

BASE PROSPECTUS DATED 17 NOVEMBER 2006

E-MAC Program B.V.
(Incorporated in the Netherlands with its statutory seat in Amsterdam, the Netherlands)

Residential Mortgage Backed Secured Debt Issuance Programme

Application has been made to the Irish Financial Services Regulatory Authority, as competent authority under the Prospectus Directive, for this Base Prospectus to be approved. This document constitutes a Base Prospectus within the meaning of the Prospectus Directive and is issued in compliance with the Prospectus Directive and relevant implementing measures in Ireland for the purpose of giving information with regard to the issue of Notes under the Programme during the period of twelve (12) months after the date hereof.

Under this Programme the Issuer may from time to time issue Notes. For each new issue a new Compartment of Notes shall be used and the Notes shall only be issued in Compartments. Each Compartment will be linked to a specific Pool of Mortgage Receivables. Each Compartment will comprise of either Floating Rate Notes or Fixed Rate Notes or a combination of Fixed Rate Notes and Floating Rate Notes.

Each Compartment will be issued to finance the purchase of a Pool of Mortgage Receivables and will be indirectly secured by a right of pledge over such Pool and the Beneficiary Rights relating to such Pool in favour of the Security Trustee and a right of pledge in favour of the Security Trustee over certain of the other assets of the Issuer to the extent such assets are related to the relevant Pool. Recourse in respect of the Notes of a Compartment is limited to (i) the relevant Pool and the Beneficiary Rights relating thereto, (ii) the balances standing to the credit of the relevant Transaction Accounts and (iii) any claims of the Issuer under the Relevant Issue Documents of the relevant Compartment and Pool to the extent these claims can be attributed to such Compartment and Pool, and in respect of claims which cannot be attributed to such Compartment, such claims on a pro rata basis for all Compartments. In respect of such Compartment, there will be no other assets of the Issuer available for any further payments in particular no assets of other Compartments. The right of payment of interest and principal in respect of any Class of Notes of a Compartment other than the Most Senior Class of Notes will be subordinated and may be limited as more fully described herein and in the Final Terms and/or, as the case may be, the Supplemental Prospectus relating to such Compartment.

Application will be made to the Irish Stock Exchange for Notes issued under the Programme to be admitted to the Official List and trading on its regulated market during the period of twelve (12) months from the date of this Base Prospectus (or such longer period as this Base Prospectus may be renewed for). Notice of the aggregate nominal amount of the relevant Notes, interest payable in respect of such Notes, the issue price of such Notes and any other terms and conditions not contained herein which are applicable to the Notes of such Compartment (as defined under *Terms and Conditions of the Notes under the Programme* below) will be set out in the Final Terms which, with respect to the relevant Classes of Notes of such Compartment which are to be listed on the ISE, will be delivered to IFSRA on or before the date of issue of such Compartment. Notes issued under the Programme may also be listed on any other stock exchange specified in the applicable Final Terms or be unlisted. For each issue of Notes linked to a Pool a Supplemental Prospectus will be made available which will include, *inter alia*, the Final Terms and a description of the relevant Pool and which Supplemental Prospectus will be subject to prior approval of the IFSRA with the exception of the Final Terms contained therein.

The Notes may be issued on a continuing basis. In respect of each Compartment, the Notes of each Class will (unless otherwise specified in the applicable Final Terms) initially be represented by Temporary Global Notes in bearer form, without coupons, which are expected to be deposited on the Issue Date of such Compartment either (A) if the Notes are intended to be issued in the NGN-form, as stated in the applicable Final Terms, with a common safekeeper for Euroclear and Clearstream, Luxembourg or (B) if the Notes are not intended to be issued in NGN-form, (i) with a common depository on behalf of Euroclear and Clearstream, Luxembourg or (ii) with Euroclear Netherlands or (iii) with any other clearing system. Interests in each Temporary Global Note will be exchangeable for interests in a Permanent Global Note of the relevant Class, without coupons not earlier than forty (40) days after the relevant Issue Date upon certification as to non-U.S. beneficial ownership. Interests in each Permanent Global Note will, in certain limited circumstances, be exchangeable for Definitive Notes as described in *Form of the Notes*.

The IFSRA may be requested to provide other competent authorities in the European Economic Area with a certificate of approval so that application may be made for Notes issued under the Programme to be admitted to trading on other regulated markets. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

It is a condition precedent to issuance of each Compartment of Notes that each Class of Notes, on issue, be assigned such rating by such rating agency as specified in the Final Terms of such Compartment, unless it is specified in such Final Terms that the Notes of such Compartment will not be assigned, upon issue, a rating.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. For a discussion of some of the risks associated with an investment in the Notes, see *Risk Factors* herein.

The Notes will be solely the obligations of the Issuer. The Notes will not be the obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting, including, without limitation, any of the Dealers, the Sellers, the MPT Provider, the Issuer Administrator, the Liquidity Facility Provider, the Insurance Companies, the Floating Rate GIC Provider(s), the Swap Counterparty, the Collection Accounts Provider, the Collection Foundations, any Hedging Counterparty, the Directors, the Paying Agents, the Extension Margin Agent, the Reference Agent, the Listing Agent, the Security Trustee, any sub-agents of the MPT Provider or any other person in whatever capacity acting. No liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes will be accepted by any of the Dealers, the Sellers, the MPT Provider, the Issuer Administrator, the Liquidity Facility Provider, the Insurance Companies, the Floating Rate GIC Provider(s), the Swap Counterparty, the Collection Accounts Provider, the Collection Foundations, any Hedging Counterparty, the Directors, the Paying Agents, the Extension Margin Agent, the Reference Agent, the Listing Agent, the Security Trustee and any sub-agents of the MPT Provider will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances described herein).

Capitalised terms used in this Base Prospectus, unless otherwise indicated, have the meanings as set out in Annex A to this Base Prospectus.

ABN AMRO

Credit Suisse

GMAC-RFC Securities Europe

IMPORTANT INFORMATION

Only the Issuer is responsible for the information contained in this Base Prospectus, other than the information for which either the Sellers, Quion Hypotheekbemiddeling or Stater are responsible as referred to in the following three paragraphs. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information (except for the information for which either the Sellers, Quion Hypotheekbemiddeling or Stater are responsible as referred to in the following three paragraphs) contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information from third-parties contained in this Base Prospectus (except for the information for which the Sellers, Quion Hypotheekbemiddeling or Stater are responsible as referred to in the following three paragraphs) has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from the information published by such third parties, does not omit anything likely to render the reproduced information inaccurate or misleading. The Issuer accepts responsibility accordingly.

The Sellers are responsible solely for the information contained in the following sections of this Base Prospectus: *Overview of the Netherlands Residential Mortgage Market, Description of the Initial Sellers, Description of the Mortgage Loans, NHG Guarantee Programme, Mortgage Loan Underwriting and Origination and Administration of the Mortgage Receivables*. To the best of the knowledge and belief of the Sellers (having taken all reasonable care to ensure that such is the case) the information contained in these sections is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information from third-parties contained in these sections has been accurately reproduced and, as far as the Sellers are aware and able to ascertain from information published by such third parties, does not omit anything likely to render the reproduced information inaccurate or misleading. The Sellers accept responsibility accordingly.

Quion Hypotheekbemiddeling is responsible solely for the information contained in the section *Quion Hypotheekbemiddeling B.V.* To the best of the knowledge and belief of Quion Hypotheekbemiddeling (having taken all reasonable care to ensure that such is the case) the information contained in this section is in accordance with the facts and does not omit anything likely to affect the import of such information. Quion Hypotheekbemiddeling accepts responsibility accordingly.

Stater is responsible solely for the information contained in the section *Stater Nederland B.V.* To the best of the knowledge and belief of Stater (having taken all reasonable care to ensure that such is the case) the information contained in this section is in accordance with the facts and does not omit anything likely to affect the import of such information. Stater accepts responsibility accordingly.

In respect of each Compartment, notice of the aggregate nominal amount of the relevant Notes, interest (if any) payable in respect of such Notes, the issue price of such Notes and any other terms and conditions not contained herein which are applicable to such Notes will be set forth in the Final Terms which, with respect to such Notes to be listed on the ISE, will be filed with the IFSRA and delivered to the ISE on or before the date of issue of the Notes of such Compartment.

The IFSRA has only approved of this document in relation to the Notes which are to be listed on the Irish Stock Exchange or any other EU Regulated Market and the IFSRA has neither reviewed nor approved this document in relation to unlisted Notes.

The Programme provides that Notes may be admitted to listing, trading and/or quotation by such other or further listing authority, stock exchange and/or quotation system. The Issuer may also issue unlisted Notes.

If the terms of the Programme are modified or amended in a manner which would make the Base Prospectus, as supplemented, inaccurate or misleading, a new Base Prospectus will be prepared.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

Neither this Base Prospectus nor any other information supplied in connection with the Programme should be considered as a recommendation by the Issuer that any recipient of this Base Prospectus or any other information supplied in connection with the Programme 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 and the relevant Pool. Neither this Base Prospectus nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or invitation in such jurisdiction. The distribution of this document and the offering of the Notes in certain jurisdictions may be restricted by law.

The delivery of this Base Prospectus or the offering, sale and delivery of the Notes does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. Investors should review, inter alia, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.

The distribution of this Base Prospectus and the offering, sale and delivery of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Base Prospectus and other offering material relating to the Notes (see *Subscription and Sale* below).

The Notes have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Base Prospectus. Any representation to the contrary is unlawful.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the 'Securities Act'), and include Notes in bearer form that are subject to United States tax law requirements. The Notes may not be offered, sold or delivered within the United States or to US persons as defined in Regulation S under the Securities Act except in certain transactions permitted by US tax regulations and Regulation S under the Securities Act (see *Subscription and Sale* below).

In connection with the issue of the Notes, the Stabilising Dealer(s) as specified in the applicable Final Terms (or any duly appointed person acting for the Stabilising Dealer(s)) may over-allot Notes (provided that the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate Principal Amount Outstanding of the Notes) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Dealer(s) (or persons acting on behalf of a Stabilising Dealer(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Stabilisation transactions shall be conducted in accordance with all applicable laws and regulations as amended from time to time.

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SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any amendment and supplement thereto and the documents incorporated by reference. Civil liability attaches to the Issuer, being the entity which has prepared the summary, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with other parts of the Base Prospectus. Where a claim relating to the information contained in a Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Capitalised terms used, but not defined, in this section have the meaning set out in Annex A to this Base Prospectus

The Programme

Under this Residential Mortgage Backed Secured Debt Issuance Programme the Issuer, a Dutch private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") incorporated under the laws of the Netherlands on 26 October 2006, may issue Notes on a continuing basis. For each issue of Notes, a Supplemental Prospectus including the Final Terms will be made available and the Notes will be issued in Compartments only. The different Classes of Notes can be divided in separate tranches. The Notes of each Compartment will be secured by a separate Pool of Mortgage Receivables and recourse will be limited to such Pool and certain other assets of the Issuer relating to the relevant Compartment.

On the Programme Closing Date the Issuer will enter into certain agreements at Programme Level: the Mortgage Receivables Purchase Agreement, the Issuer Services Agreement, the Agency Agreement, the Programme Agreement, the Floating Rate GIC, the Receivables Proceeds Distribution Agreements and the Collection Accounts Pledge Agreements and certain other agreements.

On each Issue Date the Issuer will issue Notes of different classes in the relevant Compartment and apply the net proceeds of the issue of the Notes of such Compartment (other than the Supporting Class of Notes) towards payment of (part of) the Initial Purchase Price for the Mortgage Receivables of the related Pool, which consists of rights and claims of the relevant Seller against certain borrowers under or in connection with loans secured by a mortgage right over Mortgaged Assets situated in the Netherlands and entered into by the relevant Seller and the relevant Borrowers which meet the Relevant Eligibility Criteria and the other criteria set forth in the Mortgage Receivables Purchase Agreement and the Supplemental Prospectus and which will be selected prior to or on the Issue Date. If specified in the applicable Final Terms, part of the net proceeds of the Notes of such Compartment other than the Supporting Class of Notes, will be applied towards the purchase of New Mortgage Receivables during the Pre-funding Purchase Period. The net proceeds of the Supporting Class of Notes will be deposited in the Reserve Account.

The Issuer will use receipts of principal and interest in respect of the Mortgage Receivables of a Pool together with amounts it receives under the relevant Hedging Agreement(s), the relevant Sub-Participation Agreement and amounts credited to the relevant Collection Accounts and, for certain of its payment obligations, amounts drawn under the relevant Liquidity Facility Agreement, if any, and the relevant Reserve Account to make payments of, *inter alia*, principal and interest due in respect of the Notes of such Compartment. The obligations of the Issuer in respect of the Notes of a Compartment will rank behind the obligations of the Issuer in respect of certain items set forth in the applicable priority of payments in respect of such Compartment (see *Credit Structure* below). The right to payment of interest and principal on the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes and the Subordinated Class E Notes will be subordinated to the Senior Class A Notes of such Compartment and limited as more fully described herein under *Terms and Conditions of the Notes under the Programme*. The right to payment of interest and principal on the Junior Class C Notes, the Subordinated Class D Notes and the Subordinated Class E Notes will be subordinated to the Mezzanine Class B Notes of such Compartment and limited as more fully described herein under *Terms and Conditions of the Notes under the Programme*. The right to payment of interest and principal on the Subordinated Class D Notes and the Subordinated Class E Notes will be subordinated to the Junior Class C Notes of such Compartment and limited as more fully described herein under *Terms and Conditions of the Notes under the Programme*. The right to payment of interest and principal on the Subordinated Class E Notes will be subordinated to the Subordinated Class D Notes of such Compartment and limited as more fully described herein under *Terms and Conditions of the Notes under the Programme*.

In respect of each Compartment, the Issuer will, if so specified in the relevant Supplemental Prospectus, enter into a Liquidity Facility Agreement under which it will be entitled to make drawings (after, unless otherwise specified in the Supplemental Prospectus, any drawing from the relevant Reserve Account) if there are insufficient funds available to the Issuer as a result of a shortfall in the Notes Interest Available Amount of the relevant Compartment (see *Credit Structure* below) to comply with certain payment obligations of the relevant Interest Priority of Payments.

On the Programme Closing Date the Issuer will enter into the Floating Rate GIC under which the Floating Rate GIC Provider will agree to pay a guaranteed rate of interest on the balance standing from time to time to the credit of the relevant Transaction Accounts. On any Issue Date, the Issuer may enter into additional Floating Rate GICs with other floating rate gic providers which agreement will (i) be entered into in substantially the same form as the Floating Rate GIC entered into on the Programme Closing Date, (ii) co-exist with the Floating Rate GIC entered into on the Programme Closing Date and (iii) relate to the Transaction Accounts of the relevant Compartment specified in the relevant Supplemental Prospectus (see *Credit Structure* below).

To mitigate the risk between the rate of interest to be received by the Issuer on the Mortgage Receivables of a Pool and the rate of interest payable by the Issuer on the Notes of a Compartment, the Issuer will enter into a Swap Agreement in respect of such Compartment (see *Hedging Agreements* below). Furthermore, on each Quarterly Payment Date, the Issuer will in respect of each Pool respectively enter into one or more Swap Agreements with the Swap Counterparty or any other suitable Hedging Counterparty to mitigate the potential interest rate exposure arising from Mortgage Receivables of a Pool in respect of which the rate of interest has been reset in the Quarterly Calculation Period preceding such Quarterly Payment Date.

Security for the Notes

The Noteholders of a Compartment will benefit from the security granted in favour of the Security Trustee in respect of such Compartment, as the Notes of a Compartment will be secured indirectly, through the Security Trustee, by (i) a first ranking pledge granted by the Issuer to the Security Trustee over the relevant Pool related to such Compartment (including the parts corresponding with any Construction Amounts) and, to the extent legally possible, the Beneficiary Rights, and (ii) a first ranking pledge by the Issuer to the Security Trustee over the Issuer's rights (a) under or in connection with the Mortgage Receivables Purchase Agreement, the Issuer Services Agreement, the Receivables Proceeds Distribution Agreements, the Programme Agreement and the (relevant) Floating Rate GIC to the extent these rights relate to the relevant Compartment and Pool and (b) under or in connection with the relevant Swap Agreement, the relevant Liquidity Facility Agreement, if any, and the relevant Sub-Participation Agreement and in respect of the relevant Transaction Accounts.

Furthermore, Stichting GMAC RFC Nederland Ontvangsten shall grant on the balance standing to the credit of the Foundation GMAC RFC Nederland Collection Account a first ranking right of pledge in favour of the Security Trustee and the Previous Transaction Security Trustees, and a second ranking right of pledge to the Issuer and the Previous Transaction SPVs jointly both under the condition that future issuers (and any security trustees) in securitisation transactions and future vehicles in conduit transactions or similar transactions (and any security trustees relating thereto) initiated by GMAC RFC Nederland will also have the benefit of such right of pledge. Such rights of pledge will be notified to the Foundation Accounts Provider, the bank where the Foundation GMAC RFC Nederland Collection Account is maintained.

Stichting Quion 20 Ontvangsten shall grant on the balance standing to the credit of the Foundation Quion 20 Collection Account of the relevant Compartment a first ranking right of pledge in favour of the Security Trustee and a second ranking right of pledge in favour of the Issuer. Such rights of pledge will be notified to the Foundation Accounts Provider, the bank where such Foundation Quion 20 Collection Account is maintained.

Stichting Atlas Funding Ontvangsten will grant on the balance standing to the credit of the Foundation Quion Atlas Collection Account of the relevant Compartment a first ranking right of pledge in favour of the Security Trustee and a second ranking right of pledge in favour of the Issuer. Such rights of pledge will be notified to the Foundation Accounts Provider, the bank where such Foundation Quion Atlas Collection Accounts are maintained.

Stichting Atlas Funding Ontvangsten will grant on the balance standing to the credit of the Foundation Atlas Funding Collection Account a first ranking right of pledge in favour of the Security Trustee and the Previous Transaction Security Trustees jointly and a second ranking rights of pledge in favour of the Issuer and the Previous Transaction

SPVs jointly both under the condition that future issuers (and any security trustees) in securitisations and future vehicles in conduit transactions or similar transactions (and any security trustees relating thereto) initiated by Atlas Funding will also have the benefit of such right of pledge. Such rights of pledge will be notified to the Foundation Accounts Provider, the bank where the Foundation Atlas Funding Collection Account is maintained. See *Risk Factors and Description of the Security*.

In order to ensure the valid creation of the security rights under Dutch law in favour of the Security Trustee, the Issuer shall undertake in respect of each Compartment in the relevant Parallel Debt Agreement to pay to the Security Trustee, by way of a parallel debt, under the same terms and conditions, an amount equal to the aggregate of all its undertakings, liabilities and obligations to the relevant Secured Parties pursuant to the Relevant Documents.

The relevant Trust Deed sets out the priority of the claims of the relevant Secured Parties. For a more detailed description see *Description of Security* below.

Limited Recourse

Each of the Noteholders of a Compartment shall only have recourse in respect of any claim against the Issuer only in accordance with the relevant Priority of Payments of the relevant Compartment to which the claim can be attributed. The Noteholders and the other Secured Parties of a Compartment shall not have recourse on any assets of the Issuer other than (i) the Mortgage Receivables of the relevant Pool and the Beneficiary Rights relating thereto, (ii) the balances standing to the credit of the Transaction Accounts relating to such Pool and (iii) the amounts received under the Relevant Issue Documents to the extent related to such Pool and in respect of claims of the Issuer which cannot be attributed to a Compartment, such claims on a *pro rata* basis for all Compartments. In the event that the Security in respect of the Notes of a Compartment and the Coupons appertaining thereto has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking under the relevant Trust Deed in priority to a Class of Notes of a Compartment are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of such Class of Notes of a Compartment, the Noteholders of the relevant Class of Notes of a Compartment shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

Interest on the Notes

The Notes will bear either a fixed rate of interest or a floating rate of interest, as specified in the applicable Final Terms (See *Overview of the Parties and Principal features of the Programme* and *Terms and Conditions of the Notes under the Programme* below).

Redemption of the Notes

The Notes of a Compartment will be redeemed at the Final Maturity Date specified in the applicable Final Terms unless previously redeemed pursuant to the applicable Conditions of the Notes.

If in respect of a Compartment, any Class of Notes is divided in tranches, such tranches will be redeemed on a sequential basis, unless the relevant Final Terms state otherwise in which case such tranches are redeemed on a *pro rata* basis.

Unless in the applicable Final Terms it is specified that Condition of the Notes 6(b)(II) is applicable, the Issuer will apply in respect of the Put Option Notes, up to the Quarterly Payment Date prior to the Target Amortisation Date specified in the Final Terms and on or after such Target Amortisation Date in case a Target Amortisation Event has occurred which is not cured prior to such Quarterly Payment Date, the Notes Redemption Available Amount to redeem in whole or in part the Put Option Notes as of the Quarterly Payment Date specified in the relevant Final Terms and on each Quarterly Payment Date thereafter until fully redeemed in the following order:

- (a) *first, pro rata and pari passu*, the Senior Class A Notes, until fully redeemed or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Senior Class A1 Notes, until all tranches of the Senior Class A Notes have been fully redeemed, and thereafter
- (b) *second, pro rata and pari passu*, the Mezzanine Class B Notes except if such Class of Notes is the Supporting Class of Notes, until fully redeemed or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Mezzanine Class B1 Notes, until all tranches of the Mezzanine Class B Notes have been fully redeemed, and thereafter

- (c) *third, pro rata and pari passu*, the Junior Class C Notes except if such Class of Notes is the Supporting Class of Notes, until fully redeemed or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Junior Class C1 Notes, until all tranches of the Junior Class C Notes have been fully redeemed, and thereafter
- (d) *fourth, pro rata and pari passu*, the Subordinated Class D Notes except if such Class of Notes is the Supporting Class of Notes, until fully redeemed, or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Subordinated Class D1 Notes, until all tranches of the Subordinated Class D Notes have been fully redeemed, and

on or after the Target Amortisation Date specified in the Final Terms, unless a Target Amortisation Event has occurred which is not cured prior to such Quarterly Payment Date in the following order:

- (a) *first, pro rata and pari passu*, the Senior Class A Notes by applying the Class A Notes Redemption Available Amount or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Senior Class A1 Notes, until all tranches of the Senior Class A Notes have been fully redeemed;
- (b) *second, pro rata and pari passu*, the Mezzanine Class B Notes except if such Class of Notes is the Supporting Class of Notes by applying the Class B Notes Redemption Available Amount or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Mezzanine Class B1 Notes, until all tranches of the Mezzanine Class B Notes have been fully redeemed;
- (c) *third, pro rata and pari passu*, the Junior Class C Notes except if such Class of Notes is the Supporting Class of Notes by applying the Class C Notes Redemption Available Amount or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Junior Class C1 Notes, until all tranches of the Junior Class C Notes have been fully redeemed; and
- (d) *fourth, pro rata and pari passu*, the Subordinated Class D Notes except if such Class of Notes is the Supporting Class of Notes by applying the Class D Notes Redemption Available Amount or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Subordinated Class D1 Notes, until all tranches of the Subordinated Class D Notes have been fully redeemed.

The Supporting Class of Notes of each Compartment will be subject to mandatory partial redemption on the earlier of (a) the Quarterly Payment Date on which the Principal Amount Outstanding of the other Classes of Notes of such Compartment is equal to or below the Supporting Class Early Amortisation Percentage as specified in the applicable Final Terms and (b) the Quarterly Payment Date as specified in the Final Terms and each Quarterly Payment Date thereafter, provided that the Security Trustee has not given an Enforcement Notice in respect of such Compartment to the Issuer, by applying the Supporting Class Redemption Available Amount.

If specified in the relevant Final Terms and as of the Quarterly Payment Date specified in the relevant Final Terms and on each Quarterly Payment Date thereafter (each such Quarterly Payment Date being a Put Date), each of the Put Option Noteholders has the right to exercise the Put Option on each Put Date, by giving a notice to the Issuer and the Principal Paying Agent during the relevant Put Notice Period.

Furthermore, if on any Quarterly Payment Date the aggregate Principal Amount Outstanding of the Put Option Notes of a Compartment is not more than ten (10) per cent. of the aggregate Principal Amount Outstanding of the Put Option Notes on the relevant Issue Date, the Issuer will redeem the Put Option Notes, if so instructed by the MPT Provider, due to the exercise of the Clean-Up Call Option. In such event each of the Sellers will undertake in the Mortgage Receivables Purchase Agreement to repurchase and accept re-assignment of the then outstanding Mortgage Receivables of the relevant Pool from the Issuer at their respective Outstanding Principal Amounts, plus accrued but unpaid interest. The Issuer will undertake to apply the proceeds of any such sale towards redemption of the Put Option Notes of the relevant Compartment.

Finally, the Issuer is obliged if so instructed by GMAC RFC Nederland as Seller and as representative of all Sellers to redeem all of the Notes of a Compartment, in whole but not in part only, in the event of certain tax changes affecting the Notes at their Principal Amount Outstanding, subject to full payment of all amounts to be paid in priority to, *pari passu* with and in respect of the Notes, other than the Supporting Class of Notes, and subject to the applicable Conditions. In such event each of the Sellers will undertake in the Mortgage Receivables Purchase Agreement to repurchase and accept re-assignment of the then outstanding Mortgage Receivables of the relevant Pool from the Issuer at their respective Outstanding Principal Amounts, plus accrued but unpaid interest.

Listing

Application will be made for Notes issued under the Programme to be admitted to listing on the ISE and may be listed on any other stock exchange and may be unlisted.

Rating

The applicable Final Terms may specify that it is a condition precedent to issuance of a Compartment that each Class of Notes thereof, on issue, be assigned the rating by such rating agency as specified in the Final Terms of such Compartment, unless it is specified in such Final Terms that the Notes of such Compartment will not be assigned, upon issue, a rating.

Risk factors

There are certain risk factors which the prospective Noteholders should take into account. These risk factors relate to, *amongst other things*, the Notes, such as (but not limited to) the fact that the liabilities of the Issuer under the Notes of a certain Compartment are limited recourse obligations whereby the ability of the Issuer to meet such obligations will be dependent on the receipt by it of funds under the Mortgage Receivables of the relevant Pool, the proceeds of the sale of any of the Mortgage Receivables of such Pool and the receipt by it of certain other funds. Despite certain facilities for each Compartment, there remain various risks (including credit risk, liquidity risk, prepayment risk, maturity risk, interest rate risk and other risks) relating to the Notes. Moreover, there are various risks (including structural, legal risks and other risks) relating to the Mortgage Receivables themselves (see *Risk Factors* below).

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the relevant Compartment of the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risk associated with the Notes are also described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Liabilities under the Notes

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting, including, without limitation, any of the Dealers, the Sellers, the MPT Provider (and/or any of its sub-agents), the Issuer Administrator, the Liquidity Facility Provider, the Insurance Companies, the Floating Rate GIC Provider, the Swap Counterparty, the Collection Accounts Provider, the Collection Foundations, any Hedging Counterparty, the Paying Agents, the Extension Margin Agent, the Reference Agent, the Directors, the Listing Agent or the Security Trustee. Furthermore, none of the Dealers, the Sellers, the MPT Provider (and/or any of its sub-agents), the Issuer Administrator, the Liquidity Facility Provider, the Insurance Companies, the Floating Rate GIC Provider, the Swap Counterparty, the Collection Accounts Provider, the Collection Foundations, any Hedging Counterparty, the Paying Agents, the Extension Margin Agent, the Reference Agent, the Directors, the Listing Agent, the Security Trustee or any other entity or person acting in whatever capacity will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes.

Ability to meet payment obligations

The ability of the Issuer to meet its obligations to pay principal of and interest on the relevant Compartment in full will be dependent on the receipt by it of funds under the Mortgage Receivables of the Pool connected to such Compartment, the proceeds resulting from the repurchase and re-assignment by any of the Sellers of any such Mortgage Receivables as provided in the Mortgage Receivables Purchase Agreement or a sale of Excess Mortgage Receivables to the MPT Provider in accordance with the Issuer Services Agreement or the relevant Trust Deed, the receipt by it of payments under the relevant Hedging Agreements and the relevant Sub-Participation Agreement and the receipt by it of interest in respect of the balances standing to the credit of the relevant Transaction Accounts. In addition, the Issuer will have available to it the balances standing to the credit of the relevant Reserve Account and the amount available to be drawn under the Liquidity Facility Agreement, if any, in respect of the relevant Compartment for certain of its payment obligations. Finally, if so specified in the applicable Final Terms, the Issuer will have available a Servicing Advance in respect of the relevant Compartment, which will enable the Issuer to redeem the Put Option Notes of the relevant Compartment on a Put Date. See further *Credit Structure*.

By acquiring the Notes, each Noteholder shall be deemed to have knowledge of, to accept and to be bound by the Conditions of the Notes. The Issuer and the Principal Paying Agent will not have any responsibility for the proper performance by Euroclear and/or Clearstream, Luxembourg or its participants, Euroclear Netherlands or any other clearing system of their obligations under their respective rules, operating procedures and calculation methods.

One Issuer for all Compartments

The Issuer has been established to issue Notes from time to time under this Programme. The net proceeds of the issuance of a Compartment of Notes will be applied towards the purchase of the related Pool of Mortgage Receivables connected to such Compartment. As a result of such further issue of Notes, the Issuer may have obligations towards parties other than the Secured Parties of the relevant Compartment. However, recourse of the Noteholders of the relevant Compartment and of any party entering into agreements in connection with such Compartment will be limited to the Mortgage Receivables of the connected Pool, any Eligible Investments made by the Issuer and relating to such Compartment and any claims of the Issuer resulting from agreements entered into in connection with such Compartment and the purchase of such Mortgage Receivables. The Noteholders and the other Secured Parties of such Compartment do not have recourse on the Pool and other assets of any other Compartments. However, some claims of the Issuer resulting from certain agreements which cannot be attributed to a specific Compartment will be

applied on a *pro rata* basis of the Principal Amount Outstanding on the Notes of each Compartment. Should any of the Noteholders or the other Secured Parties of any Compartment file for the Issuer's bankruptcy and, as a consequence thereof, the Issuer is declared bankrupt, this would constitute an Event of Default in respect of all Compartments. Therefore, each of the Secured Parties of any Compartment, other than the Noteholders, will agree in the relevant Parallel Debt Agreement that it will not institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one (1) year after the latest maturing Note issued under the Programme is paid or written off in full. The Noteholders will be bound to such non-petition provision pursuant to the Conditions of the Notes. There is no cross-default between the Compartments and an event of default in respect of a Compartment will not result in an Event of Default in respect of the other Compartments.

Multiple Sellers

In the Programme Agreement the transaction parties have agreed that a legal entity, if it meets certain eligibility criteria, may accede to the Relevant Documents and become a new Seller and, to the extent applicable, MPT Provider for the Mortgage Receivables sold by it and may therefore sell Mortgage Receivables to the Issuer. The Issuer may therefore be exposed to other risk on such additional Sellers than on the Initial Sellers. In addition, as a result of such accession other mortgage products than those described in this Base Prospectus, which may be originated in a different manner and with different eligibility criteria to be determined at such time, may be sold and assigned to the Issuer, which would then be set out in a Supplemental Prospectus. This only applies to the sale and assignment of new Pools of Mortgage Receivables but such Seller may not sell and assign New Mortgage Receivables and Further Advance Receivables in existing Pools.

Parallel Debt

Under Netherlands law it is uncertain whether a security right can be validly created in favour of a party which is not the creditor of the claim which the security right purports to secure. Consequently, in order to secure the valid creation of the pledges in favour of the Security Trustee, the Issuer will in the relevant Parallel Debt Agreement, as a separate and independent obligations in respect of each Pool, by way of parallel debts, undertake to pay to the Security Trustee amounts equal to the amounts due by it to the relevant Secured Parties under or in connection with the Relevant Issue Documents to which the Issuer and such Secured Parties with respect to the relevant Compartment are a party (each a '**Parallel Debt**'). The Issuer has been advised that such a Parallel Debt creates claims of the Security Trustee thereunder which can be validly secured by a right of pledge such as the rights of pledge created by the Pledge Agreements (see also *Description of Security* below).

One Security Trustee for all Compartments

The Security Trustee has been established to act as security agent for the Secured Parties of all Compartments under the Programme and each issue of a Compartment of Notes. The security interests in favour of the Security Trustee for the benefit of the Secured Parties of each Compartment each secure the relevant Parallel Debt. Recourse of the Noteholders and other Secured Parties of each Compartment will therefore be limited to the Mortgage Receivables and amounts standing to the credit of the relevant Transaction Accounts and Eligible Investments of the connected Pool and any claims of the Issuer resulting from agreements entered into in connection with such Compartment and the purchase of such Mortgage Receivables and the Secured Parties of a Compartment do not have any recourse on other assets of the Issuer as more fully described under *Description of Security*. However some claims of the Issuer resulting from certain agreements which cannot be attributed to a specific Compartment will be applied *pro rata* on the basis of the Principal Amount Outstanding of the Notes of each Compartment, and will therefore in principle be divided by all Secured Parties of all Compartments.

The following risk factors from 'Transfer of Legal Title to Mortgage Receivables' up to and including 'Construction Amounts' only relate to the Initial Sellers. In case of the issue of a Compartment and the purchase of a Pool containing Mortgage Receivable of another Seller or Sellers, the following risk factors apply mutatis mutandis to such other Seller or Sellers unless otherwise indicated in a Supplemental Prospectus.

Transfer of Legal Title to Mortgage Receivables

Under Netherlands law, assignment of the legal title of claims, such as the Mortgage Receivables, can be effectuated by means of a notarial or registered deed of assignment, without notification of the assignment to the debtors being required. The legal title to the Relevant Mortgage Receivables will be transferred by each of the Initial Sellers to the Issuer on the relevant Issue Date through a notarial or registered deed of assignment. The legal title to the Relevant

New Mortgage Receivables and Relevant Further Advance Receivables will be transferred by the relevant Initial Seller to the Issuer on the relevant Pre-funding Purchase Date and/or the relevant Mortgage Payment Date immediately preceding the relevant Quarterly Payment Date by means of a registered deed of assignment.

The Mortgage Receivables Purchase Agreement will provide that such transfers of legal title will not be notified by the relevant Initial Seller or, as the case may be, the Issuer, to the Borrowers except if a Notification Event occurs (see *Mortgage Receivables Purchase Agreement*). Until notification of the transfer of legal title has been made to the Borrowers, the Borrowers under the Mortgage Receivables can only validly pay to the relevant Initial Seller in order to fully discharge their payment obligations (*'bevrijdend betalen'*). Each of the Initial Sellers has undertaken in the Mortgage Receivables Purchase Agreement to pay on each Mortgage Payment Date to the Issuer any amounts received in respect of the Relevant Mortgage Receivables of each Pool during the immediately preceding Mortgage Calculation Period. However, receipt of such amounts by the Issuer is subject to the relevant Initial Seller actually making such payments.

The Issuer has a non preferred claim (*'concurrente vordering'*) against the estate of an Initial Seller in respect to any amounts which have not yet been transferred by the relevant Initial Seller to the Issuer at the moment the bankruptcy or suspension of payments of such Initial Seller becomes effective. Payments made by Borrowers to the relevant Initial Seller prior to notification but after bankruptcy or suspension of payments in respect of the relevant Initial Seller having been declared will be part of the relevant Initial Seller's bankruptcy estate. In respect of these payments the Issuer will be a creditor of the estate (*'boedelschuldeiser'*) and will receive payment prior to (unsecured) creditors with ordinary claims, but after preferred creditors of the estate. This risk is mitigated by the following.

Borrower payments not part of the Initial Sellers' estate

Each Borrower has given a power of attorney to Stater and Quion Hypotheekbemiddeling respectively to direct debit his account for amounts due under the relevant Mortgage Loan. Stater and Quion Hypotheekbemiddeling respectively have undertaken in the Receivables Proceeds Distribution Agreements to debit all amounts relating to the Mortgage Loans into the Foundation Accounts. The Foundation Accounts are maintained by bankruptcy remote foundations (*'stichting'*). The Foundation GMAC RFC Nederland Collection Account is maintained by Stichting GMAC RFC Nederland Ontvangsten, the Foundation Quion 20 Collection Account in respect of the relevant Compartment is maintained by Stichting Quion 20 Ontvangsten, the Foundation Atlas Funding Collection Account is maintained by Stichting Atlas Funding Ontvangsten and the Foundation Quion Atlas Collection Account in respect of the relevant Compartment will be maintained by Stichting Atlas Funding Ontvangsten. As a consequence, the Collection Foundations will have a claim against the Foundation Accounts Provider as the bank where such accounts are held, in respect of the balances standing to the relevant Foundation Account. Only the sole managing director of each Collection Foundation and Stater or Quion Hypotheekbemiddeling respectively is entitled to dispose over the relevant Foundation Account. Upon establishment of the Collection Foundations, ATC Management B.V. has been appointed as managing director of each of the Collection Foundations.

