company incorporated in England and Wales under the Companies Act 1985 on 6 January 1998. GMAC-RFC Limited was formed by Residential Funding Company, LLC, a directly wholly owned subsidiary of Residential Capital, LLC and an indirectly wholly owned subsidiary of GMAC, LLC (formerly General Motors Acceptance Corporation). With effect from 1 December 2006, FIM Holdings, LLC purchased a 51 per cent. equity interest in GMAC, LLC. FIM Holdings, LLC is an investment company formed for the purpose of acquiring General Motors Acceptance Corporation. FIM Holdings, LLC is a consortium led by Cerberus Capital Management, and also comprised of three other companies: Citigroup Alternative Investments, Aozora Bank and a subsidiary of PNC Financial Services Group, Inc. GMAC, LLC was previously a wholly owned subsidiary of General Motors Corporation, which continues to hold an indirect 49 per cent. equity interest in GMAC, LLC.

GMAC-RFC Limited's primary business is to provide mortgage services in the UK through intermediaries and other financial institutions. GMAC-RFC Limited originates mortgage loans to borrowers in England, Wales and Scotland and has also in the past originated mortgage loans to borrowers in Northern Ireland, including mainstream, buy-to-let, self-certification and non-conforming mortgage loans.

The registered office of GMAC-RFC Limited is at Eastern Gate, Brants Bridge, Bracknell, Berkshire RG12 9BZ.

### **Kensington Mortgage Company Limited**

Kensington Group plc is a public limited company whose shares are admitted to the official list of the Financial Services Authority in its capacity as competent authority for listing in the United Kingdom and was incorporated in England and Wales under the Companies Act 1985 and 1989 on 26 April 1995. On 30 May 2007 a recommended offer was made by Investec plc and Investec Limited to acquire the entire issued and to be issued share capital of Kensington Group plc by way of a scheme of arrangement under section 425 of the Companies Act 1985.

Kensington Group plc holds the entire issued share capital of its subsidiaries which include Kensington Mortgage Company Limited ("**KMC**"). Kensington Mortgages Limited is the operating company of Kensington Group plc.

KMC is a special purpose company established solely for the purpose of advancing or acquiring residential mortgage loans to borrowers in England, Wales and Scotland. The borrowers include the recently self employed, independent contractors, temporary employees and people who may have experienced previous credit problems, being in each case people who generally do not satisfy the lending criteria of traditional sources of residential mortgage capital.

The principal place of business of KMC and the registered office is at 1 Sheldon Square, London W2 6PU.

### **Money Partners Limited**

Money Partners Limited is a private limited company and was incorporated in England and Wales under the Companies Act 1985 (with company number 4992438) ("**MPL**"). MPL is a subsidiary of Money Partners Holdings Limited ("**MPH**"), is a special purpose vehicle and does not have any employees. MPH is a limited liability company incorporated in England and Wales under the Companies Act 1985 and 1989 on 11 December 2003 under the name Inhoco 4024 Limited. MPH holds the entire issued share capital of its subsidiaries (including Money Partners Limited) (the "**MPH Subsidiaries**" and, together with MPH and any other entity that originates assets on behalf of MPH from time to time, the "**MPH Group**") and is the operating company of the MPH Group. Currently, the primary business of Money Partners Limited and the other the MPH Subsidiaries who trade under the name of Money Partners is to originate mortgage loans to borrowers in England, Wales and Scotland. The borrowers include the recently self employed, independent contractors, temporary employees and people who may have

experienced previous credit problems, being in each case people who generally do not satisfy the lending criteria for traditional sources of residential mortgage capital.

Kensington Group plc has a 57.5 per cent. shareholding in MPH with call options to purchase the remaining equity in 2009. Kensington Group plc has representation on the board of MPH and key decisions about its business require the agreement of Kensington Group plc.

The registered office of MPL is at Keaton House, Widewater Place, Moorhall Road, Harefield, Uxbridge UB9 6NS.

#### **North Yorkshire Mortgages Limited**

North Yorkshire Mortgages Limited is a private limited company and was incorporated in England and Wales under the Companies Act 1985 (with company number 02238645) ("**NYM**"). It is a wholly owned subsidiary of Scarborough Building Society. It is regulated by the Financial Services Authority and holds the required authorisations and permissions to carry out regulated activities under the Financial Services and Markets Act 2000.

NYM has more than 15 years' experience and expertise in the trading of many mortgage portfolios. It offers bespoke portfolio trading solutions, and has handled many trades ranging from £50 million to £500 million in the past two years alone. NYM supports the delivery of individual lender growth strategies and mortgage origination, acquisition, seasoning and trading services.

The registered office of North Yorkshire Mortgages Limited is at Prospect House, PO Box 6, Lake View, Eastfield, Scarborough, North Yorkshire YO11 3WZ.

#### **ABN AMRO Bank N.V., London Branch**

ABN AMRO Holding N.V. ("**Holding**") is incorporated as a limited liability company under Dutch law by deed of 30 May 1990 as the holding company of ABN AMRO Bank, N.V.. Holding's main purpose is to own ABN AMRO Bank, N.V. and its subsidiaries. Holding owns 100 per cent. of the shares of ABN AMRO Bank, N.V. and is jointly and severally liable for all liabilities of ABN AMRO Bank, N.V.. ABN AMRO Bank, N.V. is registered in the Commercial Register of Amsterdam under number 33002587. The registered office of ABN AMRO Bank, N.V. is at Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands.

The ABN AMRO group ("**ABN AMRO Group**"), which consists of Holding and its subsidiaries (including ABN AMRO Bank N.V.), is a prominent international banking group offering a wide range of banking products and financial services on a global basis through its network of more than 4,500 offices and branches in 53 countries as of year-end 2006.

ABN AMRO Group is one of the largest banking groups in the world, with total consolidated assets of €1,055 billion as at 31 March 2007. ABN AMRO Group is the largest banking group in The Netherlands and it has a substantial presence in Brazil and the MidWestern United States. ABN AMRO Bank N.V. is listed on Euronext and the New York Stock Exchange.

The long-term, unsecured, unsubordinated and unguaranteed debt obligations of ABN AMRO Bank N.V. are currently rated "AA-" by S&P, "Aa2" by Moody's and "AA-" by Fitch. The short-term, unsecured, unsubordinated and unguaranteed debt obligations of ABN AMRO Bank N.V. are currently rated "A-1+" by S&P, "P-1" by Moody's and "F1+" by Fitch.

Any press releases issued by ABN AMRO can be obtained from the ABN AMRO website at <http://www.abnamro.com/pressroom>.

The information in the preceding five paragraphs has been provided solely by ABN AMRO Bank, N.V. for use in this Prospectus and ABN AMRO Bank, N.V. is solely responsible for the accuracy of the preceding five paragraphs. Except for the foregoing five paragraphs, ABN AMRO Bank, N.V. and its affiliates do not accept responsibility for this Supplement.

### **Danske Bank A/S, London Branch**

Danske Bank A/S was founded in 1871 and has, through the years, merged with a number of financial institutions. Danske Bank is a commercial bank with limited liability and carries on business under the Danish Financial Business Act, Consolidation Act No. 286 of 4 April 2006, as amended.

The registered office of Danske Bank is at Holmens Kanal 2-12, DK-1092 Copenhagen K, Denmark; the telephone number is +45 33 44 00 00; CVR-nr. 61 12 62 28 – København.

The Danske Bank Group provides a wide range of banking, mortgage and insurance products as well as other financial services, and is the largest financial institution in Denmark – and one of the largest in the Nordic region – measured by total assets.

The total assets of the consolidated Danske Bank Group were DKK 2,739 billion (USD 483.9 billion) at the end of 2006. Shareholders' equity was DKK 95 billion (USD 16.8 billion) at the end of 2006.

Current credit ratings of Danske Bank A/S are as follows: Moody's: **P-1** (short-term) and **Aa1** (long-term), S&P: **A-1+** (short-term) and **AA-** (long-term), Fitch: **F1+** (short-term) and **AA-** (long-term).

## **RISK FACTORS**

The following is a summary of certain aspects relating to the Notes by way of supplement to the aspects summarised in the section entitled "*Risk Factors*" in the Base Prospectus.

### **Risk of losses associated with Interest Only Loans**

Further to the risk factor "*Risk of losses associated with Interest Only Loans*" under "*Risk Factors*" in the Base Prospectus, approximately 67.24 per cent. of the Loans in the Series Portfolio by value constitute Interest Only Loans and approximately 0.43 per cent. of the Loans in the Series Portfolio by value constitute Partial Interest/Repayment Loans (see "*Series Portfolio Select Summary Data*" 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 Base Prospectus, approximately 12.04 per cent. of the Loans in the Series Portfolio by value are secured by non-owner occupied properties (see "*Series Portfolio Select Summary Data*" below).

### **Risk of losses associated with self-certified Loans**

Further to the risk factor "*Risk of losses associated with self-certified Loans*" under "*Risk Factors*" in the Base Prospectus, approximately 54.14 per cent. of the Loans in the Series Portfolio by value constitute self-certified Loans (see "*Series Portfolio Select Summary Data*" below).

### **Geographic concentration of Mortgaged Properties**

Further to the risk factor "*Geographic concentration of Mortgaged Properties*" under "*Risk Factors*" in the Base Prospectus, approximately 12.06 per cent. of the Loans in the Series Portfolio by value are secured by Properties located in the South East of England (excluding Greater London), approximately 11.71 per cent. of the Loans in the Series Portfolio by value are secured by Properties located in Greater London (the outer area), approximately 14.68 per cent. of the Loans in the Series Portfolio by value are secured by Properties located in Inner London, approximately 7.66 per cent. of the Loans in the Series Portfolio by value are secured by Properties located in the South West of England and approximately 0 per cent. of the Loans in the Series Portfolio by value are secured by Properties located in Scotland (see "*Series Portfolio Select Summary Data*" below).

### **There May Be Adverse Consequences for Instrumentholders if the New UK Special Regime for the Taxation of Securitisation Companies Does Not Apply to the Issuer and the Series AssetCo**

The Taxation of Securitisation Companies Regulations (the "**Securitisation Regulations**") were made under section 84 of the Finance Act 2005 on 11 December 2006 to deal with the corporation tax position of securitisation companies such as the Issuer and the Series AssetCo with effect for their periods of account beginning on or after 1 January 2007. If the Securitisation Regulations apply to a company, then, broadly, it will be subject to corporation tax on the cash profit retained by it for each accounting period in accordance with the transaction documents. Based on advice received, the Issuer considers that both it and the Series AssetCo will fall to be taxed under the special taxation regime for which provision is made by the Securitisation Regulations. Investors should note, however, that the Securitisation Regulations are in short-form and it is expected that advisors will rely significantly upon guidance from the UK tax authorities when advising on the scope and operation of the Securitisation Regulations including whether any particular company falls within the new regime. While the UK tax authorities have published draft guidance on the Securitisation Regulations that guidance has yet to be finalised and consequently may be the subject of amendment. Investors should note that if each of the Issuer and the Series AssetCo did not fall to be taxed under the new regime then such company's profits or losses for tax purposes might be different from its cash position. Any unforeseen taxable profits in the Issuer could have an adverse affect on its ability to make payments to Instrumentholders and any unforeseen taxable profits in the Series AssetCo could have an adverse effect on its ability to make payments to the Issuer under the Series Intercompany Loans Agreement.



## NOTE SPECIFIC CONDITIONS

The following are the Note Specific Conditions relating to the Series 2007-1B Notes and form part of the Conditions as applied to the Notes (but solely with respect to this Issue) by the Trust Deed and constitute the final terms of the Notes for the purposes of Article 5.4 of the Prospectus Directive in relation to this issue of Notes:

### Part A: Issue of the Series Notes

1.	Issuer:	Uropa Securities PLC
2.	2.1 Series	2007-1B
	2.2 Tranche	First Tranche of each Class of Notes
	2.3 Further Tranche Permitted	Not Applicable
	2.4 Further Tranche Conditions	Not Applicable
3.	Description of the Notes	<p>£10,000,000 Class A1a Mortgage Backed Floating Rate Notes due October 2030 (the "<b>A1a Notes</b>");</p> <p>€242,000,000 Class A1b Mortgage Backed Floating Rate Notes due October 2030 (the "<b>A1b Notes</b>");</p> <p>\$17,000,000 Class A1c Mortgage Backed Floating Rate Notes due October 2030 (the "<b>A1c Notes</b>" and together with the A1a Notes and the A1b Notes the "<b>A1 Notes</b>");</p> <p>€269,000,000 Class A2b Mortgage Backed Floating Rate Notes due October 2040 (the "<b>A2b Notes</b>" or the "<b>A2 Notes</b>");</p> <p>£74,000,000 Class A3a Mortgage Backed Floating Rate Notes due October 2040 (the "<b>A3a Notes</b>");</p> <p>€70,000,000 Class A3b Mortgage Backed Floating Rate Notes due October 2040 (the "<b>A3b Notes</b>" and together with the A3a Notes the "<b>A3 Notes</b>");</p> <p>£20,000,000 Class A4a Mortgage Backed Floating Rate Notes due October 2040 (the "<b>A4a Notes</b>");</p> <p>€18,000,000 Class A4b Mortgage Backed Floating Rate Notes due October 2040 (the "<b>A4b Notes</b>" and together with the A4a Notes the "<b>A4 Notes</b>" and together with the A1 Notes, the A2 Notes and the A3 Notes the "<b>Class A Notes</b>");</p> <p>£25,300,000 Class M1a Mortgage Backed Floating Rate Notes due October 2040 (the "<b>M1a Notes</b>");</p> <p>€25,000,000 Class M1b Mortgage Backed Floating Rate Notes due October 2040 (the "<b>M1b Notes</b>" and together with the M1a Notes the "<b>M1 Notes</b>");</p> <p>£21,800,000 Class M2a Mortgage Backed Floating Rate Notes due October 2040 (the "<b>M2a Notes</b>" or the "<b>M2 Notes</b>" and together with the M1 Notes the "<b>Class M Notes</b>");</p> <p>£12,300,000 Class B1a Mortgage Backed Floating Rate</p>

Notes due October 2040 (the "**B1a Notes**");

€10,000,000 Class B1b Mortgage Backed Floating Rate Notes due October 2040 (the "**B1b Notes**" and together with the B1a Notes the "**B1 Notes**");

£6,000,000 Class B2a Mortgage Backed Floating Rate Notes due October 2040 (the "**B2a Notes**" or the "**B2 Notes**", and together with the B1 Notes the "**Class B Notes**");

£4,550,000 Class C Mortgage Backed Floating Rate Notes due October 2040 (the "**C Notes**");

£4,250,000 Class D Mortgage Backed Floating Rate Notes due October 2040 (the "**D Notes**");

£16,323,960 Class S Mortgage Backed Floating Rate Notes due October 2040 (the "**S Notes**").

4. Ratings (S&P/Moodys/Fitch)

4.1	A1a Notes	AAA/Aaa/AAA
4.2	A1b Notes	AAA/Aaa/AAA
4.3	A1c Notes	AAA/Aaa/AAA
4.4	A2b Notes	AAA/Aaa/AAA
4.5	A3a Notes	AAA/Aaa/AAA
4.6	A3b Notes	AAA/Aaa/AAA
4.7	A4a Notes	AAA/Aa1/AAA
4.8	A4b Notes	AAA/Aa1/AAA
4.9	M1a Notes	AA/NR/AA-
4.10	M1b Notes	AA/NR/AA-
4.11	M2a Notes	A/NR/A-
4.12	B1a Notes	BBB-/NR/BBB
4.13	B1b Notes	BBB-/NR/BBB
4.14	B2a Notes	BB/NR/BB
4.15	C Notes	BBB/NR/BBB-
4.16	D Notes	BB/NR/BB
4.17	S Notes	Unrated

S&P's rating of the C Notes and the D Notes addresses ultimate payment of interest and principal on such C Notes and D Notes.

5.	Note Initial Principal Amount	
5.1	Class	£10,000,000 A1a Notes
		€242,000,000 A1b Notes
		\$17,000,000 A1c Notes
		€269,000,000 A2b Notes
		£74,000,000 A3a Notes
		€70,000,000 A3b Notes
		£20,000,000 A4a Notes
		€18,000,000 A4b Notes
		£25,300,000 M1a Notes
		€25,000,000 M1b Notes
		£21,800,000 M2a Notes
		£12,300,000 B1a Notes
		€10,000,000 B1b Notes
		£6,000,000 B2a Notes
		£4,550,000 C Notes
		£4,250,000 D Notes
		£16,323,960 S Notes
5.2	Tranche	As class
6.	6.1 Issue Price	100 per cent of the Note Initial Principal Amount
	6.2 Net proceeds	Aggregate sterling equivalent of £631,841,354
7.	Interest Payment Dates	Beginning on 10 October 2007 and thereafter quarterly on the 10 <sup>th</sup> day of January, April, July and October each year
8.	Issue Date	18 July 2007
9.	Note Issue Subscription Agreement	18 July 2007
10.	Distribution	
10.1	Lead Manager(s)	ABN AMRO Bank N.V., London Branch
10.2	Stabilising Manager	ABN AMRO Bank N.V., London Branch
10.3	Co-Managers	Danske Bank A/S
		RZB - Austria Raiffeisen Zentralbank Österreich AG
		RBC Capital Markets

11. Dealer(s)	Programme Arranger
12. Governing Law	English Law
13. Note Notices Newspaper	Pursuant to Condition 16 ( <i>Notice to Noteholders</i> ) and Subnote Condition 16 ( <i>Notice to Subordinated Noteholders</i> )

**Part B: Form and Holdings of the Series Notes**

14. Specified denominations	(i)	In respect of the A1a Notes, the A3a Notes, the A4a Notes, the M1a Notes, the M2a Notes, the B1a Notes, the B2a Notes, the C Notes, the D Notes and the S Notes £50,000 and increments of £1,000 in excess thereof or, in respect of the S Notes, £10 in excess thereof;
	(ii)	In respect of the A1b Notes, the A2b Notes, the A3b Notes, the A4b Notes, the M1b Notes, and the B1b Notes €50,000 and increments of €1,000 in excess thereof;
	(iii)	In respect of the A1c Notes \$100,000 and increments of \$1,000 in excess thereof.
15. Specified Currencies	(iv)	Sterling in respect of the A1a Notes, the A3a Notes, the A4a Notes, the M1a Notes, the M2a Notes, the B1a Notes, the B2a Notes, the C Notes, the D Notes and the S Notes (together the " <b>Sterling Notes</b> ");
	(v)	Euro in respect of the A1b Notes, the A2b Notes, the A3b Notes, the A4b Notes, the M1b Notes and the B1b Notes (together the " <b>Euro Notes</b> ");
	(vi)	US Dollars in respect of the A1c Notes (the " <b>USD Notes</b> ").
16. Clearing Systems		Euroclear/Clearstream
17. ISIN / CUSIP/ Common Codes	ISIN Code	Common Code
17.1 A1a Notes	XS0311801806	031180180
17.2 A1b Notes	XS0311805203	031180520
17.3 A1c Notes	XS0311806862	031180686
17.4 A2b Notes	XS0311807167	031180716
17.5 A3a Notes	XS0311807753	031180775
17.6 A3b Notes	XS0311808561	031180856

17.7	A4a Notes	XS0311809452	031180945
17.8	A4b Notes	XS0311809882	031180988
17.9	M1a Notes	XS0311810385	031181038
17.10	M1b Notes	XS0311811193	031181119
17.11	M2a Notes	XS0311813058	031181305
17.12	B1a Notes	XS0311815855	031181585
17.13	B1b Notes	XS0311816150	031181615
17.14	B2a Notes	XS0311816408	031181640
17.15	C Notes	XS0311817398	031181739
17.16	D Notes	XS0311819923	031181992
17.17	S Notes	XS0311820343	031182034
18.	Delivery	Against payment	
19.	Listing	Ireland	
20.	Admission to trading	It is expected that the listing of the Notes on the official list of the Irish Stock Exchange will be granted on or about 18 July 2007.	
21.	Additional selling restrictions	Not applicable	
22.	Method of distribution	Syndicated	
23.	Authorised holding	Global Note registered in the name of ABN AMRO Bank N.V., London Branch as common depository of Euroclear/Clearstream.	
24.	Financial Centre(s) or other special provisions relating to Distribution Dates	TARGET Settlement Day, London and New York "TARGET Settlement Day" means any day on which TARGET is open.	
25.	Redenomination applicable	Applicable to the Sterling Notes. The provisions in Condition 19 ( <i>European Economic and Monetary Union</i> ) apply.	
<b>Part C: Interest on the Series Notes</b>			
26.	Interest Commencement Date	10 October 2007	
27.	Deferral of Interest		
27.1	A1 Notes	Not Applicable.	
27.2	A2 Notes	Not Applicable.	
27.3	A3 Notes	Not Applicable.	

27.4	A4 Notes	So long as there are A1 Notes, A2 Notes and A3 Notes outstanding, interest on the A4 Notes may be deferred.
27.5	M Notes	So long as there are A Notes outstanding, interest on the M Notes may be deferred.
27.6	B Notes	So long as there are A Notes or M Notes outstanding, interest on the B Notes may be deferred.
27.7	C Notes	So long as there are A Notes, M Notes, or B Notes outstanding, interest on the C Notes may be deferred.
27.8	D Notes	So long as there are A Notes, M Notes, B Notes or C Notes outstanding, interest on the D Notes may be deferred.
27.9	S Notes	So long as there are A Notes, M Notes, B Notes, C Notes or D Notes outstanding, interest on the S Notes may be deferred.
28.	Change of Interest Basis or Redemption/Payment Basis	Not Applicable
29.	Step-Up Date	Not Applicable
30.	Margin after Step-Up Date	Not Applicable
31.	Yield	Not Applicable
32.	Fixed Rate Note Provisions	Not Applicable
33.	Floating Rate Note Provisions	
33.1	Specified Distribution Dates	On each Interest Payment Date
33.2	Business Day Convention	Modified Following Business Day Convention
33.3	Business Centre(s)	TARGET Settlement Day, London and New York
33.4	Manner in which the Rate of Interest and the Interest Amount is to be determined	Screen Rate Determination
33.5	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent)	ABN AMRO Bank N.V, London Branch as Agent Bank.
33.6	Screen rate determination	
33.6.1	Reference Rate	(i) In respect of the A1a Notes, the A3a Notes, the A4a Notes, the M1a Notes, the M2a Notes, the B1a Notes, the B2a Notes, the C Notes, the D Notes and the S 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;

(ii) In respect of the A1b Notes, the A2b Notes, the A3b Notes, the A4b Notes, the M1b Notes and the B1b 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; and

(iii) In respect of the A1c 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 month U.S. dollar deposits and USD LIBOR for 3 month U.S. dollar deposits.

33.6.2 Interest Determination Date(s)

(i) In respect of the A1a Notes, the A3a Notes, the A4a Notes, the M1a Notes, the M2a Notes, the B1a Notes, the B2a Notes, the C Notes, the D Notes and the S Notes, on each Interest Payment Date, or in the case of the first Interest Period, the Issue Date;

(ii) In respect of the A1b Notes, the A2b Notes, the A3b Notes, the A4b Notes, the M1b Notes and the B1b Notes, on the second TARGET Settlement Day preceding each Interest Payment Date, or in the case of the first Interest Period, two TARGET Settlement Days prior to the Issue Date; and

(iii) In respect of the A1c Notes, on the second London Business Day preceding each Interest Payment Date, or in the case of the first Interest Period, two London Business Days prior to the Issue Date.

33.6.3 Relevant Screen Page

(i) In respect of the A1a Notes, the A3a Notes, the A4a Notes, the M1a Notes, the M2a Notes, the B1a Notes, the B2a Notes, the C Notes, the D Notes and the S Notes, page reference "LIBOR01" on the Reuters monitor;

(ii) In respect of the A1b Notes, the A2b Notes, the A3b Notes, the A4b Notes, the M1b Notes and the B1b Notes, page reference "EURIBOR01" on the Reuters monitor; and

(iii) In respect of the A1c Notes, page reference "LIBOR01" on the Reuters monitor.

33.7 Margin(s)

In respect of the A1a Notes +0.10 per cent. per annum;

		In respect of the A1b Notes +0.10 per cent. per annum;
		In respect of the A1c Notes +0.10 per cent. per annum;
		In respect of the A2b Notes +0.15 per cent. per annum;
		In respect of the A3a Notes +0.20 per cent. per annum;
		In respect of the A3b Notes +0.20 per cent. per annum;
		In respect of the A4a Notes +0.25 per cent. per annum;
		In respect of the A4b Notes +0.25 per cent. per annum;
		In respect of the M1a Notes +0.35 per cent. per annum;
		In respect of the M1b Notes +0.35 per cent. per annum;
		In respect of the M2a Notes +0.55 per cent. per annum;
		In respect of the B1a Notes +1.35 per cent. per annum;
		In respect of the B1b Notes +1.35 per cent. per annum;
		In respect of the B2a Notes +4.00 per cent. per annum;
		In respect of the C Notes +1.00 per cent. per annum;
		In respect of the D Notes +3.50 per cent. per annum;
		In respect of the S Notes +4.25 per cent. per annum;
33.8	Minimum Rate of Interest	Not Applicable
33.9	Maximum Rate of Interest	Not Applicable
33.10	Day Count Fraction	In respect of the Sterling Notes: Actual/365 In respect of the Euro Notes: Actual/360 In respect of the USD Notes: Actual/360
33.11	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
33.12	Zero Coupon Note provisions	Not Applicable

**Part D: Repayment of the Series Notes**

34.	Redemption/Payment basis	Redemption at par
35.	Final Maturity Date/Principal Repayment Scheduled Date/Principal Repayment Final Maturity Date	Interest Payment Date falling in October 2030 in respect of the A1 Notes; Interest Payment Date falling in October 2040 in respect



		of the A2 Notes, the A3 Notes, the A4 Notes, the M Notes, the B Notes, the C Notes, the D Notes and the S Notes.
36.	Final Redemption Amount of each Note	Principal Amount Outstanding on Principal Repayment Final Maturity Date
37.	Mandatory Redemption in part	Applicable
38.	Optional Redemption	Not Applicable
39.	Optional Redemption for Tax Reasons	Applicable
40.	Optional Redemption (Maximum Amount Outstanding)	Applicable
41.	Maximum Amount Outstanding	10 per cent. of the aggregate sterling equivalent Principal Amount Outstanding of the A Notes, the M Notes and the B Notes on the Issue Date.
42.	Optional Redemption Amount	Principal Amount Outstanding of the Notes together with accrued interest.
43.	Call Date	Not Applicable
44.	Early Repayment Amount of each Note	Not Applicable
45.	Additional Series Event of Default	Not Applicable
46.	Deferral of Principal	Not Applicable
47.	Other	Not Applicable

**Part E: Additional Information related to the Applicable Series**

Not Applicable

**Part F: Listing and Admission to Trading Application**

This Supplement comprises the terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Mortgage Backed Securities Programme of Uropa Securities PLC.

**Part G: Expenses Relating to Admission to Trading on Regulated Market**

The Issuer estimates that the total expense incurred or to be incurred by the Issuer in relation to the admission of the Notes (excluding the S Notes) to trading on the Irish Stock Exchange will be approximately €7,800.

**Part H: Use of Proceeds**

The net proceeds from the issue of (i) the Notes (excluding the Subordinated Notes) on the Issue Date (after payment to the Co-Managers of their management and underwriting fees and selling commission being part of the issue of the Notes) are expected to amount to approximately £177,906,675, €633,992,200 and \$17,000,000 and (ii) the Subordinated Notes are expected to amount to approximately £16,323,960 (together, the "Net Proceeds") and will be used by the Issuer to advance the equivalent amount of the Net Proceeds to the Series AssetCo pursuant to the Series Intercompany Loans Agreement on the Issue Date.



## SERIES SPECIFIC PARTICULARS

### Uropa Assets No. 1 Limited

Uropa Assets No. 1 Limited ("Series AssetCo") was incorporated in England and Wales on 2 April 2007, under the name of Conkerlight Limited, with registered number 6198213 and as a private company with limited liability under the Companies Act 1985 (as amended). The name of Series AssetCo was changed to Uropa Assets No. 1 Limited by a written resolution dated 10 May 2007. The registered office of Series AssetCo is at 35 Great St. Helen's, London EC3A 6AP (Tel: +44(0)20 7398 6300). Series AssetCo's authorised share capital comprises 100 ordinary shares of £1 each. Series AssetCo's issued share capital comprises 1 ordinary share of £1 (which is fully paid up).

All of Series AssetCo's issued share capital is held by SFM Corporate Services Limited (the "Series AssetCo Share Trustee").

The Seller does not own directly or indirectly any of the share capital of Series AssetCo.

### **Principal Activities**

The principal objects of Series AssetCo are as set out in its Memorandum of Association and are, amongst other things, to acquire and hold, by way of investments the shares, stocks, debenture stocks, debentures or other interests of or in any company (including the Issuer).

Series AssetCo is organised as a special purpose company. Since its incorporation, Series AssetCo has not engaged in any other activities. Series AssetCo has no employees.

The financial year of Series AssetCo ends on 31 December each year. Since the date of its incorporation, the Series AssetCo has not commenced operation and no financial statements have been made up as at the date of this document. The current financial period of Series AssetCo will end on 31 December 2007. Series AssetCo will not prepare interim financial statements.

### **Directors and secretary**

The following sets out the directors of Series AssetCo and their business addresses and principal activities. Series AssetCo is organised as a special purpose company and will be largely passive, engaging only in the types of transactions described in this Supplement. Series AssetCo will be managed and controlled by its directors in the United Kingdom, however, it is expected that, once the company is conducting business, it will only require a small amount of active management.

<u>Name</u>	<u>Nationality</u>	<u>Business Address</u>	<u>Principal Activities</u>
SFM Directors Limited	England & Wales	35 Great St. Helen's, London EC3A 6AP	Acting as corporate company directors of special purpose companies
SFM Directors (No.2) Limited	England & Wales	35 Great St. Helen's, London EC3A 6AP	Acting as corporate company directors of special purpose companies

The directors of SFM Directors Limited and SFM Directors (No.2) Limited are Jonathan Keighley, James Macdonald and Robert Berry. Their principal activities include the provision of directors and corporate management services to structured finance transactions as directors on the boards of SFM Directors Limited and SFM Directors (No.2) Limited.

The directors of Series AssetCo do not have a specific term of office but each may be removed by a resolution passed at a shareholders' meeting.

Prospective Noteholders should be aware that each of the directors of Series AssetCo has a number of other directorships and private interests. There are no potential or actual conflicts of interest posed as a result of such positions or interests.

The company secretary of Series AssetCo and its business address is:

<u>Name</u>	<u>Business Address</u>
SFM Corporate Services Limited	35 Great St. Helen's, London EC3A 6AP

### **Litigation**

There are no, nor since Series AssetCo, incorporation on 2 April 2007 have there been any governmental, legal or arbitration proceedings which may have, or have had, a significant effect on Series AssetCo's financial position. Series AssetCo is not aware that any such proceedings are pending or threatened.

### **Series AssetCo Corporate Services Agreement**

Pursuant to the terms of a corporate services agreement to be dated on or about the Issue Date (the "**Series AssetCo Corporate Services Agreement**"), the Corporate Services Provider will provide certain directors to Series AssetCo and also provide other corporate services to Series AssetCo.

### **Series Originators**

- (i) GMAC-RFC
- (ii) KMC
- (iii) MPL

### **Legal Titleholder**

NYM is the Legal Titleholder of the Series Portfolios. It is expected for a Legal Sale between NYM and the Seller to be complete by the end of 2007.

### **Part A: Series Fees and Expenses**

The Issuer shall pay an estimated £1,160,000 in aggregate fees and expenses exclusive of value added tax if any to the Transaction Parties. Certain other fees and expenses are, where applicable, inclusive of value added tax, which is currently assessed at 17.5% and will be subject to adjustment if the applicable rate of value added tax changes. Such fees and expenses are subject to change at any time without the notification to or approval of Noteholders, the Trustee or the Series Security Trustee.

### **Part B: Series Portfolio**

- (i) **Cut-Off Date**  
30 April 2007.
- (ii) **English Loans**  
Applicable.
- (iii) **Scottish Loans**  
Not applicable.
- (iv) **Northern Irish Loans**  
Not Applicable.
- (v) **Corporate Loans**  
Not Applicable.
- (vi) **Non-Conforming Loans**

- Applicable.
- (vii) **Self-Certified Loans**  
Applicable.
- (viii) **Owner Occupied Loans**  
Applicable.
- (ix) **Investment Home Loans**  
Applicable.
- (x) **Right To Buy Loans**  
Not Applicable.
- (xi) **Repayment Loans**  
Applicable.
- (xii) **Interest-Only Loans**  
Applicable.
- (xiii) **Partial Interest/Repayment Loans**  
Applicable.
- (xiv) **Mortgage Early Repayment Charges**  
Applicable.
- (xv) **Variable Rate Loans**  
Applicable.
- (xvi) **Restricted Rate Loans**  
Applicable.
- (xvii) **Fixed Rate Loans**  
Applicable.
- (xviii) **Capped Rate Loans**  
Not Applicable.
- (xix) **Tracker Rate Loans**  
Applicable.
- (xx) **Tracker Rates**  
(a) The Bank of England repo rate (as determined under the applicable Mortgage Conditions or, in relation to some Loans, under the Series Portfolio Purchase Agreement); and  
(b) 3 month Sterling LIBOR.
- (xxi) **Discount Rate Loans**  
Applicable.

(xxii) **Substitute Loans**

Applicable.

(xxiii) **Substitute Loan Conditions**

- (a) where S&P or Fitch are then a Rating Agency and such Rating Agency has given notice in writing to the Issuer (copied by the Series Cash Manager to the Series Security Trustee and the Trustee) that it wishes to provide a written confirmation to the Issuer as to whether the then current ratings of the Notes (if any) in the Series which then remain outstanding will not be downgraded, withdrawn or qualified as a result of the substitution of the relevant Substitute Loan (or as otherwise agreed by the Special Servicer and those Rating Agencies), then such Rating Agency has provided such a written confirmation (copied by the Issuer to the Series AssetCo, the Series Security Trustee and the Trustee);
- (b) no Series Enforcement Notice has been given by the Series Security Trustee or Enforcement Notice has been given by the Trustee in relation to the Notes which remains in effect;
- (c) the Series Portfolio Warranties are true in respect of the Substitute Loan;
- (d) the applicable Lending Criteria as at such time have been applied to the Substitute Loan and to the circumstances of the Borrower at the time the Substitute Loan was made;
- (e) there is no deficiency recorded in the Series Principal Deficiency Ledger and no drawing under the Series Liquidity Facility Agreement (other than in respect of amounts standing to the credit of the Series Liquidity Ledger) remains unpaid;
- (f) the Seller is not in breach of any obligation on its part to repurchase or procure the purchase of any Loan in accordance with the Series Portfolio Purchase Agreement;
- (g) the Substitute Loan was made on the terms of the relevant standard documentation utilised at the time of such Substitute Loan by the same Series Originator to document the terms of Loans;
- (h) the Substitute Loan was made by the same Series Originator of the Loan being substituted;
- (i) the relevant Borrower is not in material breach of the obligations on its part of the terms and conditions applicable (i) to the relevant Substitute Loan and (ii) to the Collateral Security relating to such Substitute Loan;
- (j) the acquisition of the Substitute Loan (and any other Substitute Loans to be acquired on the same date) will not cause the weighted average of the loan-to-value ratios of all Loans in the Series Portfolio, to increase by more than 1.0 per cent. (or such other larger percentage as may be agreed with the Rating Agencies) from the weighted average of the loan-to-value ratios of all Loans in the Series Portfolio on the Issue Date (where the loan-to-value ratio in respect of each Loan is determined as the ratio of the Principal Balance of each Loan in the Series Portfolio as at the relevant date to the amount of the most recent valuation of the mortgaged Property relating to such Loan);
- (k) following the acquisition of the Substitute Loan on any date, the product of the WAFF and the WALs, in each case after such acquisition and after all other acquisitions of Substitute Loans to be made on such date calculated on such date in the same way as for the Series Portfolio at the Cut-Off Date (or as otherwise agreed by the Rating Agencies from time to time) would not exceed the product of the WAFF and WALs for the Series Portfolio calculated on the Issue Date, plus 0.25 per cent. provided that the figure of 0.25 per cent. may be increased from time to time upon the Rating Agencies agreeing that such increase will not adversely affect the then current ratings of the Notes (or as otherwise agreed by the Special Servicer and the Rating Agencies);

- (l) the weighted average (such weighting being by Current Balances) long-term reversionary interest rate of the proposed Further Advances or Converted Loans (as the case may be) is not less than the then prevailing Bank of England Repo rate plus 2.09 per cent.; and
- (m) the Principal Balance of the Substitute Loan, when added to the sum of the aggregate Principal Balance of any Substitute Loan previously purchased (as at that time) does not exceed 10 per cent. of the aggregate Principal Balance of the Loans in the period since the day which is 12 months before the then most recent Series Portfolio Data Date, save that the figure of 10 per cent. referred to above may be increased from time to time upon the Rating Agencies agreeing that such increase will not adversely affect the then current ratings by the Rating Agencies of the Notes,

provided, however that if any one of the above conditions is not met, the Seller may make such Substitute Loan upon notice being delivered to each of the Rating Agencies, the Security Trustee and the Trustee.

"**Principal Balance**" means, in relation to any Loan and on any date, the original principal amount advanced to the Borrower plus any other disbursement, legal expense, fee, charge or premium capitalised and added to the amounts secured by the relevant Mortgage in accordance with the conditions of the Loan on or prior to such date (including, for the avoidance of doubt, capitalised interest) plus, in relation to a Loan and the Mortgage relating thereto, any advance of further monies to the Borrower on the security of the relevant Mortgage after the date of completion of such Loan less any repayments of such amounts.

"**Lending Criteria**" means the GMAC-RFC Lending Criteria, the KMC Lending Criteria or the MPL Lending Criteria, as the case may be.

(xxiv) **Arrears Loans**

Applicable.

(xxv) **Ported Loans**

Applicable.

(xxvi) **Ported Loan Conditions**

- (a) the existing Loan had been current for at least 6 months at the time the Ported Loan was made;
- (b) the relevant Borrower is not in material breach of the obligations on its part of the terms and conditions applicable (i) to the relevant Ported Loan and (ii) to the Collateral Security relating to such Ported Loan;
- (c) the LTV of the Ported Loan is not higher than the current LTV of the existing Loan;
- (d) the amount of the Ported Loan is not higher than the amount of the existing Loan;
- (e) the repayment terms of each Ported Loan are substantially the same as the repayment terms of the existing Loan;
- (f) no Loan has been converted into an Interest-Only Loan and the margin on the Ported Loan is at least the same as the existing Loan;
- (g) the Series Reserve Fund was at the Series Reserve Fund Required Amount on the immediately preceding Distribution Date; and
- (h) each of the conditions set out under the heading "*Converted Loan Conditions*" is satisfied in respect of the relevant Ported Loan,

provided, however that if any one of the above conditions is not met, the Seller or the Series AssetCo, as the case may be, may make such Ported Loan upon notice being delivered to each of the Rating Agencies, the Security Trustee and the Trustee.

(xxvii) **Converted Loans**

Applicable.

(xxviii) **Converted Loan Conditions**

- (a) where S&P or Fitch are then a Rating Agency and such Rating Agency has given notice in writing to the Issuer (copied by the Series Cash Manager to the Series Security Trustee and the Trustee) that it wishes to provide a written confirmation to the Issuer as to whether the then current ratings of the Notes (if any) in the Series which then remain outstanding will not be downgraded, withdrawn or qualified as a result of the relevant Converted Loan (or as otherwise agreed by the Special Servicer and those Rating Agencies), then such Rating Agency has provided such a written confirmation (copied by the Issuer to the Series AssetCo, the Series Security Trustee and the Trustee);
- (b) no Loan relating to the relevant Converted Loan and no agreement to make any such Ported Loan will result in a breach of the Financial Services and Markets Act 2000 by the Series AssetCo, the Seller, the Legal Titleholder, the Series Servicer or the Special Servicer;
- (c) all the Series Portfolio Warranties applicable to the relevant Converted Loan are correct in relation to that Converted Loan;
- (d) the Converted Loan will have at least the same priority and ranking as it had prior to such conversion;
- (e) following the time of making of the relevant Converted Loan, the aggregate of the Principal Balances (at that time) of the Loans in the Series Portfolio in respect of which a conversion has occurred in the period since the day which is 12 months before the then most recent Series Portfolio Data Date will not exceed 1.0 per cent. of the aggregate of the Principal Balances (as at such Series Portfolio Data Date) of the Loans in the Series Portfolio;
- (f) the Series Reserve Fund was at the Series Reserve Fund Required Amount on the immediately preceding Distribution Date;
- (g) there is no material difference, as regards compliance with applicable legal and/or regulatory requirements (including, without limitation, the CCA, FSMA and the Unfair Terms Legislation), which would result in a worse position for the lender between the Converted Loan relating to the relevant conversion and a comparable Loan which is in, as at the Issue Date, the Series Portfolio; and
- (h) each of the conditions set out under the heading "*Common requirements of Loan changes*" in these Series Specific Provisions is satisfied in respect of the relevant Converted Loan,

provided, however that if any one of the above conditions is not met, the Seller or the Series AssetCo, as the case may be, may make such Converted Loan upon notice being delivered to each of the Rating Agencies, the Security Trustee and the Trustee.

"**Series Portfolio Data Date**" means at any time the last day of the calendar month before the then most recent Determination Date in relation to the Series.

(xxix) **Block Buildings Policies**

Not Applicable.

(xxx) **Third Party Policies**



Applicable.

**"Third Party Policies"** means the buildings insurance policies referable to each Property in the Series Portfolio.

(xxxix) **Life Policies**

Not Applicable.

(xxxix) **ASU Policies**

Not Applicable.

(xxxix) **All Other Policy Cover**

Applicable.

**"LSII Policy"** means the local search indemnity insurance policy (policy number 0580CQ10559) granted by Norwich Union relating to certain losses resulting from adverse entries against the relevant Properties the subject of Kensington Loans in the register of local land charges or replies to enquiry in Form Con29 of the local authority or sewerage undertaker.

**"Title Insurance Policy"** in respect of the Kensington Loans, means the title insurance policy granted by First Title Insurance plc to Norland Capital Limited (now known as Kensington Mortgages Limited) (and its subsidiaries and holding companies and subsidiaries of such holding companies (as such terms are defined in the Companies Act 1985 (as amended))) under a Remortgage Scheme Agreement (Policy Number HLPP (E&W) - 6807) dated 6 September 2002 (as amended, varied and supplemented by the parties to it from time to time); and, in respect of the GMAC-RFC Loans, means each title insurance policy which has or, as the context may require, ought to have been arranged with an insurer in relation to a GMAC-RFC Loan in accordance with the applicable Lending Criteria, the Standard Documentation and/or the terms upon which the relevant GMAC-RFC Loan was offered to the Borrower and, in each case, any other insurance contracts in replacement, addition or substitution therefor from time to time (including in each case any endorsements or extensions thereto as issued from time to time).

**"Adult Occupiers Policy"** means The Lender Policy - Coverage for Known Risk (Lack of Adult Occupiers Licence) granted by First Title Insurance plc to KMC (policy number HLPP (E&W) 0634260071) relating to a third party enforcing occupancy rights against KMC where, *inter alia*, a Deed of Consent was not obtained as at the date of the relevant Kensington Loan.

(xxxix) **Further Advances**

Applicable.

(xxxix) **Further Advance Conditions**

- (a) the relevant Borrower is not in material breach of its obligations in relation to the Loan relating to the relevant Further Advance;
- (b) the Seller is not in breach of any obligation on its part to repurchase any Loan under the Series Portfolio Purchase Agreement;
- (c) the amount of the Further Advance does not exceed the amount then standing to the credit of the Series Principal Ledger;
- (d) either no mortgage or charge is held by a person other than the Series AssetCo (or the Legal Titleholder on behalf of the Series AssetCo) in relation to the relevant Property or, where such a mortgage or charge exists, either the holder has entered into a deed under which the ranking of such mortgage or charge is postponed to the relevant Mortgage which secures or will secure the relevant Further Advance or such mortgage or charge will be fully redeemed upon the relevant Further Advance being made;

- (e) the relevant Further Advance and each Loan in respect of the Mortgage are included in the Series Portfolio;
- (f) the proposed Further Advance will have at least the same priority and ranking as each other Loan which is secured by the same Mortgage;
- (g) there is no material difference, as regards compliance with applicable legal and/or regulatory requirements (including, without limitation, the CCA, FSMA and the Unfair Terms Legislation), which would result in a worse position for the lender between the Further Advance and a comparable Mortgage which is in, as at the Issue Date, the Series Portfolio;
- (h) the Reserve Fund was at the Reserve Fund Required Amount in the immediately preceding Distribution Date; and
- (i) each of the conditions set out under the heading "*Common requirements for Mortgage changes*" in these Series Specific Provisions is satisfied in respect of the relevant Further Advance,

provided, however that if any one of the above conditions is not met, the Seller or the Series AssetCo, as the case may be, may make such Further Advance upon notice being delivered to each of the Rating Agencies, the Security Trustee and the Trustee.

(xxxvi) **Prefunded Loans**

Not Applicable.

(xxxvii) **Prefunded Loan Amounts**

Not Applicable.

(xxxviii) **Flexible Loans**

Not Applicable.

(xxxix) **Flexible Mortgage Commitment Fee**

Not Applicable.

(xl) **Flexible Drawing Available Amount**

Not Applicable.

(xli) **Flexible Mortgage Commitment Fee Minimum Rate**

Not Applicable.

(xlii) **Common requirements for Loan changes**

- (a) The aggregate of amounts which as at the then most recent Series Portfolio Data Date are 3 months or more in arrears in relation to Loans in the Series Portfolio does not exceed 17 per cent. of the aggregate Current Balance as at such Series Portfolio Data Date of all Loans in the Series Portfolio, provided that such figure of 17 per cent. may be increased from time to time upon S&P and Fitch providing written confirmation to the Issuer (copied by the Series Cash Manager to the Trustee, the Series Security Trustee and Moody's) that the then current ratings of the Notes (if any) which then remain outstanding will not be downgraded, withdrawn or qualified as a result of the relevant increase (or as otherwise agreed by the Special Servicer and S&P and Fitch);
- (b) The Further Advance or the Loan relating to the relevant Mortgage Type Conversion (as the case may be) conforms to the applicable Lending Criteria (including, without limitation, as regards permitted product type and characteristics) as applied to any Loan which is in, as at the Issue Date, the Series Portfolio or other Lending Criteria (including,

without limitation, as regards permitted product type and characteristics) (provided that S&P and Fitch have provided written confirmation to the Issuer (copied by the Issuer to the Trustee) that the then current ratings of the Notes (if any) which then remain outstanding will not be downgraded, withdrawn or qualified as a result of the application of such other Lending Criteria;

- (c) The relevant Borrower has not been in arrears in relation to the relevant Loan at any time during the period of three months ending on the date upon which the proposed Further Advance or Converted Loan (as the case may be) is to be made or to occur;
- (d) The provisions of the CCA are satisfied (so far as they are applicable to the relevant Further Advance, Converted Loan (as the case may be) and the original Loan);
- (e) No Series Enforcement Notice has been delivered by the Series Security Trustee or Enforcement Notice has been delivered by the Trustee in relation to the Notes which remain in effect;
- (f) The weighted average (such weighting being by Current Balances) long-term reversionary interest rate of the proposed Further Advances or Converted Loans (as the case may be) is not less than the then prevailing Bank of England Repo rate plus 2.09 per cent.;
- (g) The final scheduled due date for full repayment of the relevant Further Advance or the Loan relating to the relevant Mortgage Type Conversion is not after the date which is two years prior to 2040;
- (h) The making of the proposed Further Advance or Converted Loan (as the case may be) will not cause the aggregate amount of Further Advances and the Principal Balances of Loans in respect of which conversions have occurred on or after the Issue Date in respect of Loans in the Series Portfolio to exceed 10 per cent. of the aggregate Principal Balance in respect of the Loans included in the Series Portfolio as at the Issue Date;
- (i) There is no debit balance on the Series Principal Deficiency Ledger;
- (j) The average of the Principal Balances in respect of the Loans included in the Series Portfolio will not, as a result of the making of such Further Advance or Converted Loan (as the case may be and, for the avoidance of doubt, including each other Further Advance or Converted Loan, if any, which is being made on the same day), exceed by more than 1.0 per cent. the average of the Principal Balances in respect of the Loans included in the Series Portfolio as at the then most recent Series Portfolio Data Date;
- (k) Following the making of the Further Advance or Converted Loan (as the case may be) on a day, other than a Determination Date, the product of the "WAFF" (being the weighted average foreclosure frequency as calculated using a deterministic financial model supplied to the Special Servicer by S&P and Fitch) and the "WALS" (being the weighted average loss severity as calculated using a deterministic financial models supplied to the Special Servicer by S&P and Fitch) for the Series Portfolio calculated on the immediately preceding Determination Date in the same way as for the Series Portfolio as at the Issue Date (or as agreed by the Special Servicer and S&P and Fitch from time to time) would not exceed the product of the WAFF and WALS calculated on the Issue Date in respect of the Series Portfolio as at such Issue Date plus 0.25 per cent., provided that such figure of 0.25 per cent. may be increased from time to time upon S&P and Fitch providing written confirmation to the Issuer (copied by the Series Cash Manager to the Series AssetCo, the Trustee and Moody's) that the then current ratings of the Notes (if any) which then remain outstanding will not be downgraded, withdrawn or qualified as a result of the relevant increase (or as otherwise agreed by the Special Servicer and S&P and Fitch);
- (l) The Further Advance or Converted Loan (as the case may be) is made on the terms of the applicable pro forma mortgage documentation then in use by the Special Servicer except to such exceptions that would be agreed, done or made (on the basis of the particular facts and circumstances) on a case by case exceptional basis by a Prudent

Mortgage Lender (provided that such terms are not materially different in any material respect from such terms as are in such use at the Issue Date except for differences required to comply with applicable legal and/or regulatory requirements or differences that would be agreed by a Prudent Mortgage Lender);

- (m) The acquisition of the Further Advance or Converted Loan (and any other Further Advances or Converted Loan to be made or permitted, as the case may be, on the same date) will not cause the weighted average of the loan-to-value ratios of all Loans in the Series Portfolio, to increase by more than 1.0 per cent. (or such other larger percentage as may be agreed with the Rating Agencies) from the weighted average of the loan-to-value ratios of all Loans in the Series Portfolio on the Issue Date (where the loan-to-value ratio in respect of each Loan is determined as the ratio of the Principal Balance of each Loan in the Series Portfolio as at the relevant date to the amount of the most recent valuation of the mortgaged Property relating to such Loan); and
- (n) no drawing notice under the Series Liquidity Facility Agreement (other than in respect of amounts standing to the credit of the Series Liquidity Ledger) remains unpaid.

(xlili) **Representations and Warranties**

On the Issue Date in relation to any Loan (other than a Further Advance) and its Collateral Security, the Seller will represent and warrant to the Series AssetCo and separately to the Series Security Trustee that:

- (a) the particulars of the Series Portfolio (if any) (as set out in Annexure 1 of the Series Portfolio Purchase Agreement) are complete, true and accurate in respect of the data fields described in Schedule 2 of the Series Portfolio Purchase Agreement as at the Cut-Off Date and in relation to all Loans the details of such loans as recorded in the computer system of the Seller or the Programme Servicer, to the extent they relate to data fields in Schedule 2 of the Series Portfolio Purchase Agreement, are complete, true and accurate as at the Cut-Off Date;
- (b) an amount equal to at least 50 per cent of the first scheduled payment in respect of each Loan has been received within two months of the first scheduled payment becoming due;
- (c) no Loan has a final maturity beyond the date falling two years prior to the Interest Payment Date falling in October 2040.
- (d) the relevant Lending Criteria were satisfied at the time of origination of each Loan;
- (e) each Loan and its Collateral Security was made on the terms of the applicable Standard Documentation without any material variation thereto and nothing has been done subsequently to add to, lessen, modify or otherwise vary the express provisions of any of the same in any material respect (other than in cases where the Series AssetCo's prior written consent was obtained);
- (f) no Borrower is an employee or director of the relevant Series Originator;
- (g) the amount outstanding under each Loan is a valid debt to the Seller from the Borrower and the terms of each Loan and its Collateral Security constitute valid, binding and enforceable obligations of the relevant parties except that (i) enforceability may be limited by bankruptcy, insolvency or other similar laws of general applicability affecting the enforcement of creditors' rights generally and the courts' discretion in relation to equitable remedies and (ii) this warranty shall not apply in respect of any redemption fees;
- (h) no agreement for any Unregulated Loan is a consumer credit agreement (as defined in Section 8 of the Consumer Credit Act 1974) or constitutes any other agreement regulated or partly regulated by the Consumer Credit Act 1974 (other than Sections 137 to 140 of such Act) or any modification or re enactment thereof;

- (i) all Regulated Loans comply with all of the legal requirements of, and procedures set out in, the Consumer Credit Act 1974 and all secondary legislation made pursuant thereto;
- (j) no Loan constitutes an extortionate credit bargain for the purpose of section 136 of the Consumer Credit Act 1974;
- (k) there are no outstanding obligations on the Seller to make any Further Advances (excluding any Retentions) to any Borrower;
- (l) in respect of any Loan in respect of which the relevant Borrower has been permitted to enter into a tenancy, such tenancy is (i) an assured shorthold tenancy within the meaning of the Housing Act 1988 (an "**Assured Shorthold Tenancy**") for a fixed term not more than 12 months or, where the Housing Act 1988 does not apply to the tenancy, a tenancy agreement on terms no less favourable to the Seller as would be the case if the tenancy had been an Assured Shorthold Tenancy (an "**Other Tenancy Agreement**" and together with the Assured Shorthold Tenancies, the "**Existing Tenancy Agreements**") and (ii) the Seller is not aware of any material breach of such Existing Tenancy Agreements.
- (m) in relation to any leasehold Property, in any case where the Seller or NYM has received written notice from the relevant landlord that it is or may be taking reasonable steps to forfeit or irritate the lease of that Property, the Seller has taken such reasonable steps (if any) and in such time as would be taken by a Prudent Mortgage Lender to protect its security and the Loan;
- (n) no Loan is currently repayable in a currency other than Sterling;
- (o) the original advance being made under each Loan was £25,001 or more but less than £1,000,000;

#### **Valuation**

- (p) in the case of each Loan, the relevant Series Originator caused to be made on its behalf a valuation of the relevant Property in all material respects in accordance with the Lending Criteria;
- (q) the Seller has not agreed to waive any of its rights against any valuer, solicitor, licensed or qualified conveyancer or other professional who has provided information, carried out work or given advice in connection with any Loan or Collateral Security;

#### **The Properties**

- (r) all of the Properties are residential and located in England or Wales;
- (s) except in any case where the related Property is covered by a valid policy of insurance in respect of title (howsoever described) to such Property, prior to making a Loan to a Borrower the relevant Series Originator:
  - (1) caused its Approved Solicitors or Approved Conveyancers to carry out in relation to the relevant Property all investigations, searches and other actions and enquiries which a Prudent Mortgage Lender or its solicitors normally make when lending to an individual on the security of residential property, as the case may be, in England and Wales; and
  - (2) received a Certificate of Title from Approved Solicitors or Approved Conveyancers relating to such Property and the results thereof were such as would be acceptable to a Prudent Mortgage Lender in order to proceed with the Loan;
- (t) in relation to each English Mortgage, the Borrower has good and marketable title to the relevant Property (subject to registration of the title at the Land Registry) free from any encumbrance (except the Mortgage and subject to any Existing Tenancy Agreements and any subsequent ranking mortgage and, in relation to a Right to Buy Loan, any charge or

security which may arise or be granted in favour of the relevant Local Authority which has not been postponed) which would materially adversely affect such title;

### **The Mortgages**

- (u) all steps necessary to perfect NYM's title to each Loan were duly taken or are in the process of being taken with all due diligence and the relevant Series Originator and NYM is not aware of any caution, notice, inhibitions or restrictions which would prevent the registration or recording of the Loan in due course;
- (v) no Loan is subject to any right of rescission, set-off, lien, counterclaim or defence and there are no outstanding claims by the relevant Series Originator or NYM in respect of any material breaches of the terms of any Loan;
- (w) the Seller has not waived any of its rights under or in relation to a Loan which would materially reduce the value of the Loan;
- (x) the terms of the agreement relating to each Loan are not "unfair terms" within the meaning of The Unfair Terms in Consumer Contracts Regulations 1994 or The Unfair Terms in Consumer Contract Regulations 1999 but this warranty shall not be construed so as to apply in respect of any redemption fees or other charges;
- (y) except for any prior ranking statutory charge (as referred to in section 156 of the Housing Act 1985), each Loan is secured by a first ranking legal mortgage over the relevant Property;
- (z) the Seller has complied with all applicable requirements of law or of any person who regulatory authority which has the force of law in respect of the Loans including, in particular, MCOB (the FSA Mortgages Conduct of Business Sourcebook);

### **Third Party Occupiers**

- (aa) in relation to each Mortgage every person who, at the date upon which the relevant Loan was made, had attained the age of seventeen and who had been notified to the relevant Series Originator as residing or being about to reside in a Property subject to a Mortgage, is either the relevant Borrower or has signed a Deed of Consent;

### **Insurance - Buildings**

- (bb) so far as the Seller is aware each Property is insured (from the date of completion of the relevant Loan):
  - (1) under the Third Party Policies;
  - (2) with a reputable insurance company approved by the relevant Series Originator;
  - (3) against all risks usually covered by a Prudent Mortgage Lender in England and Wales, advancing money on the security of residential property;
  - (4) to an amount not less than the full reinstatement cost as determined by the relevant valuer;

### **Insurance - General**

- (cc) the Adult Occupiers Policy, the LSII Policy and the title insurance policy granted by First Title Insurance plc in respect of the Kensington Loans (Policy Number HLPP (E&W) - 6807) are in full force and effect and, all premiums payable thereon have been paid and, so far as the Seller is aware, the relevant policies are valid and enforceable and the Seller has not received notice that there are, and is not otherwise aware of any reasons why an insurer may refuse to accept liability under the same;

### **Legaltitleholder's Title**

- (dd) save for Title Deeds held at the Land Registry all the Title Deeds and the mortgage files and computer tapes relating to each of the Loans and their Collateral Security are held by NYM or its agents and the Title Deeds held at the Land Registry are held on the basis that any such Title Deeds shall be returned to NYM or its solicitors or agents;
- (ee) the Seller has good and marketable title to, and is the absolute unencumbered beneficial owner of, each Loan and its Collateral Security, subject in each case only to the Series Portfolio Purchase Agreement, the Borrowers' equity of redemption or any Existing Tenancy Agreements;
- (ff) NYM has good and marketable title to, and is the absolute unencumbered legal owner of, each Loan and its Collateral Security, subject in each case only to the Series Portfolio Purchase Agreement, the Borrowers' equity of redemption or any Existing Tenancy Agreements and subject to registration or recording at the Land Registry of NYM as proprietor or heritable creditor of the relevant Mortgage;

### **Litigation**

- (gg) the Seller has not received written notice and is not aware of any litigation or claim which may have a material adverse affect on the Seller's title to any Loan or Collateral Security;

### **Seller's Licences, consents etc.**

- (hh) Seller has made all notifications as required under the provisions of the Data Protection Act 1998 to enable it to perform its obligations under the Transaction Documents to which it is a party;
- (ii) the Seller has at all relevant times held a subsisting licence under the terms of the Consumer Credit Act 1974 to carry on consumer credit business in England and Wales;
- (jj) in relation to any Right to Buy Loan:
  - (1) in the case of English Loans, the relevant Series Originator is an approved lending institution within the meaning given to that expression in the Housing Act 1985;
  - (2) the original advance was made to a person exercising the right to buy; and
  - (3) either the original advance (or further advance) was made for the sole purpose of enabling the recipient thereof to purchase or re-mortgage the relevant Property or, in cases where additional amounts have been advanced to the Borrower and the relevant Local Authority's, statutory charge has not been postponed, there exists legal, valid, binding and enforceable insurance cover in respect of any losses which could arise by virtue of the Local Authority's statutory charge;
- (kk) all formal approvals, consents and other steps necessary to permit a legal transfer and assignation of the Loans and their related Mortgages and the other Collateral Security to be sold under the Series Portfolio Purchase Agreement have been obtained or taken;
- (ll) the relevant Series Originator or the Seller (as applicable) has, since the making of each Loan, kept such accounts, books and records as are necessary to show all material transactions, payments, receipts and proceedings relating to that Loan and its Mortgage and the Collateral Security and all such accounts, books and records are in the possession of the Seller;

### **Warranties - FSA Regulation**

- (mm) in respect of any Mortgages entered into after 31 October 2004, the relevant Series Originator was authorised by and had permission from the FSA for entering into

regulated mortgage contracts as lender at the time that it entered into each such Mortgage and continues to be so authorised and hold such permission;

- (nn) the relevant Series Originator and NYM (as applicable) is authorised by and had permission from the FSA for conducting any other regulated activities (as defined in The Financial Services and Markets Act 2000) carried on by it in respect of each Mortgage;
- (oo) the relevant Series Originator and NYM (as applicable) have complied with all Regulatory Requirements in respect of the Mortgages, in particular the provisions of MCOB;
- (pp) no Borrower has made any complaint and there is no pending or threatened action or proceeding by an applicant against the relevant Series Originator or NYM (as applicable) in respect of the Mortgages that could be expected to materially adversely affect the value of any Loan or Mortgage;
- (qq) each officer or employee of the Seller in any capacity which involves a controlled function (as defined in the FSA Rules) or involves the supervision of any person or persons so engaged is and was at all relevant times a validly registered "approved person" in accordance with the FSA Rules;
- (rr) the Seller has created and maintained all records in respect of the Mortgages in accordance with the FSA Rules and any other Regulatory Requirement; and
- (ss) so far as the Seller is aware to the extent that any of the Loans qualify as "distance contracts" (as defined by Article 2 of the Distance Marketing of Consumer Financial Services Directive) the relevant Series Originator had complied with the relevant provisions of the Distance Marketing of Consumer Financial Services Directive, as implemented in the United Kingdom;

#### **Financial Assets**

- (tt) each Loan (including any Further Advances) sold by the Seller to the Series AssetCo pursuant to the Series Portfolio Purchase Agreement will be, at the time when the Series AssetCo acquires such Loan (or as the case may be such Further Advance), a "financial asset" as defined in:
  - (1) United Kingdom Financial Reporting Standard 25 ("**FRS 25**") (if the Series AssetCo prepares its statutory individual entity financial statements for the period in which such acquisition occurs in accordance with FRS 25); or
  - (2) International Accounting Standard 32 ("**IAS 32**") (if the Series AssetCo prepares its statutory individual entity financial statements for the period in which such acquisition occurs in accordance with IAS 32).
- (uu) on the date when any Further Advance is made in respect of any Loan, the Seller represents and warrants to the Series AssetCo and separately to the Series Security Trustee:
  - (1) Each Further Advance constitutes a legal, valid, binding and enforceable obligation of the relevant Borrower and each relevant Loan securing that Further Advance secures the repayment of all advances, interest, costs and expenses payable by the relevant Borrower to the Mortgagee in priority, in the case of a Mortgage which is a first ranking mortgage, to any other mortgages, charges or securities (including without limitation those registered or recorded against the relevant Property) but subject to, in relation to Right to Buy Loans, any charge in favour of the relevant Local Authority where such charge has not been postponed.
  - (2) The beneficial interest in the Further Advance is vested in the Series AssetCo pursuant to the Series Portfolio Purchase Agreement.



- (3) Prior to making a Further Advance to a Borrower, all investigations, searches and other actions that are required to be undertaken pursuant to the Programme Servicing Agreement were duly undertaken.
- (4) Prior to making a Further Advance to a Borrower, the nature and amount of each Further Advance and the circumstances of the relevant Borrower satisfied the relevant Lending Criteria in all material respects.
- (5) Each Further Advance has been made on the terms of the Standard Documentation of the relevant Series Originator (so far as applicable) without material variation.
- (6) No agreement for any Further Advance is or includes any agreement regulated or partly regulated by the Consumer Credit Act 1974 (other than Sections 137 to 140 of the Act) or, to the extent that it is so regulated or partly regulated, the Originator has complied with the requirements of the Consumer Credit Act 1974. Each agreement for a Further Advance complies with the Unfair Terms in Consumer Contracts Regulations 1994 and Unfair Terms in Consumer Contracts Regulations 1999.
- (7) No Borrower, Mortgagor or guarantor in respect of a Further Advance is an employee of the relevant Originator.