The Issuer has been advised that in the event of a bankruptcy of any of the Initial Sellers any amounts standing to the credit of the relevant Foundation Account(s) relating to the Mortgage Receivables will not form part of the bankruptcy estate of the relevant Initial Seller. The Collection Foundations are set up as passive bankruptcy remote entities. The objects clause of each Collection Foundation is limited to manage and distribute amounts received on the relevant Foundation Account to the persons who are entitled to receive such amounts pursuant to the relevant Receivables Proceeds Distribution Agreement.

Upon receipt thereof, the relevant Collection Foundation will distribute to the Issuer or, after the Enforcement Date of a Compartment, to the Security Trustee any and all amounts relating to the Mortgage Receivables in respect of the relevant Pool received by it on the relevant Foundation Account, in accordance with the relevant provisions of the relevant Receivables Proceeds Distribution Agreement. Stater will perform such payment transaction services on behalf of Stichting GMAC RFC Nederland Ontvangsten and on behalf of Stichting Atlas Funding Ontvangsten. Quion Hypotheekbemiddeling will perform such payment transaction services on behalf of Stichting Quion 20 Ontvangsten and Stichting Atlas Funding Ontvangsten (See for a discussion of the cash collection arrangements *Credit Structure*).

There is a risk that any of the Initial Sellers prior to notification of the assignment or its liquidator (following bankruptcy or suspension of payments but prior to notification) instructs the Borrowers to pay to another bank account. Any such payments by a Borrower would be valid (*'bevrijdend'*). This risk is, however, mitigated by the following. First, each of the Initial Sellers has undertaken towards the Issuer and the Security Trustee not to amend the payment instructions

and redirect cash flow to the Foundation Accounts in respect of the Mortgage Receivables in respect of a Pool to another account, without prior approval of the Issuer and the Security Trustee and confirmation from the Rating Agencies that the then current ratings of the Notes of the relevant Compartment would not thereby be adversely affected. In addition, Stater and Quion Hypotheekbemiddeling have undertaken to disregard any orders from any of the Initial Sellers to cause the transfer of amounts in respect of the Mortgage Receivables of a Pool to be made to another account than the relevant Foundation Collection Accounts without prior approval of the Issuer and the Security Trustee and confirmation from the Rating Agencies that the then current ratings of the Notes of the relevant Compartment would not thereby be adversely affected. Notwithstanding the above, the Initial Sellers are obliged to pay to the Issuer any amounts which were not paid on a Foundation Account but to the relevant Initial Seller directly.

Set-off

Prior to notification to the Borrowers of the assignment of the Mortgage Receivables to the Issuer, each Borrower will, subject to the Netherlands legal requirements for set-off being met, be entitled to set off amounts due by the relevant Initial Seller to him (if any) with amounts he owes in respect of the Mortgage Receivables. After notification to a Borrower of the assignment of the Mortgage Receivables to the Issuer, the Borrower will also have such set-off rights vis-à-vis the Issuer, provided that such legal requirements for set-off are met and further provided that (i) the counterclaim of the Borrower results from the same legal relationship as the relevant Mortgage Receivable or (ii) the counterclaim of the Borrower against the relevant Initial Seller has been originated ("*opgekomen*") and become due ("*opeisbaar*") prior to notification to the relevant Borrower of the assignment of the Mortgage Receivables to the Issuer, such as counterclaims resulting from a current account relationship and, depending on the circumstances, counterclaims resulting from a deposit made by the Borrower. In view hereof, each of the Initial Sellers will represent and warrant that on the relevant Portfolio Cut-Off Date, it has not accepted any deposits from the relevant Borrowers and it at the date thereof does not have any current account relationships with such Borrowers.

Upon registration or the execution before a civil law notary of a Deed of Sale, Assignment and Pledge in respect of Relevant Mortgage Receivables, the relevant Initial Seller will no longer have the right to set-off any amounts owed by such Initial Seller to a Borrower against such Relevant Mortgage Receivable.

The Mortgage Conditions specifically provide that a Borrower may not set-off his rights against repayment obligations vis-à-vis the relevant Initial Seller. Although this clause is intended as a waiver by the Borrowers of their set-off rights vis-à-vis the relevant Initial Seller under Netherlands law, it is uncertain whether such waiver will be valid. Should such waiver be invalid, the foregoing applies *mutatis mutandis*.

The Mortgage Receivables Purchase Agreement provides that if a Borrower sets off amounts due to him by the relevant Initial Seller against the Relevant Mortgage Receivable and, as a consequence thereof, the Issuer does not receive the amount which it is entitled to receive in respect of such Mortgage Receivable, the relevant Initial Seller will pay to the Issuer an amount equal to the difference between the amount which the Issuer would have received in respect of the Relevant Mortgage Receivable if no set-off had taken place and the amount actually received by the Issuer in respect of such Mortgage Receivable.

For specific set-off issues relating to Savings Mortgage Loans and Life Mortgage Loans, reference is made to *Insurance Policies*, and for set-off issues relating to Investment Mortgage Loans, reference is made to *Investment Mortgage Loans*.

In respect of a Compartment, a related Pool may consist of Mortgage Receivables resulting from Mortgage Loans granted by the relevant Initial Seller to its employees. Any risks in respect of such Mortgage Receivables will be set out in the relevant Supplemental Prospectus.

Security Rights

The Mortgage Receivables to be sold and assigned to the Issuer will be secured by Bank Mortgages or, as the case may be, Credit Mortgages. The below applies *mutatis mutandis* to Credit Mortgages.

Under Netherlands law a mortgage right is an accessory right ("*afhankelijk recht*") which follows by operation of law the receivable with which it is connected. Furthermore, a mortgage right is an ancillary right ("*nevenrecht*") and the assignee of a receivable secured by an ancillary right will have the benefit of such right, unless the ancillary right by its nature is, or has been construed as, a purely personal right of the assignor or such transfer is prohibited by law.

The prevailing view of Dutch commentators has been for a long time that upon the assignment of a receivable secured by a Bank Mortgage, such mortgage right does not pass to the assignee as an accessory and ancillary right in view of its non-accessory or personal nature. It was assumed that a Bank Mortgage only follows a receivable which it secures, if the relationship between the bank and the borrower has been terminated in such a manner that following the assignment the bank cannot create or obtain further receivables from the relevant borrower secured by the mortgage right. These commentators claim that this view is supported by case law.

There is a trend in recent legal literature to dispute the view set out in the preceding paragraph. Commentators following such trend argue that in case of assignment of a receivable secured by a Bank Mortgage, the mortgage right will in principle (partially) pass to the assignee as an accessory right. In this argument the transfer does not conflict with the nature of a Bank Mortgage, which is in this argument supported by the same case law. Any further claims of the assignor will also continue to be secured and as a consequence the Bank Mortgage will be jointly-held by the assignor and the assignee after the assignment. In this view a Bank Mortgage only continues to secure exclusively claims of the original mortgagee and will not pass to the assignee, if this has been explicitly stipulated in the mortgage deed.

Although the view prevailing in the past, to the effect that given its nature a Bank Mortgage will as a general rule not follow as an accessory right upon assignment of a receivable which it secures, is still defended, the Issuer has been advised that the better view is that as a general rule a Bank Mortgage or a Credit Mortgage in view of its nature follows the receivable as an accessory right upon its assignment. Whether in the particular circumstances involved the Bank Mortgage will remain with the original mortgagee, will be a matter of interpretation of the relevant mortgage deed.

In addition, pursuant to the forms of mortgage deeds, the Borrowers have granted certain rights of pledge in favour of the relevant Initial Seller. Such rights of pledge secure the same liabilities as the mortgage rights and therefore qualify as a credit pledge (and together with the Credit Mortgage, the '**Credit Security Rights**') or, as the case may be, as a bank pledge (and together with the Bank Mortgage, the '**Bank Security Rights**').

Each of GMAC RFC Nederland and Atlas Funding will represent with respect to each Mortgage Loan that if a Mortgage Receivable is pledged or assigned to a third party, the Bank Mortgage or Credit Mortgage and Borrower Pledge will follow, *pro rata*, the Mortgage Receivable that is assigned or pledged. This provision is a clear indication of the intentions of the parties in this respect. The Issuer has been advised that in the absence of circumstances giving an indication to the contrary, the inclusion of such provision in the mortgage deed makes clear that the Bank Security Rights or the Credit Security Rights follow such Mortgage Receivable as an accessory and ancillary right upon assignment and pledge of such Relevant Mortgage Receivable, but that there is no case law explicitly supporting this advice.

Quion 20 will represent that with respect to each Mortgage Loan, the applicable general conditions (which are incorporated by reference in the mortgage deed) provide that, if a Mortgage Receivable is pledged or assigned to a third party, the Bank Mortgage or Credit Mortgage and Borrower Pledge will follow, *pro rata*, the Mortgage Receivable that is assigned. This provision is a clear indication of the intentions of the parties in this respect. The Issuer has been advised that in the absence of circumstances giving an indication to the contrary, the inclusion of such provision in the mortgage deed makes clear that the Bank Security Rights or the Credit Security Rights follow the Mortgage Receivable as an accessory and ancillary right upon assignment of the Relevant Mortgage Receivable, but that there is no case law explicitly supporting this advice.

The above applies *mutatis mutandis* in the case of the pledge of the Mortgage Receivables by the Issuer to the Security Trustee under the Trustee Receivables Pledge Agreement. However, the Mortgage Conditions in respect of Mortgage Loans originated by Quion 20 do not provide that in case of a pledge of the Mortgage Receivable the Mortgage will (partially) follow the Mortgage Receivable. Therefore, there is no clear indication of the intention of the parties and, consequently, the view expressed in the above paragraph does not apply to the pledge of such Mortgage Receivables. However, a good argument can be made that the intention of the parties in case of an assignment of the Mortgage Receivable also includes the intention in case of a pledge of such Mortgage Receivable. Even if the Mortgage Conditions do not provide a clear indication on the intentions of the parties in case of pledge, the Issuer has been advised that the Security Trustee as pledgee should have the benefit of the mortgage right as accessory and ancillary right upon notification of the assignment of the Mortgage Receivables to the Issuer and the pledge to the

Security Trustee. It should be noted, however, that there is no case law explicitly supporting this view. Therefore it is not certain what the Netherlands courts would decide if the matter were to be submitted to them, particularly taking into account the prevailing view of Dutch legal commentators on Bank Mortgages in the past, which view continues to be defended by some legal commentators.

If the Mortgage and Borrower Pledge have (partially) followed the Mortgage Receivables upon their assignment, the Mortgage and Borrower Pledge would be co-held by the Issuer and the relevant Initial Seller and would secure both the Mortgage Receivables held by the Issuer (or the Security Trustee, as pledgee) and the Other Claims against the relevant Borrowers held by the relevant Initial Seller. If the Mortgage and Borrower Pledge are co-held by both the Issuer or the Security Trustee and the relevant Initial Seller, the rules applicable to co-ownership (*'gemeenschap'*) apply. The Netherlands Civil Code provides for various mandatory rules which apply to such co-owned rights. In the Mortgage Receivables Purchase Agreement, each of the Initial Sellers, the Issuer and the Security Trustee will agree that the Issuer and/or the Security Trustee (as applicable) will manage and administer such co-held rights.

It is uncertain whether the foreclosure of the Mortgage and Borrower Pledge will be considered as day-to-day management and, consequently the consent of the relevant Initial Seller's bankruptcy trustee (in the case of bankruptcy) or administrator (in the case of suspension of payments) may be required for such foreclosure. The relevant Initial Seller will agree with the Issuer or the Security Trustee (as pledgee) that in the case of foreclosure the share (*'aandeel'*) in each co-held Mortgage and Borrower Pledge of the Issuer or the Security Trustee (as pledgee) will be equal to the Outstanding Principal Amount, increased with interest and costs, if any, and the shares of the relevant Initial Seller in respect of Mortgage Loans will be equal to the Net Foreclosure Proceeds less the relevant Outstanding Principal Amount, increased with interest and costs, if any. It is uncertain whether this arrangement will be enforceable in the case of suspension of payments or bankruptcy of the relevant Initial Seller. In this respect it is agreed that in the case of a breach by the relevant Initial Seller of its obligations under these agreements or if any of such agreement is dissolved, void, nullified or ineffective for any reason in respect of the relevant Initial Seller in respect of the Mortgage Loans, the relevant Initial Seller, as the case may be, will compensate the Issuer and/or the Security Trustee (as applicable) forthwith for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee (as applicable) incurs as a result thereof. Receipt of such amount by the Issuer and/or the Security Trustee is subject to the ability of the relevant Initial Seller in respect of Mortgage Receivables to actually make such payments which in an insolvency situation seems unlikely. In addition, in the case of suspension of payments or bankruptcy of the relevant Initial Seller in respect of Mortgage Receivables, the Issuer and/or the Security Trustee would only have a concurrent claim (*'concurrente boedelordering'*) in respect of such amount.

In view hereof, each of the Initial Sellers will represent and warrant that on the relevant Portfolio Cut-Off Date it had no Other Claims and it will undertake in the Mortgage Receivables Purchase Agreement that it shall not grant or acquire any Other Claims against a Borrower, other than a Further Advance, provided that if it agrees to grant such a Further Advance to a Borrower, the relevant Further Advance Receivable will be either purchased by the Issuer or the relevant Mortgage Receivable will be repurchased by the relevant Initial Seller on the immediately succeeding Quarterly Payment Date following the date on which such Further Advance has been granted.

To further secure the obligations of the Initial Sellers under this arrangement, each of the Initial Sellers shall have an obligation to pledge, upon the occurrence of a Notification Event, its Other Claims in favour of the Issuer and the Security Trustee respectively. Such pledge (if vested) will secure the claim of the Issuer and/or the Security Trustee on the relevant Initial Seller created for this purpose equal to the share of the relevant Initial Seller in the foreclosure proceeds in relation to a defaulted Borrower, which claim becomes due and payable upon a default of the relevant Borrower. If, after the pledge of the Other Claims, the Notification Event has been cured and is not continuing, the Issuer and the Security Trustee will be obliged to release the rights of pledge vested on the Other Claims. In addition, each of the Issuer and the Security Trustee undertakes to release such right of pledge on any Other Claims of a Borrower if the Outstanding Principal Amount in respect of the Mortgage Receivable is been repaid in full.

Insurance Policies

The Life Mortgage Loans have the benefit of Life Insurance Policies. The Investment Mortgage Loans, the Annuity Mortgage Loans and the Interest-only Mortgage Loans may have the benefit of Risk Insurance Policies. The Savings Mortgage Loans have the benefit of Savings Insurance Policies. Certain legal issues relating to the effects of the assignment of the Mortgage Receivables resulting from (i) the Life Mortgage Loans, (ii) any Investment Mortgage Loans, Annuity Mortgage Loans or Interest-only Mortgage Loans which have the benefit of Risk Insurance Policies

and (iii) the Savings Mortgage Loans on the Insurance Policies are set out in this section. Investors should be aware that (i) the Issuer may not benefit from the Insurance Policies and/or (ii) the Issuer may not be able to recover any amounts from the Borrower in case the relevant Insurance Company defaults in its obligations as further described in this section. As a consequence, the Issuer may not have a claim on the Borrower. In such case, the rights of the Security Trustee will be similarly affected.

Pledge

In respect of the Borrower Insurance Pledge, the Issuer has been advised that it is probable that the right to receive payment, including the surrender value ('*afkoopsom*'), under the Insurance Policies will be regarded by a Netherlands court as a future right. The pledge of a future right under Netherlands law is not effective if the pledgor is declared bankrupt or is granted a suspension of payments, prior to the moment such right comes into existence. This means that it is uncertain whether such Borrower Insurance Pledge will be effective. Besides this, since the Borrower Insurance Pledge is a Bank Security Right or, as the case may be, a Credit Security Right, the observations on transfer of the Mortgage made in *Security Rights* above apply equally to such right of pledge.

Appointment of Beneficiary

The Mortgage Conditions provide that the relevant Initial Seller (to the extent required irrevocably authorised by the relevant Borrower) has appointed itself (and, to the extent required, the Borrower has appointed the relevant Initial Seller) as beneficiary under the Insurance Policies, except that another beneficiary will rank ahead of the relevant Initial Seller, provided that the Borrower Insurance Proceeds Instruction is given to the relevant Insurance Company. It is uncertain whether the Beneficiary Rights of the Initial Sellers will follow the Mortgage Receivables upon assignment thereof to the Issuer. Therefore, the Issuer will accept the assignment of the Beneficiary Rights, to the extent necessary and possible, from the Initial Sellers. Subsequently, the Issuer will grant a first-ranking right of pledge over the Beneficiary Rights to the Security Trustee. However, for the situation where the assignment and pledge of the Beneficiary Rights is not effective and no Borrower Insurance Proceeds Instruction exists, the Issuer and the Security Trustee will enter into a Beneficiary Waiver Agreement in respect of the relevant Compartment under which each of the relevant Initial Sellers in respect of all Relevant Mortgage Receivables, subject to the condition precedent of the occurrence of a Notification Event in respect of the relevant Pool, waives or, as the case may be, undertakes to waive its rights as beneficiary under the Savings Insurance Policies and Life Insurance Policies with a Savings Element with the Savings Insurance Companies and appoints or, as the case may be, undertakes to appoint (i) the Issuer as beneficiary subject to the dissolving condition ('*ontbindende voorwaarde*') of the occurrence of a Trustee Notification Event in respect of the relevant Compartment and (ii) the Security Trustee as beneficiary under the condition precedent ('*opschortende voorwaarde*') of the occurrence of a Trustee Notification Event in respect of the relevant Compartment. It is, however, uncertain whether such waiver and appointment will be effective. In view hereof and in respect of Life Insurance Policies or Risk Insurance Policies with any of the Life Insurance Companies, each of the Initial Sellers and the Savings Insurance Companies in respect of the Relevant Mortgage Receivables will undertake to use its best efforts, following a Notification Event in respect of the relevant Pool to obtain the cooperation from all relevant parties (including the Life Insurance Companies) to (a) waive its rights as beneficiary and (b) appoint as first beneficiary under the Insurance Policies (i) the Issuer subject to the dissolving condition of a Trustee Notification Event in respect of the relevant Compartment and (ii) the Security Trustee under the condition precedent of the occurrence of a Trustee Notification Event in respect of the relevant Compartment. For the situation that a Borrower Insurance Proceeds Instruction exists, each of the relevant Initial Sellers and the Savings Insurance Companies will in the relevant Beneficiary Waiver Agreement undertake to use their best efforts, following a Notification Event in respect of the relevant Pool to obtain the cooperation of all relevant parties to change the payment instruction in favour of (i) the Issuer subject to the dissolving condition of a Trustee Notification Event in respect of the relevant Compartment and (ii) the Security Trustee under the condition precedent of the occurrence of a Trustee Notification Event in respect of the relevant Compartment. It is uncertain whether such cooperation will be forthcoming.

If the Issuer or the Security Trustee, as the case may be, will not have been validly appointed as beneficiary under the Insurance Policies and the assignment and/or pledge and the waiver of the Beneficiary Rights are not effective, any proceeds under the Insurance Policies will be payable to the relevant Initial Seller or to another beneficiary, instead of the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the relevant Initial Seller, such Initial Seller will be obliged to pay the amount received to the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the relevant Initial Seller and the relevant Initial Seller does not pay the amount received to the Issuer or the Security Trustee, as the case may be, e.g. in the case of bankruptcy of the relevant Initial Seller or, if the proceeds are paid to another beneficiary instead of the Issuer or the Security Trustee, as the case may be, this may result in the amount paid under the Insurance Policies not being applied in reduction of the relevant Mortgage

Receivable. This may lead to the Borrower invoking defences against the Issuer or the Security Trustee, as the case may be, for the amounts so received by the relevant Initial Seller as further discussed under *Set-off or Defences*, which may adversely affect payments on the Notes of the relevant Compartment.

Insolvency of Insurance Companies

If any of the Insurance Companies is no longer able to meet its obligations under the Insurance Policies, e.g. in case it is declared bankrupt or has become subject to emergency regulations, this could result in the amounts payable under the Insurance Policies either not, or only partly, being available for application in reduction of the relevant Mortgage Receivables. This may lead to the Borrowers trying to invoke set-off rights and defences as further discussed under *Set-off or Defences*.

Set-off or defences in the case of default under Insurance Policies

If the amounts payable under the Insurance Policy are not applied in reduction of the Mortgage Receivable (see *Appointment of Beneficiary* and *Insolvency of Insurance Companies*), the Borrower may try to invoke a right of set-off of the amount due under such Mortgage Receivable with amounts payable under or in connection with the Insurance Policy.

As set out in *Set-off* above, the Mortgage Conditions provide for a waiver by the Borrowers of their set-off rights. It is, however, uncertain whether such waiver is effective. If the waiver is not effective, the Borrowers will need to comply with the applicable legal requirements in order to invoke a right of set-off. One of these requirements is that the Borrower should have a claim, which corresponds to his debt to the same counterparty. In case of the Mortgage Loans, the Insurance Policies are contracts between the relevant Insurance Company and the Borrowers on the one hand and the Mortgage Receivables are claims of the relevant Initial Seller on the relevant Borrower on the other hand. Therefore, in order to invoke a right of set-off the Borrowers would have to establish that the relevant Initial Seller and the Insurance Companies should be regarded as one legal entity or, based upon interpretation of case law, that possibly set-off is allowed, even if the relevant Initial Seller and the relevant Insurance Company are not considered as one legal entity, since the relevant Insurance Policy and the relevant Mortgage Loan are to be regarded as one interrelated relationship.

Furthermore, the Borrowers must have a counterclaim. If the relevant Insurance Company is declared bankrupt or subject to emergency regulations, the Borrower will have the right to unilaterally terminate the Insurance Policy and to receive a surrender value ('*afkoopsom*'). These rights are subject to the Borrower Insurance Pledge and, therefore, it may be argued that the Borrower will on this basis not be entitled to invoke a right of set-off for the surrender value. However, apart from the right to terminate the Insurance Policies, the Borrowers are also likely to have the right to rescind the Insurance Policies and to claim restitution of premiums paid and/or supplementary damages. It is uncertain whether such claim is subject to the Borrower Insurance Pledge. If not, the Borrower Insurance Pledge would not obstruct a right of set-off with such claim by Borrowers.

Finally, set-off vis-à-vis the Issuer after notification of the assignment would be subject to the additional requirements for set-off being met (see *Set-off*). In the case of Savings Mortgage Loans and Life Mortgage Loans with the possibility of a Savings Element, such requirements are likely to be met, since the Savings Mortgage Loans and Life Mortgage Loans with the possibility of a Savings Element and the Savings Insurance Policies and the Life Insurance Policies with the possibility of a Savings Alternative are likely to be regarded as one and the same relationship, but in the case of Life Mortgage Loans (other than Life Mortgage Loans with the possibility of a Savings Element), this is unlikely. The fact that the Mortgage Receivable is assigned to the Issuer is not likely to interfere with such a set-off (see *Set-off*).

Even if the Borrowers cannot invoke a right of set-off, they may invoke defences vis-à-vis the relevant Initial Seller, the Issuer and/or the Security Trustee, as the case may be. The Borrowers could, *inter alia*, argue that (notwithstanding the waiver of set-off) it was the intention of the parties involved, or that the Borrowers could rightfully interpret the mortgage documentation and the promotional materials in such a manner, that the Mortgage Loan and the relevant Insurance Policy are to be regarded as one interrelated legal relationship and could, on this basis, claim a right of annulment or dissolution of the Mortgage Receivable or, alternatively, claim that the Mortgage Receivable would be (fully or partially) repaid by means of the proceeds of the Insurance Policy and that, failing such proceeds being so applied, the Borrower is not obliged to repay the (corresponding) part of the Mortgage Receivable. On the basis of similar reasoning, Borrowers could also argue that the Mortgage Loans and the Insurance Policy were entered into as a result of "error" ('*dwaling*') or that it would be contrary to principles of reasonableness and fairness ('*redelijkheid en*

billijkheid) for the Borrower to be obliged to repay the Mortgage Loan to the extent that he has failed to receive the proceeds of the Insurance Policy.

Set-off or defences regarding Life Mortgage Loans originated by GMAC RFC Nederland, other than Life Mortgage Loans with the possibility of a Savings Element

In the case the Borrower/insured will not be able to recover their claims under a Life Insurance Policy with any of the Life Insurance Companies, in respect of Mortgage Loans originated by GMAC RFC Nederland where the Borrowers have taken out a such policies, the Issuer has been advised that it is unlikely that a court would honour set-off or defences of the Borrowers, as in the relevant Mortgage Conditions the Borrowers explicitly waive any right to set-off amounts owed by it under the relevant Mortgage Receivables against amounts owed to it by the relevant Insurance Company under the Life Insurance Policy. Moreover, it is explicitly stated in such Mortgage Conditions that GMAC RFC Nederland and the relevant Insurance Company are two different entities and that the rights and obligations under the Insurance Policies are independent from those under the relevant Mortgage Loans and that default by the relevant Life Insurance Company does not in any way affect the obligations of the Borrower under the relevant Mortgage Loan. Finally, GMAC RFC Nederland will represent and warrant in respect of the relevant Mortgage Loans that (i) there is no connection with the relevant Life Insurance Policy other than the Borrower Insurance Pledge and the Life Beneficiary Rights, (ii) the Relevant Life Mortgage Loans and the Life Insurance Policies are not marketed as one product and (iii) the Borrowers are free to choose the Life Insurance Companies.

Set-off or defences regarding Life Mortgage Loans originated by Quion 20, other than Life Mortgage Loans with the possibility of a Savings Element

In respect of Life Mortgage Loans originated by Quion 20 where the Borrowers have taken out Life Insurance Policies with any of the Life Insurance Companies, other than Falcon, Erasmus or Generali, the Issuer has been advised that it is unlikely that a court would honour set-off or defences of the Borrowers, as described above, taking into account that Quion 20 will represent and warrant that with respect to the relevant Life Mortgage Loans, other than Life Mortgage Loans originated by Quion 20 associated with a Life Insurance Policy with Falcon, Erasmus or Generali (i) there is no connection, whether from a legal or a commercial point of view, between the relevant Life Mortgage Loan and the relevant Life Insurance Policy other than the relevant Borrower Insurance Pledge and the relevant Life Beneficiary Rights, (ii) the relevant Life Mortgage Loans and the Life Insurance Policies are not marketed as one product or under one name and (iii) the Borrowers are free to choose the relevant Life Insurance Company.

With respect to the Life Mortgage Loans originated by Quion 20 associated with a Life Insurance Policy entered into with Falcon, Erasmus or Generali, the Life Mortgage Loans have been marketed in the relevant brochures under the name of the relevant Life Insurance Company as one product with the associated Life Insurance Policy, under the trade name of the relevant Life Insurance Company on behalf of Quion 20 (which is not a group company of any of the relevant Life Insurance Companies). On the other hand, Quion 20 has represented that with respect to the relevant Mortgage Loans associated with such Life Insurance Policies that (i) the offer document ("*offerte*") makes clear that the loan is granted by the relevant Seller and not by the relevant Life Insurance Company and (ii) the offer document does not oblige the applicant to take out a life insurance policy with the relevant Life Insurance Company. In respect of these Mortgage Loans only, the Issuer has been advised that, given the closer commercial connection, the possibility can not be disregarded (*'de mogelijkheid kan niet worden uitgesloten'*) that in the event that the Borrowers cannot recover their claims under these Life Insurance Policies from the relevant Life Insurance Companies, the courts will honour set-off or defences invoked by Borrowers, as described above.

Set-off or defences regarding Life Mortgage Loans originated by Atlas Funding, other than Life Mortgage Loans with the possibility of a Savings Element

Mortgage Loans originated by Atlas Funding associated with a Life Insurance Policy of Klaverblad Verzekeringen have been marketed in the relevant brochures under the name of Klaverblad Verzekeringen as one product with the associated Life Insurance Policy, under the trade name of Klaverblad Verzekeringen on behalf of Atlas Funding (which is not a group company of Klaverblad Verzekeringen). However, it is explicitly stated at the end of the brochures and in the relevant Mortgage Conditions that Atlas Funding and Klaverblad Verzekeringen are two different entities and that the rights and obligations under the Insurance Policies are independent from those under the relevant Mortgage Loans and that default by Klaverblad Verzekeringen does not in any way affect the obligations of the Borrower under the relevant Life Mortgage Loan. In addition, in the relevant Mortgage Conditions the Borrowers explicitly waive any right to set-off amounts owed by it under the relevant Mortgage Receivables against amounts owed to it by the relevant Life Insurance Company under the Life Insurance Policy. Finally, Atlas Funding will represent and warrant that with respect to the relevant Life Mortgage Loans associated with such Life Insurance Policies that (i) the offer

document ("*offerte*") makes clear that the loan is granted by Atlas Funding and not by Klaverblad Verzekeringen and (ii) the offer document does not oblige the applicant to take out a life insurance policy with Klaverblad Verzekeringen. In respect of these Life Mortgage Loans originated by Atlas Funding only, the Issuer has, based on the above, been advised that, given the closer commercial connection, the possibility cannot be disregarded (*'de mogelijkheid kan niet worden uitgesloten'*) that in the event that the Borrowers cannot recover their claims under these Life Insurance Policies from Klaverblad Verzekeringen, the courts will honour set-off or defences invoked by Borrowers, as described above.

Set-off or defences regarding Savings Mortgage Loans and Life Mortgage Loans with the possibility of a Savings Element

In respect of Savings Mortgage Loans and Life Mortgage Loans with the possibility of a Savings Element in case the Borrower/insured will not be able to recover their claims under such policies, the Issuer has been advised that the risk that such a set-off or defence would be successful is greater than in the case of the Life Mortgage Loans (other than Life Mortgage Loans with the possibility of a Savings Element) in view of, *inter alia*, the close connection between the Savings Mortgage Loans and Life Mortgage Loans with the possibility of a Savings Element and the Savings Insurance Policy and the Life Insurance Policy with the possibility of a Savings Alternative and, therefore, constitutes a considerable risk (*'een aanmerkelijk risico'*).

The Sub-Participation Agreement relating to a Compartment will provide that in the case of set-off or defences by Borrowers, including but not limited to a right of set-off or defence based upon a default in the performance by the relevant Savings Insurance Company of its obligations under the relevant Savings Insurance Policy or Life Insurance Policy with a Savings Alternative where, as a consequence thereof, the Issuer will not have received any amount due and outstanding, the relevant Participation of the relevant Savings Insurance Company will be reduced by an amount equal to the amount which the Issuer has failed to receive as a result of such set-off or defence. The amount of the relevant Participation is equal to the amount of Savings Premia received by the Issuer in respect of the relevant Pool plus the accrued yield on such amount (see *Sub-Participation Agreements*), provided that each Savings Insurance Company will have paid all Savings Premia received from the relevant Borrowers to the Issuer. Therefore, normally the Issuer would not suffer any damages if the Borrower would invoke any such right of set-off or defence, if and to the extent that the amount for which the Borrower would invoke set-off or defences does not exceed the amount of the relevant Participation. The amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the relevant Participation. The Sub-Participation Agreements will not apply to Life Mortgage Loans to which a Life Insurance Policy with the Unit-Linked Alternative is connected.

Investment Mortgage Loans

Under the Investment Mortgage Loans the Borrower does not pay principal prior to maturity of the Mortgage Loan. Instead the Borrower undertakes to invest agreed amounts in certain investment funds. Certain issues relating to Risk Insurance Policies entered into in connection with Investment Mortgage Loans are discussed in *Insurance Policies* above. See further *Description of the Mortgage Loans*.

The investments in investment funds are effected by the Borrowers paying certain agreed amounts to Stichting Allianz Nederland Beleggersrekeningen and/or Holland Beleggingsgroep B.V. and/or Stichting Optimix Beleggersgiro and/or Administratiekantoor Interland B.V., which are applied to acquire participations (*'deelnemingsrechten'*) in certain selected investment undertakings in accordance with the instructions of the Borrower. The investment funds are managed by Allianz, Optimix Vermogensbeheer N.V., Holland Beleggingsgroep B.V., Insinger de Beaufort, IVM Vermogensbeheer B.V., Noord-Nederlands Effectenkantoor, Borghols Investment Management, Hansard Financial Services, Palladyne, Generali, Binck Effectenbank (RendementsRekening), IVM Vermogensbeheer or CBAM, as the case may be. The participations that are purchased are credited to the Investment Accounts. It is intended that the Mortgage Receivables will be fully or partially repaid with the proceeds of the investments. In this structure, the Borrowers have a claim on Stichting Allianz Nederland Beleggersrekeningen and/or Holland Beleggingsgroep B.V. and/or Stichting Optimix Beleggersgiro and/or Administratiekantoor Interland B.V., as the case may be, for the value of the investments. Should Stichting Allianz Nederland Beleggersrekeningen and/or Holland Beleggingsgroep B.V. and/or Stichting Optimix Beleggersgiro and/or Administratiekantoor Interland B.V., as the case may be, not be able to meet its obligations towards the Borrowers, this could lead to set-off or defences by Borrowers similar to those described under *Insurance Policies* above, except for the set-off or defences described in *Appointment of Beneficiary* in the event that the relevant Initial Seller is insolvent. In addition, the value of the investments may not be sufficient for the Borrower to fully redeem the related Mortgage Receivable at its maturity.

Pledge

Each of the Initial Sellers has the benefit of a right of pledge on all rights of the relevant Borrowers in connection with the Investment Account which secures the same liabilities as the relevant Mortgage. The observations made above in the paragraph *Security Rights* apply equally here.

Risks related to investments under Investment Mortgage Loans or Life Insurance Policies with a Unit-Linked Alternative

The value of investments made under the Investment Mortgage Loans or by one of the Life Insurance Companies in connection with the Life Insurance Policies with a Unit-Linked Alternative may not be sufficient for the Borrower to fully redeem the related Mortgage Receivables at its maturity.

In addition, if the value of the investments made under the Investment Mortgage Loans has declined considerably, a Borrower may invoke set-off or defences against the Issuer arguing that he has not been properly informed of the risks involved in the investments. The merits of any such claim will, to a large extent, depend on the manner in which the Investment Mortgage Loans have been marketed and the promotional material provided to the Borrower. The above may also apply in the case of a decline in value of investments made by the Life Insurance Companies in connection with the Life Insurance Policies with the Unit-Linked Alternative. Moreover, there is a risk that a Borrower will invoke set off with the relevant Mortgage Receivable or invoke any other defence against the Issuer or the Security Trustee based upon alleged defects in the structuring and selling of the Unit-Linked Insurance Policy. In this respect it should be noted that the AFM has issued a report on this subject and there have been publications that civil law suits or a class action might be prepared against certain insurance companies. Any such set-off or defences may lead to losses under the Mortgage Receivables and thus to losses under the Notes. The analysis in respect of such a right of set-off or defences is similar to the analysis regarding insolvency of the Insurance Companies (see *Set-off or defences in the case of default under Insurance Policies* above).

Financial Services Act*Issuer*

Under the Financial Services Act (*'Wet financiële dienstverlening'*), which entered into force on 1 January 2006, a special purpose vehicle which acquired legal title to the loans granted to consumers and which services (*'beheert'*) and administers (*'uitvoert'*) such loans, such as the Issuer, must have a licence under that Act. An exemption from the licence requirement is available, if the special purpose vehicle outsources the servicing of the loans and the administration thereof to an entity holding a licence under the Financial Services Act. The Issuer has outsourced the servicing and administration of the Mortgage Loans to the MPT Provider. The MPT Provider has submitted an application for a licence under the Financial Services Act with the AFM. Granting of a licence can take up to one year, which period can be extended (two times) with a half year (each time). However, the MPT Provider has been provided by the AFM with a temporary licence. The Issuer has been advised that the temporary licence of the MPT Provider is sufficient to be exempted from the licence requirement of the Financial Services Act. If the Issuer Services Agreement is terminated, the Issuer will need to outsource the servicing and administration of the Mortgage Loans to another entity, which must have a licence under the Financial Services Act.