**"Standard Documentation"** means, in relation to the GMAC Loans the documents which have been used by or on behalf of GMAC-RFC in connection with its activities as a lender and on which the GMAC Loans have been originated and the Mortgages in respect of the GMAC Loans have been granted and, in relation to the Kensington Loans the documents which have been used by or on behalf of Kensington in connection with its activities as a lender and on which the KMC Loans have been originated and the Mortgages in respect of the KMC Loans have been granted.

**"Unregulated Loan"** has the meaning given in Section 8 of the Consumer Credit Act 1974.

**"Regulated Loan"** has the meaning given in the Consumer Credit Act 1974.

**"Approved Solicitor"** means: (i) any firm of solicitors authorised to practise law by the Law Society of England and Wales having at least two partners; (ii) any firm of solicitors authorised to practise law by the Law Society of England and Wales having a sole principal; or (iii) such other firm as would be approved by a Prudent Mortgage Lender.

**"Approved Conveyancer"** means: (i) any sole principal, partnership or incorporated practice of conveyancers authorised to practise conveyancing by the Council of Licensed Conveyancers; or (ii) such other firm as would be approved by a Prudent Mortgage Lender.

**"LSII Policy"** means the local search indemnity insurance policy (policy number 0580CQ10559) granted by Norwich Union relating to certain losses resulting from adverse entries against the relevant Properties the subject of Mortgages in respect of the KMC Loans in the register of local land charges or replies to enquiry in Form Con29 of the local authority or sewerage undertaker.

#### **Part C: Series Portfolio Services Aspects**

- (i) **Series Servicer**  
Programme Servicer.
- (ii) **Series Services Agreement**  
Programme Servicing Agreement.
- (iii) **Series Servicer Fees**  
Programme Servicer Fees.
- (iv) **Series Standby Servicer**

Applicable upon a Programme Servicer Replacement Appointment Event.

**"Programme Servicer Replacement Appointment Event"** means following the first day following the Issue Date upon which the following occurs:

- (a) a Programme Servicer Rating Event; or
- (b) Topaz Finance PLC is no longer wholly owned by a Prime-1 rated entity; or
- (c) Scarborough Building Society has ceased to have Control of the Programme Servicer.

**"Programme Servicer Rating Event"** means the first day following the Issue Date upon which each of the following are true:

- (d) the Programme Servicer ceases to have servicer ratings from Fitch in respect of its residential primary ratings equal to or better than "RPS2-(minus)(Prime)(UK)" and "RPS2-(minus)(sub-prime)(UK)";
- (e) on the date of such cessation there were Notes outstanding in respect of the Series which are at the relevant time rated by Fitch;
- (f) the period from (and including) the date of such cessation to (and including) the 90th Business Day following the date of such cessation has expired; and
- (g) on or before expiry of that period the Series Security Trustee and the Trustee has not received a copy from the Issuer of a written confirmation from Fitch that such ratings by Fitch of the Notes in respect of the Series will not be downgraded, withdrawn or qualified as a result only of the Series AssetCo not procuring the appointment of a Series Standby Servicer.

**"Control"** means, in respect of an entity, the control of:

- (a) the largest holding of the voting rights attaching to the share capital of that entity; or
- (b) the largest holding of the issued share capital of that entity."

(v) **Series Standby Services Agreement**

Not Applicable.

(vi) **Series Standby Servicer Fee**

Not Applicable.

(vii) **Series Standby Additional Services**

Not Applicable.

**Part D: Series Account Services Aspects**

(i) **Series Account Bank**

ABN AMRO Bank N.V., London Branch acting through its office at 82 Bishopsgate, London EC2N 4BN.

(ii) **Series Account Bank Agreement**

Pursuant to the terms of an account bank agreement dated on the Issue Date (the "**Series Bank Account Agreement**") between the Issuer, the Series Security Trustee and the Series Account Bank, the Series Account Bank will open a sterling denominated transaction account (the "**Series Bank Account**") in the name of the Series AssetCo for day to day cash management purposes of all amounts denominated in sterling.

The Series AssetCo's interests in the Series Bank Account are secured for the benefit of the AssetCo Secured Creditors pursuant to the terms of the AssetCo Security Deed.

(iii) **Series Transaction Account**

Assets No. 1 Transaction Account

(iv) **Series Guaranteed Investment Contact Account Provider**

Danske Bank A/S acting through its office at 75 King William Street, London EC4N 7DT (the "Series GIC Provider")

(v) **Series Guaranteed Investment Contract**

Amounts standing to the credit of the Programme Collection Account will be transferred on a daily basis into the Series Short Term Deposit Account. The Series GIC Provider will, in respect of each Series GIC Account, contract to pay a specific rate of interest on funds on deposit in the relevant Series GIC Account pursuant to a guaranteed investment contract to be entered into on or about the Issue Date between, *inter alios*, the Series AssetCo and the Series GIC Provider (the "Series Guaranteed Investment Contract").

(vi) **Series GIC Accounts**

(a) Uropa Assets No. 1 Limited - Series 2007-01 Long Term Deposit Account, (the "Series Long Term Deposit Account"); and

(b) Uropa Assets No. 1 Limited - Series 2007-01 Short Term Deposit Account (the "Series Short Term Deposit Account", and together with the Series Long Term Deposit Account, the "Series GIC Accounts")

(vii) **Series Other Accounts**

Not Applicable.

(viii) **Authorised Investments**

Not Applicable.

(ix) **Authorised Investments Standard Minimum Ratings**

Not Applicable.

**Part E: Series Portfolio Purchase Agreement**

(i) **Scottish Mortgage Trust Deed**

Not Applicable.

(ii) **Series Portfolio Purchase Initial Consideration**

£607,028,683

(iii) **Series Portfolio Purchase Deferred Consideration**

Series MERCs and Series Residual Certificates

The Series Residual Certificates and the Series MERCs will be constituted by a trust deed (the "Series Trust Deed") entered into between the Series AssetCo and ABN AMRO Trustees Limited as trustee (in such capacity, the "Series Trustee") on or about the Issue Date. The Series Residual Certificates and the Series MERCs will have the benefit of a paying agency agreement dated on or about the Issue Date (the "Series Paying Agency Agreement") between Series AssetCo, the Series Trustee, ABN AMRO Bank N.V., London Branch as principal paying agent (the "Series Principal Paying Agent"), as transfer agent (the "Series Transfer Agent") and as

registrar (the "**Series Registrar**" and, together with the Series Principal Paying Agent and the Series Transfer Agent and any other paying agent appointed from time to time in connection with the Residual Certificates and the MERCs, the "**Series Agents**").

#### **Part F: Series Intercompany Loans Agreement**

On the Issue Date, pursuant to the terms of an Intercompany Loans Agreement dated on or about the Issue Date between the Issuer, Series AssetCo, the Agent Bank, the Series Security Trustee and the Trustee (the "**Series Intercompany Loans Agreement**"), the Issuer will advance to Series AssetCo (subject to the satisfaction of certain conditions precedent) a secured term loan facility (the "**Series Intercompany Loan**"). On the Issue Date, pursuant to the Series Intercompany Loans Agreement, the Issuer will also advance to Series AssetCo (subject to the satisfaction of certain conditions precedent) a secured term loan facility which is subordinated to the Series Intercompany Loan (the "**Series Subordinated Loan**").

The Series Intercompany Loan will be split into tranches (see below) and the payment characteristics of such tranches and the Series Subordinated Loan will match the payment characteristics of the classes of the Notes (including the S Notes). However, payment by the Series AssetCo of any amount in respect of any tranche of the Series Intercompany Loan and the Series Subordinated Loan will be applied in accordance with the relevant Series Priorities of Payments and thus not necessarily to pay the corresponding class of the Notes.

The Series AssetCo will apply an amount equal to the gross proceeds of the Series Intercompany Loan to pay to the Seller an amount equal to purchase price for the sale of the Series Portfolio pursuant to the terms of the Series Portfolio Purchase Agreement.

Each of the A1a Loan Tranche, A1b Loan Tranche, A1c Loan Tranche, A2b Loan Tranche, A3a Loan Tranche, A3b Loan Tranche, A4a Loan Tranche, A4b Loan Tranche, M1a Loan Tranche, M1b Loan Tranche, M2a Loan Tranche, B1a Loan Tranche, B1b Loan Tranche, B2a Loan Tranche, C Loan Tranche, D Loan Tranche and Series Subordinated Loan (each as defined below) of the Series Intercompany Loan will correspond in amount, currency, rate of interest and maturity with the corresponding class of Notes, including the sub-classes of Notes.

Loan	£10,000,000 A1a Loan Tranche (the " <b>A1a Loan Tranche</b> ")
Tranches:	€242,000,000 A1b Loan Tranche (the " <b>A1b Loan Tranche</b> ")
	\$17,000,000 A1c Loan Tranche (the " <b>A1c Loan Tranche</b> ", and together with the A1a Loan Tranche and A1b Loan Tranche, the " <b>A1 Loan Tranche</b> ")
	€269,000,000 A2b Loan Tranche (the " <b>A2b Loan Tranche</b> " or the " <b>A2 Loan Tranche</b> ")
	£74,000,000 A3a Loan Tranche (the " <b>A3a Loan Tranche</b> ")
	€70,000,000 A3b Loan Tranche (the " <b>A3b Loan Tranche</b> ")
	£20,000,000 A4a Loan Tranche (the " <b>A4a Loan Tranche</b> " and together with the A3a Loan Tranche, the " <b>A3 Loan Tranche</b> ")
	€18,000,000 A4b Loan Tranche (the " <b>A4b Loan Tranche</b> " and together with the A4a Loan Tranche, the " <b>A4 Loan Tranche</b> " and together with the A1 Loan Tranche, the A2 Loan Tranche and the A3 Loan Tranche, the " <b>A Loan Tranche</b> ")
	£25,300,000 M1a Loan Tranche (the " <b>M1a Loan Tranche</b> ")
	€25,000,000 M1b Loan Tranche (the " <b>M1b Loan Tranche</b> ", and together with the M1a Loan Tranche, the " <b>M1 Loan Tranche</b> ")
	£21,800,000 M2a Loan Tranche (the " <b>M2a Loan Tranche</b> " or the " <b>M2 Loan Tranche</b> " and together with the M1 Loan Tranche, the " <b>M Loan Tranche</b> ")
	£12,300,000 B1a Loan Tranche (the " <b>B1a Loan Tranche</b> ")
	€10,000,000 B1b Loan Tranche (the " <b>B1b Loan Tranche</b> ", and together with the B1a

Loan Tranche, the "**B1 Loan Tranche**")

£6,000,000 B2a Loan Tranche (the "**B2a Loan Tranche**" or the "**B2 Loan Tranche**" and together with the B1 Loan Tranche, the "**B Loan Tranche**")

£4,550,000 C Loan Tranche (the "**C Loan Tranche**")

£4,250,000 D Loan Tranche (the "**D Loan Tranche**")

Series Subordinated Loan: £16,323,960 S Loan Tranche (the "**Series Subordinated Loan**" and together with the A Loan Tranche, the M Loan Tranche, the B Loan Tranche, the C Loan Tranche and the D Loan Tranche, the "**Loan Tranches**")

Issue Date: 18 July 2007

First Payment Date: 10 October 2007

Final Repayment Date: Distribution Date falling in October 2040

Margin:

- A1a Loan Tranche: LIBOR plus 0.10 per cent.
- A1b Loan Tranche: EURIBOR plus 0.10 per cent.
- A1c Loan Tranche: USD LIBOR plus 0.10 per cent.
- A2b Loan Tranche: EURIBOR plus 0.15 per cent.
- A3a Loan Tranche: LIBOR plus 0.20 per cent.
- A3b Loan Tranche: EURIBOR plus 0.20 per cent.
- A4a Loan Tranche: LIBOR plus 0.25 per cent.
- A4b Loan Tranche: EURIBOR plus 0.25 per cent.
- M1a Loan Tranche: LIBOR plus 0.35 per cent.
- M1b Loan Tranche: EURIBOR plus 0.35 per cent.
- M2a Loan Tranche: LIBOR plus 0.55 per cent.
- B1a Loan Tranche: LIBOR plus 1.35 per cent.
- B1b Loan Tranche: EURIBOR plus 1.35 per cent.
- B2a Loan Tranche: LIBOR plus 4.00 per cent.
- C Loan Tranche: LIBOR plus 1.00 per cent.
- D Loan Tranche: LIBOR plus 3.50 per cent.
- Series Subordinated Loan: LIBOR plus 4.25 per cent.

Step-up Date: Not Applicable.

Step-up Margin: Not Applicable.

Series Not Applicable.  
Intercompany  
Loan Initial  
Fee:

### **Part G: Assetco Security Deed**

Pursuant to the terms of a security deed dated on or about the Issue Date between, *inter alia*, the Series AssetCo and the Series Security Trustee the obligations of the Series AssetCo under the Transaction Documents to which it is a party will be secured by, *inter alia*, the AssetCo Security over the AssetCo Charged Property in favour of the Series Security Trustee on behalf of itself and the other AssetCo Secured Creditors (the "**AssetCo Security Deed**").

"**AssetCo Secured Creditors**" means, in respect of the Series, the Issuer, the Series Security Trustee (and any receiver, manager or other person appointed by it), the Series Trustee, the Series Agents, the Programme Servicer, the Special Servicer, the Series Cash Manager, the Series Account Bank, the Series Liquidity Facility Provider, the Series MERCs Holder, the Series Residual Certificate Holder, the Series BBR Swap Provider, the Series Fixed/Floating Swap Provider, the Series LIBOR Basis Swap Provider and the Series Currency Swap Provider.

### **Part H: Series Credit Structure**

In addition to the disclosure under "*Credit Structure*" in the Base Prospectus, 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 and the Base Prospectus.

#### **Series Principal Deficiency Sub-Ledgers**

In addition to the Series Ledgers described under "*Transaction Documents – Cash Management Agreement – Series Ledgers*", the following sub-ledgers in respect of the Series Principal Deficiency Ledger will be established by the Series Cash Manager. The sub-ledgers will be identified as:

- (i) the "**A1a Principal Deficiency Sub-Ledger**", the "**A1b Principal Deficiency Sub-Ledger**", the "**A1c Principal Deficiency Sub-Ledger**", and together the "**A1 Principal Deficiency Sub-Ledgers**";
- (ii) the "**A2b Principal Deficiency Sub-Ledger**" or the "**A2 Principal Deficiency Sub-Ledgers**";
- (iii) the "**A3a Principal Deficiency Sub-Ledger**", the "**A3b Principal Deficiency Sub-Ledger**", and together the "**A3 Principal Deficiency Sub-Ledgers**";
- (iv) the "**A4a Principal Deficiency Sub-Ledger**", the "**A4b Principal Deficiency Sub-Ledger**", and together the "**A4 Principal Deficiency Sub-Ledgers**", and together with the A1 Principal Deficiency Sub-Ledgers, the A2 Principal Deficiency Sub-Ledgers and the A3 Principal Deficiency Sub-Ledgers, the "**A Principal Deficiency Sub-Ledgers**";
- (v) the "**M1a Principal Deficiency Sub-Ledger**" and the "**M1b Principal Deficiency Sub-Ledger**", and together the "**M1 Principal Deficiency Sub-Ledgers**";
- (vi) the "**M2a Principal Deficiency Sub-Ledger**" or the "**M2 Principal Deficiency Sub-Ledgers**", and together with the M1 Principal Deficiency Sub-Ledgers, the "**M Principal Deficiency Sub-Ledgers**";
- (vii) the "**B1a Principal Deficiency Sub-Ledger**" and the "**B1b Principal Deficiency Sub-Ledger**", and together the "**B1 Principal Deficiency Sub-Ledgers**"; and
- (viii) the "**B2a Principal Deficiency Sub-Ledger**" or the "**B2 Principal Deficiency Sub-Ledgers**", and together with the B1 Principal Deficiency Sub-Ledgers, the "**B Principal Deficiency Sub-Ledgers**";

and collectively the "Series Principal Deficiency Sub-Ledgers" and each a "Series Principal Deficiency Sub-Ledger").

Any Series 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 Principal Amount Outstanding of the B2a Loan Tranche (the "**B2 Loan Tranche Principal Deficiency Limit**"), (b) second, *pari passu* and *pro rata*, to the B1a Principal Deficiency Sub-Ledger and the B1b Principal Deficiency Sub-Ledger, so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the B1a Loan Tranche and the B1b Loan Tranche (the "**B1 Loan Tranche Principal Deficiency Limit**", and together with the B2 Loan Tranche Principal Deficiency Limit, the "**B Loan Tranche Principal Deficiency Limit**"), (c) third, to the M2a Principal Deficiency Sub-Ledger so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the M2a Loan Tranche (the "**M2 Loan Tranche Principal Deficiency Limit**"), (d) fourth, *pari passu* and *pro rata*, to the M1a Principal Deficiency Sub-Ledger and the M1b Principal Deficiency Sub-Ledger, so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the M1a Loan Tranche and the M1b Loan Tranche (the "**M1 Loan Tranche Principal Deficiency Limit**", and together with the M1 Loan Tranche Principal Deficiency Limit, the "**M Loan Tranche Principal Deficiency Limit**"), (e) fifth, *pari passu* and *pro rata*, to the A4a Principal Deficiency Sub-Ledger and the A4b Principal Deficiency Sub-Ledger so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the A4a Loan Tranche and the A4b Loan Tranche (the "**A4 Loan Tranche Principal Deficiency Limit**") and (f) sixth, *pari passu* and *pro rata*, to the A1a Principal Deficiency Sub-Ledger, the A1b Principal Deficiency Sub-Ledger, the A1c Principal Deficiency Sub-Ledger, the A2b Principal Deficiency Sub-Ledger, the A3a Principal Deficiency Sub-Ledger and the A3b Principal Deficiency Sub-Ledger, so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the A1a Loan Tranche, the A1b Loan Tranche, the A1c Loan Tranche, the A2b Loan Tranche, the A3a Loan Tranche and the A3b Loan Tranche (the "**A1 Loan Tranche Principal Deficiency Limit**", the "**A2 Loan Tranche Principal Deficiency Limit**" and the "**A3 Loan Tranche Principal Deficiency Limit**", respectively, and together with the A4 Loan Tranche Principal Deficiency Limit, the "**A Loan Tranche Principal Deficiency Limit**").

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 Series Pre-Enforcement Revenue Priority of Payments and Series Pre-Enforcement Revenue Priority of Payments, as applicable.

#### **Series Permitted Withdrawals**

To the extent that any of the Series Permitted Withdrawals (as described under "*Series Permitted Withdrawals*" under "*Credit Structure*" in the Base Prospectus) are made by the Series Cash Manager from and including the last Business Day of the month preceding a Determination Date to and including the relevant Distribution Date, any such withdrawals shall be made prior to administration of the applicable Series Priorities of Payments and, therefore, shall not be included in the Available Revenue Funds and/or the Available Redemption Funds, as applicable, for such Distribution Date.

#### **Series Priorities of Payments**

##### **Series Pre-Enforcement Revenue Priority of Payments**

"**Available Revenue Funds**" means on any Distribution Date, amounts standing to the credit of the Series Revenue Ledger, which amounts shall not include Mortgage Early Repayment Charges, as at close of business on the Business Day immediately preceding the Determination Date (which falls immediately prior to such Distribution Date) plus those amounts transferred or to be transferred from the Series Liquidity Ledger, the Series Reserve Ledger and the Series Discount Reserve Ledger (and, if applicable, any other ledger except the Series Credit Support Provider Cash Ledger) including interest earned on the Series GIC Accounts and on any Authorised Investments, any amounts received pursuant to the Bullet Cap Agreement (other than any swap termination payments received from the Bullet Cap Provider to be applied towards the appointment of a replacement Bullet Cap Provider and other than any collateral provided by the Bullet Cap Provider in accordance with the terms of the Bullet Cap Agreement), any BBR Swap Agreement (other than any swap termination payments received from the BBR Swap Provider to be applied towards the appointment of a replacement BBR Swap Provider and other than any collateral provided by the BBR Swap Provider in accordance with the terms of the BBR Swap Agreement), any

Fixed/Floating Swap Agreement (other than any swap termination payments received from the Fixed/Floating Swap Provider to be applied towards the appointment of a replacement Fixed/Floating Swap Provider and other than any collateral provided by the Fixed/Floating Swap Provider in accordance with the terms of the Fixed/Floating Swap Agreement), any amounts received pursuant to the LIBOR Basis Swap Agreement (other than any swap termination payments received from the LIBOR Basis Swap Provider to be applied towards the appointment of a replacement LIBOR Basis Swap Provider and other than any collateral provided by the LIBOR Basis Swap Provider in accordance with the terms of the LIBOR Basis Swap Agreement), or any Currency Swap Agreement with respect to amounts representing revenue only (other than any swap termination payments received from the Currency Swap Provider to be applied towards the appointment of a replacement Series Currency Swap Provider and other than any collateral provided by the Currency Swap Provider in accordance with the terms of the Currency Swap Agreement) on such Distribution Date, in each case in accordance with the Series Cash Management Agreement.

On each Distribution Date prior to the service of a Series Enforcement 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 Series AssetCo in making the following payments and provisions (the "**Series Pre-Enforcement 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*, (A) first, to pay *pari passu* and *pro rata* amounts due and payable to the Series Security Trustee, the Series Trustee and the Trustee (in respect of the Series 2007-1B) then due and (B) second, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
  - (i) all amounts due and payable of all Series AssetCo Senior Expenses then due (including any indemnity payments payable by the Series AssetCo), and
  - (ii) all amounts due and payable to the Issuer of all Issuer Senior Expenses then due by the Issuer (including any indemnity payments payable by the Issuer).
- (b) *second*, 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.
- (c) *third*, to pay *pari passu* and *pro rata*:
  - (i) all amounts due and payable to the BBR Swap Provider under the BBR Swap Transaction (excluding any BBR Swap Provider Default Payment);
  - (ii) all amounts due and payable to the LIBOR Basis Swap Provider under the LIBOR Basis Swap Transaction (excluding any LIBOR Basis Swap Provider Default Payment); and
  - (iii) all amounts due and payable to the the Fixed/Floating Swap Provider including any scheduled payments due under the Fixed/Floating Swap Transaction (excluding any Fixed/Floating Swap Provider Default Payments);
- (d) *fourth*, (A) first, to pay *pari passu* and *pro rata* (a) amounts (other than in respect of principal) payable in respect of the A1a Loan Tranche, the A1b Loan Tranche, the A1c Loan Tranche, the A2b Loan Tranche, the A3a Loan Tranche and the A3b Loan Tranche and (b) all amounts due and payable to the Currency Swap Provider (other than in respect of principal) in respect of the A1b Loan Tranche Euro Currency Swap Transaction, the A1c Loan Tranche USD Currency Swap Transaction, the A2b Loan Tranche Euro Currency Swap Transaction and the A3b Loan Tranche Euro Currency Swap Transaction (except for any Currency Swap Provider Default Payment) and if any of the A1b Loan Tranche Euro Currency Swap Transaction, the A1c Loan Tranche USD Currency Swap Transaction, the A2b Loan Tranche Euro Currency Swap Transaction and the A3b Loan Tranche Euro Currency Swap Transaction 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 Series AssetCo in respect of the A1b Loan Tranche Euro Currency Swap Transaction, the A1c Loan Tranche USD Currency Swap Transaction, the A2b Loan Tranche Euro Currency Swap Transaction and the A3b Loan Tranche Euro Currency Swap Transaction, as applicable, in exchange for euro or US dollars (as the case may be) in the spot exchange market in order to meet the interest then due on the A1b Loan Tranche and/or A1c Loan Tranche



and/or A2b Loan Tranche and/or the A3b Loan Tranche, as applicable, and (B) second, to the extent that in relation to any spot exchange for euro or US dollars (as the case may be), an amount is obtained which is insufficient to pay interest due on the A1b Loan Tranche and/or A1c Loan Tranche and/or A2b Loan Tranche and/or the A3b Loan Tranche to apply such further amounts in exchange for euro or US dollars (as the case may be) in the spot exchange market in order to meet such shortfall;

- (e) *fifth*, to pay, *pari passu and pro rata*, amounts to be credited to the A1 Principal Deficiency Sub-Ledger, the A2 Principal Deficiency Sub-Ledger and the A3 Principal Deficiency Sub-Ledger (such amounts to be applied in repayment of the A1 Loan Tranche, A2 Loan Tranche and A3 Loan Tranche, respectively) until the balance of each of the A1 Principal Deficiency Sub-Ledger, the A2 Principal Deficiency Sub-Ledger and A3 Principal Deficiency Sub-Ledger has reached zero;
- (f) *sixth*, (A) first, to pay *pari passu and pro rata* (a) amounts (other than in respect of principal) payable in respect of the A4a Loan Tranche and the A4b Loan Tranche and (b) all amounts due and payable to the Currency Swap Provider (other than in respect of principal) in respect of the A4b Loan Tranche Euro Currency Swap Transaction (except for any Currency Swap Provider Default Payment) and if any of the A4b Loan Tranche Euro Currency Swap Transaction are not in place, with such amounts an amount up to the amount which would have been so payable by the Series AssetCo in respect the A4b Loan Tranche Euro Currency Swap Transaction in exchange for euro in the spot exchange market in order to meet the interest then due on the A4b Loan Tranche, and (B) 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 A4b Loan Tranche to apply such further amounts in exchange for euro in the spot exchange market in order to meet such shortfall;
- (g) *seventh*, to pay amounts to be credited to the A4 Principal Deficiency Sub-Ledger (such amounts to be applied in repayment of the A4 Loan Tranche) until the balance of each of the A4 Principal Deficiency Sub-Ledger has reached zero;
- (h) *eighth*, (A) first, to pay *pari passu and pro rata* (a) amounts (other than in respect of principal) payable in respect of the M1a Loan Tranche and M1b Loan Tranche, and (b) all amounts due and payable to the Currency Swap Provider (other than in respect of principal) in respect of the M1b Loan Tranche Euro Currency Swap Transaction (except for any Currency Swap Provider Default Payment) and if the M1b Loan Tranche Euro Currency Swap Transaction 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 Series AssetCo in respect of the M1b Loan Tranche Euro Currency Swap Transaction in exchange for euro in the spot exchange market in order to meet the interest then due on the M1b Loan Tranche and (B) 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 M1b Loan Tranche to apply such further amounts in exchange for euro in the spot exchange market in order to meet such shortfall;
- (i) *ninth*, to pay amounts to be credited to the M1 Principal Deficiency Sub-Ledger (such amounts to be applied in repayment of the M1 Loan Tranche) until the balance of the M1 Principal Deficiency Sub-Ledger has reached zero;
- (j) *tenth*, to pay amounts (other than in respect of principal) payable in respect of the M2a Loan Tranche;
- (k) *eleventh*, to pay amounts to be credited to the M2 Principal Deficiency Sub-Ledger (such amounts to be applied in repayment of the M2 Loan Tranche) until the balance of the M2 Principal Deficiency Sub-Ledger has reached zero;
- (l) *twelfth*, (A) first, to pay *pari passu and pro rata* (a) amounts (other than in respect of principal) payable in respect of the B1a Loan Tranche, B1b Loan Tranche and the C Loan Tranche and (b) all amounts due and payable to the Currency Swap Provider (other than in respect of principal) in respect of the B1b Loan Tranche Euro Currency Swap Transaction (except for any Currency Swap Provider Default Payment) and if the B1b Loan Tranche Euro Currency Swap Transaction 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 Series AssetCo in respect of the B1b Loan Tranche Euro Currency Swap Transaction in exchange for euro in the spot exchange market in order to meet the interest then due on the B1b Loan Tranche and (B) 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 B1b Loan Tranche to apply such further amounts in exchange for euro in the spot exchange market in order to meet such shortfall;

- (m) *thirteenth*, to pay amounts to be credited to the B1 Principal Deficiency Sub-Ledger (such amounts to be applied in repayment of the B1 Loan Tranche) until the balance of the B1 Principal Deficiency Sub-Ledger has reached zero;
- (n) *fourteenth*, to pay amounts (other than in respect of principal) payable in respect of the B2a Loan Tranche;
- (o) *fifteenth*, to pay amounts to be credited to the B2 Principal Deficiency Sub-Ledger (such amounts to be applied in repayment of the B2 Loan Tranche) until the balance of the B2 Principal Deficiency Sub-Ledger has reached zero;
- (p) *sixteenth*, to credit the Series Reserve Ledger until the balance of the Series Reserve Fund reaches the Series Reserve Fund Required Amount;
- (q) *seventeenth*, to pay amounts (other than in respect of principal) payable in respect of the D Loan Tranche;
- (r) *eighteenth*, to pay an amount in respect of principal amounts due on the C Loan Tranche;
- (s) *nineteenth*, to pay an amount in respect of principal amounts due on the D Loan Tranche;
- (t) *twentieth*, to pay *pari passu* and *pro rata* an amount, if any, equal to the portion of value added tax owing in respect of (A) any fee due and payable by the Series AssetCo to the Series Cash Manager, the Special Servicer or the Programme Servicer (as applicable) under the Series Cash Management Agreement, the Special Servicing Agreement or the Programme Servicing Agreement (as applicable) that exceeds 17.5% and (B) any fee due and payable by the Issuer to the Series Cash Manager under the Series Cash Management Agreement that exceeds 17.5%;
- (u) *twenty-first*, in or towards *pari passu* and *pro rata* payment payable to:
  - (i) any Currency Swap Provider in connection with the termination of any Currency Swap Transaction as a result of the occurrence of an Event of Default (as such term is defined in the relevant Currency Swap Agreement) where the Currency Swap Provider is the Defaulting Party (as such term is defined in the relevant Currency Swap Agreement) ("**Currency Swap Provider Default Payment**") (it being understood that any amounts received as an upfront premium by the Series AssetCo from a replacement currency swap provider to replace the relevant currency swap may be applied towards payment of such Currency Swap Default Payment outside of and independently from this Series Pre-Enforcement Revenue Priority of Payments);
  - (ii) any LIBOR Basis Swap Provider in connection with the termination of the LIBOR Basis Swap Transaction as a result of the occurrence of an Event of Default (as such term is defined in the relevant LIBOR Basis Swap Agreement) where the LIBOR Basis Swap Provider is the Defaulting Party (as such term is defined in the relevant LIBOR Basis Swap Agreement) ("**LIBOR Basis Swap Provider Default Payment**") (it being understood that any amounts received as an upfront premium by the Series AssetCo from a replacement LIBOR basis swap provider to replace the relevant LIBOR basis swap may be applied towards payment of such LIBOR Basis Swap Provider Default Payment outside of and independently from this Series Pre-Enforcement Revenue Priority of Payments);
  - (iii) any BBR Swap Provider in connection with the termination of the BBR Swap Transaction as a result of the occurrence of an Event of Default (as such term is defined in the relevant BBR Swap Agreement) where the BBR Swap Provider is the Defaulting Party (as such term is defined in the relevant BBR Swap Agreement) ("**BBR Swap**");

**Provider Default Payment**") (it being understood that any amounts received as an upfront premium by the Series AssetCo from a replacement BBR swap provider to replace the relevant BBR swap may be applied towards payment of such BBR Swap Provider Default Payment outside of and independently from this Series Pre-Enforcement Revenue Priority of Payments); and

- (iv) any Fixed/Floating Swap Provider in connection with the termination of any Fixed/Floating Swap Transaction as a result of the occurrence of an Event of Default (as such term is defined in the relevant Fixed/Floating Swap Agreement) where the Fixed/Floating Swap Provider is the Defaulting Party (as such term is defined in the relevant Fixed/Floating Swap Agreement) ("**Fixed/Floating Swap Provider Default Payment**") (it being understood that any amounts received as an upfront premium by the Series AssetCo from a replacement fixed/floating swap provider to replace the relevant fixed/floating swap may be applied towards payment of such Fixed/Floating Swap Provider Default Payment outside of and independently from this Series Pre-Enforcement Revenue Priority of Payments);
- (v) *twenty-second*, in or towards satisfaction of all other amounts due and payable, *pari passu and pro rata*, to (A) any other AssetCo Secured Creditor that are not otherwise provided for in this priority of payments or in the Series Pre-Enforcement Principal Priority of Payments and (B) the Issuer in respect of any Issuer Secured Creditor that are not otherwise provided for in Issuer Pre-Enforcement Revenue Priority of Payment or in the Issuer Pre-Enforcement Principal Priority of Payments;
- (w) *twenty-third*, to pay amounts (other than in respect of principal) payable in respect of the Series Subordinated Loan;
- (x) *twenty-fourth*, to pay an amount in respect of principal amounts due on the Series Subordinated Loan;
- (y) *twenty-fifth*, to pay, *pari passu and pro rata*, an amount equal to (A) the Series AssetCo Retained Profit to the Series AssetCo and (B) the Issuer Retained Profit to the Issuer; and
- (z) *twenty-sixth*, to pay amounts payable in respect of the Series Residual Certificates.

**"Series AssetCo Senior Expenses"** means the amounts then due and owing, or payable prior to the immediately following Distribution Date, by the Series AssetCo to the Programme Servicer, the Special Servicer, the Series Cash Manager, Series Account Bank, Series GIC Provider, the Series Agent, the Series Corporate Services Provider and HM Revenue & Customs in respect of any liability of the Series AssetCo for corporation tax on the Series AssetCo Retained Profit.

**"Issuer Senior Expenses"** means the amounts then due and owing, or payable prior to the immediately following Interest Payment Date, by the Issuer to the Series Cash Manager (in respect of the Series 2007-1B), Issuer Account Bank (in respect of the Series 2007-1B), the Paying Agents (in respect of the Series 2007-1B), the Registrar (in respect of the Series 2007-1B), the Transfer Agent (in respect of the Series 2007-1B), the Agent Bank (in respect of the Series 2007-1B), the Corporate Services Provider (in respect of the Series 2007-1B) and HM Revenue & Customs in respect of any liability of the Issuer for corporation tax on the Issuer Retained Profit.

**"Series AssetCo Retained Profit"** means £1,000;

**"Series Residual Certificates"** means the residual certificates issued by the Series AssetCo in connection with the purchase of the Series Portfolio by the Series AssetCo.

**"Series Residual Certificate Holders"** means the holders of any Series Residual Certificates.

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 Base Prospectus.

## Series Pre-Enforcement Principal Priority of Payments

"Available Redemption Funds" means as at any Determination Date, an amount calculated as the aggregate of:

- (a) the amount standing to the credit of the relevant Series Principal Ledger representing the principal payments received during the Determination Period then ending (and in respect of the first Distribution Period, including principal payments received since the Cut-Off Date) as at the end of the Business Day before the Determination Date and the amount (if any) standing to the credit of the relevant Series Further Advances Ledger (before the transfer of the Committed Further Advances calculated on that Determination Date from the relevant Series Principal Ledger) (and, for the avoidance of doubt, such amount (if any) shall be transferred to the relevant Series Principal Ledger on such Determination Date);
- (b) the amount (if any) calculated on that Determination Date pursuant to the Series Pre-Enforcement Revenue Priority of Payments, to be the amount by which the debit balance on any of the relevant Series Principal Deficiency Ledgers is expected to be reduced by the application of Available Revenue Funds on the immediately succeeding Distribution Date;

less

- (c) the Committed Further Advances calculated on such Determination Date; and
- (d) the amount (if any) payable by the Series AssetCo for Substitute Loans on the immediately succeeding Distribution Date.

On each Distribution Date prior to the service of a Series Enforcement Notice, Available Redemption Funds standing to the credit of the Series Transaction Account will be applied by or on behalf of the Series AssetCo in making the following payments and provisions (the "**Series Pre-Enforcement 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 *pro rata* to the Issuer in respect of principal amount outstanding on the A1a Loan Tranche, the A1b Loan Tranche and the A1c Loan Tranche and (b) the Currency Swap Provider in respect of principal amounts due in respect of the terms of the A1b Loan Tranche Euro Currency Swap Transaction and the A1c Loan Tranche USD Currency Swap Transaction or, in the case of (b) above, if there is no A1b Loan Tranche Euro Currency Swap Transaction and A1c Loan Tranche USD Currency Swap Transaction then in place, to exchange for euro or US dollars (as the case may be) in the spot exchange market. All such amounts received under part (b) above or in the spot exchange market (the "**A1b Loan Tranche Euro Redemption Amounts**" and "**A1c Loan Tranche USD Redemption Amounts**", respectively) shall be applied in repayment of the A1b Loan Tranche and A1c Loan Tranche, respectively, until the A1b Loan Tranche and A1c Loan Tranche are repaid in full;
- (b) *second, pari passu* and *pro rata* to the Issuer in respect of principal amount outstanding on the, the A2b Loan Tranche and (b) the Currency Swap Provider in respect of principal amounts due in respect of the terms of the A2b Loan Tranche Euro Currency Swap Transaction or, in the case of (b) above, if there is no A2b Loan Tranche Euro Currency Swap Transaction then in place, to exchange for euro in the spot exchange market. All such amounts received under part (b) above or in the spot exchange market (the "**A2b Loan Tranche Euro Redemption Amounts**") shall be applied in repayment of the A2b Loan Tranche until the A2b Loan Tranche is repaid in full;
- (c) *third, pari passu* and *pro rata* to the Issuer in respect of principal amount outstanding on the A3a Loan Tranche and the A3b Loan Tranche and (b) the Currency Swap Provider in respect of principal amounts due in respect of the terms of the A3b Loan Tranche Euro Currency Swap Transaction or, in the case of (b) above, if there is no A3b Loan Tranche Euro Currency Swap Transaction then in place, to exchange for euro in the spot exchange market. All such amounts received under part (b) above or in the spot exchange market (the "**A3b Loan Tranche Euro Redemption Amounts**") shall be applied in repayment of the A3b Loan Tranche until the A3b Loan Tranche is repaid in full;

- (d) *fourth, pari passu and pro rata* to the Issuer in respect of principal amount outstanding on the A4a Loan Tranche and the A4b Loan Tranche and (b) the Currency Swap Provider in respect of principal amounts due under the terms of the A4b Loan Tranche Euro Currency Swap Transaction or, in the case of (b) above, if there is no A4b Loan Tranche Euro Currency Swap Transaction then in place, to exchange for euro in the spot exchange market. All such amounts received under part (b) above or in the spot exchange market (the "**A4b Loan Tranche Euro Redemption Amounts**") shall be applied in repayment of the A4b Loan Tranche until the A4b Loan Tranche is repaid in full;
- (e) *fifth, pari passu and pro rata* to the Issuer in respect of principal amount outstanding on the M1a Loan Tranche and M1b Loan Tranche and (b) the Currency Swap Provider in respect of principal amounts due in respect of the terms of the M1b Loan Tranche Euro Currency Swap Transaction or, in the case of (b) above, if there is no M1b Loan Tranche Euro Currency Swap Transaction then in place, to exchange for euro in the spot exchange market. All such euro amounts received under part (b) above or in the spot exchange market (the "**M1b Loan Tranche Euro Redemption Amounts**") shall be applied in repayment of the M1b Loan Tranche until the M1b Loan Tranche is repaid in full;
- (f) *sixth*, to the Issuer in respect of principal amount outstanding on the M2a Loan Tranche;
- (g) *seventh, pari passu and pro rata* to the Issuer in respect of principal amount outstanding on the B1a Loan Tranche and B1b Loan Tranche and (b) the Currency Swap Provider in respect of principal amounts due in respect of the terms of the B1b Loan Tranche Euro Currency Swap Transaction or, in the case of (b) above, if there is no B1b Loan Tranche Euro Currency Swap Transaction then in place, to exchange for euro in the spot exchange market. All such euro amounts received under part (b) above or in the spot exchange market (the "**B1b Loan Tranche Euro Redemption Amounts**") shall be applied in repayment of the B1b Loan Tranche until the B1b Loan Tranche is repaid in full; and
- (h) *eighth*, to the Issuer in respect of principal amount outstanding on the B2a Loan Tranche,

**provided always that** the Available Redemption Funds shall not be applied in the order set out in the Series Pre-Enforcement Principal Priority of Payments but shall instead be applied *pro rata* in redeeming each Loan Tranche according to the then Principal Amount Outstanding of the relevant Loan Tranche between the A3a Loan Tranche, the A3b Loan Tranche, the A4a Loan Tranche, the A4b Loan Tranche, the M1a Loan Tranche, the M1b Loan Tranche, the M2a Loan Tranche, the B1a Loan Tranche, the B1b Loan Tranche and the B2a Loan Tranche comprising items (c) to (h), respectively, of the Series Pre-Enforcement Principal Priority of Payments on any Distribution Date immediately succeeding a Determination Date on which all of the following conditions are met:

- (i) the Trigger Ratio is satisfied;
- (ii) the A2 Loan Tranche is fully redeemed;
- (iii) the balance on the Series Principal Deficiency Sub-Ledgers is zero;
- (iv) the amount of the available Series Reserve Fund is not below the Series Reserve Fund Required Amount;
- (v) the Series Liquidity Facility Drawings is zero;
- (vi) the aggregate Principal Amount Outstanding of the Loan Tranches (excluding the C Loan Tranche, the D Loan Tranche and the Series Subordinated Loan) is more than 10 per cent. of the aggregate Principal Amount Outstanding of the Loan Tranche (excluding the C Loan Tranche, the D Loan Tranche and the Series Subordinated Loan) on the Issue Date; and
- (vii) the aggregate of the balances of all Loans in the Series Portfolio that are 90 days or more in arrears (including, for the avoidance of doubt, any Loans in that Series Portfolio in respect of which Enforcement Procedures have commenced and the Property in respect of that Loan has not been sold) on such Determination Date as a percentage of the aggregate balances of all Loans in the Series Portfolio does not exceed 17.0 per cent. (or such greater percentage agreed between the Series AssetCo and the Series Security Trustee and as notified by the Rating Agencies from

time to time upon the basis that such increase will not adversely affect the then current rating of the Notes of the Series);

The "**Trigger Ratio**" shall be satisfied if the Principal Amount Outstanding of the A Loan Tranche on the Determination Date on which the Trigger Ratio is to be calculated is equal to or less than 50 per cent. of the Principal Amount Outstanding of the A Loan Tranche on the Issue Date.

#### **Series Post-Enforcement Priority of Payments**

Following service of a Series Enforcement Notice, all moneys received or recovered by the Series Security Trustee (or an administrative receiver, a receiver or manager appointed on its behalf) in respect of the Series or by the Series Cash Manager on behalf of the Series Security Trustee under the AssetCo Security Deed (other than any collateral provided by the Bullet Cap Provider, the BBR Swap Provider, the Fixed/Floating Swap Provider, the LIBOR Basis Swap Provider or the Currency Swap Provider, amounts standing to the credit of the MERCs Ledger and other than Series Liquidity Facility Collateral Drawings) will be applied following the enforcement of the security in respect of the Series in the following order of priority (the "**Series Post-Enforcement 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*, to pay, *pari passu* and *pro rata*, in or towards satisfaction of any remuneration due and payable to the (A) Series Security Trustee under the AssetCo Security Deed and the other Series Transaction Documents, and any costs, charges, liabilities and expenses incurred by the Series Security Trustee (or any administrative receiver, receiver, manager or other person appointed by it) (including, without limitation, any claims in respect of any indemnities) thereunder, to be paid to the Series Security Trustee (or any administrative receiver, receiver, manager or other person appointed by it), (B) Series Trustee under the Series Trust Deed and any costs, charges, liabilities and expenses incurred by the Series Security Trustee thereunder, to be paid to the Series Trustee and (C) Trustee (in respect of the Series 2007-1B) under the Trust Deed and the other Issuer Transaction Documents, and any costs, charges, liabilities and expenses incurred by the Trustee (or any administrative receiver, receiver, manager or other person appointed by it) (including, without limitation, any claims in respect of any indemnities) thereunder, to be paid to the Trustee (in respect of the Series 2007-1B) (or any administrative receiver, receiver, manager or other person appointed by it);
- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
  - (i) amounts due and payable to the Series AssetCo Corporate Services Provider under the Series AssetCo Corporate Services Agreement;
  - (ii) to the Issuer, amounts due and payable to the Corporate Services Provider (in respect of the Series 2007-1B) under the Issuer Corporate Services Agreement;
  - (iii) amounts due and payable to the Series Account Bank under the Series Bank Account Agreement;
  - (iv) to the Issuer, amounts due and payable to the Issuer Account Bank (in respect of the Series 2007-1B) under the Issuer Bank Account Agreement;
  - (v) amounts due and payable to the Series GIC Provider under the Series Guaranteed Investment Contract;
  - (vi) amounts due and payable by the Series AssetCo to the Series Cash Manager under the Series Cash Management Agreement;
  - (vii) to the Issuer, amounts due and payable by the Issuer to the Series Cash Manager (in respect of the Series 2007-1B) under the Series Cash Management Agreement;
  - (viii) to the Issuer, amounts due and payable by the Issuer to the Paying Agents (in respect of the Series 2007-1B), Transfer Agent (in respect of the Series 2007-1B), Agent Bank (in respect of the Series 2007-1B) and Registrar (in respect of the Series 2007-1B) under the Agency Agreement;

- (ix) amounts due and payable, including any fee payable inclusive of value added tax up to 17.5%, to the Series Cash Manager under the Series Cash Management Agreement, to be paid by the Series AssetCo to the Series Cash Manager;
  - (x) to the Issuer, amounts due and payable, including any fee payable inclusive of value added tax up to 17.5%, to the Series Cash Manager (in respect of the Series 2007-1B) under the Series Cash Management Agreement, to be paid by the Issuer to the Series Cash Manager; and
  - (xi) on a *pro rata* and *pari passu* basis, amounts due and payable, including any fee payable inclusive of value added tax up to 17.5%, to the Programme Servicer and the Special Servicer under the Programme Servicing Agreement and the Special Servicing Agreement, respectively, to be paid to the Programme Servicer and the Special Servicer, as the case may be;
- (c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
- (i) amounts payable in respect of insurance contracts relating to the Series Portfolio maintained by or on behalf of the Series AssetCo; and
  - (ii) amounts payable in respect of insurance contracts relating to the Series Portfolio maintained by or on behalf of the Series AssetCo;
- (d) *fourth*, 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;
- (e) *fifth*, to pay *pari passu* and *pro rata*:
- (i) all amounts due and payable to the BBR Swap Provider under the BBR Swap Transaction (except for any relevant BBR Swap Provider Default Payment);
  - (ii) all amounts due and payable to the LIBOR Basis Swap Provider under the LIBOR Basis Swap Transaction (except for any relevant LIBOR Basis Swap Provider Default Payment); and
  - (iii) all amounts due and payable to the Fixed/Floating Swap Provider under the Fixed/Floating Swap Transaction (except for any relevant Fixed/Floating Swap Provider Default Payment);
- (f) *sixth*, to pay, *pro rata* and *pari passu*:
- (i) (a) amounts (other than in respect of principal) payable in respect of the A1a Loan Tranche, the A1b Loan Tranche, the A1c Loan Tranche, the A2b Loan Tranche, the A3a Loan Tranche and the A3b Loan Tranche and all amounts payable to the Currency Swap Provider (other than in respect of principal and any relevant Currency Swap Provider Default Payment) including any termination payment in respect of the terms of the A1b Loan Note Euro Currency Swap Transaction, the A1c Loan Tranche USD Currency Swap Transaction, the A2b Loan Tranche Euro Currency Swap Transaction and the A3b Loan Tranche Euro Currency Swap Transaction and if the A1b Loan Tranche Euro Currency Swap Transaction, the A1c Loan Tranche USD Currency Swap Transaction, the A2b Loan Tranche Euro Currency Swap Transaction and the A3b Loan Tranche Euro Currency Swap Transaction 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 Series AssetCo in respect of the A1b Loan Tranche Euro Currency Swap Transaction, the A1c Loan Tranche USD Currency Swap Transaction, the A2b Loan Tranche Euro Currency Swap Transaction and the A3b Loan Tranche Euro Currency Swap Transaction, as applicable, in exchange for euro/US dollars (as the case may be) in the spot exchange market in order to meet the interest then due on the A1b Loan Tranche, the A1c Loan Tranche, the A2b Loan Tranche and the A3b Loan Tranche and (b) to the extent that in relation to any spot exchange for euro or US dollars (as the case may be), an amount is obtained which is insufficient to pay interest due on the A1b Loan Tranche,

the A1c Loan Tranche, the A2b Loan Tranche and the A3b Loan Tranche, as applicable, to apply such further amounts in exchange for euro or US dollars (as the case may be) in the spot exchange market in order to meet such shortfall (all euro/US dollar 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 Loan Tranche, the A1c Loan Tranche, the A2b Loan Tranche and the A3b Loan Tranche);

- (ii) to (a) the Issuer in respect of principal of the A1a Loan Tranche, the A1b Loan Tranche and the A1c Loan Tranche and (b) the Currency Swap Provider in respect of principal in respect of the terms of the A1b Loan Tranche Euro Currency Swap Transaction and the A1c Loan Tranche USD Currency Swap Transaction or, in the case of (b) above, if there is no A1b Loan Tranche Euro Currency Swap Transaction and A1c Loan Tranche USD Currency Swap Transaction then in place, to exchange for euro/US dollars (as the case may be) in the spot exchange market. All such A1b Loan Tranche Euro Redemption Amounts and A1c Loan Tranche USD Redemption Amounts shall be applied in repayment of the A1b Loan Tranche and the A1c Loan Tranche until the A1b Loan Tranche and the A1c Loan Tranche are repaid in full;
  - (iii) to (a) the Issuer in respect of principal of the A2b Loan Tranche and (b) the Currency Swap Provider in respect of principal in respect of the A2b Loan Tranche Euro Currency Swap Transaction or, in the case of (b) above, if there is no A2b Loan Tranche Euro Currency Swap Transaction then in place, to exchange for euro in the spot exchange market. All such A2b Loan Tranche Euro Redemption Amounts shall be applied in repayment of the A2b Loan Tranche until the A2b Loan Tranche is repaid in full; and
  - (iv) to (a) the Issuer in respect of principal of the A3a Loan Tranche and the A3b Loan Tranche and (b) the Currency Swap Provider in respect of principal in respect of the A3b Loan Tranche Euro Currency Swap Transaction or, in the case of (b) above, if there is no A3b Loan Tranche Euro Currency Swap Transaction then in place, to exchange for euro in the spot exchange market. All such A3b Loan Tranche Euro Redemption Amounts shall be applied in repayment of the A3b Loan Tranche until the A3b Loan Tranche is repaid 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 A4a Loan Tranche and the A4b Loan Tranche and all amounts payable to the Currency Swap Provider (other than in respect of principal and any relevant Currency Swap Provider Default Payment) in respect of the terms of the A4b Loan Tranche Euro Currency Swap Transaction if the A4b Loan Tranche Euro Currency Swap Transaction is not in place, to apply with such amounts an amount up to the amount which would have been so payable by the Series AssetCo in respect of the A4b Loan Tranche Euro Currency Swap Transaction in exchange for euro in the spot exchange market in order to meet the interest then due on the A4b Loan Tranche 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 A4b Loan Tranche, to apply such further amounts in exchange for euro in the spot exchange market in order to meet such shortfall (all euro 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 A4b Loan Tranche);
  - (ii) to (a) the Issuer in respect of principal of the A4a Loan Tranche and the A4b Loan Tranche and (b) the Currency Swap Provider in respect of principal in respect of the A4b Loan Tranche Euro Currency Swap Transaction or, in the case of (b) above, if there is no A4b Loan Tranche Euro Currency Swap Transaction then in place, to exchange for euro in the spot exchange market. All such A4b Loan Tranche Euro Redemption Amounts shall be applied in repayment of the A4b Loan Tranche until the A4b Loan Tranche is repaid 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 M1a Loan Tranche and the M1b Loan Tranche and all amounts payable to the Currency Swap Provider (other than in respect of principal and any relevant Currency Swap Provider Default Payment) in respect of of the M1b Loan Tranche Euro Currency Swap Transaction and if the M1b Loan Tranche Euro Currency Swap Transaction 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 Series AssetCo under the M1b Loan Tranche Euro Currency Swap Transaction in exchange for euro in the spot exchange market in order to meet the interest then due on the M1b Loan Tranche 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 M1b Loan Tranche 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 M1b Loan Tranche); and
  - (ii) to (a) the Issuer in respect of principal of the M1a Loan Tranche and the M1b Loan Tranche and (b) the Currency Swap Provider in respect of principal in respect of the M1b Loan Tranche Euro Currency Swap Transaction or, in the case of (b) above, if there is no M1b Loan Tranche Euro Currency Swap Transaction then in place, to exchange for euro in the spot exchange market. All such M1b Loan Tranche Euro Redemption Amounts shall be applied in repayment of the M1b Loan Tranche until the M1b Loan Tranche is repaid in full;
- (i) *ninth*, to pay, *pro rata* and *pari passu*:
- (i) amounts (other than in respect of principal) payable in respect of the M2a Loan Tranche; and
  - (ii) to the Issuer, in respect of principal of the M2a Loan Tranche;
- (j) *tenth*, to pay, *pro rata* and *pari passu*:
- (i) (a) amounts (other than in respect of principal) payable in respect of the B1a Loan Tranche, the B1b Loan Tranche and the C Loan Tranche and all amounts payable to the Currency Swap Provider (other than in respect of principal and any relevant Currency Swap Provider Default Payment) in respect of the terms of the B1b Loan Tranche Euro Currency Swap Transaction and if the B1b Loan Tranche Euro Note Currency Swap Transaction 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 Series AssetCo in respect of the B1b Loan Tranche Euro Currency Swap Transaction in exchange for euro in the spot exchange market in order to meet the interest then due on the B1b Loan Tranche 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 B1b Loan Tranche 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 B1b Loan Tranche); and
  - (ii) to (a) the Issuer in respect of principal of the B1a Loan Tranche and the B1b Loan Tranche and (b) the Currency Swap Provider in respect of principal in respect the terms of the B1b Loan Tranche Euro Currency Swap Transaction or, in the case of (b) above, if there is no B1b Loan Tranche Euro Currency Swap Transaction then in place, to exchange for euro in the spot exchange market. All such B1b Loan Tranche Euro Redemption Amounts shall be applied in repayment of the B1b Loan Tranche until the B1b Loan Tranche is repaid in full;
- (k) *eleventh*, to pay, *pro rata* and *pari passu*:
- (i) amounts (other than in respect of principal) payable in respect of the B2a Loan Tranche; and

- (ii) to the Issuer in respect of principal of the B2a Loan Tranche;
- (l) *twelfth*, to pay to the Issuer amounts in respect of principal of the C Loan Tranche;
- (m) *thirteenth*, to pay, *pro rata* and *pari passu*, to the Issuer:
  - (i) amounts (other than in respect of principal) payable in respect of the D Loan Tranche; and
  - (ii) amounts in respect of principal of the D Loan Tranche;
- (n) *fourteenth*, in or towards *pari passu* and *pro rata*:
  - (i) any Currency Swap Provider Default Payment (it being understood that any amounts received as an upfront premium by the Series AssetCo from a replacement currency swap provider to replace the relevant currency swap may be applied towards payment of such Currency Swap Default Payment outside of and independently from this Series Post-Enforcement Priority of Payments);
  - (ii) any LIBOR Basis Swap Provider Default Payment (it being understood that any amounts received as an upfront premium by the Series AssetCo from a replacement LIBOR basis swap provider to replace the relevant LIBOR basis swap may be applied towards payment of such LIBOR Basis Swap Default Payment outside of and independently from this Series Post-Enforcement Priority of Payments);
  - (iii) any BBR Swap Provider Default Payment (it being understood that any amounts received as an upfront premium by the Series AssetCo from a replacement BBR swap provider to replace the relevant BBR swap may be applied towards payment of such BBR Swap Provider Default Payment outside of and independently from this Series Post-Enforcement Priority of Payments); and
  - (iv) any Fixed/Floating Swap Provider Default Payment (it being understood that any amounts received as an upfront premium by the Series AssetCo from a replacement fixed/floating swap provider to replace the relevant fixed/floating swap may be applied towards payment of such Fixed/Floating Swap Provider Default Payment outside of and independently from this Series Post-Enforcement Priority of Payments);
- (o) *fifteenth*, to pay amounts payable in respect of the Series MERCs;
- (p) *sixteenth*, to pay, *pro rata* and *pari passu*, to the Issuer:
  - (i) amounts (other than in respect of principal) payable in respect of the Series Subordinated Loan; and
  - (ii) amounts in respect of principal of the Series Subordinated Loan;
- (q) *seventeenth*, to pay *pari passu* and *pro rata* an amount, if any, equal to the portion of value added tax owing in respect of any fee due and payable to the Series Cash Manager, the Programme Servicer or the Special Servicer (as applicable) under the Series Cash Management Agreement, the Programme Servicing Agreement or the Special Servicing Agreement (as applicable) that exceeds 17.5%;
- (r) *eighteenth*, to pay *pari passu* and *pro rata*, amounts:
  - (i) then accrued but remaining unpaid to third parties (including audit fees and value added tax, if any) properly incurred without breach by the Series AssetCo of the Series Transaction Documents to be paid directly to the relevant third party;
  - (ii) then accrued but remaining unpaid to third parties (in respect of the Series 2007-1B) (including audit fees and value added tax, if any) incurred without breach by the Issuer of the Issuer Transaction Documents to be paid directly to the relevant third party;

- (iii) payable in or towards satisfaction of all other amounts due and payable to any other AssetCo Secured Creditors that are not otherwise provided for in this priority of payments;
- (s) *nineteenth*, to pay, *pari passu* and *pro rata*, an amount equal to (A) the Series AssetCo Retained Profit to the Series AssetCo and (B) the Issuer Retained Profit to the Issuer; and
- (t) *twentieth*, to pay amounts payable in respect of the Series Residual Certificates.

"**Determination Date**" means each day which falls three Business Days prior to a Distribution Date.

"**Distribution Date**" means the 10<sup>th</sup> of October and thereafter the 10<sup>th</sup> of January, April and July in each calendar year unless such day is not a Business Day, in which case the Distribution Date shall be the following day which is a Business Day.

"**Series MERCs**" means the mortgage early repayment certificates issued by the Series AssetCo in connection with the purchase of the Series Portfolio by the Series AssetCo.

"**Series MERCs Holder**" means the holder of any Series MERCs.

## **Part I: Series Additional Credit Features**

### **Series Reserve Fund**

To provide limited coverage for shortfalls in amounts under paragraphs (a) to (o) inclusive of the Series Pre-Enforcement Revenue Priority of Payments, the Series AssetCo will on the Issue Date establish a reserve fund (the "**Series Reserve Fund**") in an amount equal to the Series Initial Reserve Fund Amount (as defined below) using part of the proceeds of the Series Subordinated Loan.

### **Series Initial Reserve Fund Amount**

An amount equal to 0.70 per cent. of the Principal Amount Outstanding of the Loan Tranches (excluding the Series Subordinated Loan) on the Issue Date being of £4,249,112.

"**Series Reserve Fund Required Amount**" means 0.70 per cent. of the aggregate Principal Amount Outstanding of the Loan Tranches (excluding the C Loan Tranche, the D Loan Tranche and the Series Subordinated Loan) on the Issue Date **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 1.40 per cent. of the then Principal Amount Outstanding of the Loan Tranches (excluding the C Loan Tranche, the D Loan Tranche and the Series Subordinated Loan) (a "**Series Reserve Fund Determination Date**" and the "**Series Reserve Fund Maximum Percentage**", respectively) and if in respect of the Series:

- (a) all balances on each of the sub-ledgers of the Series Principal Deficiency Ledger are zero;
- (b) no amount under the Series Liquidity Facility has been drawn and is outstanding before the Series Reserve Fund Determination Date;
- (c) the amount in the Series Reserve Fund is equal to or greater than the Series Reserve Fund Required Amount as of the relevant Series Reserve Fund Determination Date;
- (d) the total balance of all Loans in the Series Portfolio which are 90 days or more in arrears (including, for the avoidance of doubt, any Loans in the Series Portfolio in respect of which Enforcement Procedures have commenced and the Property in respect of that Loan has not been sold) does not exceed 17.0 per cent. of the total balance of all the Loans in the Series Portfolio;
- (e) the total balance of all Loans foreclosed in the Series Portfolio does not exceed 2.25 per cent. of the original balance of the Series Portfolio as at the Issue Date; and
- (f) the total principal losses suffered by the Series AssetCo from the Issue Date until the relevant Series Reserve Fund Determination Date are lower than 1.25 per cent. of the original balance of the Series Portfolio as at the Issue Date,

then the Series Reserve Fund Required Amount will be reduced to an amount equal, on such Series Reserve Fund Determination Date, to the greater of 0.50 per cent. of the aggregate Principal Amount Outstanding of the Loan Tranches (excluding the C Loan Tranche, the D Loan Tranche and the Series Subordinated Loan) as at the Issue Date and 1.40 per cent. of the then aggregate Principal Amount Outstanding of the Loan Tranches (excluding the C Loan Tranche, the D Loan Tranche and the Series Subordinated Loan) of this Series.

On any Distribution Date to the extent that amounts are available after payment of any amounts under paragraphs (a) to (o) of the Series Pre-Enforcement 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 Revenue Priority of Payments.

#### **Series Discount Reserve Fund**

The Series AssetCo will on the Issue Date establish a reserve fund (the "**Series Discount Reserve Fund**") in the initial amount of £10,804,884.80 or an amount equal to 1.78 per cent. of the aggregate Principal Amount Outstanding of the Loan Tranches as at the Issue Date using part of the drawings under the Series Intercompany Loans Agreement representing the C Loan Tranche, the D Loan Tranche and/or the Series Subordinated Loan (the "**Initial Series Discount Reserve Fund Amount**").

On each of the first eight Distribution Dates a predetermined portion of the amount standing to the credit of the Series Discount Reserve Fund (the "**Series Discount Reserve Fund Distribution Amount**") shall be debited from the Series Discount Reserve Ledger and credited to the Series Transaction Account and will be applied as Available Revenue Funds in accordance with the applicable Series Priorities of Payments.

#### **Part J: Series Liquidity Facility**

##### **Series Liquidity Facility Provider**

Danske Bank A/S acting through its office at 75 King William Street, London EC4N 7DT (the "**Series Liquidity Facility Provider**")

##### **Series Liquidity Facility Agreement**

As described in the Base Prospectus under "*Credit Structure – Series Liquidity Facility Agreement*", the Series AssetCo will enter into a Series Liquidity Facility Agreement in respect of the Loan Tranches with the Series Liquidity Facility Provider dated on or about the Issue Date (the "**Series Liquidity Facility Agreement**").

##### **Series Liquidity Facility Amount**

The "**Series Liquidity Facility Amount**" means the amount equal to 7.75 per cent. of the aggregate principal balance of Loans in the Series Portfolio on the Issue Date.

##### **Series Liquidity Maximum Amount**

"**Series Liquidity Maximum Amount**" means in respect of the Series:

- (a) initially, 7.75 per cent. of the aggregate Principal Amount Outstanding of the Loan Tranches (excluding the Series Subordinated Loan) on the Issue Date; and

- (b) on each Distribution Date where the Series Liquidity Maximum Amount will be equal to or greater than 16 per cent. of the then aggregate Principal Amount Outstanding under the Loan Tranches of this Series (excluding the Series Subordinated Loans) following the application of Available Redemption Funds on such Distribution Date, then the Series Liquidity Maximum Amount shall be the greater of 16 per cent. of the aggregate Principal Amount Outstanding of the Loan Tranches (excluding the Series Subordinated Loan) on such Distribution Date or 6.70 per cent. of the aggregate Principal Amount Outstanding of the Loan Tranches (excluding the Series Subordinated Loan) on the Issue Date **provided that** no such reduction shall occur on a Distribution Date if:
- (i) the Distribution Date occurs before the second anniversary of the Issue Date;
  - (ii) there is a debit balance on the Series Principal Deficiency Ledger;
  - (iii) any party is in default of its obligations under any Transaction Document;
  - (iv) amounts of Series Liquidity Drawings (excluding any Series Liquidity Facility Collateral Drawings) remain drawn and not repaid as at such date pursuant to the Series Liquidity Facility Agreement;
  - (v) the amount in the Series Reserve Fund is less than the Series Reserve Fund Required Amount;
  - (vi) the aggregate value of the principal losses experienced on the Series Portfolio (whether or not such losses are recorded in the Series Principal Deficiency Ledger at such time) as at the immediately preceding Determination Date will be greater than 1.25 per cent. of the aggregate Principal Amount Outstanding of the Notes (excluding the Subordinated Notes) on the Issue Date; or
  - (vii) as at the immediately preceding Distribution Date the aggregate balance of Loans in the Series Portfolio in respect of which any payment is 90 days or more in arrears (including, for the avoidance of doubt, any Loans in the Series Portfolio in respect of which Enforcement Procedures have commenced and the Property in respect of that Loan has not been sold) is higher than 17.0 per cent. of the aggregate balance of all Loans in the Series Portfolio.