Initial Sellers

As set out above, as being engaged in the business of offering mortgage loans to private individuals in the Netherlands, the Sellers need to obtain a licence under the new Financial Services Act. All three Initial Sellers have submitted an application for a licence under the Financial Services Act with the AFM. As mentioned in the previous paragraph, granting of a licence can take up to one year, which period can be extended (two times) with a half year (each time). However, the Initial Sellers have been provided by the AFM with a temporary licence. If an Initial Seller would neither be granted a licence nor be exempted or be granted a dispensation under the Financial Services Act, the relevant Initial Seller would have to terminate its activities and settle (*'afwickelen'*) its existing agreements. The relevant Initial Seller would in such event no longer have the right to perform its rights and obligations under the Mortgage Receivables Purchase Agreement, such as the sale of New Mortgage Receivables and Further Advance Receivables to and the repurchase of Relevant Mortgage Receivables from the Issuer. Each of the Initial Sellers will undertake in the Mortgage Receivables Purchase Agreement immediately upon the receipt from the AFM of an anticipated refusal to grant the licence or a dispensation which, in the case of a dispensation, is satisfactory to the Issuer and the Security Trustee, to take all necessary action to ensure that all Relevant Mortgage Loans and all other mortgage loans to which it is a party will be transferred to a party which is licenced, exempted or has been granted a dispensation, satisfactory to the Issuer and the Security Trustee, under the Financial Services Act, so that the offering,

servicing and performance of the Relevant Mortgage Loans and all other mortgage loans to which the relevant Initial Seller was a party no longer violates the Financial Services Act.

Long leases

The mortgage rights securing the Mortgage Loans may be vested on a long lease (*'erfpacht'*). A long lease will, *inter alia*, end as a result of expiration of the long lease term (in the case of lease for a fixed period), or termination of the long lease by the leaseholder or the landowner. The landowner can terminate the long lease in the event the leaseholder has not paid the remuneration due for a period exceeding two consecutive years or seriously breaches other obligations under the long lease. In case the long lease ends, the landowner will have the obligation to compensate the leaseholder. In such event the Mortgage will, by operation of law, be replaced by a right of pledge on the claim of the (former) leaseholder on the landowner for such compensation. The amount of the compensation will, *inter alia*, be determined by the conditions of the long lease and may be less than the market value of the long lease and may be less than the value of the relevant Mortgage Receivable.

When underwriting a Mortgage Loan to be secured by a mortgage right on a long lease, each of the Initial Sellers takes into consideration the conditions, including the term, of the long lease. The acceptance conditions used by each of the Initial Sellers provide that in such event the Mortgage Loan shall have a maturity that is shorter than the term of the long lease. In case of Mortgage Loans originated by GMAC RFC Nederland the term of the long lease should be at least 15 years. The general terms and conditions of the Mortgage Loans provide that the Mortgage Loan becomes immediately due and payable in the event that, *inter alia*, (i) the leaseholder materially breaches or ceases to perform its payment obligation under the long lease or (ii) the long lease is terminated or (iii) if the leaseholder in any other manner breaches the conditions of the long lease. In respect of the Mortgage Receivables originated by Quion 20, the maximum term for Mortgage Loans secured by a Mortgage over a long lease is the lesser of 30 years and the remaining term of the long lease, provided that the term of the long lease is at least 50 per cent. of the mortgage loan term.

Reduced value of investments

The value of investments made under the Investment Mortgage Loans or by one of the Life Insurance Companies in connection with the Life Insurance Policies with a Unit-Linked Alternative may not be sufficient for the Borrower to fully redeem the related Mortgage Receivables at its maturity.

In addition, if the value of the investments made under the Investment Mortgage Loans has declined considerably, a Borrower may invoke set-off or defences against the Issuer arguing that he has not been properly informed of the risks involved in the investments. The merits of any such claim will, to a large extent, depend on the manner in which the Investment Mortgage Loans have been marketed and the promotional material provided to the Borrower. The above may also apply in the case of a decline in value of investments made by the Life Insurance Companies in connection with the Life Insurance Policies with the Unit-Linked Alternative.

Foundation GMAC Collection Account Pledge Agreement and Foundation Atlas Funding Collection Account Pledge Agreement

Since the Previous Transaction SPVs (and/or the Previous Transaction Security Trustees, as the case may be) and the Issuer (and/or the Security Trustee, as the case may be) have a first ranking right of pledge on the amounts standing to the credit of the Foundation GMAC RFC Nederland Collection Account and the Foundation Atlas Funding Collection Account respectively, the rules applicable to co-ownership (*'gemeenschap'*) apply. The Netherlands Civil Code provides for various mandatory rules applying to such co-owned rights. In principle co-owners are required to cooperate with regard to their co-owned goods, but according to section 3:168 of the Netherlands Civil Code it is possible for co-owners to make an arrangement for the management (*'beheer'*) of the co-owned goods by one or more of the co-owning parties.

The Previous Transaction SPVs, the Issuer, the Security Trustee and the Previous Transaction Security Trustees will further in the Foundation GMAC RFC Nederland Collection Account Pledge Agreement and the Foundation Atlas Funding Collection Account Pledge Agreement respectively agree that the Security Trustee and the Previous Transaction Security Trustees will manage (*'beheren'*) such co-held rights jointly. The Issuer has been advised that it is uncertain whether the foreclosure of the rights of pledge will constitute management for the purpose of section 3:168 of the Netherlands Civil Code and as a consequence the cooperation of the Previous Transaction SPVs and the Issuer may be required for such foreclosure to take place.

Stichting GMAC RFC Nederland Ontvangsten, the Issuer, the Security Trustee, the Previous Transaction SPVs and the Previous Transactions Security Trustees will further agree in the Foundation GMAC RFC Nederland Collection Account Pledge Agreement and the Foundation Atlas Funding Collection Account Pledge Agreement respectively that (i) the share (*'aandeel'*) in each co-held right of pledge will be equal to the amounts collected from the respective pools of mortgage receivables purchased by each Previous Transaction SPV respectively and the amounts collected from the Mortgage Receivables, respectively, and (ii) in case of foreclosure of the right of pledge on the Foundation GMAC RFC Nederland Collection Account and the Foundation Atlas Funding Collection Account respectively, the proceeds will be divided according to each share. It is uncertain whether this sharing arrangement is enforceable in the event that the Issuer, the Security Trustee, the Previous Transaction SPVs and the Previous Transaction Security Trustees should become insolvent. However, the Issuer has been advised that neither the Stichting GMAC RFC Nederland Ontvangsten's nor the insolvency of GMAC RFC Nederland or Stichting Atlas Funding Ontvangsten's nor the insolvency of Atlas Funding would affect this arrangement. In this respect it will be agreed that in case of a breach by a party of its obligations under the abovementioned agreements or if such agreement is dissolved, void, nullified or ineffective for any reason in respect of such party, such party shall compensate the other parties forthwith for any and all loss, costs, claim, damage and expense whatsoever which such party incurs as a result hereof.

It is a condition of this arrangement that future issuers (and security trustees) in securitisation transactions or similar transactions of the Initial Sellers will also have the benefit of such right of pledge.

Construction Amounts

Pursuant to the Mortgage Conditions, the Borrowers have the right to request to withhold the Construction Amount to be paid out in the event that certain conditions are met. The Issuer will agree with each of the Initial Sellers in the Mortgage Receivables Purchase Agreement that the Issuer will be entitled to withhold from the relevant Initial Purchase Price an amount equal to such aggregate Construction Amounts as per the relevant Portfolio Cut-Off Date. Such amount will be deposited in the Construction Account relating to such Pool. On each relevant Quarterly Payment Date the Issuer will release from the relevant Construction Account such part of the relevant Initial Purchase Price which equals the difference between the relevant aggregate Construction Amounts and the balance standing to the credit of the relevant Construction Account and pay such amount to the relevant Initial Seller. The same applies to any Construction Amounts relating to New Mortgage Receivables and Further Advance Receivables.

Pursuant to the Mortgage Conditions in respect of the Mortgage Loans, Construction Amounts (a) in respect of newly built property have to be paid out within 12 to 36 months (depending on the product). After such period, any remaining Construction Amounts will either (i) be paid out by the relevant Initial Seller to the relevant Borrower and consequently the remaining part of the relevant Initial Purchase Price will be paid by the Issuer to the relevant Initial Seller or (ii) if the Construction Amount exceeds EUR 2,250 or EUR 2,500 (depending on the product), be set-off against the Mortgage Receivable, up to the amount of the Construction Amount, in which case the Issuer shall have no further obligation towards the relevant Initial Seller to pay the remaining part of the relevant Initial Purchase Price in respect of such Mortgage Receivable and any amount equal to such part of the relevant Initial Purchase Price will be debited from the relevant Construction Account and will be used for redemption of the Notes of the relevant Compartment in accordance with the Conditions of the Notes. In case of NHG Mortgage Loans, the NHG Conditions will apply.

Effectiveness of assignment of and pledge over the part of the Mortgage Receivables relating to Construction Amounts

Under Netherlands law the distinction between "existing" ('*bestaande*') receivables and "future" ('*toekomstige*') receivables is relevant. If receivables are regarded as future receivables, an assignment and/or pledge thereof will not be effective to the extent the receivable comes into existence after or on the date on which the assignor or, as the case may be, the pledgor has been declared bankrupt or granted a suspension of payments. If, however, receivables are to be considered as existing receivables, the assignment and pledge thereof are not affected by the bankruptcy or suspension of payments of the assignor/pledgor. The Issuer has been advised that based on case law and legal literature uncertainty remains whether on the basis of the applicable terms and conditions the part of the Mortgage Receivables relating to the Construction Amounts are considered to be existing receivables. It could be argued that such part of the Mortgage Loan concerned comes into existence only when and to the extent the Construction Amount is paid out. If the part of the Mortgage Receivable relating to the Construction Amount is regarded as a future receivable, the assignment and/or pledge of such part will not be effective if the Construction Amount is paid out on or after the date on which the relevant Initial Seller is declared bankrupt or granted suspension of payments.

Loan-to-Foreclosure Value Ratio

The Mortgage Loans may have a LTFV-ratio of up to 125 per cent. Borrowers that have a disability insurance ('*koopsom*'- or '*woonlastenbeschermer*') and have the rights under or in connection with the disability insurance pledged to the relevant Initial Seller are granted a Mortgage Loan up to a maximum of 128 per cent. of the Foreclosure Value of the Mortgaged Assets depending on the relevant Initial Seller. There can be no assurance that, on enforcement, all amounts owing by a Borrower under a Mortgage Loan can be recovered from the proceeds of the foreclosure on the property which is subject to the Mortgage. Interest-only Mortgage Loans originated by any of the Initial Sellers may not exceed up to 100 per cent. of the appraisal Foreclosure Value and in case of Star Mortgage Loans 128 per cent.

There can be no assurance that the foreclosure proceeds will exceed the relevant estimated Foreclosure Value of the property. Any part of the loan exceeding up to 100 per cent. of the Foreclosure Value must have a redemption policy or be an Annuity Mortgage Loan (with the exception of the Star Mortgage Loan). Depending on the relevant Initial Seller and/or depending on the age of the Borrower or the size of the Mortgage Loan relative to the purchase price of the property at origination, the Borrower must have taken out a Risk Insurance Policy. The applicable Supplemental Prospectus will state in respect of the relevant Compartment the maximum LTFV-ratio and the average LTFV-ratio of the relevant Pool.

Prepayment Considerations

The maturity of the Notes of each Compartment and each relevant Class will depend on, among other things, the amount and timing of payment of principal (including full and partial prepayments, foreclosure proceeds on enforcement of Mortgage Receivables and the proceeds of repurchases by any of the Initial Sellers under the Mortgage Receivables Purchase Agreement and the proceeds of the sale of Excess Mortgage Receivables and the consideration for granting a Participation) on the Mortgage Receivables. The average maturity of the Notes may be adversely affected by a higher or lower than anticipated rate of prepayments on the Mortgage Receivables.

The rate of prepayment of the Mortgage Loans cannot be predicted and is influenced by a wide variety of economic, social and other factors, including prevailing mortgage market interest rates, the availability of alternative financing, local and regional economic conditions and homeowner mobility. No guarantee can be given as to the level of prepayment that the Mortgage Loans may experience, and variation in the rate of prepayments of principal on the Mortgage Loans may affect each Compartment and each Class of Notes differently. The estimated average lives of each Compartment and each Class of Notes must therefore be viewed with considerable caution and Noteholders should make their own assessment thereof.

Subordination of certain Classes of Notes of a Compartment to other Class(es) of such Compartment

To the extent set forth in Conditions of the Notes 4, 6 and 9, (a) the Mezzanine Class B Notes of each Compartment are subordinated in right of payment to the Senior Class A Notes of such Compartment, (b) the Junior Class C Notes of each Compartment are subordinated in right of payment to the Senior Class A Notes and the Mezzanine Class B Notes of such Compartment, (c) the relevant Subordinated Class D Notes of each Compartment are subordinated in right of payment to the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes of such Compartment and (d) the relevant Subordinated Class E Notes of each Compartment are subordinated in right of payment to the Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D Notes of such Compartment. With respect to any Class of Notes, such subordination is designed to provide credit enhancement to any Class of Notes of the same Compartment with a higher payment priority than such Class of Notes. The Notes of each Class rank *pari passu* and rateably without any preference or priority among Notes of the same Class of the same Compartment.

If, upon default by the Borrowers and after exercise by the MPT Provider of all available remedies in respect of the applicable Mortgage Receivables, the Issuer does not receive the full amount due from such Borrowers, the relevant Noteholders may receive by way of principal repayment on the Notes of the relevant Compartment an amount less than the face amount of their Notes and the Issuer may be unable to pay in full interest due on such Notes, to the extent set forth in Condition of the Notes 4, 6 and 9. On any relevant Quarterly Payment Date, any such losses on the Mortgage Receivables will be allocated as described in *Credit Structure* below.

Hedging Agreements

The amount of revenue receipts that the Issuer receives will fluctuate according to the interest rates applicable to the Mortgage Loans of a Pool. The Issuer will be subject to floating and/or fixed rate interest obligations under the Notes of a Compartment while the Mortgage Loans may be (depending on the choice made by the Borrower) subject to a fixed rate of interest subject to a reset or a floating rate of interest.

To hedge the Issuer's exposure against the possible variance between the revenue it receives from the Mortgage Loans of a Pool and the interest it pays under the Notes of a Compartment, the Issuer will enter into Hedging Agreements in respect of such Compartment with Hedging Counterparties on the relevant Issue Date and where necessary, each Quarterly Payment Date. See *Hedging Agreements* below.

The Issuer's exposure against the possible variance between the revenue it receives from the Mortgage Loans of a Pool subject to a variable rate of interest and the floating interest rate it pays under the Notes of a Compartment will not be hedged. In respect of Mortgage Loans subject to a variable interest rate, each of the Initial Sellers may at its discretion on each monthly interest reset date reset the interest rate on behalf of the Issuer. Each of the Initial Sellers has covenanted to set the interest rate in accordance with its usual policy. It is the policy of the Initial Sellers to set the variable interest rate by reference to a margin over Euribor and interest rates prevailing in the Dutch residential mortgage market. Each of the Initial Sellers' discretion is subject to general principles of reasonableness and fairness. There can be no assurance that the interest rate set in accordance with the relevant Initial Seller's policy will at all times be equal to or exceed the interest payable on the Notes of a Compartment.

The Issuer may be liable to pay an amount calculated by reference to the change in the mark-to-market value of the relevant Hedging Agreement following any adjustment in the notional amount of the relevant Hedging Agreement pursuant to the terms thereof. In addition, if a Hedging Agreement is terminated prior to its scheduled termination date, the Issuer may be obliged to pay a termination payment to a Hedging Counterparty. The amount of any termination payment will be based on the market value of the terminated Hedging Agreement based on market quotations of the cost of entering into a transaction with the same terms and conditions that would have the effect of preserving the respective full payment obligations of the parties (or based upon loss in the event that no market quotation can be obtained). A Hedging Agreement may also be terminated if either the Issuer or the Hedging Counterparty becomes liable to withholding tax.

Following the downgrade in the rating of the Hedging Counterparty and subsequent failure by such Hedging Counterparty to comply with the requirements under the relevant Hedging Agreement, the Issuer may only designate an early termination date if it has found a replacement counterparty willing to enter into a replacement hedging transaction on the terms substantially similar to the existing Hedging Agreement. The Issuer cannot give any assurance that it will be able to enter into a replacement Hedging Agreement, or if one is entered into, that the credit rating of the replacement Hedging Counterparty will be sufficiently high to prevent a downgrading of the then current ratings of the Notes of the relevant Compartment by the Rating Agencies.

The funds which the Issuer has available in respect of a Compartment to make payments on the Notes of any Class of such Compartment may be reduced if the Issuer is obliged to make a termination payment to a Hedging Counterparty or to pay any other additional amount as result of the termination of a Hedging Agreement. Any termination payment due to a Hedging Counterparty, however, which arises due to (i) a default by that Hedging Counterparty under a Hedging Agreement or (ii) the failure of a Hedging Counterparty to comply with the requirements under the relevant Hedging Agreement following the loss of the Required Hedging Counterparty Rating, shall not rank in priority to payments due to any Noteholder (but to the extent that any premium is received by the Issuer from a replacement Hedging Counterparty in relation to a transaction entered into to replace that Hedging Agreement, the Hedging Counterparty shall rank in priority to payments due to any Noteholder).

Clean-Up Call Option and Redemption for Tax Reasons

If on any relevant Quarterly Payment Date the aggregate Principal Amount Outstanding of the Notes of a Compartment other than the Supporting Class of Notes (in the case of a Principal Shortfall in respect of any Class of Notes, less such aggregate Principal Shortfall) is not more than ten (10) per cent. of the aggregate Principal Amount Outstanding of the Notes of a Compartment other than the Supporting Class of Notes on the relevant Issue Date, the Issuer will, if so instructed by the MPT Provider, redeem the Put Option Notes due to the exercise of the Clean-Up Call Option in accordance with Condition of the Notes 6(f). Each of the Initial Sellers has undertaken in the Mortgage Receivables Purchase Agreement to repurchase and accept re-assignment of the then outstanding Relevant Mortgage Receivables of the relevant Pool from the Issuer at their respective Outstanding Principal Amounts, plus accrued but unpaid interest, in the event the Issuer has to redeem the Put Option Notes due to the exercise of the Clean-Up Call Option. Furthermore the Issuer will, if so instructed by GMAC RFC Nederland as Seller and representative of all Sellers redeem the Put Option Notes of a particular Compartment for tax reasons in accordance with Condition of the Notes 6(g). In respect of redemption of the Put Option Notes see *Maturity Risk/the Servicing Advance* below.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (1) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus and any applicable supplement;
- (2) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (3) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;

- (4) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (5) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investments and its ability to bear the applicable risks.

Base Prospectus to be read together with applicable Supplemental Prospectus and Final Terms

The terms and conditions of the Notes included in this Base Prospectus apply to different Notes which may be issued under the Programme. The full terms and conditions applicable to each Compartment of Notes can be reviewed by reading the master *Terms and Conditions of the Notes under the Programme* as set out in full in this Base Prospectus, which constitute the basis of all Notes to be offered under the Programme, together with any Supplemental Prospectuses and the applicable Final Terms which apply and/or disapply, supplement and/or amend the master Terms and Conditions of the Notes under the Programme in the manner required to reflect the particular terms and conditions applicable to the relevant Compartment of Notes.

Changes of law

The structure of the issue of the relevant Notes and the relevant ratings which are to be assigned to them are based on the law of The Netherlands in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible change to the law of The Netherlands or administrative practice in The Netherlands after the date of this Base Prospectus.

Limited recourse of the Notes

Recourse in respect of the Notes of a Compartment will be limited to (a) the relevant Pool and the relevant Beneficiary Rights relating to such Pool; (b) the balances standing to the credit of the relevant Transaction Accounts excluding, depending on the circumstances, the relevant Construction Account and (c) any claims of the Issuer under or in connection with the Relevant Issue Documents to the extent such claims relate to the relevant Pool or if such claims are applied on a pro rata basis, such pro rata part of such claims as more fully described in *Description of Security*.

Eligible Investments

The Issuer may invest certain amounts in (i) short-term senior unsecured euro-denominated debt obligations (including commercial paper) issued by an issuing entity of which the unsecured and unguaranteed debt obligations are assigned a rating of "A-1+" by S&P (or, in case such debt obligations are guaranteed, the unsecured and unguaranteed debt obligations of the guarantor are assigned a rating of "A-1+" by S&P and are in accordance with the then current S&P criteria) and (ii) deposits in euro with a bank having at least the Short Term Requisite Rating, ("**Eligible Investments**") provided that such Eligible Investments may not have a maturity beyond the immediately succeeding Quarterly Payment Date. Noteholders should be aware that these securities provide security in a different manner than the security provided by the Mortgage Receivables.

Limited Liquidity of the Notes

There can be no assurance that a secondary market for the Notes will develop or, if a secondary market does develop, that it will provide Noteholders with liquidity of investment or that it will continue for the life of the Notes. To date, no underwriter has indicated that they intend to establish and/or maintain a secondary market in the Notes.

Payments on the Mortgage Receivables

Payments on the Mortgage Receivables are subject to credit, liquidity and interest rate risks. This may be due to, among other things, market interest rates, general economic conditions, the financial standing of Borrowers and similar factors. Other factors such as loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies and bankruptcy filings by Borrowers and could ultimately have an adverse impact on the ability of Borrowers to repay their Mortgage Receivables.

Risks of Losses Associated with Declining Property Values

The security for the Notes of a Compartment pursuant to the Trustee Receivables Pledge Agreement may be affected by, among other things, a decline in the value of the Mortgaged Assets of the related Pool. No assurance can be given that values of those properties have remained or will remain at the level at which they were on the date of origination of the related Mortgage Loans. A decline in value may result in losses to the Noteholders if such security is required to be enforced.

Proposed Changes to the Basel Capital Accord

The Basel Committee on Banking Supervision (the '**Committee**') has issued proposals for reform of the 1988 Capital Accord and has proposed a framework which places enhanced emphasis on market discipline and sensitivity to risk. The third consultative paper on the New Basel Capital Accord was issued on 29 April 2003, with the consultation period ending on 31 July 2003. The Committee announced on 11 May 2004 that it had achieved consensus on the remaining issues and published the text of the new framework on 26 June 2004 under the title Basel II: International Convergence of Capital Measurement and Capital Standards: a Revised Framework. This framework will serve as the basis for national rule-making and approval processes to continue and for banking organisations to complete their preparations for implementation of the new framework. The Committee confirmed that it is currently intended that the various approaches under the framework will be implemented in stages, some from year-end 2006, the most advanced at year-end 2007. As and when implemented, the new framework could affect the risk weighting of the Notes in respect of certain investors if those investors are regulated in a manner which will be affected by the new framework. Consequently, prospective investors should consult their own advisers as to the consequences to and effect on them of the potential application of the New Basel Capital Accord. The precise effects of implementation of the new framework cannot be predicted.

Limited Liquidity of the Mortgage Receivables

The ability of the Issuer to redeem all the Notes of a Compartment in full and to pay all amounts due to the Noteholders of such Compartment, including after the occurrence of an Event of Default in respect of such Compartment, may depend upon whether the value of the Mortgage Receivables of the relevant Pool is sufficient to redeem the relevant Notes. There is no guarantee that at the relevant time there will be an active and liquid secondary market for loans with characteristics similar to the Mortgage Receivables in the Netherlands. It may not, therefore, be possible for the Issuer or, as the case may be, the Security Trustee or a liquidator to sell the Mortgage Receivables on appropriate terms should such a course of action be required.

Maturity Risk / the Servicing Advance

The ability of the Issuer to redeem all the Put Option Notes of a Compartment on each relevant Put Date (if applicable) or, as the case may be, on the relevant Final Maturity Date in full and to pay all amounts due to the relevant Put Option Noteholders, including after the occurrence of an Event of Default in respect of such Compartment, may depend upon whether the value of the Mortgage Receivables of the related Pool is sufficient to redeem the Put Option Notes of such Compartment.

In respect of a Compartment, the following shall apply: the MPT Provider will undertake in the Issuer Services Agreement to grant on the relevant Put Date the relevant Servicing Advance equal to the aggregate Principal Amount Outstanding of the relevant Put Option Notes in respect of which a Put Option has been exercised, less the aggregate Principal Shortfall in respect of such Put Option Notes, if any, after applying the relevant Notes Redemption Available Amount in respect of such date (excluding item (xii) hereof), to enable the Issuer to redeem the relevant Put Option Notes on the relevant Put Date in accordance with the Conditions of the Notes, in particular Condition of the Notes 6(d). Put Option Noteholders can exercise the Put Option to effect redemption of the Put Option Notes on the relevant Put Date. If the MPT Provider does not confirm that it will provide the relevant Servicing Advance on the relevant Put Date on ultimately 42 days prior to such Put Date, the Issuer (or its agent) will within 14 days approach and request third parties to (i) grant the relevant Servicing Advance in respect of that relevant Put Date and in respect of one or more subsequent Put Dates and (ii) purchase the relevant Excess Mortgage Receivables, on terms substantially the same as set out in the Issuer Services Agreement. If the Issuer does not receive sufficient principal in the form of a Servicing Advance to fully redeem the relevant Put Option Notes in respect of which the Put Option has been exercised on a Put Date, principal payments on such Put Option Notes will be materially adversely affected on such date. This does not constitute an Event of Default. In such case on the relevant Put Date and thereafter payments on the Notes of the relevant Compartment will be made in accordance with the Conditions of the Notes 4, 6 and 9 as if the Put Option had not been exercised until the Put Date on which the Issuer receives a Servicing Advance in an amount sufficient to redeem the Put Option Notes which are subject to redemption.

No Gross-up for Taxes

As provided in Condition of the Notes 7, if withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or changes of whatever nature are imposed by or on behalf of the Netherlands, any authority therein or thereof having power to tax, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not be obliged to pay any additional amounts to the Noteholders.

Reliance on Third Parties

Counterparties to the Issuer may not perform their obligations under the Relevant Documents, which may result in the Issuer not being able to meet its obligations under the Notes. It should be noted that there is a risk that (a) GMAC RFC Nederland, Quion 20 and Atlas Funding, each in its capacity as Initial Seller (such as, *inter alia*, exercising its repurchase obligation), (b) GMAC RFC Nederland in its capacities as MPT Provider (such as, *inter alia*, providing the Defaulted Loan Services and a Servicing Advance at a Put Date) and as Issuer Administrator will not meet its obligations vis-à-vis the Issuer; (c) Stater, as sub-agent of the MPT Provider will not perform (i) the MPT Services but not the Defaulted Loan Services in respect of Mortgage Loans originated by GMAC RFC Nederland and part of the Mortgage Loans originated by Atlas Funding and (ii) the MPT Services and the Defaulted Loan Services in the case the MPT Provider defaults in its obligation to perform such services; (d) Quion Hypotheekbemiddeling, as sub-agent of the MPT Provider will not perform the MPT Services (including the Defaulted Loan Services) in respect of Mortgage Loans originated by Quion 20 and the other part of the Mortgage Loans originated by Atlas Funding; (e) Amsterdamsch Trustee's Kantoor B.V. and ATC Management B.V. will not perform their obligations under the relevant Management Agreements and (f) each of the Swap Counterparty, the Paying Agents, the Extension Margin Agent, the Reference Agent, the Floating Rate GIC Provider and the Liquidity Facility Provider (as such parties are specified in the Supplemental Prospectus) will not perform their obligations under the Relevant Documents to which such party is a party.

Extension Margins and Subordinated Extension Interest Part

If the applicable Final Terms specify that the Extension Margins apply after the First Put Date, it should be noted that there is no guarantee that the Extension Margins will be equal to or higher than the Initial Margins. The Subordinated Extension Interest Part will be subordinated in right of payment to other payment obligations of the Issuer as set forth in the Interest Priority of Payments under items (a) up to and including (q). Besides that, the positive difference between the balance standing to the credit of the relevant Reserve Account and the relevant Reserve Account Target Level will only be available for redemption of the Supporting Class of Notes and will not be available for payment of the Subordinated Extension Interest Part. There can be no assurance on the (timely) payment of the Subordinated Extension Interest Part. Non payment of the Subordinated Extension Interest Part will not result in an Event of Default. Moreover, the ratings of the Put Option Notes, if any, do not take into account the (timely) payment of the Subordinated Extension Interest Part.

Reset Mortgage Receivables

The Mortgage Loans carry a fixed rate or a variable rate of interest. The fixed rate of interest is agreed for a period of up to 30 years from the date of origination, after which the interest rate will be reset for a different or identical time period as selected by the Borrower. Until notification of the assignment of the Mortgage Receivables to the Issuer has been made to the Borrowers, each of the Initial Sellers, whether by law or by proxy, has the right to set the interest rates for the relevant Mortgage Loans. The Issuer has been advised that the right to reset the interest rate should probably be considered as an ancillary right. If this view is correct the interest reset rights will have passed to the Issuer upon assignment of the Relevant Mortgage Receivables. However, the Issuer will in principle be bound by the relevant provisions of the Mortgage Conditions relating to the reset of interest rates. The Mortgage Conditions contain provisions relating to the interest rates and the interest periods to be offered to the Borrowers. According to the reset procedure, the relevant Initial Seller or, as the case may be, the assignee will set the interest rates. Pursuant to the Mortgage Conditions, if a Borrower does not accept the interest rate offered, the Borrower has the obligation to prepay the Mortgage Receivable in full on the date on which the interest rate of a Mortgage Loan is to be reset.

Each of the Initial Sellers will undertake in the Mortgage Receivables Purchase Agreement to set the interest rates of Mortgage Loans as agent of the Issuer or, as the case may be, the Security Trustee in accordance with its then prevailing procedures and on a certain level. Each of the Security Trustee and the Issuer may terminate the appointment of the relevant Initial Seller as agent of the Issuer to determine and set the rates of interest at any time. The Issuer will undertake vis-à-vis Hedging Counterparties that in case (i) the senior unsecured, unsubordinated and unguaranteed debt obligations of Residential Capital, LLC is lower than or is withdrawn in respect of any two of the following ratings: BB- or its equivalent by S&P or Ba3 or its equivalent by Moody's or BB- or its equivalent by Fitch or (ii) the relevant Initial Seller ceases to be a wholly owned indirect subsidiary of Residential Capital, LLC and thereafter the rating assigned to the senior unsecured, unsubordinated and unguaranteed debt obligations of the relevant Initial Seller or the entity of which the relevant Initial Seller becomes a wholly owned (indirect) subsidiary is lower than or is withdrawn in respect of any of the following ratings: BB- or its equivalent by S&P or Ba3 or its equivalent by Moody's or BB- or its equivalent by Fitch then the Issuer will terminate the appointment of the relevant Initial Seller and will

appoint the relevant Swap Counterparty to determine and set the rates of interest in accordance with the Mortgage Conditions.

If on an interest reset date a Borrower does not accept the interest rate offered by Quion 20 in accordance with the conditions as set out in the Mortgage Receivables Purchase Agreement, as a consequence of which the relevant Mortgage Receivable will be prepaid, the Issuer will sell and assign and Quion 20 will purchase and accept assignment of such Mortgage Receivable pursuant to the Mortgage Receivables Purchase Agreement.

European Union Directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from the 1st July, 2005, to provide to the tax authorities of another Member State details of payment of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

Also with effect from 1 July, 2005, a number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States have agreed to adopt similar measures (either provision of information or transitional withholding) (a withholding system in the case of Switzerland) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

Forecasts and Estimates

Forecasts and estimates in this Base Prospectus are forward looking statements. Such projections are speculative in nature and it can be expected that some or all of the assumptions underlying the projections will not prove to be correct or will vary from actual results. Consequently, the actual result might differ from the projections and such differences might be significant.

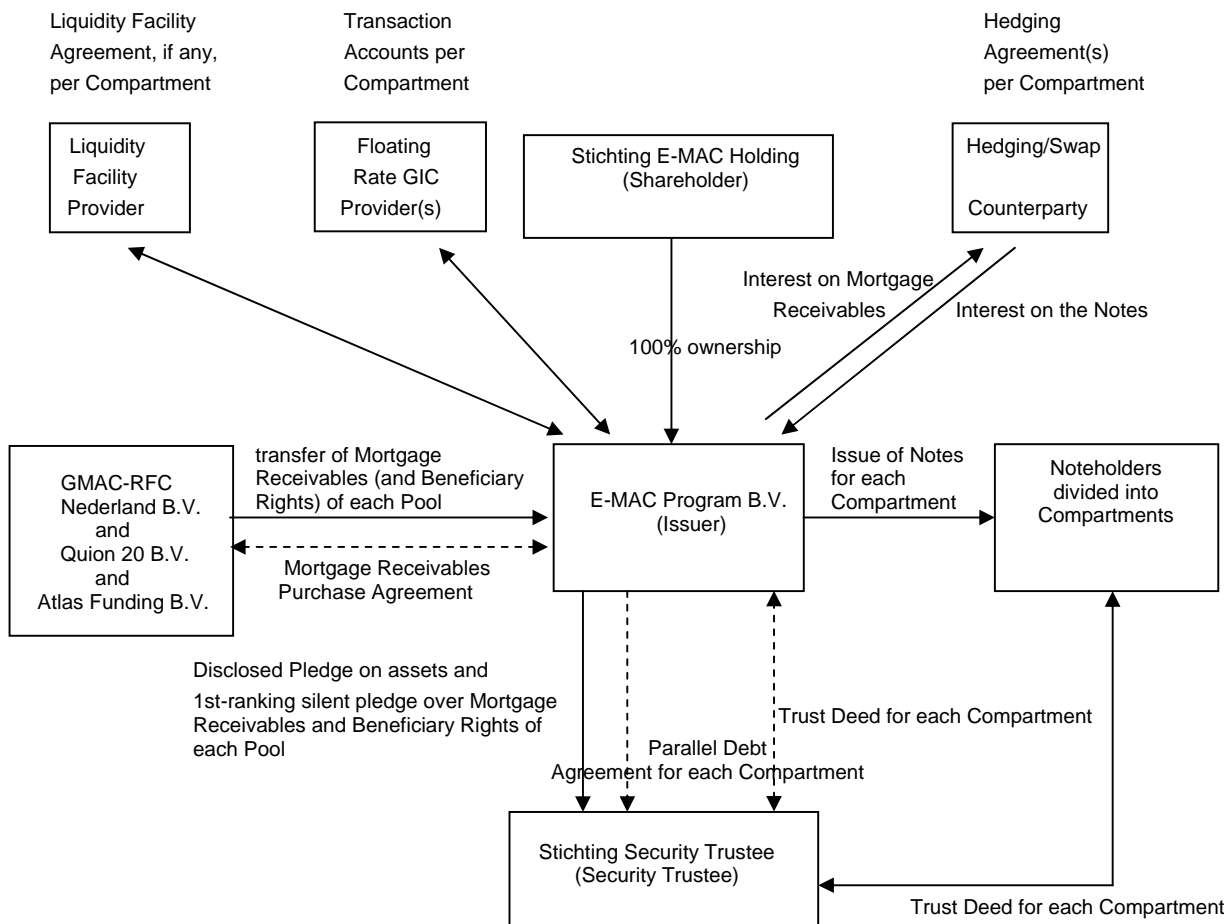
Ratings of the Notes

The (future) rating of each of the Notes addresses the assessment made by the Rating Agency(ies) as specified in the applicable Final Terms of the likelihood of full and timely payment of interest and ultimate payment of principal on or before the Final Maturity Date of the relevant Notes.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning Rating Agency if in its judgement, the circumstances (including a reduction in the credit rating of the Floating Rate GIC Provider, the Swap Counterparty or the Liquidity Facility Provider) in the future so require.

STRUCTURE DIAGRAM

The following structure diagram provides an indicative summary of the principal features of the transaction. The diagram must be read in conjunction with and is qualified in its entirety by the detailed information presented elsewhere in this Base Prospectus.



OVERVIEW OF THE PARTIES AND PRINCIPAL FEATURES OF THE PROGRAMME

The following is an overview of the principal features of the issue of the Notes. This overview should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information presented elsewhere in this Base Prospectus.