**"Principal Amount Outstanding"** has the meaning given to it in the Base Prospectus, except that amounts in any currency other than sterling shall be converted to sterling at the relevant currency swap rate of exchange.

The Series Liquidity Facility Provider will not be obliged to advance funds beyond the Series Liquidity Maximum Amount at any time.

#### **Series Liquidity Permitted Purposes**

No Series Liquidity Facility Drawing may be made under the Series Liquidity Facility Agreement which would cause the aggregate principal amount of Series Liquidity Facility Drawings then outstanding to exceed the then prevailing Series Liquidity Maximum Amount.

Pursuant to the Series Liquidity Facility Agreement, the Series AssetCo will be entitled on any Distribution Date to make drawings up to the Series 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 to satisfy the Series AssetCo's obligations in respect of paragraphs (a) to (o) (other than paragraphs (e), (g), (i), (k), (m) and (o)) of the Series Pre-Enforcement Revenue Priority of Payments and, on the Final Maturity Date, in respect of principal amounts due on the C Loan Tranche and the D Loan Tranche, provided that no drawings shall be capable of being made in respect of:

- (i) interest payments on the M1 Loan Tranche to the extent that the then aggregate sterling equivalent of the M1 Principal Deficiency Sub-Ledger (after applying amounts to be credited to it on the relevant Distribution Date) has a debit balance in excess of 50 per cent. of the aggregate sterling equivalent of the Principal Amount Outstanding on the M1 Loan Tranche;

- (ii) interest payments on the M2 Loan Tranche to the extent that the then aggregate sterling equivalent of the M2 Principal Deficiency Sub-Ledger (after applying amounts to be credited to it on the relevant Distribution Date) has a debit balance in excess of 50 per cent. of the aggregate sterling equivalent of the Principal Amount Outstanding on the M2 Loan Tranche;
- (iii) interest payments on the B1 Loan Tranche and C Loan Tranche to the extent that the then aggregate sterling equivalent of the B1 Principal Deficiency Sub-Ledger and C Principal Deficiency Sub-Ledger, respectively (after applying amounts to be credited to each on the relevant Distribution Date) would have a debit balance in excess of 50 per cent. of the aggregate sterling equivalent of the Principal Amount Outstanding on the B1 Loan Tranche and C Loan Tranche; and
- (iv) interest payments on the B2 Loan Tranche to the extent that the then aggregate sterling equivalent of the B2 Principal Deficiency Sub-Ledger (after applying amounts to be credited to it on the relevant Distribution Date) has a debit balance in excess of 50 per cent. of the aggregate sterling equivalent of the Principal Amount Outstanding on the B2 Loan Tranche.

### **Series Liquidity Facility Provider Minimum Ratings Protection**

If:

- (a) at any time, the Series Liquidity Facility Provider's short term unsecured debt rating is downgraded below P-1 by Moody's, A-1 by S&P and F1 by Fitch ("**Series Liquidity Facility Provider Minimum Rating**"); or
- (b) the Series Liquidity Facility Provider does not agree to renew the facility under the Series Liquidity Facility Agreement with a new Series Liquidity Facility Available Period for a further 364 days upon being requested to do so by the Series AssetCo under and in accordance with the Series Liquidity Facility Agreement,

and, in each case, the Series Liquidity Facility Agreement is not replaced by a suitable alternative Series Liquidity Facility Agreement on or before the 30th day following the day on which the Series Liquidity Facility Provider ceased to have the relevant Series Liquidity Facility Provider Minimum Rating or, in the case of a non-renewal, on or before the 10<sup>th</sup> day prior to the expiry of the relevant Series Liquidity Facility Available Period such that, in each case, the then current ratings of the Notes of the Series by each Rating Agency are not adversely affected, then the Series AssetCo will forthwith draw down the entirety of the undrawn Series Liquidity Facility Available Amount and deposit such drawing in the Series Long Term Deposit Account (making a corresponding credit to a separate "**Series Credit Support Provider Cash Ledger**" established for such purpose, and the amount standing to the credit of such Ledger at any time being the "**Series Liquidity Facility Collateral Drawing**" and, together with Series Liquidity Facility Drawings then outstanding, will constitute the "**Series Credit Support Provider Collateral**" in relation to the Series Liquidity Facility Agreement). In that event drawings and repayment of drawings in respect of the Series Liquidity Facility Agreement shall be by means of debits and credits to that Series Credit Support Provider Cash Ledger until such time (if any) that the Series Liquidity Facility Provider subsequently obtains the required ratings again or is replaced by a suitable Series Liquidity Facility Provider with the required ratings.

Thereafter, the Series AssetCo shall repay the Series Credit Support Provider Collateral (together with accrued interest) to the Series Liquidity Facility Provider, and the Series Liquidity Facility Available Amount shall again become available. The Series AssetCo shall again be able to make Series Liquidity Facility Drawings if required.

### **Series Liquidity Facility Period Provisions**

The provisions of the Series Liquidity Facility Agreement define the period (as so defined, the "**Series Liquidity Facility Available Period**") during which the Series Liquidity Facility Provider is committed, subject to the terms of the Series Liquidity Facility Agreement, to advance amounts in respect of drawings by the Series AssetCo under the Series Liquidity Facility Agreement (being "**Series Liquidity Facility Drawings**") and Series Liquidity Facility Collateral Drawings. At any time the Series Liquidity Facility Available Period is the period from (and including) the Issue Date or, in relation to any renewal, the first day following the expiry of the previous Series Liquidity Facility Available Period to (and including) the earlier of:

- (a) the 363rd day after such first day of the period; and
- (b) the occurrence of a Series Liquidity Facility Event Of Default.

Each year the Series AssetCo may request a renewal of the facility under the Series Liquidity Facility Agreement for a further 364 days, by giving written notice to the Series Liquidity Facility Provider not more than 30 days and not less than 20 days before the expiration of the then Series Liquidity Facility Available Period.

**"Series Liquidity Facility Final Maturity Date"** means 15 October 2040;

### **Series Liquidity Ledger**

On the Distribution Date upon which a Series Liquidity Facility Drawing is made, the Series Cash Manager will deposit the amount of such Series Liquidity Facility Drawing received from the Series Liquidity Facility Provider in the Series Transaction Account, and credit the Series Liquidity Ledger with the appropriate amount.

On such Distribution Date the amount then standing to the credit of the Series Liquidity Ledger will be available for utilisation, towards Series Liquidity Permitted Purposes, as part of Available Revenue Funds (as described in the section entitled "*Series Pre-Enforcement Revenue Priority of Payments*").

### **Series Liquidity Facility Event Of Default**

The events of default specified in the Series Liquidity Facility Agreement (each a "**Series Liquidity Facility Event of Default**") include:

- (a) failure by the Series AssetCo to pay, within 3 Business Days of the due date, any amount due and payable (and not deferred) under the Series Liquidity Facility Agreement;
- (b) a Series Enforcement Notice in relation to the Series having been delivered; and
- (c) any provision of any Series Document relating to the Series or any Transaction Document to which the Series AssetCo is a party is or becomes, for any reason (other than insolvency, the application for the appointment of an administrator or an administrative receiver or a liquidator, in each case, of or in relation to the Issuer), invalid or unenforceable and the result of any of the foregoing may in the opinion of the Series Liquidity Facility Provider (acting reasonably), materially and adversely affect the Series AssetCo's ability to observe or perform its payment obligations under the Series Liquidity Facility Agreement.

After the occurrence of any such Series Liquidity Facility Event Of Default, the Series Liquidity Facility Provider may by notice to the Series AssetCo reduce the Series Liquidity Facility Amount to zero and/or demand that all or part of the then outstanding Series Liquidity Facility Drawings and any outstanding Series Credit Support Provider Collateral, together with accrued interest and all other amounts accrued under the Series Liquidity Facility Agreement, be immediately due and payable (in which case they shall become immediately due and payable) and/or demand that all or part of such Series Liquidity Facility Drawings and any Series Credit Support Provider Collateral be repayable on demand (in which case they will immediately become repayable on demand).

## **Part K: Series Hedge Agreements**

### **Series Hedge Provider**

ABN AMRO Bank N.V., London Branch acting through its office at 250 Bishopsgate, London EC2M 4AA (the "**Series Hedge Provider**"). The Series Hedge Provider will enter into each of the following Series Hedge Transactions with the Series AssetCo in respect of the Series Portfolio.

### **Series Hedge Transactions**

The Series Hedge Transactions in respect of the Series Portfolio will be:

**"BBR Swap Transaction"** means the BBR swap transaction dated on or about the Issue Date entered into between the Series AssetCo and the Series Hedge Provider as series BBR swap provider (the **"BBR Swap Provider"**).

**"Bullet Cap Transaction"** means the interest rate bullet cap transaction dated on or about the Issue Date entered into between the Series AssetCo and the Series Hedge Provider as series interest rate cap provider (the **"Bullet Cap Provider"**).

**"Fixed/Floating Swap Transaction"** means the fixed/floating swap transaction dated on or about the Issue Date entered into between the Series AssetCo and the Series Hedge Provider as series fixed/floating swap provider (the **"Fixed/Floating Swap Provider"**).

**"LIBOR Basis Swap Transaction"** means the basis swap transaction dated on or about the Issue Date entered into between the Series AssetCo and the Series Hedge Provider as series LIBOR basis swap provider (the **"LIBOR Basis Swap Provider"**).

#### **Currency Swap Transactions:**

**"A1b Loan Tranche Euro Currency Swap Transaction"** means the currency swap transaction dated on or about the Issue Date entered into between the Series AssetCo and the Series Hedge Provider as series currency swap provider (the **"Currency Swap Provider"**) in respect of the A1b Loan Tranche.

**"A2b Loan Tranche Euro Currency Swap Transaction "** means the currency swap transaction dated on or about the Issue Date between the Series AssetCo and the Currency Swap Provider in respect of the A2b Loan Tranche.

**"A3b Loan Tranche Euro Currency Swap Transaction "** means the currency swap transaction dated on or about the Issue Date between the Series AssetCo and the Currency Swap Provider in respect of the A3b Loan Tranche.

**"A4b Loan Tranche Euro Currency Swap Transaction "** means the currency swap transaction dated on or about the Issue Date between the Series AssetCo and the Currency Swap Provider in respect of the A4b Loan Tranche.

**"M1b Loan Tranche Euro Currency Swap Transaction "** means the currency swap transaction dated on or about the Issue Date between the Series AssetCo and the Currency Swap Provider in respect of the M1b Loan Tranche.

**"B1b Loan Tranche Euro Currency Swap Transaction "** means the currency swap transaction dated on or about the Issue Date between the Series AssetCo and the Currency Swap Provider in respect of the B1b Loan Tranche.

**"A1c Loan Tranche USD Currency Swap Transaction "** means the currency swap transaction dated on or about the Issue Date between the Series AssetCo and the Currency Swap Provider in respect of the A1c Loan Tranche.

The A1b Loan Tranche Euro Currency Swap Transaction, the A2b Loan Tranche Euro Currency Swap Transaction, the A3b Loan Tranche Euro Currency Swap Transaction, the A4b Loan Tranche Euro Currency Swap Transaction, the M1b Loan Tranche Euro Currency Swap Transaction and the B1b Loan Tranche Euro Currency Swap Transaction collectively, the **"Euro Currency Swap Transactions "**.

The A1c Loan Tranche USD Currency Swap Transaction the **"USD Currency Swap Transactions"**.

#### **Bullet Cap Agreement**

As described in the Base Prospectus under *"Transaction Documents – Series Transaction Documents – Series Hedge Agreements – Bullet Cap Agreement"*, the Series AssetCo will enter into a Bullet Cap Transaction (that transaction and the ISDA Master Agreement to which it is subject, the **"Bullet Cap Agreement"**) with the Bullet Cap Provider dated on or about the Issue Date in order to mitigate its exposure to a higher rate of default in payment on the Series Portfolio.



The Bullet Cap Transaction will be in respect of a notional amount of £170,000,000 for a period of approximately 4 years and a strike rate of 6.50% for year 1, 7.25% for year 2, 7.75% for year 3 and 9.25% for year 4. Under the Bullet Cap Transaction, the Bullet Cap Provider will make payments to the Series AssetCo if 3 month Sterling LIBOR (determined as set out in the Bullet Cap Transaction) exceeds the strike rate.

#### **BBR Swap Agreement**

As described in the Base Prospectus under "*Transaction Documents – Series Transaction Documents – Series Hedge Agreements – BBR Swap Agreement*", the Series AssetCo will mitigate its exposure to a discrepancy between the interest rate applicable to the Notes and the Loan BBR payable on the BBR Linked Loans by entering into a BBR Swap Transaction (that transaction and the ISDA Master Agreement to which it is subject, the "**BBR Swap Agreement**" with the BBR Swap Provider dated on or about the Issue Date.

Under the BBR Swap Transaction, the Series AssetCo will pay the BBR Swap Provider Bank of England Base Rate ("**BBR**") and will receive 3 month Sterling LIBOR (determined as set out in the BBR Swap Transaction) (minus a margin) on the outstanding principal balance of the outstanding BBR Linked Loans (which are less than or equal to 90 days in arrears).

#### **Fixed/Floating Swap Agreement**

As described in the Base Prospectus under "*Transaction Documents – Series Transaction Documents – Series Hedge Agreements – Fixed/Floating Swap Agreement*", the Series AssetCo will mitigate its exposure to a possible mismatch between Note LIBOR and the fixed rate of interest on some of the Loans by entering into a Fixed/Floating Swap Transaction (that transaction and the ISDA Master Agreement to which it is subject, the "**Fixed/Floating Swap Agreement**" with the Fixed/Floating Swap Provider dated on or about the Issue Date.

Under the Fixed/Floating Swap Transaction the Series AssetCo will pay the Fixed/Floating Swap Provider a fixed amount and will receive 3 month Sterling LIBOR (determined as set out in the Fixed/Floating Swap Transaction) (plus a margin) on the outstanding principal balance of the outstanding Fixed Rate Loans which are less than or equal to 90 days in arrears.

#### **LIBOR Basis Swap Agreement**

As described in the Base Prospectus under "*Transaction Documents – Series Transaction Documents – Series Hedge Agreements – LIBOR Basis Swap Agreement*", the Series AssetCo will mitigate its exposure to possible discrepancies in Loan LIBOR calculated at different dates by entering into a LIBOR Basis Swap Transaction (that transaction and the ISDA Master Agreement to which it is subject, the "**LIBOR Basis Swap Agreement**" with the LIBOR Basis Swap Provider dated on or about the Issue Date.

Under the LIBOR Basis Swap Transaction the Series AssetCo will pay the LIBOR Basis Swap Provider 3 month Sterling LIBOR set on a Loan LIBOR Fixing Date and will receive 3 month Sterling LIBOR (determined on the reset dates for the Series Intercompany Loan) (plus or minus a margin) on the outstanding principal balance of the outstanding LIBOR Linked Loans which are less than or equal to 90 days in arrears.

#### **Currency Swap Agreements**

As described in the Base Prospectus under "*Transaction Documents – Series Transaction Documents – Series Hedge Agreements – Currency Swap Agreements*", the Series AssetCo will enter into the Euro Currency Swap Transactions and the USD Currency Swap Transactions (together, the Currency Swap Transactions, and any such transaction and the ISDA Master Agreement to which it is subject, each a "**Currency Swap Agreement**") with the Currency Swap Provider dated on or about the Issue Date in order to protect itself against currency exchange rate exposure (and any related interest rate exposure in connection with such currency exchange rate exposure).

On the Issue Date, the Series AssetCo will pay to the Currency Swap Provider an amount in euro received by it in respect of the subscription proceeds for the Euro Notes and an amount in US dollars received by it in respect of the subscription proceeds for the USD Notes and the Currency Swap Provider will pay an

equivalent amount in sterling to the Series AssetCo to enable the Series AssetCo, together with amounts received in respect of the Notes denominated in sterling, to purchase the Series Portfolio.

The currency amount of any Currency Swap Transaction will be the principal amount outstanding under the relevant Euro Loan Tranche or USD Loan Tranche to which the Currency Swap relates. The Currency Swap Provider will pay to the Series AssetCo amounts in euro or US dollars (as applicable) that are equal to the amounts of interest to be paid on the relevant Euro Loan Tranche or USD Loan Tranche, and the Series AssetCo will pay to the Currency Swap Provider the equivalent sterling interest amounts received in respect of the Series Portfolio. In order to allow for the effective currency amount of each Currency Swap Transaction to amortise at the same rate as the relevant Loan Tranches, each Currency Swap Agreement will provide that, as and when such Loan Tranches amortise, a corresponding portion of the currency amount of the relevant Currency Swap Transaction will amortise. Pursuant to each Currency Swap Agreement, any portion of the Currency Swap Transaction so amortised will be swapped:

- (a) in the case of a Euro Currency Swap, from sterling into euro at the euro currency exchange rate specified in such Currency Swap Agreement; and
- (b) in the case of a USD Currency Swap, from sterling into US dollars at the US dollars currency exchange rate specified in such Currency Swap Agreement.

On any Distribution Date up to and including the Final Repayment Date of each Euro Loan Tranche and each of USD Loan Tranches, if any, or, if earlier, the date on which such Euro Loan Tranche or USD Loan Tranche (as the case may be) are redeemed in full, the Series AssetCo will pay to the Currency Swap Provider an amount in sterling equal to the principal amount outstanding under the relevant Loan Tranches and the Currency Swap Provider will pay an equivalent amount in euro or US dollars (as the case may be) or, if less, the amount of principal available for payment to the Currency Swap Provider pursuant to the Series Cash Management Agreement, in either case converted by reference to the relevant currency exchange rate specified in the relevant Currency Swap Agreement.

#### **Withholding Tax in respect of the Series Hedge Agreements**

The Series AssetCo and the Series Hedge Provider will represent and warrant in each of the Series Hedge Agreements that, under current applicable law, they are entitled to make all swap payments required to be made by them under such Series Hedging Agreements free and clear of, and without deduction for or on account of, any taxes, assessments, or other governmental charges. However, neither the Series AssetCo nor the Series Hedge Provider will be required to indemnify the other party for any withholding taxes imposed on payments under any Series Hedge Agreement.

If any withholding taxes would be imposed on any payments made or required to be made under any Series Hedging Agreement as a result of a change in applicable law or practice and the obligation to deduct or withhold cannot be avoided by the Series Hedge Provider, the affected party may terminate the relevant Series Hedging Agreement.

#### **Part L: Series LOC Agreement**

##### **Series LOC Agreement**

Not Applicable.

##### **Series LOC Provider**

Not Applicable.

##### **Series LOC Amount**

Not Applicable.

##### **Series LOC Permitted Purposes**

Not Applicable.

##### **Series LOC Repayment Provisions**

Not Applicable.

## ISSUER SPECIFIC PROVISIONS

### Part A: Security

#### Trustee

ABN AMRO Trustees Limited

#### Trustee Specified Office

82 Bishopsgate, London EC2N 4BN

#### Issuer Security Deed

The Issuer Security Deed dated on or about the Programme Establishment Date between the Issuer and the Trustee.

#### Issuer Security Deed Supplement

The Issuer Security Deed Supplement dated on or about the Issue Date between the Issuer and the Trustee.

#### Trustee Fee

The Issuer will pay a fee to the Trustee at the rate and on the terms specified in the Trust Deed.

### Part B: Issuer Accounts

#### Issuer Account Bank

ABN AMRO Bank N.V., London Branch acting through its office at 82 Bishopsgate, London EC2N 4BN

#### Issuer Bank Account Agreement

The Issuer Bank Account Agreement date on or about the Issue Date between the Issuer, the Trustee, the Series Cash Manager, and the Issuer Account Bank.

#### Issuer Accounts

The Issuer Account Bank will open the following accounts in the name of the Issuer:

- (a) a sterling denominated transaction account (the "**Issuer Series 2007-1B Sterling Transaction Account**") for day to day cash management purposes of all amounts denominated in sterling;
- (b) a sterling denominated share capital account (the "**Issuer Share Capital Account**") for the deposit of payment by UK Holdings in connection with the paid up share capital held by UK Holdings;
- (c) a euro denominated transaction account (the "**Issuer Series 2007-1B Euro Transaction Account**") for day to day cash management purposes of all amounts denominated in euro; and
- (d) a U.S. dollar denominated transaction account for day to day cash management purposes of all amounts denominated in U.S. dollars (the "**Issuer Series 2007-1B Dollar Transaction Account**" and together with the Issuer Series 2007-1B Sterling Transaction Account, the Issuer Share Capital Account and the Issuer Series 2007-1B Euro Transaction Account, the "**Issuer Accounts**").

### Part C: Distribution Scheme

#### Issuer Pre-Enforcement Revenue Priority of Payments

On each Interest Payment Date and prior to the enforcement of the Issuer Security under the Issuer Security Deed and any Issuer Security Deed Supplement, the Series Cash Manager will, on behalf of the

Issuer, apply Issuer Available Revenue Receipts in the following order of priority (the "**Issuer Pre-Enforcement Revenue Priority of Payments**"):

- (a) *first*, (A) first, to pay amounts due and payable to the Trustee (in respect of the Series 2007-1B) then due and (B) second, in or towards satisfaction of all Issuer Senior Expenses (including any indemnity payments payable by the Issuer) then due, *pro rata* and *pari passu* according to the respective amounts thereof;
- (b) *second*, to pay *pari passu* and *pro rata* amounts (other than in respect of principal) payable in respect of the A1a Notes, the A1b Notes, the A1c Notes, the A2b Notes, the A3a Notes and the A3b Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the A1a Noteholders, the A1b Noteholders, the A1c Noteholders, the A2b Noteholders, the A3a Noteholders and the A3b Noteholders respectively);
- (c) *third*, to pay *pari passu* and *pro rata* amounts (other than in respect of principal) payable in respect of the A4a Notes and the A4b Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the the A4a Noteholders and the A4b Noteholders, respectively);
- (d) *fourth*, to pay *pari passu* and *pro rata* amounts (other than in respect of principal) payable in respect of the M1a Notes and the M1b Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the M1a Noteholders and the M1b Noteholders, respectively);
- (e) *fifth*, to pay amounts (other than in respect of principal) payable in respect of the M2a Notes (such amounts to be paid according to the interest entitlements of the M2a Noteholders);
- (f) *sixth*, to pay *pari passu* and *pro rata* amounts (other than in respect of principal) payable in respect of the B1a Notes, the B1b Notes and the C Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the B1a Noteholders, the B1b Noteholders and the C Noteholders, respectively);
- (g) *seventh*, to pay (other than in respect of principal) payable in respect of the B2a Notes (such amounts to be paid according to the interest entitlements of the B2a Noteholders);
- (h) *eighth*, to pay *pari passu* and *pro rata* amounts (other than in respect of principal) payable in respect of the D Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the D Noteholders);
- (i) *ninth*, *pari passu* and *pro rata*, to the holders of the C Notes in respect of principal amount due on the C Notes;
- (j) *tenth*, *pari passu* and *pro rata* to the holders of the D Notes in respect of principal amount due on the D Notes;
- (k) *eleventh*, to pay *pari passu* and *pro rata* an amount, if any, equal to the portion of value added tax owing in respect of any fee due and payable to the Series Cash Manager (in respect of the Series 2007-1B) under the Series Cash Management Agreement that exceeds 17.5%;
- (l) *twelfth*, in or towards satisfaction of all other amounts due and payable to any other Issuer Secured Creditor that are not otherwise provided for in this priority of payments or in the Issuer Pre-Enforcement Principal Priority of Payments;
- (m) *thirteenth*, to pay *pari passu* and *pro rata* amounts (other than in respect of principal) payable in respect of the S Note;
- (n) *fourteenth*, *pari passu* and *pro rata* to the holders of the S Notes in respect of principal amount due on the S Notes;
- (o) *fifteenth*, to pay the Issuer Retained Profit to the Issuer; and
- (p) *sixteenth*, to pay any amounts of dividends due and unpaid to shareholders of the Issuer.

**"Issuer Available Revenue Receipts"** means receipts by the Issuer under the Series Pre-Enforcement Revenue Priority of Payments or following the service of a Series Enforcement Notice, receipts by the Issuer of amounts (other than in respect of principal) under the Series Post-Enforcement Priority of Payments;

**"Issuer Retained Profit"** means £250;

**"Issuer Senior Expenses"** means the amounts then due and owing, or payable prior to the immediately following Interest Payment Date, by the Issuer to the Series Cash Manager (in respect of the Series 2007-1B), Issuer Account Bank (in respect of the Series 2007-1B), the Paying Agents (in respect of the Series 2007-1B), the Registrar (in respect of the Series 2007-1B), the Transfer Agent (in respect of the Series 2007-1B), the Agent Bank (in respect of the Series 2007-1B), the Corporate Services Provider (in respect of the Series 2007-1B) and HM Revenue & Customs in respect of any liability of the Issuer for corporation tax on the Issuer Retained Profit.

### **Issuer Pre-Enforcement Principal Priority of Payments**

On each Interest Payment Date and prior to the enforcement of the Issuer Security under the Issuer Security Deed and any Issuer Security Deed Supplement, the Series Cash Manager will, on behalf of the Issuer, apply Issuer Available Principal Receipts in the following order of priority (the **"Issuer Pre-Enforcement Principal Priority of Payments"**):

- (a) *first, pari passu and pro rata* to the holders of the A1a Notes, the A1b Notes and the A1c Notes in respect of principal amount outstanding on the A1a Notes, the A1b Notes and the A1c Notes, respectively;
- (b) *second*, to the holders of the A2b Notes in respect of principal amount outstanding on the A2b Notes;
- (c) *third, pari passu and pro rata* to the holders of the A3a Notes and the A3b Notes in respect of principal amount outstanding on the A3a Notes and the A3b Notes respectively;
- (d) *fourth, pari passu and pro rata* to the holders of the A4a Notes and the A4b Notes in respect of principal amount outstanding on the A4a Notes and the A4b Notes respectively;
- (e) *fifth, pari passu and pro rata* to the holders of the M1a Notes and the M1b Notes in respect of principal amount outstanding on the M1a Notes and the M1b Notes, respectively;
- (f) *sixth*, to the holders of the M2a Notes in respect of principal amount outstanding on the M2a Notes;
- (g) *seventh, pari passu and pro rata* to the holders of the B1a Notes and the B1b Notes in respect of principal amount outstanding on the B1a Notes and the B1b Notes, respectively; and
- (h) *eight*, to the holders of the B2a Notes in respect of principal amount outstanding on the B2a Notes.

**provided always that** the Issuer Available Principal Receipts shall not be applied in the order set out in the Issuer Pre-Enforcement Principal Priority of Payments but shall instead be applied *pro rata* in redeeming each tranche of Notes according to the then Principal Amount Outstanding of the relevant tranche of Note between the A3a Note, A3b Note, the A4a Note, A4b Note and the M1a Note, the M1b Note, the M2a Note, the B1a Note, the B1b Note and the B2a Note comprising items (c) to (h), respectively, of the Issuer Pre-Enforcement Principal Priority of Payments on any Interest Payment Date immediately succeeding a Determination Date on which all of the following conditions are met:

- (i) the Trigger Ratio is satisfied;
- (ii) the A2 Notes are fully redeemed;
- (iii) the balance on the Series Principal Deficiency Sub-Ledgers is zero;

- (iv) the amount of the available Series Reserve Fund is not below the Series Reserve Fund Required Amount;
- (v) the Series Liquidity Facility Drawings is zero;
- (vi) the aggregate Principal Amount Outstanding of the Notes (excluding the C Notes, the D Notes and the S Notes) is more than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes (excluding the C Notes, the D Notes and the S Notes) on the Issue Date; and
- (vii) the aggregate of the balances of all Loans in the Series Portfolio that are 90 days or more in arrears (including, for the avoidance of doubt, any Loans in that Series Portfolio in respect of which Enforcement Procedures have commenced and the Property in respect of that Loan has not been sold) on such Determination Date as a percentage of the aggregate balances of all Loans in the Series Portfolio does not exceed 17 per cent. (or such greater percentage agreed between the Series AssetCo and the Series Security Trustee and as notified by the Rating Agencies from time to time upon the basis that such increase will not adversely affect the then current rating of the Notes of the Series);

The "**Trigger Ratio**" shall be satisfied if the Principal Amount Outstanding of the A Notes on the Determination Date on which the Trigger Ratio is to be calculated is equal to or less than 50 per cent. of the Principal Amount Outstanding of the A Notes on the Issue Date.

"**Issuer Available Principal Receipts**" means receipts by the Issuer under the Series Pre-Enforcement Principal Priority of Payments or following the service of a Series Enforcement Notice, receipts by the Issuer of amounts in respect of principal under the Series Post-Enforcement Priority of Payments;

#### **Issuer Post-Enforcement Priority of Payments**

On each Interest Payment Date following the delivery of an Enforcement Notice, the Series Cash Manager (on behalf of the Trustee) will apply amounts received or recovered by the Trustee (or any receiver, administrative receiver or manager appointed on its behalf) in accordance with the following order of priority (the "**Issuer Post-Enforcement Priority of Payments**"):

- (a) *first*, in or towards satisfaction of any remuneration due and payable to the Trustee (in respect of the Series 2007-1B) (or any administrative receiver, receiver, manager or other person appointed by it) under the Issuer Security Deed, any Issuer Security Deed Supplement and the other Issuer Transaction Documents, and any costs, charges, liabilities and expenses incurred by the Trustee (in respect of the Series 2007-1B) (including, without limitation, any claims in respect of any indemnities) thereunder, to be paid to the Trustee (or any administrative receiver, receiver, manager or other person appointed by it);
- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
  - (i) amounts due and payable to the Corporate Services Provider (in respect of the Series 2007-1B) under the Issuer Corporate Services Agreement;
  - (ii) amounts due and payable to the Issuer Account Bank (in respect of the Series 2007-1B) under the Issuer Bank Account Agreement;
  - (iii) amounts due and payable to the Series Cash Manager (in respect of the Series 2007-1B) under the Series Cash Management Agreement;
  - (iv) amounts due and payable to the Paying Agents (in respect of the Series 2007-1B), Transfer Agent (in respect of the Series 2007-1B), Agent Bank (in respect of the Series 2007-1B) and Registrar (in respect of the Series 2007-1B) under the Agency Agreement; and
  - (v) amounts due and payable, including any fee payable inclusive of value added tax up to 17.5%, to the Series Cash Manager (in respect of the Series 2007-1B) under the Series Cash Management Agreement, to be paid to the Series Cash Manager,

- (c) *third, to pay, pro rata and pari passu:*
- (i) amounts (other than in respect of principal) payable in respect of the A1a Notes, the A1b Notes, the A1c Notes, the A2b Notes, the A3a Notes and the A3b Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the A1a Noteholders, the A1b Noteholders, the A1c Noteholders, the A2b Noteholders, the A3a Noteholders and the A3b Noteholders, respectively);
  - (ii) to the holders of the A1a Notes, the A1b Notes and the A1c Notes in respect of principal of the A1a Notes, the A1b Notes and the A1c Notes, respectively;
  - (iii) to the holders of the A2b Notes in respect of principal of the A2b Notes; and
  - (iv) to the holders of the A3a Notes and the A3b Notes in respect of principal of the A3a Notes and the A3b Notes, respectively;
- (d) *fourth, to pay, pro rata and pari passu*
- (i) amounts (other than in respect of principal) payable in respect of the A4a Notes and the A4b Notes; and
  - (ii) to the holders of the A4a Notes and the A4b Notes in respect of principal of the A4a Notes and the A4b Notes respectively;
- (e) *fifth, to pay, pro rata and pari passu:*
- (i) amounts (other than in respect of principal) payable in respect of the M1a Notes and M1b Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the M1a Noteholders and M1b Noteholders);
  - (ii) to the holders of the M1a Notes and the M1b Notes in respect of principal of the M1a Notes and M1b Notes, respectively;
- (f) *sixth, to pay, pro rata and pari passu:*
- (i) amounts (other than in respect of principal) payable in respect of the M2a Notes (such amounts to be paid according to the interest entitlements of the M2a Noteholders); and
  - (ii) to the holders of the M2a Notes in respect of principal of the M2a Notes;
- (g) *seventh, to pay, pro rata and pari passu:*
- (i) amounts (other than in respect of principal) payable in respect of the B1a Notes, B1b Notes and the C Note (such amounts to be paid *pro rata* according to the respective interest entitlements of the B1a Noteholders, B1b Noteholders and the C Noteholders);
  - (ii) to the holders of the B1a Notes and B1b Notes in respect of principal of the B1a Notes and B1b Notes, respectively;
- (h) *eighth, to pay, pro rata and pari passu:*
- (i) amounts (other than in respect of principal) payable in respect of the B2a Notes (such amounts to be paid according to the interest entitlements of the B2a Noteholders); and
  - (ii) to the holders of the B2a Notes in respect of principal of the B2a Notes;
- (i) *ninth, to pay to the holders of the C Notes in respect of principal of the C Notes;*
- (j) *tenth, to pay, pro rata and pari passu:*
- (i) amounts (other than in respect of principal) payable in respect of the D Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the D Noteholders); and



- (ii) to the holders of the D Notes in respect of principal of the D Notes;
- (k) *eleventh*, to pay, *pro rata* and *pari passu*:
  - (i) amounts (other than in respect of principal) payable in respect of the S Notes (such amounts to be paid *pro rata* according to the respective interest entitlements of the S Noteholders); and
  - (ii) to the holders of the S Notes in respect of principal of the S Notes;
- (l) *twelfth*, to pay *pari passu* and *pro rata* an amount, if any, equal to the portion of value added tax owing in respect of any fee due and payable to the Series Cash Manager (in respect of the Series 2007-1B) under the Series Cash Management Agreement that exceeds 17.5%;
- (m) *thirteenth*, to pay *pro rata* and *pari passu*, in or towards the satisfaction of:
  - (i) amounts then accrued but remaining unpaid to third parties (in respect of the Series 2007-1B) (including audit fees and value added tax, if any) incurred without breach by the Issuer of the Issuer Transaction Documents paid directly to the relevant third party;
  - (ii) all other amounts due and payable to any other Issuer Secured Creditors that are not otherwise provided for in this priority of payments;
- (n) *fourteenth*, to pay the Issuer Retained Profit to the Issuer; and
- (o) *fifteenth*, to pay any amounts of dividends due and unpaid to shareholders of the Issuer.