THE PARTIES:

| | |
|------------------------------|---|
| Issuer: | E-MAC Program B.V., incorporated under the laws of the Netherlands as a private company with limited liability (" <i>besloten vennootschap met beperkte aansprakelijkheid</i> ") having its corporate seat in Amsterdam and registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 34258908. |
| Initial Sellers: | <p>GMAC RFC Nederland B.V incorporated under the laws of the Netherlands as a private company with limited liability ("<i>besloten vennootschap met beperkte aansprakelijkheid</i>"), having its corporate seat in Amsterdam. GMAC RFC Nederland B.V. is an indirect wholly owned subsidiary of Residential Capital, LLC;</p> <p>Atlas Funding B.V. incorporated under the laws of the Netherlands as a private company with limited liability ("<i>besloten vennootschap met beperkte aansprakelijkheid</i>"), having its corporate seat in Amsterdam; and</p> <p>Quion 20 B.V., incorporated under the laws of the Netherlands as a private company with limited liability ("<i>besloten vennootschap met beperkte aansprakelijkheid</i>"), having its corporate seat in Rotterdam (see <i>Description of the Initial Sellers</i>).</p> |
| Sellers | The Initial Sellers and/or, as the case may be, any other legal entity who accedes to the Programme as seller of mortgage receivables. |
| Issuer Administrator: | GMAC RFC Nederland. |
| MPT Provider: | GMAC RFC Nederland. The MPT Provider will appoint (i) Stater Nederland B.V., incorporated under the laws of the Netherlands as a private company with limited liability (" <i>besloten vennootschap met beperkte aansprakelijkheid</i> "), as its sub-agent to provide certain of (a) the MPT Services (excluding the Defaulted Loan Services) and (b) the MPT Services (including the Defaulted Loan Services) in the case the MPT Provider defaults in its obligation to perform such services in respect of the Mortgage Loans originated by GMAC RFC Nederland and part of the Mortgage Loans originated by Atlas Funding and (ii) Quion Hypotheekbemiddeling B.V., incorporated under the laws of the Netherlands as a private company with |

limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") as its sub-agent to provide certain of the MPT Services (including the Defaulted Loan Services) in respect of the Mortgage Loans originated by Quion 20 and the remaining part of the Mortgage Loans originated by Atlas Funding (see *Issuer Services Agreement*).

| | |
|-------------------------------------|---|
| Security Trustee: | Stichting Security Trustee E-MAC Program, established under the laws of the Netherlands as a foundation (" <i>stichting</i> ") having its corporate seat in Amsterdam and registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 34257962. |
| Stichting Holding: | Stichting E-MAC Holding, established under the laws of the Netherlands as a foundation (" <i>stichting</i> ") having its corporate seat in Amsterdam and registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 34176190. The entire share capital of the Issuer is owned by Stichting Holding. |
| Directors: | ATC Management B.V., the sole director of the Issuer, Amsterdamsch Trustee's Kantoor B.V., the sole director of the Security Trustee and ATC Management B.V., the sole director of Stichting Holding, having their corporate seats in Amsterdam and registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 33226415 and number 33001955, respectively. The Directors belong to the same group of companies. |
| Liquidity Facility Provider: | As specified in the relevant Final Terms. |
| Swap Counterparty: | As specified in the relevant Final Terms. |
| Savings Insurance Companies: | DBV, Universal, Generali and Allianz, each incorporated under the laws of the Netherlands as a public company (" <i>naamloze vennootschap</i> ") and as further specified in the relevant Final Terms. |
| Floating Rate GIC Provider: | As specified in the relevant Final Terms. |
| Principal Paying Agent: | ABN AMRO |
| Reference Agent: | As specified in the relevant Final Terms. |
| Extension Margin Agent: | As specified in the relevant Final Terms. |
| Paying Agent(s): | As specified in the relevant Final Terms. |
| Listing Agent: | As specified in the relevant Final Terms. |

THE NOTES:**The Notes:**

The notes will be issued in different Compartments and each Compartment will be linked to a specific Pool. Such a Pool consists of Mortgage Receivables which meet the Relevant Eligibility Criteria and which are purchased by the Issuer in respect of such Compartment. The Notes of each Compartment can be issued in the following Classes: Senior Class A Notes, Mezzanine Class B Notes, Junior Class C Notes, Subordinated Class D Notes and Subordinated Class E Notes. Any Class of Notes may be subdivided in sequential tranches as specified in the relevant Final Terms. The Principal Amount Outstanding of one or more Classes of Notes may be zero at their Issue Date. In such event such Notes will not be actually issued and any reference in this Base Prospectus and in the Relevant Issue Documents to such Class or Classes of Notes of such Compartment should be disregarded.

Supplemental Prospectus:

For each issue of a Compartment of Notes a Supplemental Prospectus will be made available which will, *inter alia*, describe the relevant Pool and will contain the Final Terms relating to such Compartment. The Supplemental Prospectus will be subject to the prior approval of the IFSRA with the exception of the Final Terms contained therein.

Denomination:

All Notes issued by Issuer will be issued in denominations of at least Euro 100,000.

Status and Ranking:

The Notes of each Class, whether or not issued in different tranches, of the same Compartment rank *pari passu* and rateably without any preference or priority among Notes of the same Class of the same Compartment.

In accordance with the Conditions, the relevant Final Terms and the relevant Trust Deed (i) payments of principal and interest on the Mezzanine Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, (ii) payments of principal and interest on the Junior Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes and the Mezzanine Class B Notes, (iii) payments of principal and interest on the Subordinated Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes and (iv) payments of principal and interest on the Subordinated Class E Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D Notes. See further *Terms and Conditions of the Notes under the Programme* below.

Interest:

The Notes will bear fixed rate interest (Fixed Rate Notes) or floating rate interest (Floating Rate Notes) as specified in the relevant Final Terms. Each Compartment will comprise of either Floating Rate Notes or Fixed Rate Notes or a combination of Fixed Rate Notes and Floating Rate Notes.

Floating Rate Notes:

In respect of any Compartment which contains Floating Rate Notes, interest is payable in respect of such Floating Rate Notes by reference to a Floating Rate Interest Period and will be payable quarterly in arrear in euros in respect of the Principal Amount Outstanding of such Notes on the first day of the Floating Rate Interest Period as indicated in the Final Terms (or, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event interest on such Notes will be payable on the Business Day immediately preceding such day) in each year (each such day being a Quarterly Payment Date). Each successive Floating Rate Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Floating Rate Interest Period, which will commence on (and include) the relevant Issue Date and will end on (but exclude) the first Quarterly Payment Date as set out in the relevant Final Terms. The interest will be calculated on the basis of the actual number of days in a Floating Rate Interest Period divided by a year of 360 days.

Interest on such Notes for each Floating Rate Interest Period from the relevant Issue Date will accrue at a rate equal to the sum of Euribor for three months deposits in euros, unless specified otherwise in the Final Terms, plus a margin and for such period as set out in the relevant Final Terms.

Fixed Rate Notes:

In respect of any Compartment which contains Fixed Rate Notes, interest is payable in respect of such Fixed Rate Notes by reference to a Fixed Rate Interest Period and will be payable per annum in arrear in euros in respect of the Principal Amount Outstanding of such Notes on the each year on the Annual Payment Date specified in the relevant Final Terms. Each successive Fixed Rate Interest Period will commence on (and include) the Interest Period Date set out in the applicable Final Terms and end on (but exclude) the same date in the next succeeding year except for the first Fixed Rate Interest Period, which will commence on (and include) the relevant Issue Date and end on (but exclude) the first Interest Period Date as set out in the applicable Final Terms. The interest will be calculated on the basis of the actual number of days in a Fixed Rate Interest Period divided by a year of 365 days or, in the case of a Fixed Rate Interest Period falling in a leap year, 366 days.

Extension Margin:

If the relevant Final Terms specify that the Extension Margin is applicable and if on the First Put Date (as defined in Condition of the Notes 6) in respect of a Compartment, the Put Option Notes of such Compartment have not been redeemed in full, a floating rate interest will be applicable to each Class of Notes of such Compartment. In case of Floating Rate Notes, the rate of interest applicable to the relevant Notes will be equal to the sum of Euribor for three months deposits, payable by reference to Floating Rate Interest Periods on each Quarterly Payment Date, increased with the relevant Extension Margin and in the case of Fixed Rate Notes, which Notes shall be deemed to be Floating Rate Notes as of the First Put Date, the interest applicable to the relevant Notes will be equal to the sum of Euribor for three months deposits, payable by reference to Floating Rate Interest Periods on each Quarterly Payment Date, increased with the relevant Extension Margin, as calculated in accordance with Condition of the Notes 4(I)(d) and 4(II)(d) and 4(II)(e).

The Extension Margins applicable as of the First Put Date in respect of each Class of Put Option Notes and the Supporting Class of Notes of a Compartment will be set as follows:

The Extension Margin Agent will select the top five then leading European securitisation underwriters in recognised league tables showing volume of European Residential Mortgage Backed Securities transactions (excluding for the sake of clarity Residential Mortgage Backed Securities transactions with mortgages originated by these underwriters themselves). Such underwriters will be requested by the Extension Margin Agent to give quotes for the Extension Margins based on the following assumptions in respect of the relevant Compartment:

- (a) no Put Option Noteholder exercises its Put Option;
- (b) the Put Option Notes will have a remaining assumed average life (on a 30/360 basis) based on a CPR as specified in the applicable Final Terms applied to the then outstanding Mortgage Receivables;
- (c) the interest rate applicable to a Mortgage Loan will not change on an interest reset date;
- (d) the Mortgage Receivables are not prepaid on an interest reset date (other than what is effected by the assumed CPR);
- (e) there are no delinquencies and no defaults in respect of the Mortgage Receivables and no such delinquencies or defaults will occur;
- (f) the Conditions of the Notes remain the same;
- (g) there will be no Further Advances and/or repurchases of the Mortgage Receivables and

- no delinquencies and no defaults by any of the relevant Sellers;
- (h) the Clean-Up Call Option will be exercised; and
 - (i) the then current ratings assigned to the Put Option Notes will be confirmed on the First Put Date by each Rating Agency which has assigned a rating to such Put Option Notes.

The Extension Margins will be equal to the arithmetic mean (rounded, if necessary, to the nearest basis point) of such five quotes of such underwriters as determined by the Extension Margin Agent. The Extension Margins shall be notified to the Noteholders on the 60th day prior to the First Put Date in accordance with Condition of the Notes 6(e)(iv)(b).

After the determination of the Extension Margins as of the First Put Date the Extension Margins will not be changed.

Final Maturity Date:

Unless previously redeemed and subject to the Conditions, the Issuer will redeem the Notes of the relevant Compartment at their respective Principal Amount Outstanding on the date as specified in the Final Terms of such Compartment.

Mandatory Redemption of the Notes:

If specified in the Final Terms of such Compartment that Condition of the Notes 6b(I) or 6b(II) is applicable, the Issuer will be obliged to apply the relevant Notes Redemption Available Amount, if any, to (partially) redeem the relevant Put Option Notes as of the Quarterly Payment Date thereafter specified in the relevant Final Terms and on each Quarterly Payment Date thereafter until fully redeemed. If in respect of a Compartment, any Class of Notes is divided in tranches, such tranches will be redeemed sequentially, unless the relevant Final Terms states otherwise in which case such tranches are redeemed on a pro rata basis.

The relevant Notes Redemption Available Amount will be equal to the relevant Principal Available Amount less, if so specified in the applicable Final Terms, (i) the relevant Initial Purchase Price for any Further Advance Receivables and (ii) the relevant Initial Purchase Price for any New Mortgage Receivables. As a consequence on any Quarterly Payment Date the Notes Redemption Available Amount may be nil.

Redemption for tax reasons

In the event of certain tax changes affecting any Class(es) of Notes of a Compartment, including in the event that the Issuer is or will be obliged to make any withholding or deduction from payments in respect of the Notes of such Compartment (although the Issuer will not have any obligation to pay additional amounts in respect of any such withholding or deduction) which is evidenced by written legal tax advice, the Issuer will, if so directed by GMAC RFC Nederland as Seller and representative

of all Sellers, redeem all (but not some only) of the Put Option Notes of the relevant Compartment at their respective Principal Amount Outstanding together with accrued but unpaid interest thereon up to but excluding the date of such redemption, subject to and in accordance with the Conditions of the Notes. No Class of Put Option Notes of a Compartment may be redeemed under such circumstances unless the other Classes of Put Option Notes of such Compartment (or such of them as are then outstanding) are also redeemed in full at the same time.

Clean-Up Call Option

If on any relevant Quarterly Payment Date the aggregate Principal Amount Outstanding of the Notes of a Compartment other than the Supporting Class of Notes (in the case of a Principal Shortfall in respect of any Class of Notes, less such aggregate Principal Shortfall) is not more than ten (10) per cent. of the aggregate Principal Amount Outstanding of the Notes of such Compartment other than the Supporting Class of Notes on the relevant Issue Date, the Issuer will redeem the Put Option Notes, if so instructed by the MPT Provider, due to the exercise of the Clean-Up Call Option. In such event, each of the Initial Sellers has undertaken in the Mortgage Receivables Purchase Agreement to repurchase and accept re-assignment of the then outstanding Relevant Mortgage Receivables of the relevant Pool from the Issuer at their respective Outstanding Principal Amounts, plus accrued but unpaid interest.

For further details in respect of redemption of the Put Option Notes see *Extension Margin* above.

Method of Payment:

For so long as the Notes of a Compartment are represented by a Global Note, payments of principal and interest will be made by giro transfer in euro to a common depository through Euroclear Netherlands or, as the case may be, Euroclear and Clearstream, Luxembourg for the credit of the respective accounts of the relevant Noteholders.

Use of proceeds:

The Issuer will use the net proceeds from the issue of the Put Option Notes of a Compartment less, if so specified in the applicable Final Terms, the Pre-funded Amount, to pay to the relevant Seller or Sellers part of the Initial Purchase Price for the Mortgage Receivables of the related Pool pursuant to the provisions of the Mortgage Receivables Purchase Agreement (see *Mortgage Receivables Purchase Agreement* and *Use of Proceeds*). However, an amount equal to the aggregate Construction Amount relating to such Pool will be withheld by the Issuer and be deposited on the relevant Construction Account (see *Mortgage Receivables Purchase Agreement* and *Risk Factors*).

The net proceeds from the issue of the Supporting Class

of Notes of a Compartment, if any, will be deposited in the relevant Reserve Account.

Such Pre-funded Amount will be deposited in the relevant Pre-funding Account and will be available for the purchase of New Mortgage Receivables on any Pre-funding Purchase Date during the relevant Pre-funding Period (see *Purchase of New Mortgage Receivables*).

Security for the Notes:

The Notes of each Compartment will be secured indirectly by: (a) a first ranking right of pledge by the Issuer to the Security Trustee over (i) the Mortgage Receivables of the related Pool, including all rights ancillary thereto, and (ii) the Beneficiary Rights relating thereto; and (b) a first ranking right of pledge by the Issuer to the Security Trustee for the benefit of all Noteholders (including any Notes to be issued from time to time) over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Programme Agreement, the relevant Hedging Agreements, the Issuer Services Agreement, the relevant Liquidity Facility Agreement, the Floating Rate GIC, the relevant Sub-Participation Agreement, the Receivables Proceeds Distribution Agreements, (and therefore, if applicable, a pro rate share in such rights of pledge) and in respect of the relevant Transaction Accounts.

Furthermore, Stichting GMAC RFC Nederland Ontvangsten shall grant on the balances standing to the credit of the Foundation GMAC RFC Nederland Collection Account a first ranking right of pledge in favour of the Security Trustee and the Previous Transaction Security Trustees jointly and a second ranking right of pledge in favour of the Issuer and the Previous Transaction SPVs jointly both under the condition that future issuers (and any security trustees) in securitisation transactions and future vehicles in conduit transactions or similar transactions (and any security trustees relating thereto) initiated by GMAC RFC Nederland will also have the benefit of such right of pledge. Such rights of pledge will be notified to the Foundation Accounts Provider, the bank where the Foundation GMAC RFC Nederland Collection Account is maintained.

Stichting Quion 20 Ontvangsten shall grant on the balances standing to the credit of the Foundation Quion 20 Collection Account of the relevant Pool a first ranking right of pledge in favour of the Security Trustee and a second ranking right of pledge in favour of the Issuer. Such rights of pledge will be notified to the Foundation Accounts Provider, the bank where the Foundation Quion 20 Collection Account in respect of the relevant Compartment is maintained.

Stichting Atlas Funding Ontvangsten shall grant on the

balances standing to the credit of the Foundation Quion Atlas Collection Account of the relevant Pool a first ranking right of pledge in favour of the Security Trustee and a second ranking right of pledge in favour of the Issuer. Such rights of pledge will be notified to the Foundation Accounts Provider, the bank where the Foundation Quion Atlas Collection Account in respect of the relevant Compartment is maintained.

Stichting Atlas Funding Ontvangsten will grant on the balance standing to the credit of the Foundation Atlas Funding Collection Account a first ranking right of pledge in favour of the Security Trustee and the Previous Transaction Security Trustees jointly and a second ranking rights of pledge in favour of the Issuer and the Previous Transaction SPVs jointly both under the condition that future issuers (and any security trustees) in securitisations and future vehicles in conduit transactions or similar transactions (and any security trustees relating thereto) initiated by Atlas Funding will also have the benefit of such right of pledge. Such rights of pledge will be notified to the Foundation Accounts Provider, the bank where the Foundation Atlas Funding Collection Account is maintained.

On each Issue Date, the Issuer will enter into a Parallel Debt Agreement in respect of a Compartment for the benefit of the relevant Secured Parties. In each Parallel Debt Agreement, the Issuer will irrevocably and unconditionally undertake to pay to the Security Trustee the Parallel Debt, in order to create a claim of the Security Trustee thereunder which can be validly secured by the rights of pledge created by the Pledge Agreements, the relevant Deed(s) of Sale, Assignment and Pledge and the relevant Deed of Pledge of Assets.

The amount payable to the relevant Noteholders and the other relevant Secured Parties will be limited to the amounts available in respect of such Compartment and the relevant Pool for such purpose to the Security Trustee which, broadly, will consist of amounts recovered by the Security Trustee on the relevant Pool, the balances standing to the credit of the relevant Transactions Accounts and amounts received by the Security Trustee as creditor under the relevant Parallel Debt Agreement. Payments to the relevant Secured Parties will be made in accordance with the relevant Priority of Payments upon Enforcement, except for payments to the Savings Insurance Companies, which will be made in accordance with the relevant Trust Deed (see *Description of Security* below).

THE PROGRAMME:

Description:

Residential Mortgage Backed Secured Debt Issuance Programme.

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|----------------------------|--|
| Regulatory Matters: | <p>Each issue of Notes in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see '<i>Subscription and Sale</i>' below).</p> <p>The IFSRA may be requested to provide other competent authorities in the European Economic Area with a certificate of approval so that application may be made for Notes issued under the Programme to be admitted to trading on other regulated markets. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.</p> |
| Maturities: | <p>Any maturity, subject to applicable laws, regulations and restrictions and subject to a minimum maturity of one year and a maximum maturity of 50 years.</p> |
| Issue Price: | <p>Notes will be issued at an issue price which is set out in the relevant Final Terms.</p> |
| Form of Notes: | <p>Each Compartment of Notes will (unless otherwise specified in the applicable Final Terms) initially be represented by Global Notes which are expected to be deposited on the relevant Issue Date thereof either (a) if the Notes are intended to be issued in the NGN form, as stated in the applicable Final Terms, with a common safekeeper for Euroclear and Clearstream Banking, or (b) if the Notes are not intended to be issued in NGN form either (i) with Euroclear and Clearstream, Luxembourg or (ii) Euroclear Netherlands or (iii) any other agreed clearance system. Interests in each Global Note, will, in certain limited circumstances, be exchangeable for Notes in definitive form in bearer form as described in the Conditions of Notes.</p> |
| Withholding tax: | <p>All payments of, or in respect of, principal of and interest on the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or charges are required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not pay any additional amounts to such Noteholders. In particular, but without limitation, no additional amounts shall be payable in respect of any Note or Coupon presented for</p> |

payment, where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Union Directive on the taxation of savings that was adopted on 3 June 2003 or any law implementing or complying with, or introduced in order to conform to, such Directive.

THE MORTGAGE RECEIVABLES:

Mortgage Receivables:

In the Mortgage Receivables Purchase Agreement, the Issuer and each Seller will agree that the Issuer will, by signing a Deed of Sale, Assignment and Pledge, purchase and accept the assignment from time to time of Mortgage Receivables (which term will include upon the purchase of any Further Advance Receivables and/or any New Mortgage Receivables in respect of the relevant Pool, such Further Advance Receivables and/or New Mortgage Receivables).

Furthermore, in the Programme Agreement, the Transaction Parties agree that a legal entity, if it meets certain eligibility criteria to be determined at such time, may accede to the Relevant Documents and therewith become a new Seller and, to the extent applicable, MPT Provider for the Mortgage Receivables sold by it and may therefore sell and assign Mortgage Receivables to the Issuer.

Repurchase of Mortgage Receivables:

Under the Mortgage Receivables Purchase Agreement, the relevant Seller will be obliged to repurchase and accept re-assignment of the Relevant Mortgage Receivable:

- (i) on the Mortgage Payment Date immediately following the expiration of the relevant remedy period, if any, in case any of the representations and warranties given by the relevant Seller (a) in respect of such relevant Mortgage Receivable or its related relevant Mortgage Loan, including the representation and warranty that the Relevant Mortgage Receivable or its related Relevant Mortgage Loan meets the Relevant Eligibility Criteria on the relevant Issue Date or (b) in respect of a New Mortgage Receivable or its related relevant Mortgage Loan or a Further Advance Receivable relating to a Relevant Mortgage Receivable or its related Further Advance, including the representation and warranty that the New Mortgage Receivable or its related Relevant Mortgage Loan or the Further Advance Receivable or its related Further Advance, meets the Relevant Eligibility Criteria on the relevant Pre-funding Purchase Date or the relevant Quarterly Payment Date, is untrue or incorrect in any material respect; or

- (ii) on the Mortgage Payment Date immediately following the decision of the relevant Seller to amend the terms of the relevant Mortgage Loan upon the request of a Borrower as a result of which such Mortgage Loan no longer meets the Relevant Eligibility Criteria or which as a result changes the interest rate of the Mortgage Loans. For the avoidance of doubt, the relevant Seller will not reset the interest rate unless upon the request of a Borrower (other than in respect of Reset Mortgage Receivables); or
- (iii) on the Quarterly Payment Date immediately following the Calculation Payment Period during which a Further Advance is granted by the relevant Seller in accordance with the Mortgage Conditions of a Mortgage Loan to a Borrower and the Issuer has not purchased the relevant Further Advance Receivable on the Quarterly Payment Date immediately succeeding such Quarterly Calculation Period; or
- (iv) on the Mortgage Payment Date immediately following the failure by the Borrower to pay the first three interest installments due under a relevant Mortgage Loan originated within one calendar month prior to the sale and assignment; or
- (v) in respect of a Mortgage Receivable relating to a Mortgage Loan originated by Quion 20 only, on the Mortgage Payment Date immediately following the interest rate reset date of such Mortgage Loan on which the Borrower decides to accept the interest rate offered by another lender and such lender prefers to take over the existing Mortgage Loan rather than granting a new mortgage loan to such Borrower; or
- (vi) on the Quarterly Payment Date immediately following the Quarterly Payment Date on which the Clean-up Call Option in respect of the relevant Pool is exercised; or
- (vii) If a Mortgage Receivable that was sold and assigned as a Mortgage Receivable having the benefit of a NHG Guarantee on the Mortgage Payment Date immediately following the date on which the relevant Mortgage Loan no longer has the benefit of the NHG Guarantee; or
- (viii) In respect of a NHG Mortgage Loan on the Mortgage Payment Date immediately following the date on which a formal request for payment under the NHG Guarantee in respect of a NHG

Mortgage Loan has been made and *Stichting Waarborgfonds Eigen Woningen* refuses to pay the full amount so requested.

Each of the Sellers may, at its option and its sole discretion, on any Mortgage Payment Date repurchase and accept re-assignment of any Relevant Delinquent Mortgage Receivable.

In case of a repurchase of Mortgage Receivables, the relevant Seller shall repurchase and accept re-assignment of the Relevant Mortgage Receivable for a price equal to the relevant Outstanding Principal Amount, increased with accrued but unpaid interest thereon up to the relevant Mortgage Payment Date.

The proceeds of such repurchase will for part of the Principal Available Amount of the Pool of which such Mortgage Receivable forms part.

Purchase of New Mortgage Receivables:

The Mortgage Receivables Purchase Agreement will provide that the Issuer, if specified in the applicable Final Terms, will apply in respect of a specific Compartment the relevant Purchase Available Amount during the relevant Pre-funding Period on each Pre-funding Purchase Date and thereafter on each Mortgage Payment Date immediately preceding a Quarterly Payment Date to purchase from the relevant Seller New Mortgage Receivables subject to the fulfillment of certain conditions (which will differ per Pool) and as set out in the relevant Final Terms and to the extent offered by the relevant Seller. Such conditions include, *inter alia*, the requirement that the New Mortgage Receivables (a) meet the Relevant Eligibility Criteria and (b) are encumbered with a first ranking right of pledge in favour of the Security Trustee.

Purchase Available Amount:

The Purchase Available Amount comprises of, unless specified otherwise in the relevant Final Terms, in respect of a Pool, the sum of (A) (i) during the relevant Pre-funding Period (a) the balance standing to the credit of the Pre-funding Account and (b) on any Pre-funding Purchase Date, the sum of all amounts received or deposited by the Issuer during the Quarterly Calculation Period in which such Pre-funding Purchase Date falls which would form part of the Principal Available Amount (other than item (viii) thereof) less any Initial Purchase Price paid by the Issuer during such Quarterly Calculation Period up to (and including) the last day of the Quarterly Calculation Period ending immediately preceding the last Pre-funding Purchase Date and (ii) after the relevant Pre-funding Period, up to the Quarterly Payment Date immediately preceding the relevant Final Maturity Date, any amounts received as a result of a repurchase by any of the relevant Sellers of Mortgage Receivables of such Pool, to the extent such amounts relate to principal less, with respect to each Savings

Mortgage Receivable and each Life Mortgage Receivable with a Savings Element, the relevant Participation and increased with (B) an amount equal to the Initial Participation of any New Mortgage Receivables to which a Savings Insurance Policy or a Life Insurance Policy with a Savings Alternative is connected, to be purchased on the relevant Quarterly Payment Date.

Pre-funded Amount:

The relevant Pre-funded Amount is the amount as specified in the applicable Final Terms and will be deducted from the net proceeds of the Notes excluding the Supporting Class of Notes. Such Pre-funded Amount will be deposited on the relevant Issue Date on the relevant Pre-funding Account. The Issuer will apply the relevant Pre-funded Amount towards the purchase of New Mortgage Receivables on any relevant Pre-funding Purchase Date during the relevant Pre-funding Period if and as specified in the applicable Final Terms. If upon expiration of the relevant Pre-funding Period any part of the relevant Pre-funded Amount remains, such amount will form part of the relevant Notes Redemption Available Amount and will be used for redemption of the Notes of such Compartment other than the Supporting Class of Notes in accordance with the Conditions of the Notes on the immediately succeeding Quarterly Payment Date unless specified otherwise in the Final Terms.

Purchase of Further Advance Receivables:

The Mortgage Receivables Purchase Agreement will provide that if and to the extent any of the Sellers grants to a Borrower upon the request of such Borrower a Further Advance under a Mortgage Loan during any Quarterly Calculation Period, the Issuer shall purchase and accept the assignment of all such Further Advance Receivables in respect of the relevant Pool from the relevant Seller in accordance with and subject to the conditions for the purchase of Further Advance Receivables (which will differ per Pool) and as set out in the relevant Final Terms on the Quarterly Payment Date immediately succeeding such Quarterly Calculation Period. On each Mortgage Payment Date immediately preceding a relevant Quarterly Payment Date, the Issuer will apply the relevant Principal Available Amount towards the purchase of such Further Advance Receivables.

Sub-Participation Agreement:

On each Issue Date, the Issuer will enter into a Sub-Participation Agreement with, *inter alia*, the Savings Insurance Companies in respect of a Compartment under which each of the relevant Savings Insurance Companies will acquire participations in the relevant Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element (if any) of a Pool equal to the Savings Premia paid by the relevant Borrower to the Savings Insurance Company in respect of a Savings Insurance Policy and/or Life Insurance

Policy with the Savings Alternative with interest accrued on such Savings Premia.

Under the relevant Sub-Participation Agreement the Savings Insurance Companies will undertake to pay to the Issuer all amounts received as Savings Premium on the Savings Insurance Policies and the Life Insurance Policies with the Savings Alternative. In return, the Savings Insurance Companies are entitled to receive the Participation Redemption Available Amount from the Issuer as far as it relates to the relevant Participation acquired by it. The Issuer will apply all amounts received from the Savings Insurance Companies towards redemption of the Notes of the relevant Compartment.

The amount of each Participation with respect to a Savings Mortgage Loan and/or Life Mortgage Loan with a Savings Element, consists of the Initial Participation increased on a monthly basis with the sum of (i) the Savings Premium received by the Savings Insurance Companies and paid to the Issuer and (ii) a pro rata part, corresponding to the Participation in the relevant Savings Mortgage Receivable and/or Life Mortgage Receivable with a Savings Element of a Pool and of the interest due by the Borrower and received by the Issuer in respect of such Savings Mortgage Receivable and/or Life Mortgage Receivable with a Savings Element of a Pool.

Mortgage Loans:

The Mortgage Receivables to be sold by the Sellers pursuant to the Mortgage Receivables Purchase Agreement will result from loans secured by a first ranking mortgage right or, in the case of Mortgage Loans secured on the same Mortgaged Assets, a first ranking and sequential lower ranking mortgage rights on such relevant Mortgaged Assets together with, in case of a Mortgage Loan which qualifies as a Bridge Loan, a mortgage right on other mortgaged assets owned by such Borrower for a certain period of time. If a Mortgage Loan consists of one or more loan parts ('*lendingdelen*'), the relevant Seller will sell and assign and the Issuer will purchase and accept assignment of all, but not some, loan parts of such Mortgage Loan at the relevant Issue Date (see further *Description of Mortgage Loans*).

All Mortgage Receivables meet or, in the case of New Mortgage Receivables and Further Advance Receivables, such New Mortgage Receivables and Further Advance Receivables will need to meet the Relevant Eligibility Criteria and will be selected prior to or on the relevant Issue Date or, in the case of New Mortgage Receivables or Further Advance Receivables, prior to or on the relevant Pre-funding Purchase Date or Quarterly Payment Date, as the case may be.

The Mortgage Receivables to be purchased by and assigned to the Issuer on the relevant Issue Date result

from Mortgage Loans which have been originated by the Sellers. The Mortgage Loans purchased from time to time will consist of:

- (a) Annuity Mortgage Loans;
- (b) Interest-only Mortgage Loans which may include Bridge Mortgage Loans;
- (c) Investment Mortgage Loans;
- (d) Life Mortgage Loans (with a Unit-Linked Alternative or a Savings Alternative or a combination thereof);
- (e) Linear Mortgage Loans; and
- (f) Savings Mortgage Loans,

or any other type of Mortgage Loans as described in the Supplemental Prospectus relating to a specific Compartment and related Pool.

For more details see *Risk Factors* and *Description of Mortgage Loans*.

**Construction
Amount:**

Pursuant to the Mortgage Conditions, the Borrowers have the right to request that a part of the Mortgage Loan will be withheld and will be applied towards construction of or improvements to the Mortgaged Assets. Such Construction Amount will only be paid to the Borrower in case certain conditions are met. The Issuer will agree with each of the Sellers in the Mortgage Receivables Purchase Agreement that with respect to a Pool that consists of Mortgage Receivables with Construction Amounts outstanding, the Issuer will be entitled to withhold from the relevant Initial Purchase Price an amount equal to the aggregate Construction Amounts as of the relevant Portfolio Cut-Off Date. The same applies for Construction Amounts relating to New Mortgage Receivables and Further Advance Receivables relating to such Pool. Such amounts will be deposited in the relevant Construction Account. On each relevant Mortgage Payment Date the Issuer will release from the relevant Construction Account such part of the relevant Initial Purchase Price which equals the difference between the relevant aggregate Construction Amounts and the balance standing to the credit of the relevant Construction Account and pay such amount to the relevant Seller or Sellers.

Pursuant to the Mortgage Conditions in respect of the Mortgage Loans, Construction Amounts in respect of newly built property have to be paid out within 12 to 36 months (depending on the product). After such period, any remaining Construction Amounts will either (i) be paid out by the relevant Seller to the relevant Borrower and consequently the remaining relevant part of the relevant Initial Purchase Price will be paid by the Issuer to the relevant Seller or (ii) if the remaining Construction Amount exceeds EUR 2,250 or EUR 2,500 (depending on the product), be set-off against the relevant Mortgage

Receivable, up to the amount of the remaining Construction Amount, in which case the Issuer shall have no further obligation towards the relevant Seller to pay the remaining relevant part of the relevant Initial Purchase Price and an amount equal to such part of the relevant Initial Purchase Price will be debited from the relevant Construction Account on such relevant Quarterly Payment Day and will be used for redemption of the Notes of the relevant Compartment linked to such Pool in accordance with the Conditions of the Notes. In case of NHG Mortgage Loans, the NHG Conditions will apply.

Representations and warranties with respect to the Mortgage Loans and the Mortgage Receivables:

Each Seller will give representations and warranties with respect to the Mortgage Loans and the Mortgage Receivables assigned by it to the Issuer. The Supplemental Prospectus of a specific Compartment will set forth any adjustments to or any additional representations and warranties applicable to the related Pool.

Eligibility Criteria:

The Mortgage Loans and Mortgage Receivables will need to comply with the Eligibility Criteria which criteria will be applicable to all Mortgage Loans and Mortgage Receivables. The Supplemental Prospectus relating to a specific Compartment may set forth any adjustments to or any additional criteria applicable to the related Pool (together the '**Relevant Eligibility Criteria**').

CASH FLOW STRUCTURE:

Liquidity Facility:

If so specified in the relevant Final Terms on the relevant Issue Date, the Issuer will enter into a Liquidity Facility Agreement in respect of a Compartment with a maximum of a 364 days whereunder, subject to certain conditions, the Issuer will be entitled to make drawings in order to meet certain shortfalls in respect of such Compartment in its available revenue receipts.

Floating Rate GIC:

The Issuer, the Security Trustee and the Floating Rate GIC Provider will enter into the Floating Rate GIC on or prior to the Programme Closing Date, whereunder the Floating Rate GIC Provider will agree to pay a guaranteed rate of interest, determined by reference to Euribor, on the balance standing from time to time to the credit of the Transaction Accounts. On any Issue Date, the Issuer may enter into additional floating rate gic's with other floating rate gic providers which agreement will (i) be entered into in substantially the same form as the Floating Rate GIC entered into on the Programme Closing Date, (ii) co-exist with the Floating Rate GIC entered into on the Programme Closing Date and (iii) relate to the Transaction Accounts of the relevant Compartment specified in the Supplemental Prospectus.

Collection Accounts:

The Issuer shall maintain with the Floating Rate GIC Provider the Collection Account in respect of each Compartment to which, *inter alia*, all amounts of interest, prepayment penalties and principal and other collections received under the relevant Mortgage Receivables of a specific Pool will be transferred by each of the Sellers (or any other person on behalf of the relevant Seller) in accordance with the Mortgage Receivables Purchase Agreement or, as the case may be, the MPT Provider in accordance with the Issuer Services Agreement or, as the case may be, the relevant Collection Foundation in accordance with the relevant Receivables Proceeds Distribution Agreement.

Reserve Accounts:

The net proceeds of the Class of Notes of a Compartment which according to the relevant Final Terms will be issued to serve as credit enhancement for the other Classes of Notes of a Compartment and is not to be applied towards the purchase of Mortgage Receivables (the '**Supporting Class of Notes**') will be credited to the Reserve Account in relation to the relevant Compartment maintained with the relevant Floating Rate GIC Provider. The purpose of the Reserve Account will be to enable the Issuer to meet its payment obligations under items (a) up to and including (n) of the relevant Interest Priority of Payments in the event of a shortfall of the relevant Notes Interest Available Amount (excluding item (vi) thereof) on a Quarterly Payment Date. If and to the extent that the relevant Notes Interest Available Amount on any Quarterly Payment Date exceeds the aggregate amount applied in satisfaction of items (a) up to and including (n) in the relevant Interest Priority of Payments, the excess amount will be used to deposit on or, as the case may be, to replenish the relevant Reserve Account by crediting such amount to the relevant Reserve Account up to the relevant Reserve Account Target Level.

The Reserve Account Target Level means the amount as specified in or as calculated in accordance with the relevant Supplemental Prospectus.

The Supporting Class of Notes will be subject to mandatory partial redemption, provided that the Security Trustee has not given an Enforcement Notice in respect of the relevant Compartment to the Issuer, on the earlier of (a) the Quarterly Payment Date on which the Principal Amount Outstanding of the other Classes of Notes of such Compartment is equal to or below the Supporting Class Early Amortisation Percentage of such Compartment on the relevant Issue Date as specified in the Final Terms and (b) the Quarterly Payment Date as specified in the Final Terms and each Quarterly Payment Date thereafter.

The Supporting Class Redemption Available Amount

comprises of (i) on any Quarterly Payment Date on which the Supporting Class of Notes is subject to redemption prior to the First Put Date, an amount equal to the positive difference between the balance standing to the credit of the relevant Reserve Account and the Reserve Account Target Level increased with (ii) on any Put Date, an amount equal to the Notes Interest Available Amount remaining after all items ranking higher in priority of the Interest Priority of Payments, other than payment of principal in respect of the Supporting Class of Notes, have been fulfilled.

Foundation Accounts:

All payments made by the Borrowers in respect of the Mortgage Loans will be paid into the Foundation GMAC RFC Nederland Collection Account, the Foundation Quion 20 Collection Account in respect of the relevant Compartment, the Foundation Atlas Funding Collection Account or the Foundation Quion Atlas Collection Account in respect of the relevant Compartment respectively. The Foundation GMAC RFC Nederland Collection Account is maintained by Stichting GMAC RFC Nederland Ontvangsten, the Foundation Quion 20 Collection Account in respect of the relevant Compartment is maintained by Stichting Quion 20 Ontvangsten, the Foundation Atlas Funding Collection Account and the Foundation Quion Atlas Collection Account in respect of the relevant Compartment are maintained by Stichting Atlas Funding Ontvangsten.

Swap Agreement:

On each Issue Date, the Issuer will enter into a Swap Agreement, a schedule thereto and swap confirmations in respect of each Compartment with the Swap Counterparty as specified in the applicable Supplemental Prospectus to mitigate the risk between the rates of interest to be received by the Issuer on the Mortgage Receivables of a Pool and the rates of interest payable by the Issuer on the relevant Class of Notes of the corresponding Compartment.

Furthermore, on each Quarterly Payment Date, the Issuer will in respect of each Pool respectively enter into one or more a Swap Agreements with the Swap Counterparty or any other suitable Hedging Counterparty to mitigate the potential interest rate exposure arising from Mortgage Receivables of such Pool on which the rate of interest has been reset in the Quarterly Calculation Period preceding such Quarterly Payment Date (each a '**Reset Swap Agreement**' and the Reset Swap Agreement and the Swap Agreement in respect of a Compartment together the '**Hedging Agreements**' of such Compartment).

Finally, the Issuer, the MPT Provider or any other party providing the Servicing Advance in respect of the relevant Compartment and each Hedging Counterparty will, subject to certain conditions, enter into a novation agreement with respect to the Hedging Agreements of

such Compartment upon (i) the redemption in full of all Classes of Put Option Notes of the relevant Compartment and (ii) the purchase and acceptance of the assignment of Excess Mortgage Receivables of the relevant Pool by the MPT Provider or any other party providing the Servicing Advance in respect of such Compartment.

OTHER:

Issuer Services Agreement:

Under the Issuer Services Agreement (i) the MPT Provider will agree to provide certain services as agreed in the Issuer Services Agreement in relation to the Mortgage Receivables on a day-to-day basis, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the Mortgage Receivables, (ii) the MPT Provider will agree to the implementation of arrears procedures including, if applicable, the enforcement of Mortgaged Assets and the Borrower Pledges and (iii) the Issuer Administrator will agree to provide certain administration, calculation and cash management services to the Issuer on a day-to-day basis, including, without limitation, all calculations to be made in respect of the Notes pursuant to the Conditions of the Notes. The MPT Provider will subcontract (i) Stater and (ii) Quion Hypotheekbemiddeling respectively to provide certain services in respect of part of the Mortgage Loans.

Management Agreements:

Each of the Issuer and the Security Trustee will on the Programme Closing Date each enter into the Management Agreements with the relevant Director, whereunder the relevant Director will undertake to act as director of the Issuer or the Security Trustee respectively and to perform certain services in connection therewith.

Rating:

If the relevant Final Terms specify that ratings are to be assigned to the Notes of a Compartment on the relevant Issue Date, such security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Listing:

Application will be made for Notes issued under the Programme to be admitted to listing on ISE during the period of 12 months from the date of this Base Prospectus. Notice of the aggregate nominal amount of the relevant Notes, interest (if any) payable in respect of such Notes, the issue price of such Notes and any other terms and conditions not contained herein which are applicable to each Compartment (as defined under *Terms and Conditions of the Notes under the Programme* below) of such Notes will be set out in the Final Terms which, with respect to such Notes to be listed on ISE, will be delivered to ISE on or before the date of issue of such Compartment. Notes issued under the Programme may also be listed on any other stock

exchange specified in the applicable Final Terms or be unlisted.

Governing Law:

The Notes will be governed by and construed in accordance with the laws of the Netherlands.

Selling Restrictions

There are selling restrictions in relation to the European Economic Area, Italy, France, the United Kingdom, Ireland, Spain, Norway, Sweden and the United States and such other restrictions as may be required in connection with the offering and sale of a particular Compartment of Notes. See '*Subscription and Sale*' below.

CREDIT STRUCTURE

The structure of the credit arrangements for the proposed issue of the Notes may be summarised as follows.

Separate Compartments and Pools

Each Compartment and Pool is separated from other Compartments and Pools and is structured in such a manner that each Pool will, *inter alia*, have separate cash flows, its own Transaction Accounts, Liquidity Facility, if any, Hedging Agreements, Sub-Participation Agreement, Trust Deed, Parallel Debt Agreement and Priorities of Payments. See *One Issuer for all Compartments* in *Risk Factors* above for a more detailed description.

Mortgage Loan Interest Rates

The Mortgage Loans carry interest either on a fixed rate basis, subject to a reset from time to time, or a variable rate of interest. Interest rates vary between individual Mortgage Loans. The range of interest rates is described further in *Description of the Mortgage Loans* and in respect of a specific Pool in the relevant Supplemental Prospectus.

Cash Collection Arrangements

Payments by the Borrowers under the Mortgage Loans are due on the first day of each month, interest being payable in arrear. All payments made by the Borrowers (i) in respect of the Mortgage Loans originated by GMAC RFC Nederland will be paid into the Foundation GMAC RFC Nederland Collection Account maintained by Stichting GMAC RFC Nederland Ontvangsten with the Foundation Accounts Provider, (ii) in respect of the Mortgage Loans originated by Quion 20 into the Foundation Quion 20 Collection Account relating to the relevant Compartment maintained by Stichting Quion 20 Ontvangsten with the Foundation Accounts Provider and (iii) in respect of the Mortgage Loans originated by Atlas Funding will be paid (a) in case the relevant Mortgage Loans are serviced by Stater as sub-agent to the MPT Provider into the Foundation Atlas Funding Collection Account maintained by Stichting Atlas Funding Ontvangsten with the Foundation Accounts Provider and (b) in case the relevant Mortgage Loans are serviced by Quion Hypotheekbemiddeling as sub-agent of the MPT Provider into the Foundation Quion Atlas Collection Account relating to the relevant Compartment maintained by Stichting Atlas Funding Ontvangsten with the Foundation Accounts Provider. The Foundation GMAC RFC Nederland Collection Account and the Foundation Atlas Funding Collection Account are also used for the collection of moneys paid in respect of mortgage loans other than the Mortgage Loans and in respect of other moneys to which GMAC RFC Nederland and Atlas Funding respectively are entitled vis-à-vis Stichting GMAC RFC Nederland Ontvangsten and Stichting Atlas Funding Ontvangsten respectively and for payment on behalf of GMAC RFC Nederland and Atlas Funding respectively of Construction Amounts to the Borrowers relating to Mortgage Receivables originated by GMAC RFC Nederland and Atlas Funding respectively, but such payment will be funded by GMAC RFC Nederland and Atlas Funding respectively. The Foundation Quion 20 Collection Account and the Foundation Quion Atlas Collection Account relating to the relevant Compartment are also used for the payment on behalf of Quion 20 and Atlas Funding respectively of Construction Amounts to the Borrowers relating to Mortgage Receivables of the relevant Pool resulting from Mortgage Loans originated by Quion 20 and Atlas Funding respectively, but such payment will be funded by Quion 20 or Atlas Funding respectively.

If at any time the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Foundation Accounts Provider are assigned a rating of less than A-1+ by S&P or Prime-1 by Moody's or F1 by Fitch or any such ratings is withdrawn by the Rating Agencies, then the relevant Collection Foundation, to maintain the then current ratings assigned to the Notes of a Compartment, will either: (i) ensure that payments to be made in respect of amounts received on the relevant Foundation Account relating to the relevant Mortgage Receivables will be guaranteed by a party having at least a rating of A-1+ by S&P and Prime-1 by Moody's and F1 by Fitch; or (ii) (a) open an escrow account in the name of the Issuer, for its own account, with a party having at least a rating of A-1+ by S&P and Prime-1 by Moody's and F1 by Fitch, and (b) transfer to the escrow account an amount equal to the highest single amount of principal, interest and pre-payment penalties received in respect of the relevant Mortgage Receivables of the relevant Pool since the Issue Date on the Collection Accounts during one Mortgage Calculation Period; or (iii) implement any other actions agreed at that time with Moody's, S&P and Fitch.

If at any time the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Foundation Accounts Provider are (a) assigned a rating of A-1 by S&P and on any Quarterly Payment Date the part of the combined balance standing to the credit of the Foundation Accounts that relates to the relevant Mortgage Receivables of a Pool is higher than 20 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Compartment on such Quarterly Payment Date (the '**Foundation Accounts Excess Balance**') or (b) assigned a

rating of less than A-1 by S&P, the Collection Foundations will be required as soon as reasonably possible, but at least within 30 days, to in case of (a)(i) transfer the Foundation Accounts Excess Balance to an alternative bank with a minimum rating of A-1+ by S&P assigned to its short-term unsecured, unsubordinated and unguaranteed debt obligations or (ii) invest the Foundation Accounts Excess Balance in Eligible Investments and in case of (b),(i) to ensure that payments to be made in respect of amounts received on the Foundation Accounts relating to the Mortgage Receivables will be guaranteed in accordance with the then current S&P criteria by a party having at least a rating of A-1+ by S&P assigned to its short-term unsecured, unsubordinated and unguaranteed debt obligations or (ii) implement any other actions agreed at that time with S&P.

On each Mortgage Payment Date all amounts of principal, interest (including penalty interest) and Prepayment Penalties received during the immediately preceding Mortgage Calculation Period in respect of the Mortgage Loans will be transferred to the relevant Collection Accounts by the relevant Collection Foundation (through a parallel debt) in accordance with the relevant Receivables Proceeds Distribution Agreement. Besides this, each of the Sellers (or the MPT Provider (or its sub-agent) on its behalf in accordance with the Issuer Services Agreement) has the obligation to transfer (or procure the transfer of) such amounts.

Transaction Accounts

The cash flows deriving from a Pool will be separately accounted for. Transaction Accounts are opened for each Compartment to avoid commingling between the Pools and Compartments. Each Compartment has its own accounts to reflect the amounts received in respect of a Pool.

The Issuer will maintain a Collection Account for each Compartment with the relevant Floating Rate GIC Provider to which all amounts received (i) in respect of the relevant Mortgage Receivables of the Pool, (ii) from the Savings Insurance Companies under the relevant Sub-Participation Agreement and (iii) from the other relevant parties under the Relevant Documents will be paid.

The Issuer Administrator will identify all amounts paid into the relevant Collection Account in respect of the relevant Pool of Mortgage Receivables by crediting such amounts to ledgers established for such purpose. Payments received on each relevant Mortgage Payment Date in respect of the Mortgage Loans will be identified as principal or revenue receipts and credited to the relevant Principal Ledger or the Revenue Ledger, as the case may be.

Payments may be made from the relevant Collection Account other than on a Quarterly Payment Date or Annual Payment Date only to satisfy (i) amounts due to third parties (other than pursuant to the Relevant Documents) and payable in connection with the Issuer's business including taxes which will be paid to the extent possible from the amount deducted as item (xii) of the Interest Priority of Payments; (ii) amounts due under the relevant Sub-Participation Agreement; (iii) repayments of any Liquidity Facility Stand-by Drawing in accordance with the relevant Liquidity Facility Agreement (unless there is, in respect of such Compartment, a Liquidity Facility Stand-by Account) and (iv) during the Pre-funding Period on a Pre-funding Purchase Date only to satisfy the initial purchase price for New Mortgage Receivables.

If any collateral in the form of cash is provided by a Hedging Counterparty to the Issuer, the Issuer will be required to open a separate account in which such cash provided by such Hedging Counterparty will be held. If any collateral in the form of securities is provided, the Issuer will be required to open a custody account in which such securities provided by such Hedging Counterparty will be held. No payments or deliveries may be made in respect of such accounts other than in relation to the provision of Collateral or the return of Excess Swap Collateral, unless pursuant to the termination of the relevant Hedging Agreement, an amount is owed by the relevant Hedging Counterparty to the Issuer, in which case, the collateral may be applied in accordance with the relevant Trust Deed.

If so specified in the applicable Final Terms, the Issuer will maintain with the relevant Floating Rate GIC Provider for such Compartment a Pre-funded Account to which it will credit the relevant Pre-funding Amount on the relevant Issue Date. From the relevant Pre-funded Account on a relevant Pre-funding Purchase Date only an amount equal to the positive difference between the initial purchase price for any New Mortgage Receivables and the Principal Available Amount less item (viii) thereof shall be transferred to the relevant Collection Account in order to be able to satisfy the relevant Initial Purchase Price of New Mortgage Receivables. Any remaining balance standing to the credit of the relevant Pre-funded Account upon expiry of the relevant Pre-funding Period will be transferred to the relevant Collection Account and applied towards redemption of the Notes of the relevant Compartment on the immediately succeeding Quarterly Payment Date.

The Issuer will maintain with the relevant Floating Rate GIC Provider a Construction Account for each Compartment to which on the relevant Issue Date and, as the case may be, the relevant Pre-funding Purchase Date and the relevant Quarterly Payment Date an amount corresponding to the relevant aggregate Construction Amounts of the Mortgage Receivables purchased on such date will be credited. Payments may be made from the relevant Construction Account on a relevant Quarterly Payment Date only to satisfy payment by the Issuer to the relevant Seller(s) of (part of) the relevant Initial Purchase Price as a result of the distribution of (part of) the relevant Construction Amount by such Seller(s) to the Borrower. Besides this, the relevant Construction Account will be debited with the amount of the relevant Construction Amount which has been set off against the relevant Mortgage Receivables of such Pool or upon the occurrence of a Notification Event of as a result of which the Issuer has no further obligation to pay (such part of) the relevant Initial Purchase Price. Such amount will be transferred to the relevant Collection Account and applied towards redemption of the Notes of the relevant Compartment (other than the Supporting Class of Notes) on the immediately succeeding Quarterly Payment Date.

The Issuer will also maintain with the Floating Rate GIC Provider for each Compartment a Reserve Account (see below).

If at any time the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Floating Rate GIC Provider are assigned a rating of less than the Short Term Requisite Rating or any such rating is withdrawn by any of the Rating Agencies, then the Issuer will within 30 days of reduction or withdrawal of such rating use its best endeavours to (i) find an alternative Floating Rate GIC Provider acceptable to the Rating Agencies and the Security Trustee or (ii) find any other solution acceptable to the relevant Rating Agencies to maintain the then current ratings assigned to the Notes of the relevant Compartment.

If specified in the relevant Supplemental Prospectus, the Issuer may invest all funds in the relevant Collection Accounts, to the extent not applied for the purchase of Further Advance Receivables or New Mortgage Receivables, into Eligible Investments.

I Priority of Payments prior to the Enforcement Date

A Priority of Payments in respect of interest

Prior to the delivery of an Enforcement Notice by the Security Trustee in respect of the relevant Compartment, the sum of the following amounts to the extent these amounts relate to such Compartment and the related Pool, calculated on each Quarterly Calculation Date as being received or held during the Quarterly Calculation Period immediately preceding such Quarterly Calculation Date (items (i) up to and including (xii) being hereafter referred to as the '**Notes Interest Available Amount**') unless the relevant Supplemental Prospectus provides otherwise:

- (i) as interest on the Mortgage Receivables of such Pool less with respect to each Mortgage Calculation Period falling in such Quarterly Calculation Period and each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (ii) as revenue on Eligible Investments made by the Issuer in respect of the relevant Compartment and interest credited to the Transaction Accounts of such Compartment and the related Pool, excluding the relevant Construction Account;
- (iii) as interest penalties under the Mortgage Receivables and Prepayment Penalties of such Pool;
- (iv) as Net Foreclosure Proceeds of the relevant Pool, to the extent such proceeds do not relate to principal, less with respect to amounts which relate to interest in respect of each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element in relation to such Pool, an amount equal to such amount received multiplied by the relevant Participation Fraction in relation to such Pool;
- (v) as amounts to be drawn under the Liquidity Facility (other than Liquidity Facility Stand-by Drawings) of such Compartment and Pool on the immediately succeeding Quarterly Payment Date or Annual Payment Date;
- (vi) as amounts to be drawn from the Reserve Account of such Compartment and Pool on the immediately succeeding Quarterly Payment Date or Annual Payment Date;
- (vii) as amounts to be received, whether or not by way of set-off, from the Hedging Counterparties under the Hedging Agreements of such Compartment and Pool on the immediately succeeding Quarterly Payment Date or Annual Payment Date (excluding for the avoidance of doubt any collateral amounts transferred to the Issuer by the Hedging Counterparty in accordance with the terms of such Hedging Agreement);

- (viii) as amounts received in connection with a repurchase of Mortgage Receivables of such Pool pursuant to the Mortgage Receivables Purchase Agreement or any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal and to the extent such amounts relate to such Pool, less with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element an amount equal to the amount of interest received multiplied by the relevant Participation Fraction;
- (ix) as amounts received in connection with a sale of Excess Mortgage Receivables of such Pool pursuant to the relevant Trust Deed or the Issuer Services Agreement to the extent such amounts do not relate to principal and to the extent such amounts relate to such Pool less with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (x) as amounts received as post-foreclosure proceeds on the Mortgage Receivables of such Pool; and
- (xi) as amounts standing to the credit of the relevant Collection Account after all Notes of such Compartment other than the Supporting Class of Notes have redeemed in full to the extent not included in item (i) up to and including (x) and other than item (xii); less
- (xii) on the first Quarterly Payment Date of each year, 5 per cent. of the annual fee due to the Director of the Issuer multiplied by the Pool Fraction,

will, pursuant to the terms of the relevant Trust Deed, be applied by the Issuer on the immediately succeeding Quarterly Payment Date or Annual Payment Date in accordance with the following priority of payments (the '**Interest Priority of Payments**') (in each case only if and to the extent that payments of a higher order of priority have been made in full) in relation to each Compartment, unless the relevant Supplemental Prospectus provides otherwise:

- (a) *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of the fees or other remuneration due and payable to the Directors in connection with the Management Agreements and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Relevant Documents to the extent related to the relevant Compartment or Pool and in respect of fees and remuneration which cannot be attributed to a certain Compartment or Pool, such fees and remuneration multiplied by the Pool Fraction;
- (b) *second*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of administration fees and expenses due and payable to the Issuer Administrator and the MPT Provider under the Issuer Services Agreement, to the extent related to the relevant Compartment or Pool and in respect of such fees and expenses which cannot be attributed to a certain Compartment or Pool, such fees and expenses multiplied by the relevant Pool Fraction;
- (c) *third*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, (i) of any amounts due and payable to third parties under obligations incurred in the Issuer's business (other than under the Relevant Issue Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax (to the extent the amount of such taxes multiplied by the Pool Fraction cannot be paid out of item (xii) of the Notes Interest Available Amount) and the fees and expenses of the Rating Agencies, the Security Trustee and any legal advisor, auditor and accountants appointed by the Issuer or the Security Trustee, to the extent related to the relevant Compartment or Pool and in respect of general costs which cannot be attributed to a specific Compartment or Pool, such costs multiplied by the relevant Pool Fraction, (ii) the fees and expenses due to the Paying Agents and the Reference Agent under the Agency Agreement, to the extent related to the relevant Compartment or Pool and in respect of such general costs which cannot be attributed to a specific Compartment or Pool, such fees and expenses multiplied by the relevant Pool Fraction and (iii) the Liquidity Facility Commitment Fee under the relevant Liquidity Facility Agreement, if any;
- (d) *fourth*, in or towards satisfaction of any amounts under the relevant Liquidity Facility Agreement of the relevant Compartment and the relevant Pool, other than the Liquidity Facility Commitment Fee payable under (c)(iii) above and any Liquidity Facility Subordinated Amount payable under (p) below, or following a Liquidity Facility Stand-by Drawing in or towards satisfaction of sums due and payable to the Liquidity Facility Provider in respect of a Liquidity Facility Drawing to be credited to the Liquidity Facility Stand-by Account or, as the case may be, the Liquidity Facility Stand-by Ledger of the relevant Compartment and the relevant Pool;
- (e) *fifth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of amounts, if any, due or accrued but unpaid under the relevant Hedging Agreements to the Swap Counterparty and to any other Hedging Counterparty, but excluding any Swap Subordinated Amount and, for the avoidance of doubt, excluding any amount relating to Excess Swap Collateral and any Tax Credit;

- (f) *sixth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of all amounts of interest due or interest accrued but unpaid in respect of the Senior Class A Notes of the relevant Compartment, excluding, after the First Put Date, the Subordinated Extension Interest Part relating to the Senior Class A Notes of the relevant Compartment;
- (g) *seventh*, in or towards making good any shortfall reflected in the Class A Principal Deficiency Ledger of the relevant Compartment until the debit balance, if any, on the Class A Principal Deficiency Ledger of the relevant Compartment is reduced to zero;
- (h) *eighth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Mezzanine Class B Notes of the relevant Compartment, excluding, after the First Put Date, the Subordinated Extension Interest Part relating to the Mezzanine Class B Notes of the relevant Compartment;
- (i) *ninth*, in or towards making good any shortfall reflected in the Class B Principal Deficiency Ledger of the relevant Compartment, if any, until the debit balance, if any, on the Class B Principal Deficiency Ledger of the relevant Compartment is reduced to zero;
- (j) *tenth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Junior Class C Notes of the relevant Compartment, excluding, after the First Put Date, the Subordinated Extension Interest Part relating to the Junior Class C Notes of the relevant Compartment;
- (k) *eleventh*, in or towards making good any shortfall reflected in the Class C Principal Deficiency Ledger of the relevant Compartment, if any, until the debit balance, if any, on the Class C Principal Deficiency Ledger of the relevant Compartment is reduced to zero;
- (l) *twelfth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class D Notes of the relevant Compartment, excluding, after the First Put Date, the Subordinated Extension Interest Part relating to the Subordinated Class D Notes of the relevant Compartment;
- (m) *thirteenth*, in or towards making good any shortfall reflected in the Class D Principal Deficiency Ledger of the relevant Compartment, if any, until the debit balance, if any, on the Class D Principal Deficiency Ledger of the relevant Compartment is reduced to zero;
- (n) *fourteenth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class E Notes of the relevant Compartment, excluding, after the First Put Date, the Subordinated Extension Interest Part relating to the Subordinated Class E Notes of the relevant Compartment;
- (o) *fifteenth*, in or towards satisfaction of any sums required to be deposited on the relevant Reserve Account or, as the case may be, to replenish the relevant Reserve Account up to the amount of the Reserve Account Target Level of the relevant Compartment;
- (p) *sixteenth*, in or towards satisfaction of a Liquidity Facility Subordinated Amount due, if any, to the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement of the relevant Compartment and the relevant Pool;
- (q) *seventeenth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, to the relevant Hedging Counterparties of any Swap Subordinated Amount due under the Hedging Agreements of the relevant Compartment and the relevant Pool;
- (r) *eighteenth*, after the First Put Date, in or towards satisfaction of interest due or interest accrued but unpaid on the Senior Class A Notes of the relevant Compartment as Subordinated Extension Interest Part relating to the Senior Class A Notes of the relevant Compartment;
- (s) *nineteenth*, after the First Put Date, in or towards satisfaction of interest due or interest accrued but unpaid on the Mezzanine Class B Notes of the relevant Compartment as Subordinated Extension Interest Part relating to the Mezzanine Class B Notes of the relevant Compartment;
- (t) *twentieth*, after the First Put Date, in or towards satisfaction of interest due or interest accrued but unpaid on the Junior Class C Notes of the relevant Compartment as Subordinated Extension Interest Part relating to the Junior Class C Notes of the relevant Compartment;
- (u) *twenty-first*, after the First Put Date, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class D Notes of the relevant Compartment as Subordinated Extension Interest Part relating to the Subordinated Class D Notes of the relevant Compartment;
- (v) *twenty-second*, after the First Put Date, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class E Notes of the relevant Compartment as Subordinated Extension Interest Part relating to the Subordinated Class E Notes of the relevant Compartment;
- (w) *twenty-third*, on the relevant Quarterly Payment Date, in or towards satisfaction of principal amounts due under the Supporting Class of Notes of the relevant Compartment as item (iii)(x) of the Supporting Class Redemption Available Amount; and

- (x) *twenty-fourth*, in or towards satisfaction of a Deferred Purchase Price Instalment (except for items (A)(i)(y) or (A)(ii)(y) of the definition thereof) relating to the relevant Compartment and Pool due and payable to the Sellers.

B Priority of Payments in respect of principal

Prior to the delivery of an Enforcement Notice by the Security Trustee in respect of the relevant Compartment, the sum of the following amounts to the extent these amounts relate to such Compartment and the related Pool, calculated on any Quarterly Calculation Date, as being received or held during the immediately preceding Quarterly Calculation Period (items (i) up to and including (xii) hereinafter referred to as the '**Principal Available Amount**', less the Initial Purchase Price for any Further Advance Receivables and New Mortgage Receivables hereinafter referred to as the '**Notes Redemption Available Amount**') unless the relevant Supplemental Prospectus provides otherwise:

- (i) as repayment and prepayment in full of principal under the relevant Pool of Mortgage Receivables, from any person (including any Insurance Company), whether by set-off or otherwise, but, for the avoidance of doubt, excluding Prepayment Penalties, if any, less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation;
- (ii) as Net Foreclosure Proceeds of the relevant Pool, to the extent such proceeds relate to principal less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation;
- (iii) as amounts received in connection with a repurchase of Mortgage Receivables of the relevant Pool pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to the relevant Pool of Mortgage Receivables and to principal less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation and if such amount cannot be attributed to any Pool, the amount received multiplied by the relevant Pool Fraction;
- (iv) as amounts received in connection with a sale of the relevant Excess Mortgage Receivables pursuant to the relevant Trust Deed and the Issuer Services Agreement to the extent such amounts relate to principal less with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation, except in the case of a sale of Excess Mortgage Receivables which is set-off against repayment of the Servicing Advance;
- (v) as amounts of interest received to be credited to the relevant Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date or Annual Payment Date;
- (vi) as Monthly Participation Increase pursuant to the relevant Sub-Participation Agreement;
- (vii) as partial prepayment in respect of the relevant Mortgage Receivables from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding Prepayment Penalties;
- (viii) during the Pre-funding Period, an amount equal to the positive difference between the initial purchase price of New Mortgage Receivables and the Principal Available Amount (less this item) and upon expiry of the Pre-funding Period the balance standing to the credit of the relevant Pre-funded Account;
- (ix) as amounts received on the relevant Collection Accounts from the credit of the relevant Construction Account in accordance with the Mortgage Receivables Purchase Agreement;
- (x) as consideration for the Initial Participation in respect of Further Advance Receivables and New Mortgage Receivables which qualify as Savings Mortgage Receivables or Life Mortgage Receivables with a Savings Element and in case of a switch of any mortgage receivable into a Savings Mortgage Receivables or Life Mortgage Receivables with a Savings Element pursuant to the relevant Sub-Participation Agreement;
- (xi) any part of the Notes Redemption Available Amount calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards redemption of the Put Option Notes on the immediately preceding Quarterly Payment Date; and
- (xii) as amounts received as the Servicing Advance on the relevant Put Date;

will be applied by the Issuer on the immediately succeeding Quarterly Payment Date (and in each case only if and to the extent that payments or provisions of a higher priority have been made in full) to redeem:

- (i) (x) before the Target Amortisation Date or (y) on or after the Target Amortisation Date in case a Target Amortisation Event has occurred, which is not cured prior to such Quarterly Payment Date:
 - (a) *first, pro rata* and *pari passu* the Senior Class A Notes of the relevant Compartment, until fully redeemed, or, in case this Class of Notes is divided in two or more tranches, on a sequential

- basis starting with the Senior Class A1 Notes, until all tranches of the Senior Class A Notes have been fully redeemed, and thereafter
- (b) *second, pro rata and pari passu*, the Mezzanine Class B Notes of the relevant Compartment except if such Class of Notes is the Supporting Class of Notes, until fully redeemed or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Mezzanine Class B1 Notes, until all tranches of the Mezzanine Class B Notes have been fully redeemed, and thereafter
 - (c) *third, pro rata and pari passu*, the Junior Class C Notes of the relevant Compartment except if such Class of Notes is the Supporting Class of Notes, until fully redeemed or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Junior Class C1 Notes, until all tranches of the Junior Class C Notes have been fully redeemed, and thereafter
 - (d) *fourth, pro rata and pari passu*, the Subordinated Class D Notes of the relevant Compartment except if such Class of Notes is the Supporting Class of Notes, until fully redeemed, or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Subordinated Class D1 Notes, until all tranches of the Subordinated Class D Notes have been fully redeemed; and
- (ii) on or after the Target Amortisation Date, unless a Target Amortisation Event has occurred which is not cured prior to such Quarterly Payment Date:
- (a) *first, pro rata and pari passu*, the Senior Class A Notes of the relevant Compartment by applying the Class A Notes Redemption Available Amount or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Senior Class A1 Notes, until all tranches of the Senior Class A Notes have been fully redeemed;
 - (b) *second, pro rata and pari passu*, the Mezzanine Class B Notes of the relevant Compartment except if such Class of Notes is the Supporting Class of Notes by applying the Class B Notes Redemption Available Amount or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Mezzanine Class B1 Notes, until all tranches of the Mezzanine Class B Notes have been fully redeemed;
 - (c) *third, pro rata and pari passu*, the Junior Class C Notes of the relevant Compartment except if such Class of Notes is the Supporting Class of Notes by applying the Class C Notes Redemption Available Amount or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Junior Class C1 Notes, until all tranches of the Junior Class C Notes have been fully redeemed; and
 - (d) *fourth, pro rata and pari passu*, the Subordinated Class D Notes of the relevant Compartment except if such Class of Notes is the Supporting Class of Notes by applying the Class D Notes Redemption Available Amount or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Subordinated Class D1 Notes, until all tranches of the Subordinated Class D Notes have been fully redeemed.

II Priority of Payments after the Enforcement Date

After the Enforcement Date of the relevant Compartment, any amounts payable by the Security Trustee under the relevant Trust Deed and the relevant Parallel Debt Agreement (other than in respect of the Participations) will be paid to the Secured Parties of the relevant Pool (including the Noteholders of the relevant Compartment, but excluding the amounts which the Savings Insurance Companies will be entitled to receive pursuant to the relevant Trust Deed) in accordance with the following Priority of Payments upon Enforcement (after deduction of costs incurred by the Security Trustee to the extent related to the relevant Compartment, which will include, *inter alia*, fees and expenses of the Rating Agencies and any legal advisor, auditor or accountant appointed by the Security Trustee) (and in each case only if and to the extent payments of a higher priority have been made in full) relating to the relevant Compartment, unless the relevant Supplemental Prospectus provides otherwise:

- (a) *first*, in or towards satisfaction, of the repayment of any Liquidity Facility Stand-by Drawing under the relevant Liquidity Facility Agreement;
- (b) *second*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of (i) the fees or other remuneration due to the Directors, (ii) the fees and expenses and any other amount due to the Paying Agents and the Reference Agent incurred under the provisions of the Agency Agreement and (iii) the fees and

expenses and any other amount due to the Issuer Administrator and the MPT Provider under the provisions of the Issuer Services Agreement, to the extent relating to the relevant Compartment and relevant Pool or in respect of such fees and remuneration which cannot be attributed to a certain Compartment or Pool multiplied by the Pool Fraction;

- (c) *third*, in or towards satisfaction of any sums due or sums accrued but unpaid under the relevant Liquidity Facility Agreement, but excluding any Liquidity Facility Stand-by Drawing payable under (a) above and any Liquidity Facility Subordinated Amount payable under (n) below to the extent relating to the relevant Compartment and relevant Pool;
- (d) *fourth*, in or towards satisfaction of amounts, if any, due or accrued but unpaid under the Hedging Agreements to the Swap Counterparty and to any other Hedging Counterparty, but excluding any Swap Subordinated Amount and, for the avoidance of doubt, excluding any amount relating to Excess Swap Collateral and any Tax Credit of the relevant Compartment and Pool;
- (e) *fifth*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Senior Class A Notes of the relevant Compartment, excluding the Subordinated Extension Interest Part relating to the Senior Class A Notes of the relevant Compartment;
- (f) *sixth, pro rata and pari passu*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Senior Class A Notes of the relevant Compartment;
- (g) *seventh*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Mezzanine Class B Notes of the relevant Compartment, excluding the Subordinated Extension Interest Part relating to the Mezzanine Class B Notes of the relevant Compartment;
- (h) *eighth, pro rata and pari passu*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Mezzanine Class B Notes of the relevant Compartment;
- (i) *ninth*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Junior Class C Notes of the relevant Compartment, excluding the Subordinated Extension Interest Part relating to the Junior Class C Notes of the relevant Compartment;
- (j) *tenth, pro rata and pari passu*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Junior Class C Notes of the relevant Compartment;
- (k) *eleventh, pro rata and pari passu*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Subordinated Class D Notes of the relevant Compartment, excluding the Subordinated Extension Interest Part relating to the Subordinated Class D Notes of the relevant Compartment;
- (l) *twelfth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Subordinated Class D Notes of the relevant Compartment;
- (m) *thirteenth*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Subordinated Class E Notes of the relevant Compartment, excluding the Subordinated Extension Interest Part relating to the Subordinated Class E Notes of the relevant Compartment;
- (n) *fourteenth*, in or towards satisfaction of a Liquidity Facility Subordinated Amount due, if any, to the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement of the relevant Compartment and relevant Pool;
- (o) *fifteenth*, in or towards satisfaction of all Swap Subordinated Amounts due under the Hedging Agreements of the relevant Compartment and relevant Pool to the Swap Counterparty and to any other Hedging Counterparty;
- (p) *sixteenth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Senior Class A Notes of the relevant Compartment as Subordinated Extension Interest Part relating to the Senior Class A Notes of the relevant Compartment;
- (q) *seventeenth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Mezzanine Class B Notes of the relevant Compartment as Subordinated Extension Interest Part relating to the Mezzanine Class B Notes of the relevant Compartment;
- (r) *eighteenth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Junior Class C Notes of the relevant Compartment as Subordinated Extension Interest Part relating to the Junior Class C Notes of the relevant Compartment;
- (s) *nineteenth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class D Notes of the relevant Compartment as Subordinated Extension Interest Part relating to the Subordinated Class D Notes of the relevant Compartment;
- (t) *twentieth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class E Notes of the relevant Compartment as Subordinated Extension Interest Part relating to the Subordinated Class E Notes of the relevant Compartment;
- (u) *twenty-first, pro rata and pari passu*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Subordinated Class E Notes of the relevant Compartment;

- (v) *twenty-second*, the repayment of the Servicing Advance under the Issuer Services Agreement or pursuant to the relevant Trust Deed; and
- (w) *twenty-third*, in or towards satisfaction of the Deferred Purchase Price Installment to the Sellers.

Liquidity Facility

In respect of each Compartment, the Issuer will, if so specified in the relevant Supplemental Prospectus, enter into a Liquidity Facility Agreement.