**"Interest Payment Date"** means, beginning on 10<sup>th</sup> of October and thereafter quarterly on the 10<sup>th</sup> day of January, the 10<sup>th</sup> of April and the 10<sup>th</sup> of July in each calendar year unless such day is not a Business Day, in which case the Interest Payment Date shall be the following day which is a Business Day.

## ADDITIONAL INFORMATION ABOUT THE SERIES PORTFOLIOS

The information contained in this section headed "*Additional Information about the Series Portfolio*" relates to and has been obtained from GMAC-RFC, KMC or PLC in relation to the GMAC-RFC Loans, the KMC Loans and the MPL Loans, respectively. The delivery of the Transaction Documents shall not create any implication that there has been no change in such information since the date of this Supplement, or that the information contained or referred to in this section is correct as of any time subsequent to the date of this Supplement.

The following is a summary of certain aspects relating to the Series by way of supplement to the aspects summarised in the section entitled "*The Series Portfolio*" in the Base Prospectus.

### Origination Procedures and underwriting of Series Portfolio

GMAC-RFC may derive its mortgage business from a network of authorised packagers that have been approved by GMAC-RFC (the "**Packagers**") who may be remote processors. None of the Loans in the Series Portfolios are derived from direct dealings of the Packagers with consumers.

GMAC-RFC regularly monitors the performance of all its partners during the course of its business.

GMAC-RFC sources its mortgage business primarily through the Packagers for the submission of loan applications and the introduction of potential borrowers to GMAC-RFC and its mortgage and related financial products. GMAC-RFC has approximately 90 such Packagers operating throughout the United Kingdom, and many of these Packagers have their own network of mortgage intermediaries attracting business on their behalf. GMAC-RFC has sourced and will source business direct from mortgage intermediaries that are authorised by the FSA to conduct mortgage business in so far as may be required under the FSMA. See "*Regulation of the UK Residential Mortgage Market*" in the Base Prospectus. This business is processed through GMAC-RFC's headquarters in Bracknell. From time to time, a number of these intermediaries also carry on packaging activities for GMAC-RFC.

GMAC-RFC requires professional and business standards to be met as a precondition to becoming one of its Packagers or Remote Processors. Before becoming a GMAC-RFC Packager or Remote Processor, a packager or remote processor must, among other things, confirm that: (a) it holds all necessary authorisations and permissions under the FSMA in respect of its activities as a packager or remote processor; (b) it was (before 1 March 2000) registered under the Data Protection Act 1984 or (on and after 1 March 2000) notified under the Data Protection Act 1998; (c) it will comply with the Guidelines for non-standard lending; and (d) it holds, and will maintain, a Consumer Credit Licence. Before N(M), packagers or remote processors were required to confirm that they were registered with the appropriate self-regulatory body before becoming a GMAC-RFC Packager or Remote Processor.

GMAC-RFC also operates a remote processing programme. The participating firms in the remote processing programme (the "Remote Processors") originate loans on behalf of GMAC-RFC using GMAC-RFC's standard terms mortgage documentation. The Remote Processors use underwriters who are trained and supervised by GMAC-RFC to apply GMAC-RFC's Lending Criteria. An underwriter who is employed by GMAC-RFC and located on the Remote Processor's premises gives the final approval for each mortgage application.

Both KMC and MPL follow the Guidelines. The Guidelines regulate the activities of lenders in relation to their activities in the non-status lending market in areas such as advertising and marketing, loan documentation and contract terms, the relationship between lenders and brokers, selling methods, underwriting, dual interest rates and early redemption payments. The Guidelines promote transparency in all dealings with borrowers, requiring clear contract terms and conditions to be provided promptly with full explanations of all fees and charges payable by the borrower in connection with the mortgage.

The Guidelines, like the Mortgage Code, provide that lenders must carry on responsible lending, with all underwriting decisions being subject to a proper assessment of the borrower's ability to repay, taking into account all relevant circumstances, such as the purpose of the loan, the borrower's income, outgoings, employment and previous credit history. Lenders must take all reasonable steps to verify the accuracy of information provided by borrowers on or in support of the loan application and all underwriting staff must be properly trained and supervised.

Throughout the term of the mortgage, the Guidelines emphasise prompt notification to borrowers of any changes in the terms and conditions of the mortgage. For example, the lender may not change the borrower's monthly payment date unilaterally unless two months' notice has been given and the borrower must be given at least fourteen days' notice of any variation to the applicable interest rate.

#### **Lending criteria used in origination of GMAC-RFC Loans ("GMAC-RFC Lending Criteria")**

The following is a summary of the GMAC-RFC Lending Criteria that were applied (subject to GMAC-RFC taking reasonable steps to ensure it was the case (and that any discretions to deviate from such criteria were exercised in accordance with GMAC-RFC's policies)) in respect of the Loans originated by GMAC-RFC (each a "GMAC-RFC Loan") in the Series Portfolio.

##### (viii) *Security*

- (a) GMAC-RFC requires a first legal charge over the Property. It must be used by the Borrower(s) for private residential purposes only. Full vacant possession must be obtained at completion and no part let or part possession will be accepted.
- (b) Mortgage properties are required to be valued using an automated valuation model ("AVM") or by a suitably qualified valuer on GMAC-RFC's approved panel of valuers, as agreed from time to time and managed and monitored by credit risk. For a buy to let ("BTL") Loan, the valuation report must provide an estimate of the rental income that may be obtained and must also provide comparables in line with the valuation.
- (c) Property securing a BTL Loan must be let on a six or 12 month assured shorthold tenancy or on a company let not exceeding 36 months. It must be let within three months of completion of the Loan, and remain available for letting throughout the term of the Loan.
- (d) Property securing a BTL Loan may not be occupied by the borrower.
- (e) The following property types are considered unacceptable security:
  - (1) Properties of non standard construction, except concrete no-fines. Laing Easiform, Crosswall, Modern Method of construction of timber frame with brick exterior
  - (2) Properties with non standard roof construction
  - (3) Freehold flats and maisonettes (in England & Wales only)
  - (4) Residential flats above commercial premises, with an LTV of more than 85 per cent.
  - (5) Investment flats above commercial premises, with an LTV of more than 75 per cent.
  - (6) Studio flats
  - (7) Properties with unexpired lease term of less than 30 years at end of the mortgage term.
  - (8) Shared ownership properties
  - (9) Tenanted properties (residential only)
  - (10) Investment properties (residential only)
  - (11) Commercial properties
  - (12) Properties subject to agricultural restrictions
  - (13) Properties under 10 years old without one of the following:

- (A) NHBC Certificate
  - (B) Zurich Municipal Guarantee
  - (C) Architect's Certificate (RIBA)
  - (D) Chartered Building Surveyor's Certificate
  - (E) Premier Guarantee
- (14) Properties where stage payments are required
  - (15) Unimproved/uninhabitable properties i.e. no kitchen or bathroom
  - (16) Properties with two kitchens and/or multiple services on BTL loans
  - (17) Properties with greater than two kitchens and/or multiple services on residential loans.
  - (18) Prefabricated or large panel concrete construction (LPS).
  - (19) Pre-fabricated reinforced concrete construction (PRC).
  - (20) Concrete block construction designated Mundic
  - (21) Properties of high alumina cement
  - (22) BISF, metal and steel framed properties
  - (23) Any property designated defective under the Housing Act
  - (24) Properties of 100 per cent. timber construction
  - (25) Properties with ongoing structural movement or movement that requires monitoring
  - (26) Underpinned properties where no guarantees are available
  - (27) Uninsurable properties, or properties subject to an ongoing insurance claim
  - (28) Properties likely to be adversely affected by local planning, e.g. road widening
  - (29) Properties where an unsatisfactory mining search is received
  - (30) Grade 1 listed buildings
  - (31) Second homes/holiday homes
  - (32) Mobile homes and houseboats
  - (33) Properties with land in excess of 5 hectares/12 acres
  - (34) Properties subject to local/restrictive covenants
  - (35) Properties where the commercial usage exceeds 40%
  - (36) Where the valuation report indicates:
    - (A) The interior/exterior condition of the property is poor & demand is poor
    - (B) The saleability of the property is affected by local factors & demand is poor

(ix) *Loan size*

GMAC-RFC will not originate a Loan that will be £25,000 or less at the time of completion. The maximum loan size is £750,000 for verified loans and £500,000 for self-certified Loans and BTL Loans.

(x) *Loan to Value*

The loan to value ratio ("LTV") is calculated by dividing the gross principal amount (net of any fees) committed at completion of the Loan by the lower of the valuation of the Property or, in the case of a Loan made for financing the purchase of a Property, the disclosed purchase price (except in exceptional cases, i.e. where the purchase price that has been paid reflects a discount).

GMAC-RFC does not originate Loans with an LTV higher than 95 per cent (90 per cent for self-certified Loans, 89 per cent for BTL Loans), subject to exceptions in certain circumstances.

(xi) *Term*

Each Loan must have an initial term of between 5 and 30 years.

(xii) *Borrowers*

- (a) Borrowers must be natural persons, and have been at least 18 years of age (or, in the case of BTL Mortgages, the primary applicant must be at least 25 years of age) prior to completion of the Loan and the term of mortgage loans usually must end before the primary applicant reaches his/her 76th birthday (subject to approved exceptions)
- (b) A maximum number of 4 Borrowers are allowed to be parties to a Loan or 2 Borrowers for BTL Loans
- (c) The Borrower's credit and employment history will have been assessed with the aid of one or more of the following:
  - (1) Search supplied by credit reference agency
  - (2) Confirmation of voters roll entries or proof of residency
  - (3) Reduced referencing telephone call to applicants employer to verify works there unless selected for an audit then a reference from current employers
  - (4) Reduced referencing telephone call to applicants accountant to confirm acts for applicant unless selected for an audit then an Accountant's certificate
  - (5) Reference from current lenders
  - (6) Reference from current landlords
- (d) Only 1 satisfied CCJ/default is permitted with a total value of £300. The restriction will not apply in the following circumstances:
  - (1) Where the CCJ/default was registered more than 3 years ago and satisfied at time of application
  - (2) Where the CCJ/default was satisfied more than 12 months prior to application, regardless of the date of registration
  - (3) Where the CCJ/default was registered more than 6 years ago, ignored regardless of whether or not it was satisfied/settled.

In these instances there will be no limit on the number or value of CCJ/defaults permitted. Where the CCJ/default has been satisfied/settled within the last 12 months, it will not be acceptable regardless of number or value. Where satisfaction of CCJs is a requirement of the Loan, a certificate of satisfaction must have been provided.

- (e) Borrowers who were the subject of a BO must have provided a certificate of discharge. Borrowers who were the subject of an IVA will have provided a confirmation of satisfactory conduct of the IVA where appropriate.

(xiii) *Income*

BTL Loans are deemed to be self-funding. Applicants will declare on the application form details of income and occupation, but no further information is required. Unemployed applicants (not including housewives) will be unacceptable. Gross monthly rental income must be at least 100 per cent. of the monthly mortgage interest payments. Affordability is calculated at the current interest rate of the Loan or the Bank of England repo rate plus a reference margin. The reference margin ranges from 1.00 per cent. to 1.25 per cent.

(xiv) *Solicitors*

GMAC-RFC will normally instruct the applicant's solicitor to act on its behalf provided that the firm meets the following criteria:

- (a) Has a minimum of two partners
- (b) Has indemnity insurance in place (minimum £1,000,000)
- (c) All partners have current practising certificates

Sole practitioners will not be instructed to act on behalf of the company. Licensed conveyancers will not normally be instructed to act on behalf of the company.

(xv) *Retentions*

GMAC-RFC does not allow partial retentions. For residential applications where a retention of £5,000 or less or for a BTL application where a retention of £2,500 or less, and provided that the works are not related to structural faults or dry rot, the company will proceed on the basis that the applicant(s) undertake(s) to carry out the necessary works within a specified period of completion. This will normally be three or six months, depending upon the nature of the works. Lending will be based on the after-works value, provided the LTV does not exceed 100 per cent. based on the current valuation, no matter what the nature of the works required or the actual cost. The 'after-works' value can be no more than 10 per cent. higher than the 'present-condition' valuation.

(xvi) *Exceptions/Changes to the GMAC-RFC Lending Criteria*

GMAC-RFC took reasonable steps at the time of origination of the GMAC-RFC Loans to ensure that the GMAC-RFC Lending Criteria were satisfied (and that any discretions were exercised in accordance with GMAC-RFC's policies).

**Lending Criteria used in the origination of KMC Loans ("KMC Lending Criteria")**

The following is a summary of the KMC Lending Criteria that were applied (subject to such deviation made in accordance with the standard of a prudent residential mortgage lender) in respect of the Loans originated by KMC (each a "**KMC Loan**") in the Series Portfolio.

(xvii) *Security*

- (a) Each Loan must be secured by a first legal mortgage over a Property in England or Wales, the primary use of which is residential, except for any prior ranking statutory charge or standard security (as referred to in Section 156 of the Housing Act 1985 or Section 72 of the Housing (Scotland) Act 1987) in relation to a Loan that has a right to buy option for which KMC or NPMF has the benefit of insurance that has a right to buy option.
- (b) Only Property of standard construction intended for use wholly or partly as a principal place of residence. A Property which may be let as a holiday letting is acceptable.

- (c) Properties under 10 years old will have the benefit of a NHBC, Zurich, Premier guarantee or an architect's certificate or equivalent guarantee from an acceptable body.
- (d) The following types of building are deemed unacceptable as security:
  - (1) Properties of 100 per cent. timber construction
  - (2) Properties designated as defective under the Housing Defects Act 1984 and 1985
  - (3) Properties containing mundic block materials
  - (4) Ex-Local Authority flats and maisonettes
  - (5) High rise flats
  - (6) Studio flats
  - (7) Steel framed properties
  - (8) Freehold flats and maisonettes
  - (9) Properties purchased under the Local Authority Right-to-Buy scheme where the statutory charge still applies (unless right to buy insurance is in place)
- (e) The following property types are generally never acceptable:
  - (1) Properties with agricultural restrictions
  - (2) Properties determined as unacceptable security
  - (3) Properties not wholly owned by the borrower. For example where equity is retained by a builder/developer, housing association or third party
  - (4) Multi-unit properties
  - (5) Prefabricated re-enforced concrete (repaired or not)
  - (6) Flats above commercial premises
- (f) Each Property offered as security will have been valued by a qualified surveyor (ARICS or equivalent qualification) chosen from a panel of valuation firms approved by Newbury Park Mortgage Funding Limited ("NPMF") and the Agent or valued using an automated valuation model ("AVM").
- (g) Where the value of the security is over £500,000, a Hometrack Audit Valuation Model will be requested and in the event that this valuation is greater than 10 per cent. lower than the Royal Institute of Chartered Surveyors ("**RICS**") valuation, a full second RICS report will be requested. Where a second RICS valuation has been obtained, lending will be based on the lower of the two valuation figures.
- (h) At the time of completion, the relevant Property must have been insured under a Third Party Policy against all risks usually covered by a Prudent Mortgage Lender when advancing money on the security of property of the same nature to an amount not less than the full reinstatement value determined at or around the time the related Loan was made and KMC has not received notice of any circumstances giving the insurer thereunder the right to avoid or terminate the policy.
- (i) Loans may, in some cases, have the benefit of additional security by way of collateral security over one or more life insurance policies.

(xviii) *Loan Amount*

Loans must be at least £25,001 (excluding fees and expenses). Loans (including Further Advances) will not exceed £1,000,000 at any time during the life of the Loan.

(xix) *Loan to Value*

The LTV is calculated by dividing the gross principal amount advanced at completion of the Loan by the value of the Property at origination of the Loan or, in some cases, the lower of such valuation and the sale price.

The LTV of each Loan at the date of the initial advance and any further advance must be no more than 95 per cent. (exclusive of any arrangement fee which may be added to the Loan).

(xx) *Term*

Each Loan must have an initial term of between 5 and 30 years.

(xxi) *Borrowers*

- (a) Borrowers must be natural persons, and have been at least 18 years of age prior to completion of the Loan.
- (b) A maximum number of 4 Borrowers are allowed to be parties to a Loan.
- (c) The Borrower's credit and employment history will have been assessed with the aid of one or more of the following:
  - (1) Search supplied by credit reference agency
  - (2) Confirmation of voters roll entries or proof of residency
  - (3) Reference from current employers
  - (4) Accountant's certificate
  - (5) Reference from current lenders
  - (6) Reference from current landlords
  - (7) CAIS information
- (d) Where a County Court Judgement (or its Scottish equivalent) ("CCJ") relating to a Borrower has been revealed by the credit reference search or instalment arrears have been revealed by lenders or landlords' references or a Borrower has been subject to a bankruptcy order (or its Scottish equivalent) ("BO") or individual voluntary arrangement ("IVA"), explanations should have been provided. Generally, a CCJ will be acceptable without an explanation if it (i) was registered not less than 2 years before the Borrower's application for a loan, (ii) was satisfied not less than 12 months before the Borrower's application for a loan and (iii) related to a sum of not more than £100.
- (e) Borrowers who were the subject of a BO must have provided a certificate of discharge. Borrowers who were the subject of an IVA will have provided a confirmation of satisfactory conduct of the IVA where appropriate.

(xxii) *Income*

Income is determined by reference to the application form and supporting documentation, where appropriate, and may consist of salary plus additional regular remuneration for employed Borrowers, net profit plus any additional income confirmed by the accountant for self-employed Borrowers (holding at least 25 per cent. of the issued share capital of the company, partner in a partnership, or a sole trader), pensions, investments and rental income, and other monies approved by an authorised officer of NPMF or its delegate or agent.



The maximum Loan will not exceed the higher of (i) 4.5 times the assessed income of the primary borrower plus 1 times the assessed income of the secondary borrower, or 3.5 times the combined assessed incomes of the primary and secondary Borrowers, or (ii) an amount determined in accordance with affordability criteria of KMC.

The assessed rental income in relation to any Buy to Let Loan must exceed 110% of the assessed monthly interest payment of the Loan at the time of underwriting.

(xxiii) *Solicitors*

The firm of solicitors acting on behalf of KMC must have at least two practising partners (if a partnership) or two principals (if an LLP) or two directors (if a company) or alternatively the Loan must be originated in accordance with the relevant procedure for completion of Loans the subject of title insurance.

(xxiv) *Further Advances*

Further Advances are governed by the same criteria as initial advances with the following additions:

- (a) at least three months must have elapsed since completion of the initial advance;
- (b) repayments on the Loan must be up-to-date; and
- (c) the Loan must have experienced arrears no greater than 1 month at any time in the previous 3 months.

(xxv) *Exceptions/Changes to the KMC Lending Criteria*

KMC may vary the KMC Lending Criteria from time to time in the manner of a prudent residential mortgage lender.

**Lending Criteria used in origination of MPL Loans ("MPL Lending Criteria")**

The following is a summary of the MPL Lending Criteria that were applied (subject to such deviation made in accordance with the standard of a prudent residential mortgage lender) in respect of the Loans originated by MPL (each a "MPL Loan") in the Series Portfolio.

(i) *Security*

- (a) Each Loan must be secured by a first legal mortgage over a Property in England or Wales, the primary use of which is residential, except for any prior ranking statutory charge or standard security (as referred to in Section 156 of the Housing Act 1985 or Section 72 of the Housing (Scotland) Act 1987) in relation to a Loan that has a right to buy option for which KMC or NPMF has the benefit of insurance that has a right to buy option.
- (b) Only Property of standard construction intended for use wholly or partly as a principal place of residence or let under an assured shorthold tenancy.
- (c) Properties under 10 years old will have the benefit of a NHBC, Zurich, premier guarantee or architect's certificate or equivalent guarantee from an acceptable body.
- (d) The following types of Property are usually deemed unacceptable as security unless the prior written consent of the KMC or NPMF has been obtained:
  - (1) Freehold flats and maisonettes (other than in Scotland)
  - (2) Properties designated as defective under the Housing Defects Act 1984, Housing Act 1985 or the Housing (Scotland) Act 1987
  - (3) Properties containing mundic block materials or a steel frame

- (4) Ex-Local Authority flats exceeding four stories and not mortgagable through conventional sources and maisonettes except at the discretion of the director of lending of the Agent on the basis of a prudent mortgage lender
  - (5) Properties with agricultural restrictions
  - (6) Properties not wholly owned by the Borrower, where equity is retained by a builder/developer, housing association or other third party
- (e) To the extent required by the underwriting criteria, each Property offered as security will have been valued by a qualified surveyor (ARICS or equivalent qualification) chosen from a panel of valuation firms approved by KMC or NPMF (as the case may be).
- (f) Each Property is insured under a block buildings policy or a buildings insurance policy either (i) in the joint names of the mortgagor or KMC or (ii) with the interest of KMC or NPMF (as mortgagee) endorsed or deemed noted thereon or (iii) in the name of KMC alone or, in the case of leasehold property, is covered by a landlord's buildings insurance policy, with, where possible, the interests of KMC or NPMF and the mortgagor endorsed or deemed noted thereon, in each case with a reputable insurance company agreed to by KMC or NPMF, against all risks usually covered by a prudent mortgage lender when advancing money on the security of property of the same nature to an amount not less than the full reinstatement value determined at or around at the time the Loan was made and KMC or NPMF has not received notice of any circumstance giving the insurer thereunder the right to avoid or terminate the policy.
- (ii) *Loan Amount*
- Loans must be at least £25,001 (excluding fees and expenses). Loans (including Further Advances) will not exceed £1,000,000 at any time during the life of the Loan.
- (iii) *Loan to Value*
- The LTV is calculated by dividing the gross principal amount of a Loan (and Further Advance) to any on Borrower by the value of the Property at the time of the relevant Loan.
- The LTV of any Loan shall not exceed 90 per cent. including broker fees and completion costs, except that it may exceed 90 per cent. with Rating Agency confirmation as to the cash reserve to be held by the Series AssetCo.
- (iv) *Term*
- Each Loan must have an initial term of between 5 and 30 years.
- (v) *Borrowers*
- (a) Borrowers must have been at least 18 years of age prior to completion of the Loan and no older than 85 years of age at the end of the term of the Loan.
  - (b) A maximum number of 4 Borrowers are allowed for each Loan.
  - (c) The Borrower's credit and employment history will have been assessed with the aid of one or more of the following:
    - (1) Search supplied by credit reference agency
    - (2) Confirmation of voters roll entries
    - (3) Reference from current employers
    - (4) Accountant's certificate
    - (5) Reference from current lenders

- (6) Reference from current landlords
- (d) A CCJ/Decree satisfied more than 12 months prior to application and CCJs for £100 or less whether satisfied or not or CCJs more than 2 years old will not be considered as adverse credit for the purposes of the KMC Lending Criteria and whilst still annotated on the underwriting progress chart, will be disregarded when assessing product eligibility. Explanations for these are not required. Where satisfaction of CCJs is a requirement of the Loan, a certificate of satisfaction must have been provided.
- (e) Borrowers who were the subject of a BO must have provided a certificate of discharge. Borrowers who were the subject of an IVA will have provided a confirmation of satisfactory conduct of the IVA where required under the Underwriting Criteria.
- (f) Where repayment of loan or rent arrears is required, confirmation of such repayment must have been obtained.
- (vi) *Income and Rental Income*
- Income is determined by reference to the application form and supporting documentation, where appropriate, and may consist of salary plus additional regular remuneration for employed Borrowers, net profit plus any additional income confirmed by the accountant for self-employed Borrowers (holding at least 25 per cent. of the issued share capital of the company, partner in a partnership, or a sole trader), pensions, investments and rental income, and other monies approved by an authorised officer of KMC or its delegate or agent.
- Rental income is determined by reference to the application form and supporting documentation including where appropriate the opinion of a valuer or a reputable independent letting agent. It is the monthly amount a Property is let for or may reasonably be let for.
- Payments in respect of a Loan, when aggregated with any other payments in respect of secured lending by a Borrower, will not exceed 40 per cent. of the assessed income of a sole borrower, or 40 per cent. of the combined assessed incomes of joint borrowers or if the amount of advance exceeds certain thresholds and depending on a number of other underwriting factors, such as prior CCJs relating to a Borrower, this figure is reduced to 35 per cent. In calculating annual income for a Borrower, bonus payments do not get annualised but will be included if the total annual figure after the regular base payments have been annualised.
- The assessed rental income in relation to any Buy to Let Loan must exceed 110% of the assessed monthly interest payment of the Loan at the time of underwriting.
- (vii) *Solicitors*
- The firm of solicitors acting on behalf of KMC must have at least two practising partners (if a partnership) or two principals (if an LLP) or two directors (if a company) or alternatively the Loan must be originated in accordance with the relevant procedure for completion of Loans the subject of title insurance.
- (viii) *Further Advances*
- Further Advances are governed by the same criteria as initial advances with the following additions:
- (a) at least three months must have elapsed since completion of the initial advance;
- (b) repayments on the Loan must be up-to-date; and
- (c) the Loan must have experienced arrears no greater than one month at any time in the previous three months.
- (ix) *Exceptions/Changes to the MPL Lending Criteria*

MPL may vary the MPL Lending Criteria from time to time in the manner of a prudent residential mortgage lender.

**Warranties in relation to the Series Portfolio**

Details of the representations and warranties given by the Seller to the Series AssetCo in relation to the Series Portfolio are set out the Base Prospectus under "*Transaction Documents - Series Transaction Documents - Series Portfolio Purchase Agreement - Representations and Warranties*".

**Interest rate setting for GMAC-RFC Loans**

Under the Mortgage Conditions applicable to some of the GMAC-RFC Loans in the Series Portfolio the interest rate payable on those Loans is a variable rate set by the mortgage lender from time to time but, pursuant to the terms of the Series Portfolio Purchase Agreement, the Series AssetCo has undertaken with the Seller to set such variable rate at a specified margin or margins in excess of the Bank of England Repo Rate calculated daily from one Bank of England Repo Rate setting to the next. Accordingly, such GMAC-RFC Loans are treated for all purposes as being Tracker Rate Loans for the purposes of the Transaction Documents (instead of being treated as Variable Rate Loans).

**Interest rate setting for KMC Loans and MPL Loans**

Under the Mortgage Conditions applicable to the KMC Loans and MPL Loans in the Series Portfolio the reversionary interest rate payable on those Loans is a fixed margin over a variable LIBOR-linked rate set by KMC and MPL, respectively, from time to time. The Seller will procure that the variable LIBOR-linked rates on such Loans bear a margin over LIBOR at least equivalent to the margin used as of the Cut-Off Date.

## SERIES PORTFOLIO SELECT SUMMARY DATA

The tables in this section give further information about the Series Portfolio at 30 April 2007 (the "Cut-Off Date"). In those tables all percentages have been taken to either one or two decimal places (as indicated), the "Current Balance" includes all sums owing by a Borrower under a Loan including:

- (a) the outstanding principal balance,
- (b) all arrears of interest which have become due and payable but which remained unpaid, and
- (c) all fees and expenses which have been added to the Borrower's account,

and "Non-Status History" means Borrowers who have been or are subject to one or more CCJs, bankruptcy orders and/or IVAs. There has been no revaluation of any of the Properties for the purposes of the issue of the Notes and the details of valuations of the Properties indicated below are as at the date of the original initial Loan origination.

The aggregate Current Balance of all Loans in the Series Portfolios as at the Issue Date in relation to the Series is expected to be approximately GBP 602,133,717.

### Part A: Series Portfolio

#### Summary table of Series Portfolio

Aggregate Current Balance.....	£607,028,683	Remortgage.....	54.16%
Number of Borrowers.....	4,804	Investment Home Loan.....	12.04%
Number of Loans.....	4,848	Owner Occupied Right To Buy Loan.....	0.00%
Average Loan size.....	£950,734	Self certified.....	54.14%
Largest principal balance.....	£125,212	Borrowers with bankruptcy orders.....	0.00%
Repayment Loans.....	32.33%	Borrowers with CCJs.....	15.26%
Interest-Only Loans.....	67.24%	Borrowers with IVAs.....	0.00%
Part Interest/Repayment Loans.....	0.43%		
Right To Buy Loans.....	0.00%		
Weighted average current interest rate.....	6.28%	First charge.....	100.0%
Weighted average stabilised margin (over relevant index).....	2.44%	Second charge.....	0.0%
Weighted average original LTV.....	79.73%		
Weighted average current LTV.....	80.03%	Weighted average remaining term to maturity.....	263.85 months
Weighted average seasoning.....	3.21 months		

#### Distribution of Loans by Origination Value LTV

Origination value LTV range	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>0% <=30% .....	124	2.56%	5,909,922	0.97%
>30% <=40% .....	138	2.85%	8,964,919	1.48%
>40% <=50% .....	221	4.56%	19,092,527	3.15%
>50% <=60% .....	342	7.05%	32,370,995	5.33%
>60% <=70% .....	505	10.42%	57,419,035	9.46%
>70% <=80% .....	769	15.86%	97,286,761	16.03%
>80% <=90% .....	1,962	40.47%	277,634,166	45.74%
>90% <=100% .....	787	16.23%	108,350,358	17.85%
>100% .....	0	0.00%	0	0.00%
<b>Total .....</b>	<b>4,848</b>	<b>100.00%</b>	<b>607,028,683</b>	<b>100.00%</b>

#### Distribution of Loans by Current LTV

Current LTV range	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>0% <=30% .....	122	2.52%	5,788,770	0.95%

Current LTV range	Number of		Aggregate Current	
	Loans	% of Total	Balance (£)	% of Total
>30%<=40% .....	142	2.93%	9,240,292	1.52%
>40%<=50% .....	215	4.43%	18,581,530	3.06%
>50%<=60% .....	337	6.95%	31,721,472	5.23%
>60%<=70% .....	505	10.42%	57,616,099	9.49%
>70%<=80% .....	725	14.95%	91,104,901	15.01%
>80%<=90% .....	1,514	31.23%	215,405,320	35.49%
>90%<=100% .....	1,287	26.55%	177,364,663	29.22%
>100% .....	1	0.02%	205,636	0.03%
<b>Total .....</b>	<b>4,848</b>	<b>100.00%</b>	<b>607,028,683</b>	<b>100.00%</b>

Indexation has been achieved taking the details of valuations of the Properties as at the date of the original initial Loan origination and adjusting this by the Halifax Price Index.