The Issuer will be entitled on any relevant Quarterly Payment Date (other than a Quarterly Payment Date if and to the extent that on such date the Put Option Notes of the relevant Compartment are redeemed in full) to make drawings under the relevant Liquidity Facility up to the relevant Liquidity Maximum Amount. Each Liquidity Facility Agreement is for a maximum term of 364 days. The commitment of the Liquidity Facility Provider is extendable at its option. Any drawing under the relevant Liquidity Facility by the Issuer will only be made on a relevant Quarterly Payment Date if and to the extent that, unless specified otherwise in the relevant Final Terms, after the application of amounts available in the relevant Reserve Account and taking into account any drawing under the relevant Liquidity Facility, there is a shortfall in the relevant Notes Interest Available Amount to meet items (a) to (l) (inclusive) (but not items (g), (i) and (k)) in the relevant Interest Priority of Payments in full on that relevant Quarterly Payment Date, provided that drawings in respect of certain items may be limited if so specified in the relevant Supplemental Prospectus. Other than for payments to the Liquidity Facility Provider in respect of any Liquidity Facility Subordinated Amounts, the Liquidity Facility Provider will rank in priority in payments and security to the Noteholders of the relevant Compartment.

If, at any time, the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider are assigned a rating of less than the Short Term Requisite Rating or any such rating is withdrawn, and (i) the Liquidity Facility is not renewed or replaced by the Issuer within 30 days of such downgrading or withdrawal to an alternative Liquidity Facility Provider, acceptable to the Rating Agencies and the Security Trustee, or (ii) any other solution acceptable to the Rating Agencies is not found to maintain the then current ratings of the Notes of the relevant Compartment (other than the Supporting Class of Notes); the Issuer will be required forthwith to make a Liquidity Facility Stand-by Drawing with a corresponding credit to the relevant Liquidity Facility Stand-by Ledger and credit such amount to either (i) the relevant Liquidity Facility Stand-by Account or (ii) to the relevant Collection Account, as the case may be. Amounts so credited to the relevant Collection Account or, as the case may be, to the relevant Liquidity Facility Stand-by Account may be utilised by the Issuer in the same manner as if the relevant Liquidity Facility had not been so drawn. A Liquidity Facility Stand-by Drawing shall also be made if the Liquidity Facility is not renewed following its commitment termination date.

Reserve Account

The net proceeds of the issue of the Supporting Class of Notes of a Compartment will be credited to the relevant Reserve Account on the relevant Issue Date.

Amounts credited to the relevant Reserve Account will be available on any relevant Quarterly Payment Date to meet items (a) to (n) (inclusive) of the relevant Interest Priority of Payments.

If and to the extent that the relevant Notes Interest Available Amount on any Quarterly Calculated Date exceeds the amounts required to meet items (a) to (n) (inclusive) in the relevant Interest Priority of Payments, the excess amount will be applied to deposit on or, as the case may be, replenish the Reserve Account up to the Reserve Account Target Level.

The Reserve Account will only be debited, in addition to the amounts to be debited in accordance with item (vi) of the Notes Interest Available Amount, with the aggregate Supporting Class Redemption Amount and the amount of items (A)(i)(y) or item (A)(ii)(y) of the Deferred Purchase Price Instalments. The Supporting Class Redemption Available Amount may only be applied towards the redemption of the Supporting Class of Notes.

On the Quarterly Payment Date on which all amounts of principal due in respect of the Put Option Notes of a Compartment have been or will be paid, any amount standing to the credit of the relevant Reserve Account will be applied by the Issuer in or towards redemption of principal of the Supporting Class of Notes of such Compartment and thereafter as the relevant part of the Deferred Purchase Price Instalment.

Principal Deficiency Ledger

Unless stated otherwise in the Supplemental Prospectus, for each Compartment a Principal Deficiency Ledger comprising of sub-ledgers for each Class of Notes other than the Supporting Class of Notes will be established by or on behalf of the Issuer in order to record any relevant Principal Deficiency in respect of such Compartment. The Principal Deficiency Ledger will be credited in accordance with the Interest Priority of Payments and debited with any Realised Losses. If any Class of Notes is divided in one or more tranches, for each tranche of such Class of Notes a sub-ledger of the Principal Deficiency Ledger will be created and to the sub-ledgers of such Class of Notes shall be debited, on a *pro rata* basis (by reference to the proportion of the aggregate Principal Amount Outstanding of such tranche on the relevant Issue Date bears to the aggregate Principal Amount Outstanding of the relevant Class of Notes on the relevant Issue Date), any amounts to be debited to such Class of Notes in accordance with this paragraph.

If in respect of a Compartment Senior Class A Notes, Mezzanine Class B Notes, Junior Class C Notes and Subordinated Class D Notes are issued, with the issue of the Subordinated Class E Notes as the Supporting Class of Notes, this would mean that the Principal Deficiency Ledger would comprise of four sub-ledgers (the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger, the Class C Principal Deficiency Ledger and the Class D Principal Deficiency Ledger) would be established by or on behalf of the Issuer in order to record any relevant Principal Deficiency in respect of such Compartment. An amount equal to any relevant Principal Deficiency will be debited to the relevant Class D Principal Deficiency Ledger (such debit items being credited at item (m) of the relevant Interest Priority of Payments, to the extent any part of the relevant Notes Interest Available Amount is available for such purpose) so long as the debit balance on such sub-ledger is equal to or less than the relevant Class D Principal Deficiency Limit and thereafter such amount will be debited, to the relevant Class C Principal Deficiency Ledger (such debit items being credited at item (k) of the relevant Interest Priority of Payments, to the extent any part of the relevant Notes Interest Available Amount is available for such purpose) so long as the debit balance on such ledger is equal to or less than the relevant Class C Principal Deficiency Limit and thereafter such amount will be debited to the relevant Class B Principal Deficiency Ledger (such debit items being credited at item (i) of the relevant Interest Priority of Payments, to the extent any part of the relevant Notes Interest Available Amount is available for such purpose) so long as the debit balance on such ledger is equal to or less than the relevant Class B Principal Deficiency Limit and thereafter such amount will be debited to the relevant Class A Principal Deficiency Ledger (such debit items being credited at item (g) of the relevant Interest Priority of Payments, to the extent any part of the relevant Notes Interest Available Amount is available for such purpose).

OVERVIEW OF THE NETHERLANDS RESIDENTIAL MORTGAGE MARKET

General

The Dutch residential property market saw strong price increases in the later part of the nineties and the beginning of this decade. Recent developments in the economic environment have resulted in lower levels of consumer confidence and house price increases have slowed. In some price classes and locations minor price decreases have even been registered.

Graph 1 shows the yearly house price developments for the last 12 years. These percentages are derived from the Dutch Association of Real Estate Agencies ('*Nederlandse Vereniging van Makelaars*' or '**NVM**'), which covers approximately 65 per cent. of all residential property sales in the Netherlands and the Kadaster, the official registry for all real estate transactions.

Factors contributing to the strength of the Dutch housing market

Low Owner Occupancy Rate

One of the key factors to consider when looking at the Dutch housing market is the relatively low level of owner occupancy. Some 53 per cent. of all residential properties are occupied by their owners, compared to 42 per cent. in 1982. The average level of house ownership for all EU countries is 64 per cent.. The Dutch has set a target level of 65 per cent. for 2010. Table 1 below shows the development of the owner occupancy rate in the Netherlands over time.

Table 1. Total dwelling stock and percentage owner occupied in the Netherlands

| Year | Total Dwelling stock (x 1 mln per Jan. 1st) | Owner Occupied (in %) |
|------|--|--------------------------|
| 1948 | 2.1 | 28.0 |
| 1957 | 2.6 | 29.0 |
| 1964 | 3.1 | 34.0 |
| 1971 | 3.9 | 35.0 |
| 1976 | 4.5 | 41.0 |
| 1982 | 5.0 | 42.0 |
| 1985 | 5.3 | 42.7 |
| 1990 | 5.8 | 45.2 |
| 1995 | 6.2 | 48.8 |
| 2000 | 6.6 | 52.2 |
| 2001 | 6.6 | 52.6 |
| 2002 | 6.7 | 53.0 |
| 2003 | 6.8 | 53.0 |

Source: CBS (Statistics Netherlands) / VROM (Ministry for Housing, Spatial Planning and Environment)

| Year | New built houses |
|-----------------|------------------|
| 2000 | 70,650 |
| 2001 | 72,958 |
| 2002 | 66,704 |
| 2003 | 59,629 |
| 2004 | 65,314 |
| 2005 first half | 23,311 |

Source: CBS

Imbalance of demand for and supply of residential properties

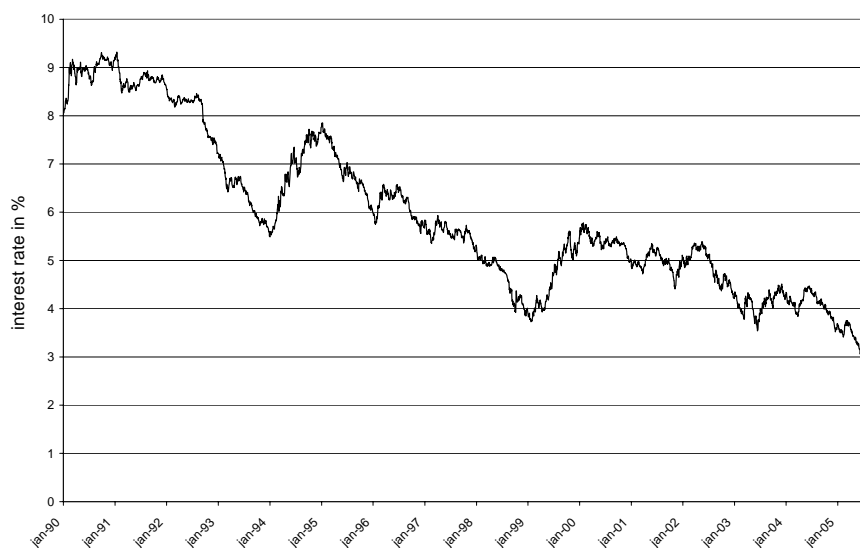
According to the regular 'Need for Housing' research (*Woningbehoefte Onderzoek*), the housing shortage in the Netherlands had fallen to 85,000 in 1998. Since then it rose noticeably to 166,000 in 2002 and it is expected to increase further. A shortage in the housing stock is assumed to be a robust contributor to a steady property price development.

Demand

Several factors contribute to housing demand in the Netherlands:

1. The (expected) level of borrowing costs and the (changes in) tightness of mortgage lending standards have been very decisive factors for housing demand. In the second half of the nineties Dutch mortgage rates decreased. After an increase in the second half of 1999 and in 2000, mortgage interest rates have shown a downward movement again and in July 2005 have reached the lowest levels ever with mortgage interest rates at 3.4%, see 10-year government bonds graph below.
2. The trend in housing rents as compared to mortgage debt servicing costs is relevant. In the Netherlands, the rise in rents accelerated in the early nineties as a result of government policy directed at making the subsidised rental sector cost-effective. This has increased the attractiveness of owner-occupied properties.
3. Demographic trends, such as the composition of households and population growth, have influenced the demand for housing. In the Netherlands, the number of single-person households has doubled in the past 25 years. Expectations are that the total number of households will increase by another 25 per cent. by 2030.
4. Finally, the economic climate can be a factor of influence in housing demand. For 2005 GDP growth is estimated at 1.5% and for 2006 at around 2.0% (source: DNB Yearly Report 2004).

Long term fixed interest rate (10 yr government bonds)



Source: DNB (De Nederlandsche Bank N.V.)

Supply

On the supply side, the following factors are of influence in the Netherlands:

1. The availability of land for housing development is highly important. In the Netherlands, the VINEX-memorandum and Vinac (actualisation of Vinex for the period 2006 till 2010) – published by the Ministry for Housing, Spatial Planning and Environment – reflects still the basis of the government policy in respect of housing construction in the Netherlands. In Vinex (and in similar policy papers for other locations) the number of houses to be built and their location is determined. According to 'Nota Wonen' of the Ministry for Housing, Spatial Planning and Environment (in line with Vinex) the net expansion of housing is to be 65,000 per annum until 2010.
2. Building costs – including labour and materials – and house and land prices are main determinants. The fiercer the rise in house prices relative to the increase in building costs and land prices, the more profitable the construction of new housing units will be for contracting firms.

3. The Dutch government supports the sale of rental houses to occupants. According to government plans, ownership of over 25,000 houses a year should be transferred to the public. The government even strives for a sale of 700,000 properties before 2010 in order to achieve an owner occupancy level of 65 per cent. Currently 15,000 to 20,000 rental houses a year are sold, indicating that these government targets will not be met.
4. The last determining factor of housing supply in the Netherlands is demolition. The number of demolished properties has been fairly constant in time.

Overall, demand is expected to outstrip supply in the Netherlands for the foreseeable future.

Characteristics of Dutch mortgages

The most common mortgage types in the Netherlands are interest only, annuity, linear, savings, life and investment mortgages. For savings, life and investment mortgages no principal is repaid during the term of the contract. Instead, the borrower makes payments in a savings account, endowment insurance or investment fund. Upon maturity the loan is repaid with the money in the savings account, the insurance contract or the investment fund respectively.

In the Netherlands, subject to a number of conditions, mortgage interest payments are deductible from the income of the borrower for income tax purposes. The period for allowed deductibility is restricted to a term of 30 years and it only applies to mortgages on owner occupied properties. Starting in 2005, it is no longer allowed, after a refinancing, to deduct interest payable on any equity extractions.

A proportion of the residential mortgage loans has the benefit of a life insurance policy or a savings policy. The government encourages this method of redemption by exempting from tax the capital sum received under the policy, up to a certain amount (plus annual indexation), provided the term of insurance is at least 20 years. In addition, the insurance policies are exempted from wealth tax (*'rendementsheffing'*).

In the Netherlands, advances of up to 130 per cent. of foreclosure value have become standard practice as a result of the attractive fiscal regime, generally long periods of fixed interest rates and attractive repayment arrangements. The foreclosure value generally amounts to approximately 85-90 per cent. of the market value of properties in the Netherlands.

Prepayment rates in the Netherlands are relatively low, mainly due to prepayment penalties that are incorporated in the mortgage contracts. However, during the end of 2004 and the first half 2005, the prepayment rates have been markedly higher, as a result of refinancings driven by the changes in tax regulations and low interest rates.

Prepayment penalties are generally calculated as the net present value of the interest loss to the lender upon prepayment. In some events, no prepayment penalties are due, such as in the case of sale of the Mortgaged Assets. Another reason for low prepayment rates is the relatively small number of relocations in the Netherlands for work-related reasons due to the small size of the country.

National Credit Register (BKR)

A credit check is conducted for every prospective borrower with the BKR in Tiel, which may also include a foreign credit check. All financial commitments over the past five years that prospective borrowers have entered into with financial institutions are recorded in this register.

Mortgage loan market

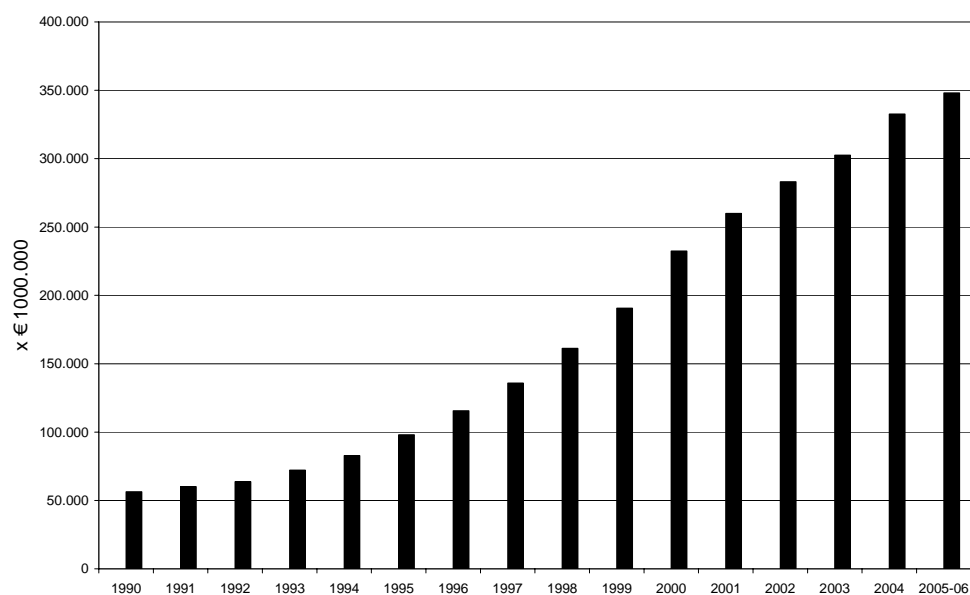
In the period 2000-2002, the number of new mortgages decreased slightly compared to earlier years. However, due to higher average house prices, the total amount of new mortgages continued to rise strongly during 2003. The average mortgage is now EUR 224.000-245.000 in the Netherlands (sources: NVM-Kadaster).

Table 2. Newly issued mortgages

| Year | Newly issued mortgages (x1,000) | Newly issued mortgages (EUR billion) | Change over year |
|------|------------------------------------|---|------------------|
| 1995 | 350 | 25.9 | - 5.0 |
| 1996 | 470 | 37.6 | 45.3 |
| 1997 | 537 | 48.3 | 28.5 |
| 1998 | 577 | 60.0 | 24.2 |
| 1999 | 665 | 78.0 | 30.0 |
| 2000 | 510 | 69.6 | -10.8 |
| 2001 | 481 | 72.6 | 4.3 |
| 2002 | 500 | 81.4 | 12.1 |
| 2003 | 540 | 107.4 | 31.9 |

Source: CBS

Total registered mortgage debt



Source: DNB

Performance of Dutch mortgage loans

A number of factors can be mentioned that contribute to the strong performance of Dutch mortgage loans:

1. Very low defaults due to relatively low unemployment rates, a strong cultural aversion to default and a supportive social security regime;
2. Legal ability of lenders in foreclosure to access borrowers' wages or seize their other assets;
3. Quality of mortgage servicing;
4. Relatively conservative underwriting criteria including checking comprehensive credit bureau data (BKR).

DESCRIPTION OF THE INITIAL SELLERS

The Initial Sellers, GMAC RFC Nederland B.V., Quion 20 B.V. and Atlas Funding B.V., are directly wholly owned subsidiaries of GMAC-RFC Investments B.V.. GMAC-RFC Investments B.V. is currently an indirect wholly owned subsidiary of Residential Capital, LLC ('**ResCap**'). ResCap is an indirect wholly owned subsidiary of GMAC, LLC ('**GMAC**'). GMAC is directly wholly owned by General Motors Corporation ('**GM**').

GM has recently announced the sale of a 51% controlling interest in its subsidiary GMAC to a consortium of investors led by Cerberus Capital Management, L.P.. The transaction is subject to a number of U.S. and international regulatory and other approvals. The companies expect to close the sale transaction in the fourth quarter of 2006.

GMAC RFC Nederland B.V.

GMAC RFC Nederland B.V. is a private limited company (*'besloten vennootschap met beperkte aansprakelijkheid'*) and was incorporated in the Netherlands on 23 November 2000.

GMAC RFC Nederland's primary business is to originate mortgage loans to borrowers in the Netherlands through intermediaries and to purchase and trade in mortgage receivables portfolios in the Netherlands. Its mortgage loans are serviced by Stater. GMAC RFC Nederland performs its activities in the Netherlands under its trade name GMAC Hypotheken.

The registered office of GMAC RFC Nederland is at Prinses Margrietplantsoen 92, 2595 BR, The Hague, the Netherlands.

Quion 20 B.V.

Quion 20 B.V. is a private limited company (*'besloten vennootschap met beperkte aansprakelijkheid'*) and was incorporated in the Netherlands on 21 May 1996. It was acquired by GMAC-RFC Investments B.V. on 12 August 2004. Quion 20's primary business is to originate mortgage loans to borrowers in the Netherlands through the Quion Groep B.V.'s generic funding model. In the generic funding model a pool of funders (each with their own origination entity, similar to Quion 20 B.V.) offer the same mortgage product using standardized underwriting criteria. The funders compete with each other by offering different interest rates (for different loan maturities and products). Quion Hypotheekbemiddeling B.V. links the mortgage loan applicants to the respective funders and is acting as servicer for the thus originated mortgage loans.

The registered office of Quion 20 B.V. is at Lichtenauerlaan 170, 3062 ME, Rotterdam, the Netherlands.

Atlas Funding B.V.

Atlas Funding B.V. is a private limited company (*'besloten vennootschap met beperkte aansprakelijkheid'*) and was incorporated in the Netherlands on 28 December 2004. Atlas Funding B.V. was formed by GMAC-RFC Investments B.V. Atlas Funding's primary business is to originate mortgage loans to borrowers in the Netherlands through institutional parties including but not limited to insurance companies, banks and pension funds. At present Stater is performing the mortgage payment and ancillary activities for Atlas Funding.

The registered office of Atlas Funding B.V. is at Prinses Margrietplantsoen 92, 2595 BR, The Hague, the Netherlands.

Additional Sellers

In the Programme Agreement the transaction parties will agree that a legal entity, if it meets certain eligibility criteria, may accede to the Relevant Documents and become a Seller and, to the extent applicable, MPT Provider for the Mortgage Receivables sold by it and may therefore sell Mortgage Receivables to the Issuer.

DESCRIPTION OF THE MORTGAGE LOANS

The information contained in the following section only relates to the Initial Sellers

The Mortgage Receivables to be sold and assigned to the Issuer on each Issue Date are any and all rights (whether actual or contingent) of the relevant Initial Seller against any Borrower under or in connection with any Mortgage Loan selected by agreement between the relevant Initial Seller and the Issuer.

The Mortgage Loans are loans secured by a mortgage right, evidenced by notarial mortgage deeds ("*notariële akten van hypotheekstelling*") entered into by the relevant Initial Seller, or the relevant Borrowers.

The Mortgage Loans have been selected according to the Relevant Eligibility Criteria and are selected in accordance with the terms of such agreement on or before the Issue Date (see *Mortgage Receivables Purchase Agreement*).

For a description of the representations and warranties given by each Initial Seller, reference is made to *Mortgage Receivables Purchase Agreement* below.

Types of Mortgage Loans

Each Pool of Mortgage Loans may consist of Interest-only Mortgage Loans (which may include Bridge Mortgage Loans), Annuity Mortgage Loans, Linear Mortgage Loans, Life Mortgage Loans, Savings Mortgage Loans, Investment Mortgage Loans or combinations of these types of loans.

The Savings Mortgage Loans and Life Mortgage Loans are, and the Interest-only Mortgage Loans, Linear Mortgage Loans, Annuity Mortgage Loans and Investment Mortgage Loans may be, connected to an Insurance Policy. Savings Mortgage Loans and Life Mortgage Loans are connected to a combined risk and capital insurance policy. Interest-only Mortgage Loans, Linear Mortgage Loans, Annuity Mortgage Loans and Investment Mortgage Loans are not connected to a combined risk and capital insurance policy. They may, however, be connected to a Risk Insurance Policy. See *Risk Insurance Policy*.

Pursuant to the relevant Mortgage Conditions, the Mortgage Receivable becomes due and payable ('*opeisbaar*') if the Borrower fails to perform in timely fashion its (payment) obligations under a connected Insurance Policy.

Characteristics of the Mortgage Loans

The Mortgage Loans will have different repayment methods as described below. Prepayment of principal is possible, subject, in certain circumstances, to a penalty.

Interest-only Mortgage Loans

Under the Interest-only Mortgage Loan (including Bridge Mortgage Loans and Star Mortgage Loans), the Borrower is obliged to pay only interest during the term of such Mortgage Loan, so that the Borrower does not pay principal towards redemption of the relevant Mortgage Receivable until maturity, when the entire principal amount is due.

Bridge Mortgage Loans

A Borrower may use the equity in its old house to purchase a new house by obtaining a Bridge Mortgage Loan to bridge the period the Borrower temporarily owns two properties. The principal amount of the Bridge Mortgage Loan is upon origination equal to either (i) 100% LTFV of the property to be sold minus the maximum amount for which the higher ranking mortgage right on the property to be sold can be foreclosed or (ii) the sale price if the sale contract is unconditional minus the maximum amount for which the higher ranking mortgage right on the property to be sold can be foreclosed. Unlike the other Mortgage Loans, a Bridge Mortgage Loan carries two mortgage rights: (a) a first ranking mortgage right on the property purchased under the same mortgage right as the non-Bridge Mortgage Loan (i.e. "normal" Mortgage Loan) used to (partially) purchase the property and (b) a second or higher ranking mortgage right on the property to be sold. The Bridge Mortgage Loan is redeemed with the proceeds of the sale of the property to be sold and has a maturity of 12 or 18 months. Such maturity may be extended on behalf of the relevant Initial Seller by the MPT Provider at its discretion (for instance where the new-build property bought is still under construction). As the Bridge Mortgage Loan is a short term loan which relies on repayments of the sale proceeds of the property to be sold, the underwriting criteria with respect to affordability that apply to all non-Bridge Mortgage Loans do not apply to Bridge Mortgage Loans.

Star Mortgage Loans

A variation of the standard Interest-only Mortgage Loan is the “STAR” mortgage loan, where the maximum LTFV-ratio is 125 per cent. or 128 per cent. in case 3 per cent. is used as a lumpsum payment in respect of a disability insurance policy.

Annuity Mortgage Loans

Under the Annuity Mortgage Loan, the Borrower pays a constant total monthly payment, made up of an initially high and subsequently decreasing interest portion and an initially low and subsequently increasing principal portion, and calculated in such a manner that the Mortgage Receivable will be fully redeemed at the end of its term.

Linear Mortgage Loans

Under a Linear Mortgage Loan, the Borrower redeems a fixed amount on each instalment, such that at maturity the entire loan will be redeemed. The Borrower's payment obligation decreases with each payment as interest owed under the Linear Mortgage Loan declines over time.

Investment Mortgage Loans, Savings Mortgage Loans and Life Mortgage Loans

General

The Mortgage Loans may be in the form of Investment Mortgage Loans, Savings Mortgage Loans and Life Mortgage Loans. Under the Investment Mortgage Loans, the Savings Mortgage Loans and the Life Mortgage Loans, no principal is scheduled to be repaid prior to maturity. Until maturity, the Borrower is only required to pay interest in connection with the mortgage loan. Prepayment of principal is possible in certain circumstances, subject to a penalty. Instead, funds are invested in order to build up capital, either under a combined risk and capital insurance policy (in the case of Savings Mortgage Loans and Life Mortgage Loans) or outside an insurance policy (in the case of Investment Mortgage Loans), as further described below. In all cases, it is the intention but not the obligation of the relevant Borrower that the Mortgage Receivable will be fully or partially repaid by means of the proceeds of the Insurance Policies or investments. See *Risk Factors* for a discussion regarding the pledges on the rights of the Borrower in respect of the Insurance Policies.

Investment Mortgage Loans

Under an Investment Mortgage Loan, instead of paying amounts towards redemption prior to maturity, the Borrower undertakes to invest, either on an instalment basis (for at least two instalments) or up front, an agreed minimum amount in certain investment funds. In respect of an Investment Mortgage Loan, the Borrower invests in investment funds managed by Allianz, Optimix Vermogensbeheer N.V., Holland Beleggingsgroep B.V., Insinger de Beaufort, IVM Vermogensbeheer, Noord-Nederlands Effectenkantoor, Borghols Investment Management, Hansard Financial Services, Palladyne, Generali, Binck Effectenbank (RendementsRekening), IVM Vermogensbeheer and CBAM, as the case may be. The rights under these investments have been pledged to the relevant Seller as security for repayment of the Investment Mortgage Loan. The redemption value of the investments is not guaranteed and the return on investments is not guaranteed.

Failure by the Borrower to pay the agreed amount under the Insurance Policies or towards purchases of units in investment funds would result in the Mortgage Receivable becoming due and payable.

The Investment Mortgage Loans may (but are not required to) have the benefit of Risk Insurance Policies, taken out by the Borrowers thereof.

Savings Mortgage Loans and Life Mortgage Loans

General

Savings Mortgage Loans and Life Mortgage Loans are connected to a combined risk and capital investment insurance policy. Instead of principal payments, the Borrower pays to the relevant Insurance Company a premium, either on an instalment basis or up front. The premium consists of a risk insurance element and a capital insurance element.

The risk insurance element of the premium is paid under the policy, in exchange for the undertaking of the Insurance Company to pay out an agreed amount upon the death of the insured, which may not always be the Borrower.

The capital insurance element of the premium is used by the Insurance Company to build up capital. It is the intention, but not the obligation of the Borrower, that the capital is applied towards redemption of the principal amount at maturity thereof.

The capital element of the premium paid by the Borrowers may be invested by the Insurance Company in (i) (parts of) the Mortgage Receivables to which the relevant Insurance Policy relates, either directly or indirectly, by interpositioning an investment fund for that purpose or (ii) indirectly, in certain other assets through investment funds or (iii) a combination of (i) and (ii).

Failure by the Borrower to pay the premium under the Life Insurance Policy would result in the Mortgage Receivable becoming due and payable.

Savings Mortgage Loans

Under a Savings Mortgage Loan, the capital element of the premium is referred to as the Savings Premium. The Savings Premium is applied by the relevant Savings Insurance Company to invest in the related Savings Mortgage Loan. The Savings Premium is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Insurance Policy due by the Savings Insurance Company to the relevant Borrower is equal to the principal amount due by the Borrower to the relevant Seller at maturity of the Savings Mortgage Loan. The proceeds of these Savings Insurance Policies are applied towards principal redemption of the Savings Mortgage Receivables.

Life Mortgage Loans originated by GMAC RFC Nederland

Life Insurance Policies are offered in several alternatives by the Life Insurance Companies. In the first alternative, the insured opts for a guaranteed amount to be received when the Life Insurance Policy pays out. The other two alternatives are the Savings Alternative and the Unit-Linked Alternative.

The Life Mortgage Loans originated by GMAC RFC Nederland are sold under the name of Universal Life and are also referred to herein as Universal Life. In the case of a Universal Life product, the Borrower has a switch policy with Allianz, Universal or Generali, whereby the Borrower has the choice between (a) the Unit-Linked Alternative and (b) the Savings Alternative (the so-called '*Allianz Hypotheekrentefonds*', '*Generali Hypotheekrentefonds*' or '*Hypotheekrentefonds*', respectively) or (c) a combination of option (a) and (b).

For a discussion of the participation in the Savings Alternative, see *Sub-Participation Agreements*.

Life Mortgage Loans originated by Quion 20

Under a Life Mortgage Loan originated by Quion 20, the Borrower has the choice between (i) a guaranteed amount to be received when the Life Insurance Policy pays out or (ii) the Unit-Linked Alternative.

Switches and Conversions

Switching between the Savings Alternative and the Unit-Linked Alternative under Life Insurance Policies connected to Life Mortgage Loans originated by the relevant Seller can be effectuated at the Borrower's option on the date the interest on the relevant Mortgage Receivable is reset with the prior approval of the relevant Seller and subject, in circumstances, to payment of a penalty. For the consequences for a participation in case of a switch from the Savings Alternative to the Unit-Linked Alternative see *Sub-Participation Agreements* below.

Sub-Participation Agreement

On each Issue Date, the Issuer will enter into the Sub-Participation Agreement with, *inter alia*, the Savings Insurance Companies in respect of a Pool under which each of the relevant Savings Insurance Companies will acquire participations in the relevant Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element (if any) of such Pool equal to the Savings Premia paid by the relevant Borrower to the Savings Insurance Company in respect of a Savings Insurance Policy and/or Life Insurance Policy with the Savings Alternative with interest accrued on such Savings Premia.

Interest Payments/Interest Rate Setting

The majority of the Mortgage Loans carry a fixed rate of interest for a certain pre-agreed interest period ('*rentevastperiode*'). At the end of an interest period, the interest rate will be reset, unless the Borrower redeems the Mortgage Loan. In general, fixed rate reset terms in respect of the Mortgage Loans can be set for periods of 1, 2, 5, 6,

7, 10, 15, 20, 25 and 30 years. In addition, the Mortgage Loans may carry a variable interest rate which is changeable on a monthly basis or a quarterly basis depending on the Seller.

Valuation

Properties relating to Mortgage Loans are required to be valued by an independent qualified appraiser or tax valuer before the loan application is made.

Each of the Initial Sellers (other than Quion 20) will represent that in respect of the Mortgage Receivables originated by such Initial Sellers, at origination, each Mortgaged Asset was valued by an independent qualified surveyor or tax valuer not more than 12 months before application for a Mortgage Loan was made, except in the case of (i) Mortgage Loans of which the Outstanding Principal Amount does not exceed 80 per cent. of the value of the residential property as shown on the assessment notice of the relevant municipality tax authorities ('WOZ Beschikking') and (ii) Mortgage Loans secured by a mortgage right on newly built properties with less than fifteen per cent. additional work ('meerwerk').

Quion 20 will represent that in respect of the Mortgage Receivables originated by Quion 20, at origination, each Mortgaged Asset was valued by an independent qualified surveyor or tax valuer not more than 12 months before application for a Mortgage Loan was made, except in the case of (i) Mortgage Loans of which the Outstanding Principal Amount does not exceed 60 per cent. of the purchase price of the Mortgaged Asset; (ii) in the case of a refinancing where the Outstanding Principal Amount does not exceed 60 per cent. of the value of the residential property as shown on the assessment notice of the real estate tax authorities ('WOZ Beschikking'); and (iii) Mortgage Loans secured by a mortgage right on newly built properties with less than ten per cent. additional work ('meerwerk').

In the case of Mortgage Loans which have the benefit of an NHG Guarantee, properties relating to such Mortgage Loans are required to be valued by an independent qualified appraiser or tax valuer before the loan application is made in accordance with the NHG Underwriting Criteria.

Each of the Initial Sellers will represent that in respect of the NHG Mortgage Receivables resulting from NHG Mortgage Loans at the date of offer, each Mortgaged Asset was valued by an independent qualified surveyor or tax valuer not more than 12 months before application for a Mortgage Loan was made.

Risk Insurance Policy

A Borrower is required to take out a Risk Insurance Policy in respect of Annuity Mortgage Loans and Investment Mortgage Loans if and to the extent that: (i) the Borrower is older than 45 years of age and (ii) the Outstanding Principal Amount of the Mortgage Loan exceeds an amount equal to at most 100 per cent. of the Foreclosure Value of the Mortgaged Asset. The Risk Insurance Policy should in that case cover at least the difference between at most 100 per cent. of the Foreclosure Value and the Outstanding Principal Amount of the Mortgage Loan.

Mortgage Loans originated by Quion 20, based on two incomes must be linked to a Risk Insurance Policy ('overlijdensrisicoverzekering') to sufficiently cover the debt service in the case one of the Borrowers dies. Also, in the case of a refinancing with a financing sum in excess of the Foreclosure Value a Risk Insurance Policy is required.

In the case of Mortgage Loans which have the benefit of an NHG Guarantee, a Borrower is required to take out a Risk Insurance Policy if the Outstanding Principal Amount of the Mortgage Loan exceeds an amount equal to 80 per cent. of the Market Value of the Mortgaged Asset in accordance with the NHG Underwriting Criteria. The Risk Insurance Policy should in that case cover at least the difference between 80 per cent. of the Market Value and the Outstanding Principal Amount of the Mortgage Loan.

Lending Criteria in respect of Mortgage Loans originated by GMAC RFC Nederland and Atlas Funding which do not have the benefit of an NHG Guarantee

Minimum and Maximum Amounts

The minimum amount for a Mortgage Loan originated by the Initial Sellers (except for Quion 20) is EUR 50,000 and, if the relevant Mortgage Loan has more than one repayment component, the minimum amount for each component part of such Mortgage Loan is EUR 10,000.

Creditworthiness and Debt-to-Income Ratio ('Woonquote')

The process of verifying a prospective Borrower's creditworthiness is set up to determine whether the prospective Borrower has sufficient monthly income available to meet his payments on the requested mortgage loan as well as to support other financial obligations and monthly living expenses. A check on the income of a prospective borrower who is an employee is generally conducted by requesting a recent employer's declaration of the borrower, as well as the borrower's salary slip and bank statement to ensure that the information is corresponding. In general, the gross debt to gross income ratio increases with the Borrower's income, with the percentage ranging generally between 25 per cent. for a salary (component) up to EUR 12,500 to 40 per cent. for the salary (component) above EUR 12,500. In respect of a self-employed applicant, creditworthiness is checked by the relevant Seller's underwriters generally on the basis of annual accounts, including auditors' reports, for the business over the past two years. A director or majority shareholder of a Company (unless otherwise employed) is regarded as self-employed. The calculation of the 'woonquote' will be in respect of such Mortgage Loans, made as if the relevant Mortgage Loan is an annuity loan, no matter if the loan is an annuity loan or not.

Broker Verified Income Loans

All Borrowers stating their income must neither have any negative credit history with any financial institution, nor any other outstanding financial obligations on the day on which a loan is disbursed. When stating income, loans must have an LTFV-ratio of less than or equal to 95 per cent. and a loan amount under EUR 450,000. The intermediary checks whether the Borrower has sufficient income available to pay the costs of the mortgage in accordance with the Debt-to-Income Ratio ('Woonquote') (see above). The intermediary states in an income declaration to the relevant Seller that the borrower has sufficient income to make the loan payments. Such Broker Verified Income should be sufficient to meet the payments on a Mortgage Loan in accordance with the verification process described above applicable to all loans.

National Credit Register (BKR)

A credit check is conducted for every prospective borrower with the BKR in Tiel, which also may include a foreign credit check. All financial commitments over the past five years that prospective borrowers have entered into with financial institutions are recorded in this register.

Collateral

With each application, the prospective borrower must send either (i) an original appraisal or "valuation" report ('*taxatierapport*'), which is drawn up by an independent qualified appraiser '*taxateur*' who is registered in one of the approved registers ('*Nederlands Register van Vastgoed Taxateurs*', '*Stichting Nederlands Instituut Certificatie en Register Makelaars-Taxateurs Onroerende Zaken*' or '*Stichting Certificering VBO Makelaars*') or (ii) an assessment by the Netherlands tax authorities on the basis of the Act on Valuation of Real Property ('*Wet Waardering Onroerende Zaken*'). The latter is only allowed if the loan amount is below 80 per cent. of such assessment. For new construction, no valuation is required if the property is built by professional builders. Instead, the financing is based on the stated development costs. For new construction with more than 15 per cent. of additional construction work still to be completed in addition to the initial development costs, an appraisal report is requested. The loan amount is kept in a construction deposit and is only released to the borrower or the construction company upon receipt of invoices.

Loan-to-Foreclosure Value Ratio

Mortgage Loans are granted up to a maximum of 125 per cent. of the Foreclosure Value. Borrowers that have a disability insurance ('*koopsom*'- or '*woonlastenbeschermer*') and have pledged the rights under or in connection with the disability insurance to the relevant Seller, are granted a Mortgage Loan up to a maximum of 128 per cent. of the Foreclosure Value of the Mortgaged Assets, provided that the Borrowers have deposited an amount equal to 3 per cent. of the Foreclosure Value into a disability insurance policy and have pledged the rights under or in connection with the disability insurance to the relevant Seller. The LTFV-ratio of a mortgage loan is calculated on the Foreclosure Value ('*executiewaarde*'), which is the estimated value of the property at an auction, usually about 85 to 90 per cent. of the market value of the property. Appraisal reports containing the property valuations can only be provided by independent qualified appraisers who are approved by GMAC RFC Nederland and who must not be involved in the relevant transaction.

Other Lending Criteria

Apart from the principal criteria already mentioned, the following criteria also apply to each mortgage loan: (i) mortgage loans are granted only to individuals, (ii) if there is more than one borrower, there must be joint and several liability for the Mortgage Receivable and (iii) mortgage loans are only granted on the basis of owner occupancy. As to

the procedure applied by the relevant Seller in the case of non-compliance by an applicant with any of the underwriting criteria, see *Mortgage Loan Underwriting and Origination* below.

Lending Criteria in respect of Mortgage Loans originated by Quion 20 which do not have the benefit of an NHG Guarantee

Minimum and Maximum Amounts

The minimum amount for Mortgage Loan originated by Quion 20 is EUR 35,000.

Creditworthiness and Debt-to-Income Ratio ('Woonquote')

The process of verifying a prospective borrower's creditworthiness is set up to determine whether the prospective borrower has sufficient monthly income available to meet his payments on the requested mortgage loan as well as to support other financial obligations and monthly living expenses. A check on the income of a prospective borrower who is an employee is generally conducted by requesting a recent employer's declaration of the borrower, as well as the borrower's salary slip and (in some cases) bank statement to ensure that the information is corresponding. In general, the gross debt to gross income ratio increases with the borrower's income with the percentage ranging generally between 44.5 and 52 per cent. for a salary between EUR 18,150 and EUR 68,065 in the case of a LTFV-ratio of less than 60 per cent. and 30.5 and 38 per cent. for a salary between EUR 18,150 and EUR 68,065 in the case of a LTFV-ratio of more than 60 per cent. In respect of a self-employed applicant, creditworthiness is checked by Quion Hypotheekbemiddeling B.V.'s underwriters generally on the basis of annual accounts, including auditors' reports for the business, income-tax submission and assessments over the past three years and a one-year financial forecast, and the mortgage loan may not exceed a LTFV-ratio of 90 per cent., with exceptions for certain self employed applicants who may be granted a mortgage loan with a LTFV-ratio of up to 125 per cent. A director or majority shareholder of a Company (unless otherwise employed) is regarded as self-employed.

National Credit Register (BKR)

A credit check is conducted for every prospective borrower with the BKR in Tiel, which also may include a foreign credit check. All financial commitments over the past five years that prospective borrowers have entered into with financial institutions are recorded in this register.

Collateral

With each application, the prospective borrower must send either (i) an original appraisal or "valuation" report (*taxatierapport*), which is drawn up by an independent qualified appraiser *taxateur* who is registered in one of the approved registers (NRVT *Nederlands Register van Vastgoed Taxateurs*, SCVM *Stichting Certificering VBO Makelaars* or *Stichting Vastgoed Certificering*) or (ii) an assessment by the Netherlands tax authorities on the basis of the Act on Valuation of Real Property (*Wet Waardering Onroerende Zaken*). The latter is only allowed in the case of refinancing if the loan amount is 60 per cent. of such assessment. For new construction, no valuation is required if the property is built by professional builders. Instead, the financing is based on the stated development costs. For new construction with more than 10 per cent. of additional construction work still to be completed in addition to the initial development costs, an appraisal report is requested. However, in the case of 'do it yourself' projects undertaken by borrowers remodelling appraisal reports may be required. The loan amount is kept in a construction deposit and is only released to the borrower or the construction company upon receipt of invoices and/or appraisal reports.

Loan-to-Foreclosure Value Ratio

Mortgage Loans are granted up to a maximum of 125 per cent. of the Foreclosure Value. Borrowers that have a disability insurance (*'koopsom'*- or *'woonlastenbeschermer'*) and have pledged the rights under or in connection with the disability insurance to the relevant Seller, are granted a Mortgage Loan up to a maximum of 128 per cent. of the Foreclosure Value of the Mortgaged Assets, provided that the Borrowers have deposited an amount equal to 3 per cent. of the Foreclosure Value into a disability insurance policy and have pledged the rights under or in connection with the disability insurance to the relevant Seller. The LTFV-ratio of a mortgage loan is calculated on the Foreclosure Value (*executiewaarde*), which is the estimated value of the property at an auction, usually about 85 to 90 per cent. of the market value of the property. Appraisal reports containing the property valuations can only be provided by independent qualified appraisers who are approved by GMAC RFC Nederland and who must not be involved in the relevant transaction.

Other Lending Criteria

Apart from the principal criteria already mentioned, the following criteria also apply to each Mortgage Loan originated by Quion 20: (i) the relevant Mortgage Loans are granted only to individuals, (ii) if there is more than one borrower,

there must be joint and several liability for the Mortgage Receivable and (iii) the relevant Mortgage Loans are only granted on the basis of owner occupancy. As to the procedure applied by the relevant Seller in the case of non-compliance by an applicant with any of the underwriting criteria, see Mortgage Loan Underwriting and Origination.

Lending Criteria in respect of Mortgage Loans which have the benefit of an NHG Guarantee

Minimum and Maximum Amounts

The minimum amount for a Mortgage Loan is EUR 35,000. In accordance with the NHG Underwriting Criteria, the maximum loan amount is EUR 250,000 (as of 1 January 2006) and will be EUR 265,000 (as of 1 January 2007).

Creditworthiness and Debt-to-Income Ratio ('Woonquote')

The process of verifying a prospective Borrower's creditworthiness is set up in accordance with the NHG Underwriting Criteria in order to determine whether the prospective Borrower has sufficient monthly income available to meet his payments on the requested mortgage loan as well as to support other financial obligations and monthly living expenses. A check on the income of a prospective borrower who is an employee is generally conducted by requesting a recent employer's declaration of the borrower, as well as the borrower's salary slip and bank statement to ensure that the information is corresponding. The gross debt to gross income ratio increases with the Borrower's income, with the percentage for Borrowers younger than 65 years old ranging between 21 per cent. for a salary up to EUR 16,500 to 34 per cent. for a salary above EUR 53,000. For Borrowers over 65 years old, 16.1 per cent and 41.2 per cent apply. In respect of a self-employed applicant, creditworthiness is checked by the relevant Seller's underwriters on the basis of annual accounts, including auditors' reports, for the business over the past three years. A director or majority shareholder of a Company (unless otherwise employed) is regarded as self-employed. The calculation of the 'woonquote' will be in respect of such Mortgage Loans, made as if the relevant Mortgage Loan is an annuity loan, no matter if the loan is an annuity loan or not.

National Credit Register (BKR)

A credit check is conducted for every prospective borrower with the BKR in Tiel, which also may include a foreign credit check. All financial commitments over the past five years that prospective borrowers have entered into with financial institutions are recorded in this register.

Collateral

With each application, the prospective borrower must send either (i) an original appraisal or "valuation" report (*'taxatierapport'*), which is drawn up by an independent qualified appraiser *'taxateur'* who is registered in one of the approved registers (*'Nederlands Register van Vastgoed Taxateurs'*, *'Stichting Nederlands Instituut Certificatie en Register Makelaars-Taxateurs Onroerende Zaken'* or *'Stichting Certificering VBO Makelaars'*) For new construction, no valuation is required if the property is built by professional builders. Instead, the financing is based on the NHG Underwriting Criteria.

Loan-to-Market Value Ratio

Mortgage Loans are granted in accordance with the NHG Underwriting Criteria.

Other Lending Criteria

Apart from the principal criteria already mentioned, the following criteria also apply to each mortgage loan: (i) mortgage loans are granted only to individuals, (ii) if there is more than one borrower, there must be joint and several liability for the NHG Mortgage Receivable and (iii) mortgage loans are only granted on the basis of owner occupancy.

NHG GUARANTEE PROGRAMME

NHG Guarantee

In 1960, the Netherlands government introduced the 'municipal government participation scheme', an open ended scheme in which both the Dutch State and the municipalities guaranteed, according to a set of defined criteria, residential mortgage loans made by authorised lenders to eligible borrowers to purchase a primary family residence. The municipalities and the Dutch State shared the risk on a 50/50 basis. If a municipality was unable to meet its obligations under the municipality guarantee, the Dutch State would make an interest free loan to the municipality to cover its obligations. The aim was to promote house ownership among the lower income groups.

Since 1 January 1995 '*Stichting Waarborgfonds Eigen Woningen*' (the 'WEW'), a central privatised entity, is responsible for the administration and granting of the NHG Guarantee, under a set of uniform rules. The NHG Guarantee covers the outstanding principal, accrued unpaid interest and disposal costs. Irrespective of scheduled repayments or prepayments made on the mortgage loans, the NHG Guarantee reduces on a monthly basis by an amount which is equal to the monthly payments (principal and interest) as if the mortgage loan were being repaid on a thirty year annuity basis. In respect of each mortgage loan, the NHG Guarantee reduces further to take account of scheduled repayments and prepayments under such mortgage loan (See Risk Factors).

Financing of the WEW

The WEW finances itself, inter alia, by a one-off charge to the borrower of 0.28 per cent. of the principal amount of the mortgage loan. Besides this, the NHG scheme provides for liquidity support to the WEW from the Dutch State and the participating municipalities. Should the WEW not be able to meet its obligations under guarantees issued, the Dutch State will provide subordinated interest free loans to the WEW of up to 50 per cent. of the difference between the WEW's own funds and a pre-determined average loss level. Municipalities participating in the NHG scheme will provide subordinated interest free loans to the WEW of the other 50 per cent. of the difference. Both the keep well agreement between the Dutch State and the WEW and the keep well agreements between the municipalities and the WEW contain general 'keep well' undertakings of the Dutch State and the municipalities to enable the WEW at all times (including in the event of bankruptcy (*'faillissement'*), suspension of payments (*'surseance van betaling'*) or liquidation (*'ontbinding'*) of the WEW) to meet its obligations under guarantees issued.

Terms and conditions of the NHG Guarantee

Under the NHG scheme, the lender is responsible for ensuring that the guarantee application meets the NHG terms and conditions. If the application qualifies, various reports are produced that are used in the processing of the application, including the form that will eventually be signed by the relevant lender and forwarded to the NHG to register the mortgage and establish the guarantee. The WEW has, however, no obligation to pay any loss (in whole or in part) incurred by a lender after a private or a forced sale of the mortgaged property if such lender has not complied with the terms and conditions of the NHG Guarantee, which were applicable at the date of origination of the mortgage loan, unless such non-payment is unreasonable towards the lender.

The specific terms and conditions for the granting of NHG Guarantees, such as eligible income, purchasing or building costs etc., are set forth in published documents.

The NHG has specific rules for the level of credit risk that will be accepted. The credit worthiness of the applicant must be verified with the National Credit Register (*'Bureau Krediet Registratie'* or "*BKR*"), a central credit agency used by all financial institutions in the Netherlands. All financial commitments over the past five years that prospective borrowers have entered into with financial institutions are recorded in this register.

To qualify for an NHG Guarantee various conditions relating to valuation of the property must be met. In addition, the mortgage loan must be secured by a first ranking mortgage right (or a second ranking mortgage right in case of a further advance). Furthermore, the borrower is required to take out insurance in respect of the mortgaged property against risk of fire, flood and other accidental damage for the full restitution value thereof. The borrower is also required to create a right of pledge in favour of the lender on the rights of the relevant borrower against the insurance company under the relevant life insurance policy connected to the mortgage loan or to create a right of pledge in favour of the lender on the proceeds of the investment funds. The terms and conditions also require a risk insurance policy which pays out upon the death of the borrower/insured for the period that the amount of the mortgage loan

exceeds 80 per cent. of the value of the property.

The mortgage conditions applicable to each mortgage loan should include certain provisions, among which the provision that any proceeds of foreclosure on the mortgage right and the right of pledge on the life insurance policy or the investment funds shall be applied firstly towards repayment of the mortgage loan guaranteed under the NHG scheme.

Furthermore, according to the NHG Conditions for 2006 interest-only mortgage loans are allowed, provided that the interest-only part does not exceed 50 per cent. of the market value of the property.

An NHG Guarantee can be issued up to a maximum of EUR 250,000 (as of 1 January 2006).

Claiming under the NHG Guarantees

When a borrower is in arrears with payments under the mortgage loan for a period of 4 months, the Seller informs the WEW in writing within 30 days of the outstanding payments, including the guarantee number, borrower's name and address, information about the underlying security, the date of start of late payments and the total of outstanding payments. When the borrower is in arrears the WEW may approach the lender and/or the borrower to attempt to solve the problem and make the borrower aware of the consequences. If an agreement cannot be reached, the WEW reviews the situation with the lender to endeavour to generate the highest possible proceeds from the property. The situation is reviewed to see whether a private sale of the property, rather than a public auction, would generate proceeds sufficient to cover the outstanding mortgage loan. Permission of the WEW is required in case of a private sale unless sold for an amount higher than the foreclosure value. A forced sale of the mortgaged property is only allowed in case the borrower is in arrears with payments under the mortgage loan for a period of seven or more monthly instalments, unless the WEW has agreed that the forced sale may take place for other reasons or within a period of seven months.

Within three months of the private or forced sale of the property, the lender must make a formal request to the WEW for payment, using standard forms, which request must include all of the necessary documents relating to the original loan and the NHG Guarantee. After receipt of the claim and all the supporting details, WEW must make payment within two months. If the payment is late, provided the request is valid, WEW must pay interest for the late payment period.

In the event that a borrower fails to meet its obligation to repay the mortgage loan and no or no full payment is made to the lender under the NHG Guarantee by the WEW because of the lender's culpable negligence, the lender must act vis-à-vis the borrower as if the WEW were still guaranteeing the repayment of the Mortgage Loan during the remainder of the term of the Mortgage Loan. In addition, the lender is not entitled to recover any amounts due under the mortgage loan from the borrower in such case. This is only different if the borrower did not act in good faith with respect to his inability to repay the mortgage loan and has failed to render his full cooperation in trying to have the mortgage loan repaid to the lender to the extent possible.

Additional loans

Furthermore, on 1 July 2005 provisions were added to the NHG Conditions pursuant to which a borrower who is or threatens to be in arrears with payments under the existing mortgage loan may have the right to request the WEW for a second guarantee to be granted by it in respect of an additional mortgage loan to be granted by the relevant lender. The monies drawn down under the additional loan have to be placed on deposit with the relevant lender and may, up to a maximum period of two years, be used for, *inter alia*, payment of the amounts which are due and payable under the existing mortgage loan, interest due and payable under the additional mortgage loan and the costs made with respect to the granting of the additional mortgage loan. The relevant borrower needs to meet certain conditions, including, *inter alia*, the fact that the financial difficulties are caused by a divorce, unemployment, disability or death of the partner.

Main NHG Underwriting Criteria ('Normen') per 2006

With respect to the Borrower, the underwriting criteria include but are not limited to:

- The lender has to perform a BKR check. "A"-registrations and codes "1" are allowed in certain circumstances.
- As a valid source of income the following applies: indefinite contract of employment, temporarily contract of

employment if the employer states that the employee will be provided an indefinite contract of employment in case of equal performance of the employee and equal business circumstances, for flexworkers a three year history of income statements, for self employed three year annual statements.

- The maximum loan based on the income will be based on the “*woonquote*” tables and an annuity style redemption (even if the actual loan is (partially) interest only). The interest rate to be used is 6% for loans with an interest rate period less than or equal to 5 years and the actual interest rate for loans with an interest rate period in excess of 5 years.

With respect to the loan, the underwriting criteria include but are not limited to:

- The absolute maximum loan amount is EUR 250,000. The loan amount is also limited by the amount of income and the market value of the property. With respect to the latter:
 - For the purchase of existing properties, the loan amount is broadly based on the sum of (i) the lower of the purchase price and the Market Value based on a valuation report, (ii) the costs of improvements, (iii) 12 per cent of the amount under (i) plus (ii). In case an existing property can be bought without paying stampduty (*vrij op naam*), the purchase amount under (i) is multiplied by 93 per cent..
 - For the purchase of a properties to be built, the maximum loan amount is broadly based on the sum of (i) purchase-/construction cost increased with a number of costs such as the cost of construction interest, VAT and architects (to the extent not included already in the purchase-/construction cost), (ii) 8 per cent of the amount under (i).
- The maximum loan amount that is interest only is 50% of the Market Value of the property.
- The Risk Insurance policy should at a minimum cover the loan amount in excess of 80% of the Market Value.

MORTGAGE LOAN UNDERWRITING AND ORIGINATION

Underwriting in respect of Mortgage Loans originated by GMAC RFC Nederland and Atlas Funding

The Initial Sellers are solely responsible for the information contained in the following section

The underwriting rules for mortgage loans which have the benefit of an NHG Guarantee are based on the NHG Underwriting Criteria. The underwriting rules for mortgage loans which do not have the benefit of an NHG Guarantee originated by any of the Initial Sellers typically include, but are not limited to, the following aspects:

- the collateral requirements such as form of appraisal report, type of collateral;
- the advance rates;
- the amount of debt that can be advanced against the borrower's monthly income and definition of income for the purposes of this calculation, as well as minimum required income level;
- the additional security requirements relating to risk insurance and capital insurance and repayment form; and
- in accordance with the Code of Conduct of Mortgage Loans ('*Gedragcode Hypothecaire Financieringen*').

In partnership with HNC Software Inc., Stater has introduced an automated lending decision management system ('**Capstone**'), which is used by GMAC RFC Nederland in the origination of the mortgage loans. Capstone uses a rule based system to regulate the underwriting process. In addition, it acts to accelerate the processing time of decisions on a loan application.

Origination process: via master brokers and Atlas Funding's institutional partners:

Loan application forms are submitted to applicants electronically, by mail or fax via an intermediary, such as a mortgage adviser, insurance agent or real estate broker. The information received on the loan application is then entered into the Stater Mortgage System ('**iSHS**') by the master brokers. iSHS automatically collects information about the applicant from the BKR. After the application data have been entered into iSHS, the application is evaluated by Capstone which is connected to iSHS. Each application is automatically evaluated by reference to the underwriting criteria. In case of a violation of the underwriting criteria, Capstone generates a STOP-rule, and a loan offer will not be generated by the system. In such instance the intermediary will contact the relevant Seller and the loan offer may be generated only after written consent (overrule) by such Seller.

If the loan is accepted, the intermediary can produce a loan offer. Once the offer has been accepted by the applicant, the intermediary collects the signed offer and all required loan documents, which will be reviewed by way of the Final Credit Approval ('**FCA**'). After completion of the loan file, the loan file is scanned onto HYARCHIS (mortgage archive system), which is connected to iSHS. The loan file is then available online.

The FCA includes, amongst other things, a review of evidence of the applicant's income (except in cases of Broker Verified Income Loans, in which case the applicant is required to provide evidence of his income to the Broker), the property purchase contract, appraisal report and insurance application, if applicable.

Origination process: via GMAC RFC Nederland front office

Loan application forms are submitted to applicants electronically, by mail or fax via an intermediary, such as a mortgage adviser, insurance agent or real estate broker. The information received on the loan application is then entered into the GMAC Application Management System ('**GAMS**'). GAMS is a pre-qualification decision tool which generates a positive or negative decision based on the underwriting criteria. Only a positive decision generates a Mortgage Data Network message ('**HDN message**'). A HDN message is automatically sent to iSHS, which automatically collects information about the applicant from the HDN message. After the application data have been entered into iSHS, the application is evaluated by Capstone, which is part of iSHS. Each application is automatically evaluated upon the underwriting criteria. In case of violation of the underwriting criteria Capstone generates a STOP-rule. If there is a STOP, a loan offer will not be generated by the system. In such instance the intermediary will contact the relevant Seller and the loan offer may be generated only after written consent (overrule) by such Seller.

If the loan is accepted, GMAC RFC Nederland's front office can produce a loan offer. Once the offer has been accepted by the applicant, the intermediary collects the signed offer and all required loan documents, which will be

reviewed by way of the FCA. The FCA includes, amongst other things, a review of evidence of the applicant's income, the sales contract, appraisal report and insurance application, if applicable. After FCA, the loan file is scanned onto HYARCHIS (mortgage archive system), which is connected to iSHS. The loan file is then available online.

GMAC RFC Nederland and Atlas Funding are currently responsible for FCA of more than 95 per cent. of all applications for Mortgage Loans originated by GMAC RFC Nederland and Atlas Funding. The remainder is with DBV.

Closing of the mortgage loan

After FCA and acceptance of the loan, information for the notary is automatically generated and sent out to the notary. Based on this information the notary can create the mortgage deed. All the original deeds are stored by the notary and are registered with the central registry (the 'Kadaster'). After scanning of the completed loan files, GMAC RFC Nederland and Atlas Funding keep the original paper file.

Underwriting in respect of Mortgage Loans originated by Quion 20

Underwriting rules for mortgage loans which have the benefit of an NHG Guarantee originated by Quion 20 are based on the NHG Underwriting Criteria. Underwriting rules for mortgage loans which do not have the benefit of an NHG Guarantee originated by Quion 20 are set by Quion Hypotheekbemiddeling B.V. in agreement with Quion 20 and the relevant Seller and include:

- information from the BKR;
- the amount of debt that can be advanced against the borrower's monthly income and definition of income for the purposes of this calculation as well as minimum income level;
- the time that the borrower has been in his or her current job;
- the loan-to-value limitations;
- the loan purpose, property type;
- the foreclosure and market valuations;
- the age of borrower and status of borrower.

Origination process

The origination process is started when an applicant opts for one of the Quion mortgage products offered by an intermediary. The intermediaries use an IT application enabling the intermediaries to make all necessary calculations, check the mortgage loan criteria and send the application electronically to Quion Hypotheekbemiddeling. An application can also be faxed.

As soon as Quion Hypotheekbemiddeling. receives the application, the origination department enters the loan specifics into the mortgage origination system ('HYPOS'). HYPOS automatically rechecks the underwriting criteria. Quion Hypotheekbemiddeling. does a fraud check based on a score of fraud indicators. If HYPOS gives a 'stop' advice (i.e. if at least one of the criteria mentioned is not satisfied) the application will be declined unless individual assessment by a staff member of the origination team results in a request to the lender to accept the application. If the assessor concludes the criteria are not met, the application is rejected.

Closing of the mortgage loan

If the loan complies with all underwriting conditions, Quion Hypotheekbemiddeling. will submit an offer to the intermediary. This offer is valid for three weeks. The borrower must accept, sign and return the offer together with the required documentation to Quion Hypotheekbemiddeling. within that period, after which the offer is valid for three months. Another extension of up to three months after the initial offer is possible but, if the interest rate has increased, only if the borrower pays a fee of 0.25 per cent. per month.

When all documents have been received and finally approved by the origination department, the mortgage processing department will file all relevant documents into the administration of Quion Hypotheekbemiddeling. At the same time notification is sent to the intermediary, which then informs the applicant and the civil law notary. As soon as this has been done, everything is recorded in the administration system ('HYPAS'). Subsequently the civil law notary faxes the execution date to Quion Hypotheekbemiddeling. Quion Hypotheekbemiddeling then transfers the money from the account of the lender to the civil law notary who temporarily places the money on a separate account. The civil law

notary is responsible for the execution of the mortgage deed, after which all relevant documents are sent to Quion Hypotheekbemiddeling.

ADMINISTRATION OF THE MORTGAGE LOANS

General

The information contained in the following section only relates to the Initial Sellers.

All Mortgage Loans are administered and serviced by GMAC RFC Nederland in its capacity as the MPT Provider. The MPT Provider will provide mortgage payment transactions and other services to and on behalf of the Issuer on a day-to-day basis in relation to the Mortgage Loans. The duties of the MPT Provider include the collection of payments of principal, interest and other amounts in respect of the Mortgage Loans and the implementation of arrears procedures including the enforcement of the Mortgages.

In accordance with the Issuer Services Agreement, the MPT Provider will appoint Stater as its sub-agent to carry out the activities described above in respect of the Mortgage Loans originated by GMAC RFC Nederland and part of the Mortgage Loans originated by Atlas Funding, except for the Defaulted Loan Services, which will be carried out by the MPT Provider, upon the terms and provisions of and in accordance with the Issuer Services Agreement and the subcontract entered into between the MPT Provider and Stater pursuant to which Stater will accept this appointment and will commit itself, in favour of the Issuer, to carry out the activities subject to and on the terms provided in the Issuer Services Agreement and the subcontract. The Issuer and the Security Trustee will consent to the appointment of Stater as sub-agent. In accordance with the Issuer Services Agreement, the MPT Provider will appoint Quion Hypotheekbemiddeling as its sub-agent to carry out the MPT Services and the Defaulted Loan Services in respect of the Mortgage Loans originated by Quion 20 and part of the Mortgage Loans originated by Atlas Funding, subject to and in accordance with the terms of the subcontract entered into between the MPT Provider and Quion Hypotheekbemiddeling the Issuer and the Security Trustee will consent to the appointment of Quion Hypotheekbemiddeling as sub-agent.

Set out below is a discussion of mortgage administration of the Mortgage Loans.

Mortgage Administration in respect of the Mortgage Loans originated by GMAC RFC Nederland and Atlas Funding

Collections

All monthly payments of principal and interest on the Mortgage Loans originated by GMAC RFC Nederland or, as the case may be Atlas Funding are collected from Borrowers by direct debit. Stater is mandated by the MPT Provider to draw the monthly payments from the Borrower's bank account directly into the Foundation GMAC RFC Nederland Collection Account and the Foundation Atlas Funding Collection Account. iSHS automatically collects the payments on the day before the last business day of each month. Payment information is monitored daily by personnel in Stater's arrears department.

Arrears procedure

Every day iSHS detects and keeps track of arrears and all relevant data are provided by Stater to GMAC RFC Nederland and, as the case may be, Atlas Funding and implemented in their Credit Management System (OnGuard).

The arrears management process consists of four phases:

- 0-30 days;
- 30-60 days;
- 60-90 days;
- 90+ days.

In the first phase of the arrears management process, within two weeks after the first missing payment by a Borrower, the relevant Borrower is called twice and receives two letters urging him to pay. In general, if the MPT Provider fails to contact the Borrower at any time, the MPT Provider will try to contact the employer, intermediary, real estate agent or other parties. If the Borrower does not pay or react within the set time, the Borrower is called again and will receive another two letters, the last one from a bailiff.

After 30 days or more after the Borrower misses the first payment the second phase of the arrears management process starts. At this point, the following information is gathered: detailed information regarding the Borrower's current income, financial situation and monthly expenditures, a recent property revaluation report and a BKR check. At

the same time, a writ is served. Using the gathered information, an assessment of the recovery possibilities or solutions is made. In this phase the MPT Provider will undertake the following actions:

- Phone calls (3);
- Letters (8);
- Salary Garnishment;
- Revaluation of the property;
- Construction deposit will be frozen.

After 60 days, the third phase of the arrears management process starts. In this phase the MPT provider takes the following actions:

- Phone calls (5);
- Letters (5);
- Power of attorney for private sale;
- Notification visit;
- Property inspection.

At each phase a deviation from the basic timeline is possible:

- Payment plan arrangements;
- Private sale;
- Attachment of loan / Salary Garnishment.

The final phase of the arrears management process is the workout phase during which the property will be sold via a private sale or, if necessary, a public auction.

After an assessment of financial condition, each loan will be treated and assessed on an individual basis, meaning the MPT Provider will seek the best solution available, including alternative solutions to foreclosure. At this point all relevant Borrowers are urged to pay at once or on a payment schedule. Borrowers may also propose to sell the property at any time through private sale. The MPT Provider may accept a private sale if (a) revenues from the sale are expected to cover the outstanding debt in full or (b) it is estimated that the costs of the foreclosure process will result in a lower recovery value than a private sale.

A further alternative is that the MPT Provider takes over the sale process with a mandate from the Borrower. In the third arrears letter, the MPT Provider encloses a power of attorney, which the Borrower must sign. A signed power of attorney allows the MPT Provider to start a private sale on behalf of the Borrower.

As a rule, a private sale is a preferable option to foreclosure as usually, the proceeds from a private sale exceed the proceeds from a public auction. If the proceeds do not fully cover GMAC RFC Nederland's or, as the case may be, Atlas Funding's claims, the outstanding amount still has to be paid by the Borrower (see Administration of the Mortgage Loans – Outstanding Amounts).

In October 2004, the MPT Provider has begun to enhance its internal arrears management capabilities with the aim of reducing arrears on Mortgage Loans by contacting borrowers who fall into arrears sooner and more regularly. An analysis of arrears in the existing portfolio of Mortgage Loans managed by the MPT Provider suggests that, compared to periods prior to the introduction of these changes (i) more Borrowers become performing (ii) fewer Borrowers increase their arrears from month to month, (iii) more Borrowers reduce their arrears from month to month and (iv) more Borrowers do maintain, but do not increase, their arrears from month to month. These developments are preliminary only and may not represent a sustained trend. Further analysis would have to be undertaken to confirm whether the changes introduced by the MPT Provider represent an enhanced ability to reduce the occurrence of arrears.

Construction deposit

When a loan with a home improvement construction deposit becomes delinquent, all construction amounts are frozen, meaning that payment from the construction deposit to the borrower is not allowed. Only upon repayment of all delinquent amounts will the construction amount be released.

Foreclosure process

GMAC RFC Nederland or, as the case may be, Atlas Funding has the right to publicly sell (auction) the mortgaged property if the Borrower fails to fulfill its obligations and no other solutions are reached. GMAC RFC Nederland or, as the case may be, Atlas Funding has, as a first ranking mortgagee, an 'executorial title' which means that it does not have to obtain permission prior to foreclosure on the mortgaged property. If the proceeds from the sale (auction) of the mortgaged property do not fully cover GMAC RFC Nederland's or, as the case may be, Atlas Funding's claims, GMAC RFC Nederland or, as the case may be, Atlas Funding may sell any pledged associated life insurance or investment deposit. However, Netherlands law requires that before a lender may foreclose on a Borrower's mortgaged property, the Borrower must be notified in writing that it is in default and it must also be given reasonable time to comply with the lender's claims.

In the case of a Borrower's bankruptcy, GMAC RFC Nederland or, as the case may be, Atlas Funding may foreclose on the Borrower's Mortgaged Asset as if there was no bankruptcy. Nevertheless, the execution must take place within a reasonable time. Otherwise the bankruptcy trustee may take over execution measures. If this occurs, GMAC RFC Nederland or, as the case may be, Atlas Funding will be obliged to contribute to the bankruptcy costs.

If GMAC RFC Nederland or, as the case may be, Atlas Funding wants to sell the mortgaged property, it is required to notify the parties directly involved, including the Borrower as well as the person owning the asset (in the event that these are not the same parties). The notification must include the amount outstanding and the expenses incurred to date as well as the name of the civil notary responsible for the foreclosure sale.

GMAC RFC Nederland or, as the case may be, Atlas Funding calculates the best method of maximizing the sale value of the mortgaged property. Based on the outcome of this calculation, GMAC RFC Nederland or, as the case may be, Atlas Funding may decide that the property should be sold either in a private sale or by public auction. A private sale can, if the legal requirements are fulfilled, and often does, replace a public auction. When foreclosure notification is made by GMAC RFC Nederland or, as the case may be, Atlas Funding, formal instructions are given to the civil notary where the property is located. The date of the sale will be set by the civil notary within, in principle, three weeks of this instruction and will usually be about six weeks after the decision to foreclose has been made (depending on the region and the number of other foreclosures currently being handled by the relevant district court).

The manner in which the proceeds from the sale are divided depends on whether there is only one mortgage holder or several. If there is only one mortgage holder, the proceeds will be passed on to the mortgage holder after deducting the costs of the execution. In the case of more than one mortgage holder, the division of the proceeds takes place according to the priority of the mortgages.

In general, it takes approximately two months to foreclose on a property once the decision to foreclose has been made. Throughout the foreclosure process, GMAC RFC Nederland or, as the case may be, Atlas Funding follows guidelines set down by Netherlands law, the Code of Conduct of Mortgage Loans, the BKR and, in addition for Mortgage Loans, the NHG Conditions and NHG Underwriting Criteria.

Outstanding amounts

If amounts are still outstanding after the foreclosure process or after the sale of the property has been completed, GMAC RFC Nederland or, as the case may be, Atlas Funding continues to manage the remaining receivables. These amounts still have to be repaid by the Borrower, if possible, a settlement agreement will be entered into between the Borrower and GMAC RFC Nederland or, as the case may be, Atlas Funding. In the event a Borrower does not comply with a settlement agreement or does not wish to cooperate with GMAC RFC Nederland or, as the case may be, Atlas

Funding on finding a solution to repay the unpaid amounts, other measures can be taken. These measures include the engagement of a bailiff and the appointment of an attorney to levy an attachment over the Borrower's salary as permitted by Netherlands law.

Mortgage Administration in respect of the Mortgage Loans originated by Quion 20

Collections

Quion Hypotheekbemiddeling B.V. is authorised by each lender and Quion 20, who has been authorised by the Borrower, to draw the monthly payments from the Borrower's bank account directly into the respective lender's bank account. The computer system of Quion Hypotheekbemiddeling B.V. automatically collects the payments on the day before the last business day of each month. Payments information is monitored daily by the mortgage servicing department of Quion Hypotheekbemiddeling B.V..

Information Technology

The central backup system generates a daily automatic back up of HYPOS, HYPAS and the central file servers. In the afternoon a backup is made of all the changes until 17:00, while at night a complete backup is generated. The backup tapes are stored at an external secure location. Furthermore, weekly, monthly and annually backup tapes are also stored at an external secure location. An emergency plan is in place that enables all the applications to run at a location in Utrecht in the Getronics Business Continuity Centre ('GBC'). In case of a calamitous event, Quion Hypotheekbemiddeling B.V. will relocate 10 key staff members to the GBC. In this way the entire servicing and administration activities can be fully operational at the GBC within four business days. This procedure is tested annually. Quion Hypotheekbemiddeling B.V. has established a software depot foundation ('stichting') to guarantee servicer continuity. In case Quion Hypotheekbemiddeling B.V. ceases to exist Quion 20 has the right to continue to use the IT systems and data files and the right to access the software source code. All mortgage loan information is stored and operated using HYPAS.