#### Distribution of Loans by Current Balance

Current Balance range	Number of		Aggregate Current	
	Loans	% of Total	Balance (£)	% of Total
>£0 <=£20,000 .....	4	0.08%	69,502	0.01%
>£20,000 <=£40,000 .....	128	2.64%	4,079,655	0.67%
>£40,000 <=£60,000 .....	351	7.24%	17,847,432	2.94%
>£60,000 <=£80,000 .....	669	13.80%	47,037,308	7.75%
>£80,000 <=£100,000 .....	824	17.00%	73,881,459	12.17%
>£100,000 <=£120,000 .....	775	15.99%	84,968,771	14.00%
>£120,000 <=£140,000 .....	563	11.61%	72,840,219	12.00%
>£140,000 <=£160,000 .....	438	9.03%	65,436,381	10.78%
>£160,000 <=£180,000 .....	294	6.06%	49,593,361	8.17%
>£180,000 <=£250,000 .....	592	12.21%	122,919,710	20.25%
>£250,000 <=£300,000 .....	113	2.33%	30,550,714	5.03%
>£300,000 <=£500,000 .....	88	1.82%	31,765,808	5.23%
>£500,000 <=£1,500,000 .....	9	0.19%	6,038,361	0.99%
<b>Total .....</b>	<b>4,848</b>	<b>100.00%</b>	<b>607,028,683</b>	<b>100.00%</b>

#### Distribution of Loans by Current Interest Rate

Current interest rate range	Number of		Aggregate Current	
	Loans	% of Total	Balance (£)	% of Total
>0.0%<=1.0% .....	0	0.00%	0	0.00%
>1.0%<=2.0% .....	0	0.00%	0	0.00%
>2.0%<=3.0% .....	0	0.00%	0	0.00%
>3.0%<=4.0% .....	0	0.00%	0	0.00%
>4.0%<=5.0% .....	5	0.10%	611,127	0.10%
>5.0%<=6.0% .....	1,883	38.84%	222,452,604	36.65%
>6.0%<=7.0% .....	2,526	52.10%	325,367,745	53.60%
>7.0%<=8.0% .....	381	7.86%	50,936,921	8.39%
>8.0%<=9.0% .....	51	1.05%	7,335,399	1.21%
>9.0% .....	2	0.04%	324,888	0.05%
<b>Total .....</b>	<b>4,848</b>	<b>100.00%</b>	<b>607,028,683</b>	<b>100.00%</b>

#### Distribution of Loans by Stabilised Margin (over relevant index)

Stabilised margin range	Number of		Aggregate Current	
	Loans	% of Total	Balance (£)	% of Total
>0.0%<=0.5% .....	0	0.00%	0	0.00%
>0.5%<=1.0% .....	21	0.43%	2,310,866	0.38%
>1.0%<=1.5% .....	135	2.78%	12,565,678	2.07%
>1.5%<=2.0% .....	432	8.91%	41,521,267	6.84%
>2.0%<=2.5% .....	3,005	61.98%	387,180,229	63.78%
>2.5%<=3.0% .....	668	13.78%	85,973,546	14.16%

>3.0%≤3.5% .....	236	4.87%	28,358,844	4.67%
>3.5%≤4.0% .....	214	4.41%	28,330,549	4.67%
>4.0%≤4.5% .....	77	1.59%	11,317,296	1.86%
>4.5%≤5.0% .....	47	0.97%	7,644,661	1.26%
>5.0% .....	13	0.27%	1,825,748	0.30%
<b>Total .....</b>	<b>4,848</b>	<b>100.00%</b>	<b>607,028,683</b>	<b>100.00%</b>

#### Distribution of Loans by Current Rate Type

<u>Rate Type</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
Discounted .....	767	15.82%	98,349,032	16.20%
No discount .....	23	0.47%	2,628,987	0.43%
Fixed .....	4,058	83.70%	506,050,663	83.37%
<b>Total .....</b>	<b>4,848</b>	<b>100.00%</b>	<b>607,028,683</b>	<b>100.00%</b>

#### Distribution of Loans by Method of Amortisation

<u>Method of amortisation</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
Amortising .....	1,945	40.12%	196,252,590	32.33%
Non-Amortising .....	2,903	59.88%	410,776,093	67.67%
<b>Total .....</b>	<b>4,848</b>	<b>100.00%</b>	<b>607,028,683</b>	<b>100.00%</b>

#### Distribution of Loans by Income Verification

<u>Income verification</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
Fully verified .....	2,385	49.20%	278,357,563	45.86%
Self certified .....	2,463	50.80%	328,671,119	54.14%
<b>Total .....</b>	<b>4,848</b>	<b>100.00%</b>	<b>607,028,683</b>	<b>100.00%</b>

#### Distribution of Loans by Loan Purpose

<u>Mortgage purpose</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
Purchase .....	2,075	42.80%	278,238,880	45.84%
Remortgage .....	2,773	57.20%	328,789,803	54.16%
<b>Total .....</b>	<b>4,848</b>	<b>100.00%</b>	<b>607,028,683</b>	<b>100.00%</b>

#### Distribution of Loans by Priority

<u>Mortgage priority</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
First charge .....	4,848	100.00%	607,028,683	100.00%
Second charge .....	0	0.00%	0	0.00%
<b>Total .....</b>	<b>4,848</b>	<b>100.00%</b>	<b>607,028,683</b>	<b>100.00%</b>

#### Distribution of Loans by Region

<u>Region</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
East Anglia .....	151	3.11%	18,116,859	2.98%
East Midlands .....	370	7.63%	40,717,840	6.71%
Greater London .....	464	9.57%	89,090,633	14.68%

Region	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
North West.....	802	16.54%	84,625,819	13.94%
North.....	281	5.80%	26,729,889	4.40%
Northern Ireland.....	0	0.00%	0	0.00%
Outer London.....	454	9.36%	71,106,317	11.71%
South East.....	487	10.05%	73,218,175	12.06%
Scotland.....	0	0.00%	0	0.00%
South West.....	356	7.34%	46,505,705	7.66%
Wales.....	397	8.19%	39,797,852	6.56%
West Midlands.....	558	11.51%	62,878,850	10.36%
Yorkshire and Humberside.....	528	10.89%	54,240,745	8.94%
<b>Total.....</b>	<b>4,848</b>	<b>100.00%</b>	<b>607,028,683</b>	<b>100.00%</b>

#### Distribution of Loans by Property Type

Property type	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
Detached bungalow.....	136	2.81%	18,988,265	3.13%
Detached house.....	503	10.38%	94,155,978	15.51%
Flat/maisonette.....	0	0.00%	0	0.00%
Converted flat.....	1	0.02%	42,711	0.01%
Flat.....	458	9.45%	60,387,135	9.95%
Purpose build flat.....	71	1.46%	10,786,426	1.78%
Maisonette.....	38	0.78%	5,143,488	0.85%
Semi-house.....	1,530	31.56%	187,147,567	30.83%
Semi-bungalow.....	53	1.09%	7,022,202	1.16%
Terraced house.....	2,047	42.22%	222,074,263	36.58%
Terraced bungalow.....	11	0.23%	1,280,648	0.21%
<b>Total.....</b>	<b>4,848</b>	<b>100.00%</b>	<b>607,028,683</b>	<b>100.00%</b>

#### Distribution of Loans by Occupancy Type

Occupancy type	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
Owner Occupied.....	4,229	87.23%	533,929,231	87.96%
Investment Home.....	619	12.77%	73,099,452	12.04%
<b>Total.....</b>	<b>4,848</b>	<b>100.00%</b>	<b>607,028,683</b>	<b>100.00%</b>

#### Distribution of Loans by Number of Months in Arrears

Number of months in arrears	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
0.....	4,694	96.82%	587,004,764	96.70%
>0<=1.....	122	2.52%	15,698,451	2.59%
>1<=2.....	29	0.60%	3,873,859	0.64%
>2<=3.....	3	0.06%	451,609	0.07%
>3<=4.....	0	0.00%	0	0.00%
>4<=5.....	0	0.00%	0	0.00%
>=5.....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>4,848</b>	<b>100.00%</b>	<b>607,028,683</b>	<b>100.00%</b>

Sum of current principal balances of Loans in arrears: £20,023,919

Number of Loans in arrears as a percentage of the balance of the Series Portfolio: 3.18%

Average Current Balance of Loans in arrears: £130,025

Weighted average LTV of Loans in arrears: 87.08%

Largest Current Balance of the Loans in arrears: £453,187



The number of months that a Borrower is said to be in arrears by is calculated as the amount due from the Borrower but not paid divided by the current monthly payment due, rounded down to the nearest month. The current monthly payment due is not the amount due where a Borrower may have an arrangement in place. This calculation is performed at the end of the relevant calendar month and does not take into account the date during that month when the Borrower has chosen to make his monthly payment.

#### Distribution of Borrowers with County Court Judgments

Number of county court judgments	Number of Borrowers	% of Total	Aggregate Current Balance (£)	% of Total
0.....	4,071	84.74%	518,956,821	85.49%
1.....	524	10.91%	62,311,871	10.27%
2.....	137	2.85%	16,100,970	2.65%
3 or more .....	72	1.50%	9,659,022	1.59%
<b>Total.....</b>	<b>4,804</b>	<b>100.00%</b>	<b>607,028,683</b>	<b>100.00%</b>

#### Distribution of Loans by Bankruptcy Orders and Individual Voluntary Arrangements

Existence of bankruptcy orders and individual voluntary arrangements	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
0.....	4,848	100.00%	607,028,683	100.00%
1 or more .....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>4,848</b>	<b>100.00%</b>	<b>607,028,683</b>	<b>100.00%</b>

#### Distribution of Loans by Seasoning

Seasoning in months	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>0 <=5 .....	4,639	95.69%	577,501,131	95.14%
>5 <=6 .....	174	3.59%	24,745,116	4.08%
>6 <=7 .....	14	0.29%	1,561,640	0.26%
>7 <=8 .....	7	0.14%	1,393,742	0.23%
>8 <=9 .....	7	0.14%	727,016	0.12%
>9 <=10 .....	5	0.10%	866,730	0.14%
>10 <=11 .....	2	0.04%	233,307	0.04%
>11 <=12 .....	0	0.00%	0	0.00%
>12 <=13 .....	0	0.00%	0	0.00%
>13 <=14 .....	0	0.00%	0	0.00%
>14 <=15 .....	0	0.00%	0	0.00%
>15.....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>4,848</b>	<b>100.00%</b>	<b>607,028,683</b>	<b>100.00%</b>

#### Distribution of Loans by Remaining Maturity

Remaining maturity in months	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>0 <=30 .....	0	0.00%	0	0.00%
>30 <=60 .....	17	0.35%	2,721,848	0.45%
>60 <=90 .....	20	0.41%	1,725,734	0.28%
>90 <=120 .....	215	4.43%	24,031,099	3.96%
>120 <=150 .....	86	1.77%	9,045,878	1.49%
>150 <=180 .....	416	8.58%	48,263,345	7.95%
>180 <=210 .....	117	2.41%	14,388,734	2.37%
>210 <=240 .....	945	19.49%	122,242,365	20.14%
>240 <=270 .....	252	5.20%	28,156,192	4.64%
>270 <=300 .....	2,212	45.63%	290,414,190	47.84%
>300 <=330 .....	31	0.64%	3,885,304	0.64%
>330 <=360 .....	537	11.08%	62,153,994	10.24%

Remaining maturity in months	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>360 <=480 .....	0	0.00%	0	0.00%
<b>Total</b> .....	<b>4,848</b>	<b>100.00%</b>	<b>607,028,683</b>	<b>100.00%</b>

### Distribution of Loans by Remaining term to Reversion

Remaining term to reversion in months	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>=0 <=1 .....	23	0.47%	2,628,987	0.43%
>1 <=5 .....	2	0.04%	214,911	0.04%
>5 <=10 .....	15	0.31%	1,803,934	0.30%
>10 <=15 .....	89	1.84%	12,647,260	2.08%
>15 <=20 .....	920	18.98%	118,519,164	19.52%
>20 <=25 .....	2,129	43.92%	278,909,120	45.95%
>25 <=30 .....	14	0.29%	1,610,881	0.27%
>30.....	1,656	34.16%	190,694,427	31.41%
<b>Total</b> .....	<b>4,848</b>	<b>100.00%</b>	<b>607,028,683</b>	<b>100.00%</b>

### Part B: GMAC-RFC Loans Portfolio

#### Summary table of GMAC-RFC Loans

Aggregate Current Balance.....	£379,754,356	Remortgage .....	48.21%
Number of Borrowers .....	2,887	Investment Home Loan .....	16.24%
Number of Loans .....	2,931	Owner Occupied Right To Buy Loan .....	0.00%
Average Loan size .....	£129,565	Self certified .....	44.29%
Largest principal balance .....	£749,854	Borrowers with bankruptcy orders .....	0.00%
Repayment Loans .....	28.73%	Borrowers with CCJs.....	12.68%
Interest-Only Loans .....	71.27%	Borrowers with IVAs .....	0.00%
Part Interest/Repayment Loans .....	0.00%		
Right To Buy Loans .....	0.00%		
Weighted average current interest rate.....	6.18%	First charge.....	100.00%
Weighted average stabilised margin (over relevant index) .....	2.34%	Second charge .....	0.00%
Weighted average original LTV .....	82.32%		
Weighted average current LTV.....		Weighted average remaining term to maturity .....	264.30 months
Weighted average seasoning.....	4.01 months		

#### Distribution of Loans by Origination Value LTV

Origination value LTV range	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>0% <=30% .....	50	1.71%	2,340,535	0.62%
>30% <=40% .....	47	1.60%	3,328,247	0.88%
>40% <=50% .....	91	3.10%	8,168,125	2.15%
>50% <=60% .....	141	4.81%	13,453,133	3.54%
>60% <=70% .....	238	8.12%	27,082,450	7.13%
>70% <=80% .....	449	15.32%	59,335,988	15.62%
>80% <=90% .....	1,405	47.94%	198,801,819	52.35%
>90% <=100% .....	510	17.40%	67,244,059	17.71%
>100% .....	0	0.00%	0	0.00%
<b>Total</b> .....	<b>2,931</b>	<b>100.00%</b>	<b>379,754,356</b>	<b>100.00%</b>

#### Distribution of Loans by Current LTV

Current LTV range	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>0% <=30% .....	48	1.64%	2,219,383	0.58%
>30% <=40% .....	48	1.64%	3,288,750	0.87%
>40% <=50% .....	85	2.90%	7,789,758	2.05%
>50% <=60% .....	138	4.71%	12,883,987	3.39%

<u>Current LTV range</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
>60%<=70% .....	237	8.09%	27,086,938	7.13%
>70%<=80% .....	408	13.92%	53,689,466	14.14%
>80%<=90% .....	953	32.51%	135,907,303	35.79%
>90%<=100% .....	1,014	34.60%	136,888,771	36.05%
>100% .....	0	0.00%	0	0.00%
<b>Total .....</b>	<b>2,931</b>	<b>100.00%</b>	<b>379,754,356</b>	<b>100.00%</b>

Indexation has been achieved taking the details of valuations of the Properties as at the date of the original initial Loan origination and adjusting this by the Halifax Price Index.

#### Distribution of Loans by Current Balance

<u>Current Balance range</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
>£0 <=£20,000 .....	4	0.14%	69,502	0.02%
>£20,000 <=£40,000 .....	56	1.91%	1,746,495	0.46%
>£40,000 <=£60,000 .....	167	5.70%	8,510,591	2.24%
>£60,000 <=£80,000 .....	330	11.26%	23,204,447	6.11%
>£80,000 <=£100,000 .....	508	17.33%	45,700,881	12.03%
>£100,000<=£120,000 .....	506	17.26%	55,561,842	14.63%
>£120,000<=£140,000 .....	358	12.21%	46,334,204	12.20%
>£140,000<=£160,000 .....	287	9.79%	42,880,851	11.29%
>£160,000<=£180,000 .....	199	6.79%	33,541,822	8.83%
>£180,000<=£250,000 .....	378	12.90%	78,462,153	20.66%
>£250,000<=£300,000 .....	74	2.52%	19,988,551	5.26%
>£300,000<=£500,000 .....	61	2.08%	21,798,428	5.74%
>£500,000<=£1,500,000 .....	3	0.10%	1,954,589	0.51%
<b>Total .....</b>	<b>2,931</b>	<b>100.00%</b>	<b>379,754,356</b>	<b>100.00%</b>

#### Distribution of Loans by Current Interest Rate

<u>Current interest rate range</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
>0.0%<=1.0% .....	0	0.00%	0	0.00%
>1.0%<=2.0% .....	0	0.00%	0	0.00%
>2.0%<=3.0% .....	0	0.00%	0	0.00%
>3.0%<=4.0% .....	0	0.00%	0	0.00%
>4.0%<=5.0% .....	4	0.14%	524,687	0.14%
>5.0%<=6.0% .....	1,252	42.72%	162,253,793	42.73%
>6.0%<=7.0% .....	1,496	51.04%	194,711,192	51.27%
>7.0%<=8.0% .....	145	4.95%	17,794,850	4.69%
>8.0%<=9.0% .....	32	1.09%	4,144,946	1.09%
>9.0% .....	2	0.07%	324,888	0.09%
<b>Total .....</b>	<b>2,931</b>	<b>100.00%</b>	<b>379,754,356</b>	<b>100.00%</b>

#### Distribution of Loans by Stabilised Margin (over relevant index)

<u>Stabilised margin range</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
>0.0%<=0.5% .....	0	0.00%	0	0.00%
>0.5%<=1.0% .....	21	0.72%	2,310,866	0.61%
>1.0%<=1.5% .....	0	0.00%	0	0.00%
>1.5%<=2.0% .....	41	1.40%	5,494,236	1.45%
>2.0%<=2.5% .....	2,449	83.56%	317,461,309	83.60%
>2.5%<=3.0% .....	251	8.56%	33,338,246	8.78%
>3.0%<=3.5% .....	42	1.43%	4,364,298	1.15%
>3.5%<=4.0% .....	84	2.87%	10,535,479	2.77%
>4.0%<=4.5% .....	7	0.24%	778,675	0.21%
>.5%<=5.0% .....	23	0.78%	3,645,499	0.96%
>5.0% .....	13	0.44%	1,825,748	0.48%
<b>Total .....</b>	<b>2,931</b>	<b>100.00%</b>	<b>379,754,356</b>	<b>100.00%</b>

### Distribution of Loans by Current Rate Type

Rate Type	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
Discounted .....	677	23.10%	87,197,930	22.96%
No discount .....	23	0.78%	2,628,987	0.69%
Fixed .....	2,231	76.12%	289,927,439	76.35%
<b>Total .....</b>	<b>2,931</b>	<b>100.00%</b>	<b>379,754,356</b>	<b>100.00%</b>

### Distribution of Loans by Method of Amortisation

Method of amortisation	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
Amortising .....	1,022	34.87%	109,106,087	28.73%
Non-Amortising .....	1,909	65.13%	270,648,269	71.27%
<b>Total .....</b>	<b>2,931</b>	<b>100.00%</b>	<b>379,754,356</b>	<b>100.00%</b>

### Distribution of Loans by Income Verification

Income verification	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
Fully verified .....	1,717	58.58%	211,577,552	55.71%
Self certified .....	1,214	41.42%	168,176,804	44.29%
<b>Total .....</b>	<b>2,931</b>	<b>100.00%</b>	<b>379,754,356</b>	<b>100.00%</b>

### Distribution of Loans by Loan Purpose

Mortgage purpose	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
Purchase .....	1,461	49.85%	196,693,379	51.79%
Remortgage .....	1,470	50.15%	183,060,978	48.21%
<b>Total .....</b>	<b>2,931</b>	<b>100.00%</b>	<b>379,754,356</b>	<b>100.00%</b>

### Distribution of Loans by Priority

Mortgage priority	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
First charge .....	2,931	100.00%	379,754,356	100.00%
Second charge .....	0	0.00%	0	0.00%
<b>Total .....</b>	<b>2,931</b>	<b>100.00%</b>	<b>379,754,356</b>	<b>100.00%</b>

### Distribution of Loans by Region

Region	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
East Anglia .....	80	2.73%	10,445,084	2.75%
East Midlands .....	218	7.44%	25,591,443	6.74%
Greater London .....	291	9.93%	56,468,207	14.87%
North West .....	491	16.75%	52,907,336	13.93%
North .....	149	5.08%	15,100,988	3.98%
Northern Ireland .....	0	0.00%	0	0.00%
Outer London .....	278	9.48%	44,452,751	11.71%
South East .....	306	10.44%	46,195,148	12.16%
Scotland .....	0	0.00%	0	0.00%
South West .....	221	7.54%	30,245,621	7.96%
Wales .....	265	9.04%	27,626,319	7.27%
West Midlands .....	347	11.84%	40,806,296	10.75%
Yorkshire and Humberside .....	285	9.72%	29,915,162	7.88%
<b>Total .....</b>	<b>2,931</b>	<b>100.00%</b>	<b>379,754,356</b>	<b>100.00%</b>

### Distribution of Loans by Property Type

Property type	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
Detached bungalow .....	62	2.12%	10,560,637	2.78%
Detached house .....	304	10.37%	56,548,969	14.89%
Flat/maisonette .....	0	0.00%	0	0.00%
Converted flat .....	0	0.00%	0	0.00%
Flat .....	387	13.20%	51,883,119	13.66%
Purpose build flat .....	0	0.00%	0	0.00%
Maisonette .....	38	1.30%	5,143,488	1.35%
Semi-house .....	882	30.09%	111,933,160	29.48%
Semi-bungalow .....	53	1.81%	7,022,202	1.85%
Terraced house .....	1,194	40.74%	135,382,134	35.65%
Terraced bungalow .....	11	0.38%	1,280,648	0.34%
<b>Total .....</b>	<b>2,931</b>	<b>100.00%</b>	<b>379,754,356</b>	<b>100.00%</b>

### Distribution of Loans by Occupancy Type

Occupancy type	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
Owner Occupied .....	2,409	82.19%	318,098,688	83.76%
Investment Home .....	522	17.81%	61,655,669	16.24%
<b>Total .....</b>	<b>2,931</b>	<b>100.00%</b>	<b>379,754,356</b>	<b>100.00%</b>

### Distribution of Loans by Number of Months in Arrears

Number of months in arrears	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
0 .....	2,782	94.92%	360,338,830	94.89%
>0<=1 .....	117	3.99%	15,090,059	3.97%
>1<=2 .....	29	0.99%	3,873,859	1.02%
>2<=3 .....	3	0.10%	451,609	0.12%
>3<=4 .....	0	0.00%	0	0.00%
>4<=5 .....	0	0.00%	0	0.00%
>=5 .....	0	0.00%	0	0.00%
<b>Total .....</b>	<b>2,931</b>	<b>100.00%</b>	<b>379,754,356</b>	<b>100.00%</b>

Sum of current principal balances of Loans in arrears: £19,415,526

Number of Loans in arrears as a percentage of the balance of the Series Portfolio: 5.08%

Average Current Balance of Loans in arrears: £130,306

Weighted average LTV of Loans in arrears: 87.22%

Largest Current Balance of the Loans in arrears: £453,187

The number of months that a Borrower is said to be in arrears by is calculated as the amount due from the Borrower but not paid divided by the current monthly payment due, rounded down to the nearest month. The current monthly payment due is not the amount due where a Borrower may have an arrangement in place. This calculation is performed at the end of the relevant calendar month and does not take into account the date during that month when the Borrower has chosen to make his monthly payment.

### Distribution of Borrowers with County Court Judgments

Number of county court judgments	Number of Borrowers	% of Total	Aggregate Current Balance (£)	% of Total
0 .....	2,521	87.32%	334,677,869	88.13%
1 .....	286	9.91%	35,100,003	9.24%
2 .....	59	2.04%	7,410,096	1.95%

<u>Number of county court judgments</u>	<u>Number of Borrowers</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
3 or more .....	21	0.73%	2,566,388	0.68%
<b>Total.....</b>	<b>2,887</b>	<b>100.00%</b>	<b>379,754,356</b>	<b>100.00%</b>

#### Distribution of Loans by Bankruptcy Orders and Individual Voluntary Arrangements

<u>Existence of bankruptcy orders and individual voluntary arrangements</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
0.....	2,931	100.00%	379,754,356	100.00%
1 or more .....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>2,931</b>	<b>100.00%</b>	<b>379,754,356</b>	<b>100.00%</b>

#### Distribution of Loans by Seasoning

<u>Seasoning in months</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
>0 <=5 .....	2,727	93.04%	351,436,540	92.54%
>5 <=6 .....	172	5.87%	24,243,622	6.38%
>6 <=7 .....	14	0.48%	1,561,640	0.41%
>7 <=8 .....	5	0.17%	775,120	0.20%
>8 <=9 .....	6	0.20%	637,396	0.17%
>9 <=10 .....	5	0.17%	866,730	0.23%
>10 <=11 .....	2	0.07%	233,307	0.06%
>11 <=12 .....	0	0.00%	0	0.00%
>12 <=13 .....	0	0.00%	0	0.00%
>13 <=14 .....	0	0.00%	0	0.00%
>14 <=15 .....	0	0.00%	0	0.00%
>15.....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>2,931</b>	<b>100.00%</b>	<b>379,754,356</b>	<b>100.00%</b>

#### Distribution of Loans by Remaining Maturity

<u>Remaining maturity in months</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
>0 <=30 .....	0	0.00%	0	0.00%
>30 <=60 .....	9	0.31%	1,040,270	0.27%
>60 <=90 .....	12	0.41%	1,092,247	0.29%
>90 <=120 .....	117	3.99%	13,593,049	3.58%
>120 <=150 .....	49	1.67%	5,612,928	1.48%
>150 <=180 .....	231	7.88%	29,604,257	7.80%
>180 <=210 .....	67	2.29%	8,829,846	2.33%
>210 <=240 .....	553	18.87%	76,202,848	20.07%
>240 <=270 .....	163	5.56%	19,294,306	5.08%
>270 <=300 .....	1,372	46.81%	183,232,213	48.25%
>300 <=330 .....	15	0.51%	2,079,074	0.55%
>330 <=360 .....	343	11.70%	39,173,318	10.32%
>360 <=480 .....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>2,931</b>	<b>100.00%</b>	<b>379,754,356</b>	<b>100.00%</b>

#### Distribution of Loans by Remaining term to Reversion

<u>Remaining term to reversion in months</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
>=0 <=1 .....	23	0.78%	2,628,987	0.69%
>1 <=5 .....	2	0.07%	214,911	0.06%
>5 <=10 .....	13	0.44%	1,600,304	0.42%
>10 <=15 .....	77	2.63%	11,154,043	2.94%
>15 <=20 .....	919	31.35%	117,988,577	31.07%
>20 <=25 .....	1,660	56.64%	217,817,963	57.36%
>25 <=30 .....	12	0.41%	1,433,226	0.38%

Remaining term to reversion in months	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>30.....	225	7.68%	26,916,347	7.09%
<b>Total.....</b>	<b>2,931</b>	<b>100.00%</b>	<b>379,754,356</b>	<b>100.00%</b>

## Part C: KMC Loans Portfolio

### Summary table of KMC Loans

Aggregate Current Balance.....	£155,373,295	Remortgage .....	54.42%
Number of Borrowers .....	1,267	Investment Home Loan .....	6.23%
Number of Loans .....	1,267	Owner Occupied Right To Buy Loan .....	0.00%
Average Loan size .....	£122,631	Self certified .....	79.75%
Largest principal balance .....	£950,734	Borrowers with bankruptcy orders .....	0.00%
Repayment Loans .....	33.44%	Borrowers with CCJs.....	16.10%
Interest-Only Loans .....	65.39%	Borrowers with IVAs .....	0.00%
Part Interest/Repayment Loans .....	1.17%		
Right To Buy Loans .....	0.00%		
Weighted average current interest rate.....	6.48%	First charge.....	100.00%
Weighted average stabilised margin (over relevant index) .....	2.57%	Second charge .....	0.00%
Weighted average original LTV .....	76.18%		
Weighted average current LTV.....	76.13%	Weighted average remaining term to maturity .....	263.23 months
Weighted average seasoning.....	1.94 months		

### Distribution of Loans by Origination Value LTV

Origination value LTV range	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>0% <=30% .....	46	3.63%	2,139,289	1.38%
>30% <=40% .....	64	5.05%	4,147,214	2.67%
>40% <=50% .....	86	6.79%	7,177,590	4.62%
>50% <=60% .....	115	9.08%	10,970,947	7.06%
>60% <=70% .....	175	13.81%	20,732,385	13.34%
>70% <=80% .....	198	15.63%	23,892,509	15.38%
>80% <=90% .....	306	24.15%	45,207,061	29.10%
>90% <=100% .....	277	21.86%	41,106,299	26.46%
>100% .....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>1,267</b>	<b>100.00%</b>	<b>155,373,295</b>	<b>100.00%</b>

### Distribution of Loans by Current LTV

Current LTV range	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>0% <=30% .....	46	3.63%	2,139,289	1.38%
>30% <=40% .....	67	5.29%	4,462,084	2.87%
>40% <=50% .....	85	6.71%	6,992,019	4.50%
>50% <=60% .....	114	9.00%	10,943,511	7.04%
>60% <=70% .....	175	13.81%	20,820,328	13.40%
>70% <=80% .....	196	15.47%	23,461,805	15.10%
>80% <=90% .....	311	24.55%	46,022,163	29.62%
>90% <=100% .....	272	21.47%	40,326,460	25.95%
>100% .....	1	0.08%	205,636	0.13%
<b>Total.....</b>	<b>1,267</b>	<b>100.00%</b>	<b>155,373,295</b>	<b>100.00%</b>

Indexation has been achieved taking the details of valuations of the Properties as at the date of the original initial Loan origination and adjusting this by the Halifax Price Index.

## Distribution of Loans by Current Balance

Current Balance range	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>£0 <=£20,000.....	0	0.00%	-	0.00%
>£20,000 <=£40,000.....	47	3.71%	1,524,388	0.98%
>£40,000 <=£60,000.....	107	8.45%	5,389,334	3.47%
>£60,000 <=£80,000.....	204	16.10%	14,375,920	9.25%
>£80,000 <=£100,000.....	208	16.42%	18,489,374	11.90%
>£100,000 <=£120,000.....	181	14.29%	19,757,030	12.72%
>£120,000 <=£140,000.....	141	11.13%	18,252,627	11.75%
>£140,000 <=£160,000.....	96	7.58%	14,373,166	9.25%
>£160,000 <=£180,000.....	70	5.52%	11,804,747	7.60%
>£180,000 <=£250,000.....	160	12.63%	33,219,098	21.38%
>£250,000 <=£300,000.....	29	2.29%	7,834,896	5.04%
>£300,000 <=£500,000.....	19	1.50%	6,868,905	4.42%
>£500,000 <=£1,500,000.....	5	0.39%	3,483,811	2.24%
<b>Total.....</b>	<b>1,267</b>	<b>100.00%</b>	<b>155,373,295</b>	<b>100.00%</b>

## Distribution of Loans by Current Interest Rate

Current interest rate range	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>0.0% <=1.0%.....	0	0.00%	0	0.00%
>1.0% <=2.0%.....	0	0.00%	0	0.00%
>2.0% <=3.0%.....	0	0.00%	0	0.00%
>3.0% <=4.0%.....	0	0.00%	0	0.00%
>4.0% <=5.0%.....	0	0.00%	0	0.00%
>5.0% <=6.0%.....	379	29.91%	37,239,734	23.97%
>6.0% <=7.0%.....	737	58.17%	95,555,151	61.50%
>7.0% <=8.0%.....	136	10.73%	19,709,813	12.69%
>8.0% <=9.0%.....	15	1.18%	2,868,597	1.85%
>9.0%.....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>1,267</b>	<b>100.00%</b>	<b>155,373,295</b>	<b>100.00%</b>

## Distribution of Loans by Stabilised Margin (over relevant index)

Stabilised margin range	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>0.0% <=0.5%.....	0	0.00%	0	0.00%
>0.5% <=1.0%.....	0	0.00%	0	0.00%
>1.0% <=1.5%.....	37	2.92%	3,639,981	2.34%
>1.5% <=2.0%.....	269	21.23%	25,619,873	16.49%
>2.0% <=2.5%.....	440	34.73%	57,043,526	36.71%
>2.5% <=3.0%.....	296	23.36%	37,408,167	24.08%
>3.0% <=3.5%.....	116	9.16%	14,355,920	9.24%
>3.5% <=4.0%.....	66	5.21%	9,808,773	6.31%
>4.0% <=4.5%.....	34	2.68%	5,703,113	3.67%
>4.5% <=5.0%.....	9	0.71%	1,793,942	1.15%
>5.0%.....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>1,267</b>	<b>100.00%</b>	<b>155,373,295</b>	<b>100.00%</b>

## Distribution of Loans by Current Rate Type

Rate Type	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
Discounted.....	49	3.87%	6,267,413	4.03%
No discount.....	0	0.00%	0	0.00%
Fixed.....	1,218	96.13%	149,105,882	95.97%
<b>Total.....</b>	<b>1,267</b>	<b>100.00%</b>	<b>155,373,295</b>	<b>100.00%</b>



### Distribution of Loans by Method of Amortisation

Method of amortisation	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
Amortising.....	542	42.78%	51,950,749	33.44%
Non-Amortising.....	725	57.22%	103,422,547	66.56%
<b>Total.....</b>	<b>1,267</b>	<b>100.00%</b>	<b>155,373,295</b>	<b>100.00%</b>

### Distribution of Loans by Income Verification

Income verification	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
Fully verified.....	303	23.91%	31,466,761	20.25%
Self certified.....	964	76.09%	123,906,534	79.75%
<b>Total.....</b>	<b>1,267</b>	<b>100.00%</b>	<b>155,373,295</b>	<b>100.00%</b>

### Distribution of Loans by Loan Purpose

Mortgage purpose	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
Purchase.....	516	40.73%	70,825,929	45.58%
Remortgage.....	751	59.27%	84,547,366	54.42%
<b>Total.....</b>	<b>1,267</b>	<b>100.00%</b>	<b>155,373,295</b>	<b>100.00%</b>

### Distribution of Loans by Priority

Mortgage priority	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
First charge.....	1,267	100.00%	155,373,295	100.00%
Second charge.....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>1,267</b>	<b>100.00%</b>	<b>155,373,295</b>	<b>100.00%</b>

### Distribution of Loans by Region

Region	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
East Anglia.....	46	3.63%	5,227,458	3.36%
East Midlands.....	97	7.66%	9,885,146	6.36%
Greater London.....	120	9.47%	23,429,871	15.08%
North West.....	213	16.81%	21,781,361	14.02%
North.....	87	6.87%	7,946,640	5.11%
Northern Ireland.....	0	0.00%	0	0.00%
Outer London.....	127	10.02%	19,987,926	12.86%
South East.....	135	10.66%	20,452,835	13.16%
Scotland.....	0	0.00%	0	0.00%
South West.....	82	6.47%	10,274,089	6.61%
Wales.....	81	6.39%	7,154,154	4.60%
West Midlands.....	125	9.87%	13,932,372	8.97%
Yorkshire and Humberside.....	154	12.15%	15,301,443	9.85%
<b>Total.....</b>	<b>1,267</b>	<b>100.00%</b>	<b>155,373,295</b>	<b>100.00%</b>

### Distribution of Loans by Property Type

Property type	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
Detached bungalow.....	47	3.71%	5,519,926	3.55%
Detached house.....	139	10.97%	26,428,595	17.01%
Flat/maisonette.....	0	0.00%	0	0.00%
Converted flat.....	1	0.08%	42,711	0.03%
Flat.....	28	2.21%	2,798,097	1.80%

<u>Property type</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
Purpose build flat.....	71	5.60%	10,786,426	6.94%
Maisonette.....	0	0.00%	0	0.00%
Semi-house.....	429	33.86%	50,717,452	32.64%
Semi-bungalow.....	0	0.00%	0	0.00%
Terraced house.....	552	43.57%	59,080,088	38.02%
Terraced bungalow.....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>1,267</b>	<b>100.00%</b>	<b>155,373,295</b>	<b>100.00%</b>

#### Distribution of Loans by Occupancy Type

<u>Occupancy type</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
Owner Occupied.....	1,191	94.00%	145,691,904	93.77%
Investment Home.....	76	6.00%	9,681,391	6.23%
<b>Total.....</b>	<b>1,267</b>	<b>100.00%</b>	<b>155,373,295</b>	<b>100.00%</b>

#### Distribution of Loans by Number of Months in Arrears

<u>Number of months in arrears</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
0.....	1,266	99.92%	155,310,500	99.96%
>0<=1.....	1	0.08%	62,795	0.04%
>1<=2.....	0	0.00%	0	0.00%
>2<=3.....	0	0.00%	0	0.00%
>3<=4.....	0	0.00%	0	0.00%
>4<=5.....	0	0.00%	0	0.00%
>=5.....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>1,267</b>	<b>100.00%</b>	<b>155,373,295</b>	<b>100.00%</b>

Sum of current principal balances of Loans in arrears: £62,795

Number of Loans in arrears as a percentage of the balance of the Series Portfolio: 0.08%.

Average Current Balance of Loans in arrears: £62,795

Weighted average LTV of Loans in arrears: 78.49%

Largest Current Balance of the Loans in arrears: £62,795

The number of months that a Borrower is said to be in arrears by is calculated as the amount due from the Borrower but not paid divided by the current monthly payment due, rounded down to the nearest month. The current monthly payment due is not the amount due where a Borrower may have an arrangement in place. This calculation is performed at the end of the relevant calendar month and does not take into account the date during that month when the Borrower has chosen to make his monthly payment.

#### Distribution of Borrowers with County Court Judgments

<u>Number of county court judgments</u>	<u>Number of Borrowers</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
0.....	1,063	83.90%	131,372,647	84.55%
1.....	136	10.73%	15,912,348	10.24%
2.....	41	3.24%	4,654,620	3.00%
3 or more.....	27	2.13%	3,433,680	2.21%
<b>Total.....</b>	<b>1,267</b>	<b>100.00%</b>	<b>155,373,295</b>	<b>100.00%</b>

## Distribution of Loans by Bankruptcy Orders and Individual Voluntary Arrangements

Existence of bankruptcy orders and individual voluntary arrangements	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
0.....	1,267	100.00%	155,373,295	100.00%
1 or more .....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>1,267</b>	<b>100.00%</b>	<b>155,373,295</b>	<b>100.00%</b>

## Distribution of Loans by Seasoning

Seasoning in months	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>0 <=5 .....	1,262	99.61%	154,163,559	99.22%
>5 <=6 .....	2	0.16%	501,493	0.32%
>6 <=7 .....	0	0.00%	0	0.00%
>7 <=8 .....	2	0.16%	618,623	0.40%
>8 <=9 .....	1	0.08%	89,620	0.06%
>9 <=10 .....	0	0.00%	0	0.00%
>10 <=11 .....	0	0.00%	0	0.00%
>11 <=12 .....	0	0.00%	0	0.00%
>12 <=13 .....	0	0.00%	0	0.00%
>13 <=14 .....	0	0.00%	0	0.00%
>14 <=15 .....	0	0.00%	0	0.00%
>15.....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>1,267</b>	<b>100.00%</b>	<b>155,373,295</b>	<b>100.00%</b>

## Distribution of Loans by Remaining Maturity

Remaining maturity in months	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>0 <=30 .....	0	0.00%	0	0.00%
>30 <=60 .....	8	0.63%	1,681,578	1.08%
>60 <=90 .....	8	0.63%	633,487	0.41%
>90 <=120 .....	68	5.37%	7,826,816	5.04%
>120 <=150 .....	26	2.05%	2,525,105	1.63%
>150 <=180 .....	106	8.37%	11,751,577	7.56%
>180 <=210 .....	32	2.53%	4,051,605	2.61%
>210 <=240 .....	227	17.92%	27,678,119	17.81%
>240 <=270 .....	57	4.50%	5,502,634	3.54%
>270 <=300 .....	596	47.04%	77,082,095	49.61%
>300 <=330 .....	8	0.63%	974,473	0.63%
>330 <=360 .....	131	10.34%	15,665,807	10.08%
>360 <=480 .....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>1,267</b>	<b>100.00%</b>	<b>155,373,295</b>	<b>100.00%</b>

## Distribution of Loans by Remaining term to Reversion

Remaining term to reversion in months	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>=0 <=1 .....	0	0.00%	0	0.00%
>1 <=5 .....	0	0.00%	0	0.00%
>5 <=10 .....	2	0.16%	203,630	0.13%
>10 <=15 .....	2	0.16%	123,571	0.08%
>15 <=20 .....	1	0.08%	530,587	0.34%
>20 <=25 .....	425	33.54%	56,180,009	36.16%
>25 <=30 .....	2	0.16%	177,656	0.11%
>30.....	835	65.90%	98,157,842	63.18%
<b>Total.....</b>	<b>1,267</b>	<b>100.00%</b>	<b>155,373,295</b>	<b>100.00%</b>

## Part D: MPL Loans Portfolio

### Summary table of MPL Loans

Aggregate Current Balance.....	£71,901,031	Remortgage .....	85.09%
Number of Borrowers .....	650	Investment Home Loan .....	2.45%
Number of Loans .....	650	Owner Occupied Right To Buy Loan .....	0.00%
Average Loan size .....	£110,617	Self certified.....	50.89%
Largest principal balance .....	£599,962	Borrowers with bankruptcy orders .....	0.00%
Repayment Loans .....	48.95%	Borrowers with CCJs .....	25.08%
Interest-Only Loans .....	49.95%	Borrowers with IVAs .....	0.00%
Part Interest/Repayment Loans .....	1.10%		
Right To Buy Loans .....	0.00%		
Weighted average current interest rate.....	6.39%	First charge.....	100.00%
Weighted average stabilised margin (over relevant index) .....	2.66%	Second charge .....	0.00%
Weighted average original LTV .....	73.74%		
Weighted average current LTV.....	73.65%	Weighted average remaining term to maturity ..	262.78 months
Weighted average seasoning.....	1.76 months		

### Distribution of Loans by Origination Value LTV

Origination value LTV range	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>0% <=30% .....	28	4.31%	1,430,098	1.99%
>30% <=40% .....	27	4.15%	1,489,458	2.07%
>40% <=50% .....	44	6.77%	3,746,812	5.21%
>50% <=60% .....	86	13.23%	7,946,915	11.05%
>60% <=70% .....	92	14.15%	9,604,200	13.36%
>70% <=80% .....	122	18.77%	14,058,263	19.55%
>80% <=90% .....	251	38.62%	33,625,287	46.77%
>90% <=100% .....	0	0.00%	0	0.00%
>100% .....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>650</b>	<b>100.00%</b>	<b>71,901,031</b>	<b>100.00%</b>

### Distribution of Loans by Current LTV

Current LTV range	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>0% <=30% .....	28	4.31%	1,430,098	1.99%
>30% <=40% .....	27	4.15%	1,489,458	2.07%
>40% <=50% .....	45	6.92%	3,799,753	5.28%
>50% <=60% .....	85	13.08%	7,893,973	10.98%
>60% <=70% .....	93	14.31%	9,708,833	13.50%
>70% <=80% .....	121	18.62%	13,953,630	19.41%
>80% <=90% .....	250	38.46%	33,475,854	46.56%
>90% <=100% .....	1	0.15%	149,432	0.21%
>100% .....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>650</b>	<b>100.00%</b>	<b>71,901,031</b>	<b>100.00%</b>

Indexation has been achieved taking the details of valuations of the Properties as at the date of the original initial Loan origination and adjusting this by the Halifax Price Index.

### Distribution of Loans by Current Balance

Current Balance range	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>£0 <=£20,000.....	0	0.00%	-	0.00%
>£20,000 <=£40,000.....	25	3.85%	808,772	1.12%
>£40,000 <=£60,000.....	77	11.85%	3,947,507	5.49%
>£60,000 <=£80,000.....	135	20.77%	9,456,941	13.15%
>£80,000 <=£100,000.....	108	16.62%	9,691,204	13.48%
>£100,000 <=£120,000.....	88	13.54%	9,649,899	13.42%
>£120,000 <=£140,000.....	64	9.85%	8,253,387	11.48%
>£140,000 <=£160,000.....	55	8.46%	8,182,364	11.38%
>£160,000 <=£180,000.....	25	3.85%	4,246,793	5.91%
>£180,000 <=£250,000.....	54	8.31%	11,238,459	15.63%

<u>Current Balance range</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
>£250,000<=£300,000 .....	10	1.54%	2,727,268	3.79%
>£300,000<=£500,000 .....	8	1.23%	3,098,475	4.31%
>£500,000<=£1,500,000 .....	1	0.15%	599,962	0.83%
<b>Total</b> .....	<b>650</b>	<b>100.00%</b>	<b>71,901,031</b>	<b>100.00%</b>

#### Distribution of Loans by Current Interest Rate

<u>Current interest rate range</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
>0.0%<=1.0% .....	0	0.00%	0	0.00%
>1.0%<=2.0% .....	0	0.00%	0	0.00%
>2.0%<=3.0% .....	0	0.00%	0	0.00%
>3.0%<=4.0% .....	0	0.00%	0	0.00%
>4.0%<=5.0% .....	1	0.15%	86,440	0.12%
>5.0%<=6.0% .....	252	38.77%	22,959,076	31.93%
>6.0%<=7.0% .....	293	45.08%	35,101,402	48.82%
>7.0%<=8.0% .....	100	15.38%	13,432,258	18.68%
>8.0%<=9.0% .....	4	0.62%	321,855	0.45%
>9.0% .....	0	0.00%	0	0.00%
<b>Total</b> .....	<b>650</b>	<b>100.00%</b>	<b>71,901,031</b>	<b>100.00%</b>

#### Distribution of Loans by Stabilised Margin (over relevant index)

<u>Stabilised margin range</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
>0.0%<=0.5% .....	0	0.00%	0	0.00%
>0.5%<=1.0% .....	0	0.00%	0	0.00%
>1.0%<=1.5% .....	98	15.08%	8,925,696	12.41%
>1.5%<=2.0% .....	122	18.77%	10,407,158	14.47%
>2.0%<=2.5% .....	116	17.85%	12,675,393	17.63%
>2.5%<=3.0% .....	121	18.62%	15,227,133	21.18%
>3.0%<=3.5% .....	78	12.00%	9,638,627	13.41%
>3.5%<=4.0% .....	64	9.85%	7,986,296	11.11%
>4.0%<=4.5% .....	36	5.54%	4,835,507	6.73%
>4.5%<=5.0% .....	15	2.31%	2,205,221	3.07%
>5.0% .....	0	0.00%	0	0.00%
<b>Total</b> .....	<b>650</b>	<b>100.00%</b>	<b>71,901,031</b>	<b>100.00%</b>

#### Distribution of Loans by Current Rate Type

<u>Rate Type</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
Discounted .....	41	6.31%	4,883,689	6.79%
No discount .....	0	0.00%	0	0.00%
Fixed .....	609	93.69%	67,017,342	93.21%
<b>Total</b> .....	<b>650</b>	<b>100.00%</b>	<b>71,901,031</b>	<b>100.00%</b>

#### Distribution of Loans by Method of Amortisation

<u>Method of amortisation</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
Amortising .....	381	58.62%	35,195,755	48.95%
Non-Amortising .....	269	41.38%	36,705,277	51.05%
<b>Total</b> .....	<b>650</b>	<b>100.00%</b>	<b>71,901,031</b>	<b>100.00%</b>

### Distribution of Loans by Income Verification

<u>Income verification</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
Fully verified.....	365	56.15%	35,313,250	49.11%
Self certified.....	285	43.85%	36,587,781	50.89%
<b>Total.....</b>	<b>650</b>	<b>100.00%</b>	<b>71,901,031</b>	<b>100.00%</b>

### Distribution of Loans by Loan Purpose

<u>Mortgage purpose</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
Purchase.....	98	15.08%	10,719,572	14.91%
Remortgage.....	552	84.92%	61,181,459	85.09%
<b>Total.....</b>	<b>650</b>	<b>100.00%</b>	<b>71,901,031</b>	<b>100.00%</b>

### Distribution of Loans by Priority

<u>Mortgage priority</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
First charge.....	650	100.00%	71,901,031	100.00%
Second charge.....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>650</b>	<b>100.00%</b>	<b>71,901,031</b>	<b>100.00%</b>

### Distribution of Loans by Region

<u>Region</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
East Anglia.....	25	3.85%	2,444,317	3.40%
East Midlands.....	55	8.46%	5,241,251	7.29%
Greater London.....	53	8.15%	9,192,554	12.79%
North West.....	98	15.08%	9,937,122	13.82%
North.....	45	6.92%	3,682,261	5.12%
Northern Ireland.....	0	0.00%	0	0.00%
Outer London.....	49	7.54%	6,665,639	9.27%
South East.....	46	7.08%	6,570,193	9.14%
Scotland.....	0	0.00%	0	0.00%
South West.....	53	8.15%	5,985,996	8.33%
Wales.....	51	7.85%	5,017,379	6.98%
West Midlands.....	86	13.23%	8,140,182	11.32%
Yorkshire and Humberside.....	89	13.69%	9,024,139	12.55%
<b>Total.....</b>	<b>650</b>	<b>100.00%</b>	<b>71,901,031</b>	<b>100.00%</b>

### Distribution of Loans by Property Type

<u>Property type</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
Detached bungalow.....	27	4.15%	2,907,701	4.04%
Detached house.....	60	9.23%	11,178,415	15.55%
Flat/maisonette.....	0	0.00%	0	0.00%
Converted flat.....	0	0.00%	0	0.00%
Flat.....	43	6.62%	5,705,919	7.94%
Purpose build flat.....	0	0.00%	0	0.00%
Maisonette.....	0	0.00%	0	0.00%
Semi-house.....	219	33.69%	24,496,954	34.07%
Semi-bungalow.....	0	0.00%	0	0.00%
Terraced house.....	301	46.31%	27,612,042	38.40%

<u>Property type</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
Terraced bungalow .....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>650</b>	<b>100.00%</b>	<b>71,901,031</b>	<b>100.00%</b>

### Distribution of Loans by Occupancy Type

<u>Occupancy type</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
Owner Occupied.....	629	96.77%	70,138,639	97.55%
Investment Home.....	21	3.23%	1,762,392	2.45%
<b>Total.....</b>	<b>650</b>	<b>100.00%</b>	<b>71,901,031</b>	<b>100.00%</b>

### Distribution of Loans by Number of Months in Arrears

<u>Number of months in arrears</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
0.....	646	99.38%	71,355,434	99.24%
>0<=1.....	4	0.62%	545,597	0.76%
>1<=2.....	0	0.00%	0	0.00%
>2<=3.....	0	0.00%	0	0.00%
>3<=4.....	0	0.00%	0	0.00%
>4<=5.....	0	0.00%	0	0.00%
>=5.....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>650</b>	<b>100.00%</b>	<b>71,901,031</b>	<b>100.00%</b>

Sum of current principal balances of Loans in arrears: £545,597

Number of Loans in arrears as a percentage of the balance of the Series Portfolio: 0.62%

Average Current Balance of Loans in arrears: £136,399

Weighted average LTV of Loans in arrears: 82.95%

Largest Current Balance of the Loans in arrears: £192,995

The number of months that a Borrower is said to be in arrears by is calculated as the amount due from the Borrower but not paid divided by the current monthly payment due, rounded down to the nearest month. The current monthly payment due is not the amount due where a Borrower may have an arrangement in place. This calculation is performed at the end of the relevant calendar month and does not take into account the date during that month when the Borrower has chosen to make his monthly payment.

### Distribution of Borrowers with County Court Judgments

<u>Number of county court judgments</u>	<u>Number of Borrowers</u>	<u>% of Total</u>	<u>Aggregate Current Balance (£)</u>	<u>% of Total</u>
0.....	487	74.92%	52,906,305	73.58%
1.....	102	15.69%	11,299,519	15.72%
2.....	37	5.69%	4,036,254	5.61%
3 or more .....	24	3.69%	3,658,954	5.09%
<b>Total.....</b>	<b>650</b>	<b>100.00%</b>	<b>71,901,031</b>	<b>100.00%</b>

## Distribution of Loans by Bankruptcy Orders and Individual Voluntary Arrangements

Existence of bankruptcy orders and individual voluntary arrangements	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
0.....	650	100.00%	71,901,031	100.00%
1 or more .....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>650</b>	<b>100.00%</b>	<b>71,901,031</b>	<b>100.00%</b>

## Distribution of Loans by Seasoning

Seasoning in months	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>0 <=5 .....	650	100.00%	71,901,031	100.00%
>5 <=6 .....	0	0.00%	0	0.00%
>6 <=7 .....	0	0.00%	0	0.00%
>7 <=8 .....	0	0.00%	0	0.00%
>8 <=9 .....	0	0.00%	0	0.00%
>9 <=10 .....	0	0.00%	0	0.00%
>10 <=11 .....	0	0.00%	0	0.00%
>11 <=12 .....	0	0.00%	0	0.00%
>12 <=13 .....	0	0.00%	0	0.00%
>13 <=14 .....	0	0.00%	0	0.00%
>14 <=15 .....	0	0.00%	0	0.00%
>15.....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>650</b>	<b>100.00%</b>	<b>71,901,031</b>	<b>100.00%</b>

## Distribution of Loans by Remaining Maturity

Remaining maturity in months	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>0 <=30 .....	0	0.00%	0	0.00%
>30 <=60 .....	0	0.00%	0	0.00%
>60 <=90 .....	0	0.00%	0	0.00%
>90 <=120 .....	30	4.62%	2,611,234	3.63%
>120 <=150 .....	11	1.69%	907,846	1.26%
>150 <=180 .....	79	12.15%	6,907,511	9.61%
>180 <=210 .....	18	2.77%	1,507,283	2.10%
>210 <=240 .....	165	25.38%	18,361,397	25.54%
>240 <=270 .....	32	4.92%	3,359,252	4.67%
>270 <=300 .....	244	37.54%	30,099,882	41.86%
>300 <=330 .....	8	1.23%	831,757	1.16%
>330 <=360 .....	63	9.69%	7,314,869	10.17%
>360 <=480 .....	0	0.00%	0	0.00%
<b>Total.....</b>	<b>650</b>	<b>100.00%</b>	<b>71,901,031</b>	<b>100.00%</b>

## Distribution of Loans by Remaining term to Reversion

Remaining term to reversion in months	Number of Loans	% of Total	Aggregate Current Balance (£)	% of Total
>=0 <=1 .....	0	0.00%	0	0.00%
>1 <=5 .....	0	0.00%	0	0.00%
>5 <=10 .....	0	0.00%	0	0.00%
>10 <=15 .....	10	1.54%	1,369,646	1.90%
>15 <=20 .....	0	0.00%	0	0.00%
>20 <=25 .....	44	6.77%	4,911,148	6.83%
>25 <=30 .....	0	0.00%	0	0.00%
>30.....	596	91.69%	65,620,238	91.26%
<b>Total.....</b>	<b>650</b>	<b>100.00%</b>	<b>71,901,031</b>	<b>100.00%</b>



## WEIGHTED AVERAGE LIVES OF THE NOTES

Weighted average life refers to the average amount of time that will elapse from the date of issue 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, the principal payment dates and expected maturity dates of the Notes will be influenced by, inter alia, the actual rate of prepayment of the Loans in the Series Portfolio.

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

The following tables were prepared based on the characteristics of the 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 Loan is sold by the Series AssetCo;
- (c) no Series Principal Deficiency arises;
- (d) no Loan is repurchased by the Seller;
- (e) no Further Advances are made in respect of any Loan in the Series Portfolio;
- (f) no Substitute Loans are purchased;
- (g) the portfolio mix of loan characteristics remains the same throughout the life of the Notes;
- (h) Note LIBOR is equal to 5.73%;
- (i) the Bank Base Rate is equal to 5.25%;
- (j) following the expiry of the fixed rate/discount period (if applicable), the interest rate on each Loan is equal to the relevant plus a margin;
- (k) (for the purposes of the tables set out under the heading "*Weighted Average Life in Years (with Optional Redemption Assumption)*") the Notes are redeemed in full at the first optional redemption date where the aggregate sterling equivalent Principal Amount Outstanding of the Notes is reduced to 10% or less of the aggregate sterling equivalent Principal Amount Outstanding of the A Notes, the M Notes and the B Notes on the Issue Date (the "**Optional Redemption Assumption**");
- (l) the amortisation of any Repayment Loan is calculated as an annuity loan;
- (m) all Loans which are not Interest Only Loans are assumed to be Repayment Loans;
- (n) the Issue Date is 18 July 2007;
- (o) the date of the Trigger Rate occurs at the earliest possible date and the Notes amortise following the Series Pre-Enforcement Principal Priority of Payments as from that date;
- (p) the weighted average spread on the Notes on the Issue Date is 0.2645% over Note LIBOR (including the C Notes and the D Notes); and
- (q) the Notes accrue interest on an Actual/365 basis.

The actual characteristics and performance of the Loans are likely to differ from the assumptions used in constructing the tables set forth below. The following tables are hypothetical in nature and are provided only to give a general sense of how the principal cash flows might behave under varying prepayment scenarios. For example, it is not expected that the Loans will prepay at a constant rate until maturity, that

all of the Loans will prepay at the same rate or that there will be no defaults or delinquencies on the Loans. Moreover, the diverse remaining terms to maturity of the Loans could produce slower or faster principal distributions than indicated in the tables at the various percentages of CPR specified, even if the weighted average remaining term to maturity of the Loans is assumed. Any difference between such assumptions and the actual characteristics and performance of the Loans, will affect the percentage of the initial amount outstanding of the Notes which are outstanding over time and cause the weighted average lives, the expected maturities or principal payment windows of the Notes to differ (which difference could be material) from the corresponding information in the tables for each indicated percentage of CPR.

The weighted average lives shown below were determined by (i) multiplying the net reduction, if any, of the Principal Amount Outstanding of each class of Notes by the number of years from the date of issuance of the Notes to the related Distribution Date, (ii) adding the results and (iii) dividing the sum by the aggregate of the net reductions of the Principal Amount Outstanding described in (i) above.

The first principal payment date has been calculated on the first expected Interest Payment Date on which the Class of Notes is expected to receive principal. The expected maturity date of the Notes has been calculated on the expected Interest Payment Date on which the Class of Note is finally repaid under the relevant CPR scenarios.

Subject to the foregoing discussion and assumptions, the following tables indicate the weighted average lives of the A1 Notes, the A2 Notes, the A3 Notes, the A4 Notes, the M1 Notes, the M2 Notes, the B1 Notes, the B2 Notes, the C Notes and the D Notes. The weighted average lives of the Notes have been calculated on a 30/360 basis.

**TABLE 1: WEIGHTED AVERAGE LIFE IN YEARS (WITH OPTIONAL REDEMPTION ASSUMPTION)**

<b>CPR</b>	<b>0%</b>	<b>5%</b>	<b>10%</b>	<b>15%</b>	<b>20%</b>	<b>25%</b>	<b>30%</b>	<b>35%</b>	<b>40%</b>	<b>15%- 35%</b>
A1 Notes .....	11.61	3.03	1.63	1.12	0.86	0.70	0.59	0.52	0.46	0.97
A2 Notes .....	21.21	9.94	5.55	3.74	2.79	2.21	1.81	1.52	1.30	2.13
A3 Notes .....	24.87	20.52	13.81	9.73	7.38	5.75	4.61	3.90	3.22	4.58
A4 Notes .....	25.05	20.56	14.04	9.87	7.39	5.96	4.95	4.14	3.56	4.64
M1 Notes .....	25.05	20.56	14.04	9.87	7.39	5.96	4.95	4.14	3.56	4.64
M2 Notes .....	25.05	20.56	14.04	9.87	7.39	5.96	4.95	4.14	3.56	4.64
B1 Notes .....	25.05	20.56	14.04	9.87	7.39	5.96	4.95	4.14	3.56	4.64
B2 Notes .....	25.05	20.56	14.04	9.87	7.39	5.96	4.95	4.14	3.56	4.64
C Notes .....	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
D Notes .....	0.92	0.92	0.92	0.93	0.93	0.94	0.94	0.94	0.95	0.93

15-35% CPR indicates CPR of 15% for the first 12 months followed by a CPR of 35% thereafter.

**TABLE 2: WEIGHTED AVERAGE LIFE IN YEARS (WITHOUT OPTIONAL REDEMPTION ASSUMPTION)**

<b>CPR</b>	<b>0%</b>	<b>5%</b>	<b>10%</b>	<b>15%</b>	<b>20%</b>	<b>25%</b>	<b>30%</b>	<b>35%</b>	<b>40%</b>	<b>15%- 35%</b>
A1 Notes .....	11.61	3.03	1.63	1.12	0.86	0.70	0.59	0.52	0.46	0.97
A2 Notes .....	21.21	9.94	5.55	3.74	2.79	2.21	1.81	1.52	1.30	2.13
A3 Notes .....	24.99	20.52	14.12	10.06	7.65	5.94	4.74	4.01	3.30	4.71
A4 Notes .....	25.83	20.56	15.08	10.85	8.18	6.55	5.44	4.53	3.91	5.06
M1 Notes .....	25.96	20.56	15.51	11.34	8.58	6.91	5.75	4.78	4.15	5.30
M2 Notes .....	26.00	20.98	15.60	11.96	9.17	7.40	6.17	5.12	4.48	5.63
B1 Notes .....	26.01	21.48	15.66	12.61	9.88	8.07	6.77	5.59	4.94	6.11
B2 Notes .....	26.01	21.54	16.67	12.98	10.90	9.26	7.94	6.56	5.90	7.07
C Notes .....	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
D Notes .....	0.92	0.92	0.92	0.93	0.93	0.94	0.94	0.94	0.95	0.93

15-35% CPR indicates CPR of 15% for the first 12 months followed by a CPR of 35% thereafter.

## GENERAL INFORMATION

1. It is expected that each Class 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 Class. The approval of the Programme in respect of the Notes was granted on or about 18 July 2007.
2. The Irish Paying Agent in respect of the Series will be NCB Stockbrokers Limited at 3 George's Dock, International Financial Services Centre, Dublin 1, Ireland.
3. The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer dated on or about 13 July 2007.
4. 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.
5. 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 incorporating being 19 March 2007.
6. From the date hereof and for so long as the Notes are outstanding, copies of the following documents will, when published, be available in electronic form from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and in Dublin:
  - (i) this Supplement;
  - (ii) the Memorandum and Articles of Association of the Series AssetCo;
  - (iii) the Series 2007-1B Intercompany Loans Agreement;
  - (iv) the Series 2007-1B AssetCo Security Deed;
  - (v) the Series 2007-1 Portfolio Purchase Agreement;
  - (vi) the Series 2007-1 AssetCo Bank Account Agreement;
  - (vii) the Series Trust Deed;
  - (viii) the Series Paying Agency Agreement;
  - (ix) the Series 2007-1 Guaranteed Investment Contract;
  - (x) the Series 2007-1 Liquidity Facility Agreement;
  - (xi) the Series 2007-1 Currency Swap Agreements;
  - (xii) the Series 2007-1 Bullet Cap Agreement;
  - (xiii) the Series 2007-1 BBR Swap Agreement;
  - (xiv) the Series 2007-1B Fixed/Floating Swap Agreement;
  - (xv) Issuer Bank Account Agreement;
  - (xvi) Issuer Security Deed Supplement; and
  - (xvii) Supplement Trust Deed

The documents set out in paragraphs (b) to (xv) (inclusive) immediately above comprise the Series Transaction Documents.

7. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Mortgage Backed Floating Rate Notes and is not itself seeking admission of the Mortgage Backed Floating Rate Notes to the official list of the Irish Stock Exchange or to trading on the Irish Stock Exchange for the purposes of the Prospectus Directive.

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Supplement.

Signed for and on behalf of the Issuer:

By:

Duly authorised

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