Arrears and Foreclosure Management

Arrears and foreclosure management within Quion Hypotheekbemiddeling B.V. can be divided into two activities: 'automated arrears management' and 'active arrears and foreclosure management'. The first is part of the servicing process and is fully automated, the second is performed by the arrears and foreclosure management department.

As soon as a loan is delinquent, the HYPAS system will automatically note this in an arrears list for reporting purposes and subsequently HYPAS will generate letters to urge the borrower to pay (see below). As soon as a delinquency exceeds 60 days, the mortgage loan is transferred to the arrears and foreclosure management department for active arrears management. This department is dedicated to minimise losses and has eleven specialists with a long experience in arrears management. Primarily, the goal of active arrears management is to make a payment arrangement with the Borrower. Only if such an arrangement is not possible or not properly fulfilled, the loan will be called. The arrears and foreclosure management department evaluates its experiences on a monthly basis. These experiences are used to improve the credit risk awareness in the origination department.

i. Automated arrears management

The monthly collections are done by means of direct debiting of the Borrowers' accounts. An arrear is therefore immediately noticeable and is automatically reported by HYPAS. If a borrower does not pay the amount due within 14 days the automated arrears management generates the first dunning letter. If the borrower is still delinquent after 60 days, the file is transferred to active arrears management by the arrears and foreclosure management department. Within these 60 days four dunning letters are sent in accordance with the following table:

Table 1 Dunning letters in the automated arrears management

| Days | Action by Quion Hypotheekbemiddeling |
|------|--|
| 1 | Arrears are noticed and reported |
| 15 | First dunning letter with a friendly tone. Borrower is granted seven days to pay the arrears. |
| 30 | Second dunning letter reminding the borrower. Furthermore Quion Hypotheekbemiddeling serves notice upon the borrower. Borrower is granted seven days to pay the arrears. |
| 45 | Third dunning letter with an urgent tone and a fine of five per cent. per month over the arrears. Borrower is granted seven days to pay the arrears. |
| 60 | The fourth letter notifies the borrower that his file is transferred to the arrears and |

| |
|--|
| foreclosure department. Borrower is granted seven days to pay the arrears. |
|--|

ii. Active arrears management

After the borrower has been transferred to the arrears and foreclosure management department, the main goal will be to minimise losses for the lender. First, the department will try to make a payment arrangement. If the arrangement is not respected or cannot be made, the loan will be called. Foreclosure will only take place if the lender has given its written permission.

Table 2 Active arrears management

| Days | Action by Quion Hypotheekbemiddeling |
|------|--|
| 67 | The borrower, or his employer, is called in order to make a payment arrangement. |
| 75 | Fifth letter warning the borrower that the loan will be called and that the borrower will be registered at the BKR. In addition to the fine the, 'legal interest' (' <i>wettelijke rente</i> ') is charged. Borrower is granted seven days to pay the arrears. |
| 90 | Last chance for the borrower before the loan is called and the BKR registration is made. Borrower is granted seven days to pay the arrears. |
| 105 | The loan is called. |
| 120 | After the lender gives permission, the notary is instructed to sell the collateral. |

iii. Foreclosure management

If there is a failure to comply with the agreed payment schemes, or if it is evident that there is no prospect of the premium arrears being paid in the near future, the mortgage loan will be declared immediately due. Prior to public sale of property, borrowers are urged to sell the property by means of private sale. Public sale is arranged only if there is no prospect of any acceptable resolution. Apart from public sale as a result of arrears of payment on mortgages, such sale may also result from attachment or bankruptcy of the borrowers. In the case of attachment or bankruptcy, the auction is ordered immediately. The lender has to give written permission before the arrears and foreclosure management department can begin the actual sale of the collateral. When the lender grants permission Quion Hypotheekbemiddeling will instruct a notary to organise an auction to sell the collateral.

General

Throughout the entire process Quion Hypotheekbemiddeling works in consultation with and upon instruction of the lender. Quion Hypotheekbemiddeling furthermore works in accordance with the Code of conduct of mortgage lenders ('*Gedragscode Hypothecaire Financieringen*'), the BKR, Dutch law and, in addition for Mortgage Loans which have the benefit of an NHG Guarantee, the NHG Conditions and NHG Underwriting Criteria.

STATER NEDERLAND B.V.

Stater Nederland B.V.

Stater is the leading independent, third party provider of mortgage payment transactions with regard to residential mortgages in the Netherlands. The activities are provided in a completely automated and paperless electronic format. Stater has pioneered the use of technology through its E-transactions concept for owners of residential mortgage loan portfolios and features capabilities to enhance, accelerate and facilitate securitisation transactions.

Stater's registered office is at De Brand 40, 3823 LL Amersfoort, the Netherlands.

Stater started its activities on 1 January 1997. The combination of technology and experience in originating and providing activities consisting of mortgage payment transactions and ancillary activities with regard to residential mortgage loans in the Netherlands has led to a market share of more than 30 per cent.

Stater provides activities consisting of mortgage payment transactions and ancillary activities with regard to a total of EUR 80.9 billion and approximately 515,000 mortgage loans. Stater is a 100 per cent. subsidiary of Stater N.V., of which the shares are held for 100 per cent. by ABN AMRO Bank N.V..

Stater provides an origination system that includes automated underwriting, allowing loan funders to specify underwriting criteria for each loan pool. A credit-scoring model and a fraud detection system form part of automated underwriting.

In the securitisation process, Stater is able to identify specific loan pools based on underwriting criteria as instructed by its clients and provides the Issuer Administrator access to pool performance and information. Finally, Stater provides detailed investor reports regarding pool status on a consistent basis.

The Stater computer system, for which Stater also provides back-up facilities, is regularly updated and modified.

QUION HYPOTHEEKBEMIDDELING B.V.

Quion Hypotheekbemiddeling

Quion Hypotheekbemiddeling B.V. is a wholly-owned subsidiary of Quion Groep B.V. whose registered office is at Lichtenauerlaan 170, 3062ME Rotterdam. Quion Hypotheekbemiddeling is an independent mortgage servicer, which offers a full range of mortgage servicing activities to financial institutions. Its activities range from origination and monthly collections, to arrears and foreclosure management of the mortgage loan portfolios.

In 1993, Quion Hypotheekbemiddeling (then named Hypotrust) was founded to meet the demand by financial institutions for an efficient way to directly invest in the Dutch mortgage market. In Quion Hypotheekbemiddeling's generic funding model a group of different mortgage lenders offers identical mortgage products under standardised conditions. The mortgage lenders compete with each other on the interest rate offered to the borrower. Quion Hypotheekbemiddeling matches the borrower with the mortgage lender offering the lowest interest rate, acting as a mediator. The mortgage loans are distributed through a network of over 1,750 independent intermediaries and insurance companies.

Quion Hypotheekbemiddeling's IT systems and software are developed in-house and are easily adapted to new products and client's wishes. Quion Hypotheekbemiddeling identifies specific mortgage pools based on underwriting criteria and provides detailed portfolio data for investor reporting in securitisation transactions. To ensure servicer continuity, Quion Hypotheekbemiddeling has set up a mechanism to safeguard its software, giving the mortgage lenders the ability to obtain software licences with respect to the software systems owned and used by Quion Hypotheekbemiddeling (see further '*Mortgage Loan Underwriting and Processing Activities*') including data in case Quion Hypotheekbemiddeling discontinues its operations. Quion Hypotheekbemiddeling employs three special fraud officers and has developed a fraud policy based on its extensive experience in the mortgage industry. Quion Hypotheekbemiddeling's pro-active approach to delinquencies minimises losses caused by delinquencies and fraud.

Quion Hypotheekbemiddeling presently services a portfolio of about EUR 15 billion. Over the last 4 years the serviced portfolio has grown at about 30 per cent. per year on average.

FORM OF THE NOTES

Each Class of Notes will (unless otherwise indicated in the applicable Final Terms) be in bearer form and will be initially represented by a Temporary Global Note (or, if so specified in the applicable Final Terms, a Permanent Global Note), without receipts, interest coupons or talons, which will either:

- (i) if the Global Notes are intended to be issued in New Global Note ('**NGN**') form, as stated in the applicable Final Terms, be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg; and
- (ii) if the Global Notes are not intended to be issued in NGN form:
 - (a) be delivered on or prior to the original date of the Class of Notes to a Common Depository on behalf of Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system; or
 - (b) be deposited with Euroclear Netherlands.

Whilst any Note is represented by a Temporary Global Note and subject to TEFRA D selling restrictions, payments of principal and interest (if any) due prior to the Exchange Date will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by the relevant clearing system(s) and the relevant clearing system(s) have given a like certification (based on the certifications they have received) to the Principal Paying Agent. Any reference in this section to the relevant clearing system(s) shall mean the clearance and/or settlement system(s) specified in the applicable Final Terms and/or Supplemental Prospectus.

On and after the Exchange Date, interests in the Temporary Global Note will be exchangeable (free of charge), upon request as described therein, either for interests in a Permanent Global Note without receipts, interest coupons or talons or for Notes in definitive form (as indicated in the applicable Final Terms) in each case (if the Notes are subject to TEFRA D selling restrictions) against certification of beneficial ownership as described in the second sentence of the preceding paragraph unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date, unless upon due presentation of this Temporary Global Note for exchange as aforesaid, delivery of any of the Notes in definitive form or Coupons is improperly withheld or refused.

Payments of principal and interest (if any) on a Permanent Global Note will be made through the relevant clearing system(s) (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification. A Permanent Global Note will only be exchangeable upon an Exchange Event (free of charge), in whole or (subject to the Notes which continue to be represented by the Permanent Global Note being regarded by the relevant clearing system(s) as fungible with the Notes in definitive form issued in partial exchange for such Permanent Global Note) in part in accordance with the applicable Trust Deed and Conditions of the Notes, for security printed Notes in definitive form. If an Exchange Event occurs, then the Issuer shall, within thirty (30) days of the occurrence of the relevant event ((a), (b) or (c)) but not prior to the Exchange Date, subject to certification as to non-United States beneficial ownership, issue Notes in definitive form (together with Coupons attached) in exchange for the whole (or the remaining part(s) outstanding) of the relevant Permanent Global Note which represents such Notes. The Issuer will promptly give notice to Noteholders in accordance with Condition of the Notes 13 upon the occurrence of an Exchange Event. In the event of the occurrence of any Exchange Event, Euroclear and/or Clearstream, Luxembourg or Euroclear Netherlands or the other agreed clearing system acting on the instructions of any holder of an interest in the Global Note may give notice to the Paying Agent requesting exchange and in the event of the occurrence of an Exchange Event as described in (b) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. At the date hereof, Euroclear, or Clearstream, Luxembourg or Euroclear Netherlands do not regard Notes in global form as fungible with Notes in definitive form.

In the case of Notes represented by a Permanent Global Note deposited with Euroclear Netherlands, a Noteholder shall not have the right to request delivery (*uitlevering*) thereof under the Dutch Securities Giro Transfer Act ("*Wet giraal effectenverkeer*") other than in the Exchange Event as described above.

The following legend will appear on all Global Notes, Definitive Notes, receipts and interest coupons (including talons) which are subject to TEFRA D selling restrictions:

'ANY UNITED STATES PERSON (AS DEFINED IN THE UNITED STATES INTERNAL REVENUE CODE OF 1986 (THE "CODE")) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165 (j) AND 1287 (a) OF THE CODE.'

The sections referred to in such legend provide that a United States person who holds a Note will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

The following legend will appear on all Global Notes receipts and interest coupons (including talons) which are held through Euroclear Netherlands:

'NOTICE: THIS NOTE IS ISSUED FOR DEPOSIT WITH NEDERLANDS CENTRAAL INSTITUUT VOOR GIRAAL EFFECTENVERKEER (EUROCLEAR NETHERLANDS) AT AMSTERDAM, THE NETHERLANDS. ANY PERSON BEING OFFERED THIS NOTE FOR TRANSFER OR ANY OTHER PURPOSE SHOULD BE AWARE THAT THEFT OR FRAUD IS ALMOST CERTAIN TO BE INVOLVED.'

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Compartment of Notes issued under the Programme

Final Terms

[Date]

E-MAC Program B.V.

(incorporated under the laws of the Netherlands with limited liability and having its corporate seat in Amsterdam, the Netherlands)

Issue of Compartment [number] [Details of Notes]

the 'Notes'

under the

Residential Mortgage-Backed Secured Debt Issuance Program

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 17 November 2006 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus and the Supplemental Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus and the Supplemental Prospectus. The Base Prospectus is available for viewing at and copies may be obtained from the specified offices of the Security Trustee and the Principal Paying Agent during normal business hours.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

- | | | | |
|----|-----|---------------------------|---|
| 1. | (a) | Issuer: | E-MAC Program B.V. |
| 2. | (a) | Compartment Number: | [] |
| | (b) | related Pool Number: | [] |
| 3. | | Currency: | EURO |
| 4. | | Aggregate Nominal Amount: | |
| | (a) | Compartment [number] | [] |
| | (b) | Senior Class A Notes: | <i>[if more than one (1) tranche is issued, specify tranches]</i> |
| | (c) | Mezzanine Class B Notes: | <i>[if more than one (1) tranche is issued, specify</i> |

- tranches]*
- (d) Junior Class C Notes: *[if more than one (1) tranche is issued, specify tranches]*
- (e) Subordinated Class D Notes: *[if more than one (1) tranche is issued, specify tranches]*
- (f) Subordinated Class E Notes: *[if more than one (1) tranche is issued, specify tranches]*
5. Issue Price:
- (a) Senior Class A Notes: *[if more than one (1) tranche is issued, specify tranches]*
- (b) Mezzanine Class B Notes: *[if more than one (1) tranche is issued, specify tranches]*
- (c) Junior Class C Notes: *[if more than one (1) tranche is issued, specify tranches]*
- (d) Subordinated Class D Notes: *[if more than one (1) tranche is issued, specify tranches]*
- (e) Subordinated Class E Notes: *[if more than one (1) tranche is issued, specify tranches]*
6. Denominations: *[minimum € 100,000]*
7. (a) Issue Date: []
- (b) Interest Commencement Date (if different from Issue Date): *[Not Applicable / give details]*
8. Final Maturity Date: Quarterly Payment Date falling in or nearest to *[specify month and year]*
9. Interest Basis: *[Fixed Rate Notes]*
[Floating Rate Notes, Euribor plus margin specified below]
[Fixed Rate Notes and Floating Rate Notes]
10. Put Option *[Applicable / Not Applicable]*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

11. Fixed Rate Note Provisions: *[Applicable/Not Applicable]*
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Fixed Rate prior to the First Put Date: [payable annually]
(If payable other than annually, consider amending Condition [Interest])
- (i) Senior Class A Notes: [if more than one (1) tranche is issued, specify tranches] per cent. per annum
- (ii) Mezzanine Class B Notes: [if more than one (1) tranche is issued, specify tranches] per cent. per annum
- (iii) Junior Class C Notes: [if more than one (1) tranche is issued, specify tranches] per cent. per annum
- (iv) Subordinated Class D Notes: [if more than one (1) tranche is issued, specify tranches] per cent. per annum
- (v) Subordinated Class E Notes: [if more than one (1) tranche is issued, specify tranches] per cent. per annum
- (b) Annual Payment Date: [] in each year up to and including the First Put Date/[specify other] [(or, if such day is not a Business Day (as defined in the Terms and Conditions), the next succeeding Business Day] (NB: This will need to be amended in the case of long or short coupons)
- (c) Interest Period Date: []
- (d) Other terms relating to the method of calculating interest for Fixed Rate Notes after First Put Date: [None/Give details]
12. Floating Rate Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Interest Margin prior to the First Put Date:
- (i) Senior Class A Notes: [if more than one (1) tranche is issued, specify tranches] per cent. per annum
- (ii) Mezzanine Class B Notes: [if more than one (1) tranche is issued, specify tranches] per cent. per annum
- (iii) Junior Class C Notes: [if more than one (1) tranche is issued, specify tranches] per cent. per annum
- (iv) Subordinated Class D Notes: [if more than one (1) tranche is issued, specify tranches] per cent. per annum
- (v) Subordinated Class E Notes: [if more than one (1) tranche is issued, specify tranches] per cent. per annum

| | | |
|-------|---|---|
| (b) | Interest Margin after the First Put Date: Extension Margin | [Applicable/Not applicable] |
| (i) | Senior Class A Notes: | <i>[if more than one (1) tranche is issued, specify tranches]</i> per cent. per annum |
| (ii) | Mezzanine Class B Notes: | <i>[if more than one (1) tranche is issued, specify tranches]</i> per cent. per annum |
| (iii) | Junior Class C Notes: | <i>[if more than one (1) tranche is issued, specify tranches]</i> per cent. per annum |
| (iv) | Subordinated Class D Notes: | <i>[if more than one (1) tranche is issued, specify tranches]</i> per cent. per annum |
| (v) | Subordinated Class E Notes: | <i>[if more than one (1) tranche is issued, specify tranches]</i> per cent. per annum |
| (c) | Quarterly Payment Date(s): | 25th day of [month], [month], [month] and [month] [specify other] [(or, if such day is not a Business Day (as defined in the Terms and Conditions), the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event interest on the Notes will be payable on the Business Day immediately preceding such 25 th day)] |
| (d) | First interest payment date | [first Quarterly Payment Date/other] |
| (e) | Specified Period(s): | [Quarterly in arrear / other] |
| (f) | Other terms relating to the method of calculating interest for Floating Rate Notes: | [None/Give details] |

PROVISIONS RELATING TO REDEMPTION

| | | |
|-----|---|--|
| 13. | First Put Date | [Not Applicable / <i>specify relevant Quarterly Payment Date</i>] |
| 14. | Servicing Advance | [Not Applicable / Applicable] |
| 15. | Conditions of the Notes 6(b)(I) | [Applicable / Not Applicable] <i>(NB: if Applicable, specify the relevant Quarterly Payment Date as of which the Notes Redemption Available Amount will be applied towards redemption of the Put Option Notes.)</i> |
| 16. | Condition of the Notes 6(b)(II) | [Applicable ⁰ / Not Applicable] <i>(NB: If Applicable, describe structure of mandatory redemption of the Put Option Notes.)</i> |
| 17. | Sequential redemption within a Class of | [Not Applicable (pro rata redemption of tranches |

⁰ Condition 6(b)(II) is [only] Applicable if (a) Condition 6(b)(i) is specified as Not Applicable and (b) mandatory redemption of the Put Option Notes is applicable.

- Notes: of a Class) / Applicable (sequentially redemption of tranches of a Class)]
18. Target Amortisation Event:
- (i) Target Amortisation Date: Quarterly Payment Date falling in [date]
- (ii) Delinquent Quotient: [Not Applicable) / *give details and amend references if necessary*] per cent.
- (iii) Amendment Target Amortisation Event: [Not Applicable / *give details*]
19. Redemption of Supporting Class of Notes: [Not Applicable / as of [insert relevant Quarterly Payment Date]]
20. Supporting Class Early Amortisation Percentage: [Not Applicable]/ [] per cent] details (NB: *If Redemption of the Supporting Class of Notes is Applicable, specify the percentage referred to in Condition of the Notes 9(e)*)
21. Target Amortisation Percentage:
- (i) Senior Class A Notes: *[if more than one (1) tranche is issued, specify tranches]* per cent.
- (ii) Mezzanine Class B Notes: *[if more than one (1) tranche is issued, specify tranches]* per cent.
- (iii) Junior Class C Notes: *[if more than one (1) tranche is issued, specify tranches]* per cent.
- (iv) Subordinated Class D Notes: *[if more than one (1) tranche is issued, specify tranches]* per cent.
- (v) Subordinated Class E Notes: *[if more than one (1) tranche is issued, specify tranches]* per cent.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. New Global Note: [Yes] [No]
23. Intended to be held in a manner which would allow Eurosystem eligibility: [Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.][*include this text if “yes” selected in which case the Notes must be issued in NGN form*]

24. Form of Notes: Bearer form
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event]
- [Permanent Global Note not exchangeable for Definitive Notes]
- [other]
25. Exchange Date: [Not Applicable/date]
26. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]
- (Note that this item relates to the place of payment and not Interest Period end dates)*
27. Constant prepayment rate: []
28. Other final terms: [Not Applicable / give details]
- (When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

DISTRIBUTION

29. (a) If syndicated, names of Dealers: [Not Applicable / give names]
- (b) If not syndicated, name of Dealer: [Not Applicable / give name]
- (c) Stabilising Dealers (if any): [Not Applicable / give name(s)]
30. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
31. Additional selling restrictions: [Not Applicable/give details]

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Residential Mortgage-Backed Secured Debt Issuance Programme of E-MAC Program B.V.

RESPONSIBILITY

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

[[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:
Duly authorised

PART B – OTHER INFORMATION

| | |
|---|---|
| 1. LISTING | |
| (i) Listing: | [Irish Stock Exchange/other (<i>specify</i>)/None] |
| (ii) Admission to trading: | [Application has been made for the Notes to be admitted to trading on [the Irish Stock Exchange] with effect from [].] [Not Applicable.] |
| (iii) Estimate of total expenses related to admission to trading: | [] |
| 2. RATINGS | |
| Ratings: | <p>[Applicable, it is a condition precedent to the issuance of a Compartment that each Class of Notes thereof, on issue, be assigned the rating as specified below / not applicable]</p> <p>The Notes⁰ to be issued have been rated:</p> <p>[Moody's:</p> <p>Senior Class A Notes: [[]/None]</p> <p>Mezzanine Class B Notes: [[]/None]</p> <p>Junior Class C Notes: [[]/None]</p> <p>Subordinated Class D Notes: [[]/None]</p> <p>Subordinated Class E Notes: [[]/None]</p> <p>[Fitch:</p> <p>Senior Class A Notes: [[]/None]</p> <p>Mezzanine Class B Notes: [[]/None]</p> <p>Junior Class C Notes: [[]/None]</p> <p>Subordinated Class D Notes: [[]/None]</p> <p>Subordinated Class E Notes: [[]/None]</p> |

⁰ If more than one tranche is issued within a particular Class Notes, specify the relevant rating of such tranche.

| | |
|--|--|
| | <p>[S&P:</p> <p>Senior Class A Notes: [[]/None]</p> <p>Mezzanine Class B Notes: [[]/None]</p> <p>Junior Class C Notes: [[]/None]</p> <p>Subordinated Class D Notes: [[]/None]</p> <p>Subordinated Class E Notes: [[]/None]</p> <p>[[Other rating agencies]: []]</p> <p><i>(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)</i></p> |
| | |

3. NOTIFICATION

[Not Applicable]/[The IFSRA] [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] [the names of competent authorities of host member states] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Dealer, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. [*Amend as appropriate if there are other interests*]

| 5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES | |
|---|--|
| (i) Reasons for the offer | <p>[]</p> <p><i>(See "Use of Proceeds" paragraph in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)</i></p> |
| (ii) Estimated net proceeds: | <p>[]</p> <p><i>(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)</i></p> |
| (iii) Pre-funded Amount | <p>[Not Applicable / Applicable] (NB: <i>if Applicable, specify whether the Pre-funded Amount will be used to purchase New Mortgage Receivables during the Pre-funding Period</i>)</p> |

| | |
|-------------------------|---|
| (iv) Pre-funding Period | [Not Applicable / Applicable, being the period commencing on the Issue Date and ending on (but excluding) the Quarterly Payment Date falling in [date]] |
|-------------------------|---|

| | |
|---|---|
| 6. OPERATIONAL INFORMATION | |
| (i) ISIN Code ⁰ : | |
| (a) Senior Class A Notes: | [] |
| (b) Mezzanine Class B Notes: | [] |
| (c) Junior Class C Notes | [] |
| (d) Subordinated Class D Notes | [] |
| (e) Subordinated Class E Notes | [] |
| (ii) Common Code ⁰ : | |
| (a) Senior Class A Notes: | [] |
| (b) Mezzanine Class B Notes: | [] |
| (c) Junior Class C Notes | [] |
| (d) Subordinated Class D Notes | [] |
| (e) Subordinated Class E Notes | [] |
| (iii) Any clearing system(s) the relevant identification number(s): | [Euroclear and Clearstream, Luxembourg] [Euroclear Netherlands] [Not Applicable/give name(s) and number(s)] |
| (iv) Common Depository | [Not Applicable / name (only if Notes are no not intended to be issued in NGN form)] |
| (v) Common Safekeeper | [Not Applicable / name (only if Notes are intended to be issued in NGN form)] |
| (vi) Delivery: | Delivery [against/free of] payment |
| (vii) Name and address of Paying Agent: | [Name and address] |
| 7. OTHER PARTIES | |
| (i) Swap Counterparty | [give name] |

⁰ If more than one tranche is issued within a particular Class Notes, specify the relevant ISIN Code of such tranche.

⁰ If more than one tranche is issued within a particular Class Notes, specify the relevant Common Code of such tranche.

| | |
|--|---|
| (ii) Liquidity Facility Provider | [Not Applicable / <i>give name</i>] |
| (iii) Floating Rate GIC Provider | [<i>give name</i>] |
| (iv) Reference Agent | [<i>give name</i>] |
| (v) Extension Margin Agent | [<i>give name</i>] |
| (vi) Listing Agent | [<i>give name</i>] |
| (vii) Savings Insurance Companies (if different from Savings Insurance Companies as mentioned in de Base Prospectus) | [Not Applicable / <i>give name(s)</i>] |
| END OF FINAL TERMS | |

TERMS AND CONDITIONS OF THE NOTES UNDER THE PROGRAMME

Each Compartment of Notes will have its own terms and conditions (the 'Conditions of the Notes'). The following Conditions of the Notes apply to all Compartment of Notes, unless indicated otherwise in the Final Terms or as set forth in the Supplemental Prospectus.

The following are the Conditions of Notes to be issued by the Issuer which will be incorporated by reference into each Note. The Conditions of Notes apply to each Compartment separately. The applicable Final Terms and/or any Supplemental Prospectus in relation to any Compartment (as defined below) may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the following Conditions, replace or modify the following Conditions for the purpose of such Compartment. The applicable Final Terms will be endorsed on, incorporated by reference into, or attached to, each Note. Reference should be made to *Form of the Notes* above for a description of the content of the Final Terms which includes the definition of certain terms used in the following Conditions of the Notes.

The Notes can be issued in the following Classes: Senior Class A Notes (the '**Senior Class A Notes**'), Mezzanine Class B Notes (the '**Mezzanine Class B Notes**'), Junior Class C Notes (the '**Junior Class C Notes**'), Subordinated Class D Notes (the '**Subordinated Class D Notes**') and the Subordinated Class E Notes (the '**Subordinated Class E Notes**'). The Final Terms will specify the Class of Notes, if any, the proceeds of which are on the relevant Issue Date deposited in the Reserve Account (the '**Supporting Class of Notes**'). All Classes of Notes other than the Supporting Notes are referred to as the '**Put Option Notes**'. The Supporting Class of Notes, if any, and Put Option Notes together are referred to as the '**Notes**'. The different Classes of Notes can be divided in two or more tranches (for example, Senior Class A1 Notes and Senior Class A2 Notes). In respect of a Compartment, the Principal Amount Outstanding of one or more Classes of Notes may be zero at their Issue Date. In such event such Notes will not be actually issued and any reference in these Conditions of the Notes to such Class or Classes of Notes of such Compartment should be disregarded.

The Notes are issued by E-MAC Program B.V. (the '**Issuer**') in Compartments only under the Residential Mortgage Backed Secured Debt Insurance Notes Programme (the '**Programme**') pursuant to the relevant Trust Deed (as defined below). The Conditions of the Notes apply to the relevant Compartment of Notes only. References herein to the Notes shall be references to the Notes of the relevant Compartment and shall mean (i) in relation to any Notes represented by a Global Note, units of the lowest denomination, (ii) Notes in definitive form issued in exchange (or part exchange) for a Global Note and (iii) any Global Note. The Notes have the benefit of the relevant Trust Deed, the Agency Agreement, the Issuer Services Agreement, the relevant Parallel Debt Agreement and the Pledge Agreements (as defined below).

Any reference herein to '**Noteholders**' shall mean the holders of the Notes, and shall, in relation to Notes represented by a Global Note, be construed as provided above. Any holders mentioned above include those having a credit balance in the collective depots held by Euroclear Netherlands or one of its participants. Any reference herein to '**Mortgage Receivables**' and '**Beneficiary Rights**' shall mean the Pool of Mortgage Receivables related to the Compartment of the relevant Note and the Beneficiary Rights related to these Mortgage Receivables.

The statements in the Conditions of the Notes include summaries of, and are subject to, the detailed provisions of (i) the relevant trust deed, dated on the relevant Issue Date (the '**Trust Deed**'), which will include the forms of the Notes and the interest coupons appertaining to the Notes (the '**Coupons**') and the forms of the Temporary Global Notes and the Permanent Global Notes, (ii) an agency agreement (the '**Agency Agreement**') dated the Programme Closing Date between the Issuer, the Security Trustee and the Principal Paying Agent and the Paying Agent (and together with the Principal Paying Agent, the '**Paying Agents**'), the Reference Agent and the Extension Margin Agent, (iii) an issuer services agreement (the '**Issuer Services Agreement**') to be dated the Programme Closing Date between, *inter alia*, the Issuer, the Security Trustee and GMAC RFC Nederland B.V. as Issuer Administrator and the MPT Provider, (iv) a parallel debt agreement (the '**Parallel Debt Agreement**') dated on the relevant Issue Date between the Security Trustee and the Secured Parties (other than the Noteholders), (v) a pledge agreement dated the Programme Closing Date between the Issuer and the Security Trustee (the '**Trustee Receivables Pledge Agreement**') and (vi) a pledge agreement to be dated the Programme Closing Date between the Issuer, the Security Trustee and others (the '**Trustee Assets Pledge Agreement**') and (vii) the Collection Account Pledge Agreements to be dated the Programme Closing Date (jointly with the pledge agreements referred to under (v) and (vi) above, the '**Pledge**

Agreements'). All references to the Relevant Documents (including the above agreements) should be read as references to these documents to the extent these relate to the relevant Compartment and Pool, unless indicated otherwise or the context requires otherwise as the same may be amended, supplemented, restated or otherwise modified from time to time.

Certain words and expressions used below are defined in a master definitions schedule (the '**Master Definitions Schedule**') attached to a programme agreement, as the same may be amended restated, supplemental or otherwise modified from time to time, dated the Programme Closing Date and signed by the Issuer, the Security Trustee and certain other parties (the '**Programme Agreement**'). Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions of the Notes provided that all references to the defined terms should be read as references to these terms to the extent these relate to the relevant Compartment and Pool, unless indicated otherwise or the context requires otherwise. As used herein, '**Class**' means either the Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes or the Subordinated Class E Notes, as the case may be. Words and expressions defined used in the applicable Final Terms shall have the same meanings where used in these Conditions of the Notes unless the context otherwise requires or unless otherwise stated.

As used herein, '**Compartment**' means all Notes of a separate issue of Notes which all relate to a certain Pool of Mortgage Receivables as indicated in the Supplemental Prospectus, relating to such Compartment.

Copies of the relevant Trust Deed, the Agency Agreement, the relevant Parallel Debt Agreement, the Pledge Agreements and the Master Definitions Schedule are available for inspection free of charge by holders of the Notes at the specified office of the Principal Paying Agent and the present office of the Security Trustee, being at the date hereof Fred. Roeskestraat 123, Amsterdam, the Netherlands. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the relevant Trust Deed, the Master Definitions Schedule, the Agency Agreement, the relevant Parallel Debt Agreement and the Pledge Agreements.

1. Form, Denomination and Title

The Notes will be in bearer form, serially numbered with Coupons attached on issue, in minimum denominations of euro 100,000. Under Netherlands law, the valid transfer of Notes requires, *inter alia*, delivery ("*levering*") thereof. The Issuer, the Security Trustee and the Paying Agents may, to the fullest extent permitted by law, treat the holder of any Note and of the Coupons appertaining thereto as its absolute owner for all purposes (whether or not payment under such Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or any notice of previous loss or theft thereof) for any purposes, including payment and no person shall be liable for so treating such holder. The signatures on the Notes will be in facsimile.

2. Status, Relationship between the Notes and Security

- (a) The Notes of each Class are direct and unconditional obligations of the Issuer and rank *pari passu* and rateably without any preference or priority among Notes of the same Class of the same Compartment.
- (b) In accordance with the provisions of the Conditions, the relevant Final Terms and the relevant Trust Deed payments of principal and interest on the Most Senior Class of Notes of the same Compartment rank in priority to *inter alia*, payments of principal and interest on any other Class of Notes of the same Compartment.
- (c) The security for the obligations of the Issuer towards the Noteholders (the '**Security**') will be created pursuant to, and on the terms set out in the Pledge Agreements and the relevant Deed(s) of Sale, Assignment and Pledge, which will create the following security rights:
 - (i) a first ranking pledge by the Issuer to the Security Trustee over the Mortgage Receivables of the related Pool and the Beneficiary Rights of the related Pool; and
 - (ii) (a) a first ranking pledge by the Issuer to the Security Trustee for the benefit of, *inter alia*, the Noteholders of all Compartments on all rights of the Issuer in respect of all Compartments under or in connection with (i) the Mortgage Receivables Purchase Agreement, (ii) the Issuer Services Agreement, (iii) the Floating Rate GIC(s) (excluding any rights in respect of the Transaction Accounts which relate to each Compartment respectively) (iv) the Receivables Proceeds Distribution Agreements (to the extent that such rights cannot be attributed to a specific Compartment and Pool) and (v) the Programme Agreement;
 - (b) first ranking pledge by the Issuer to the Security Trustee for the benefit of the Noteholders of the

relevant Compartment on all rights of the Issuer under or in connection with (i) the Transaction Accounts of the relevant Compartment, (ii) the Liquidity Facility Agreement of the relevant Compartment, if any, (iii) the Hedging Agreement(s) the relevant Compartment, (v) the Receivables Proceeds Distribution Agreements (to the extent relating to a specific Compartment and Pool) and (v) the Sub-Participation Agreement of the relevant Compartment.

Amounts received in respect of (a) will, to the extent such amounts cannot be attributed to a Compartment, be applied on a *pro rata* basis over the Principal Amount Outstanding of all Compartments and Pools under the Programme.

- (iii) on the amounts standing to the credit of the Foundation GMAC RFC Nederland Account and the Foundation Atlas Funding Account a second ranking right of pledge in favour of the Previous Transaction SPVs and the Issuer jointly and a first ranking right of pledge in favour of the Previous Transactions Security Trustees and the Security Trustee jointly under the condition that future issuers in securitisation transactions of GMAC RFC Nederland and Atlas Funding respectively will also have the benefit of such right of pledge. On the balances standing to the credit of the Foundation Quion 20 Collection Account of the relevant Compartment and the Foundation Quion Atlas Collection Account of the relevant Compartment a first ranking right of pledge in favour of the Security Trustee and a second right of pledge in favour of the Issuer will be vested.

The Noteholders will have no recourse on the assets of the Issuer other than described in Condition of the Notes 2(c). In particular the Noteholders will not have any recourse against Pools and other assets forming part of or relating to other Compartments.

- (d) The Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes and the Subordinated Class E Notes will be secured (directly and/or indirectly) by the Security. The Senior Class A Notes will rank in priority to the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes and the Subordinated Class E Notes. The Mezzanine Class B Notes will rank in priority to the Junior Class C Notes, the Subordinated Class D Notes and the Subordinated Class E Notes. The Junior Class C Notes will rank in priority to the Subordinated Class D Notes and the Subordinated Class E Notes. The Subordinated Class D Notes will rank in priority to the Subordinated Class E Notes. The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Junior Class C Noteholders, the Subordinated Class D Noteholders and the Subordinated Class E Noteholders, as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise) but requiring the Security Trustee in any such case to have regard only to the interests of the holders Most Senior Class of Notes, if, in the Security Trustee's opinion, there is a conflict between the interests of the holders of the Most Senior Class of Notes on one hand and the holders of other Classes of Notes on the other hand. In addition, the Security Trustee shall have regard to the interests of the other Secured Parties, provided that in case of a conflict interest between the Secured Parties the priority of payments upon enforcement set forth in the Trust Deed determines which interest of which Secured Party prevails.
- (e) If, in the Security Trustee's opinion, there is a conflict between the interests of the Noteholders of other Compartments than the relevant Compartment on one hand and the Noteholders of such Compartment on the other hand, the Security Trustee shall have regard to the interests of the Noteholders of all Compartments equally in order of priority as described under (d) above.

3. Covenants of the Issuer

So long as any of the Notes under the Programme remain outstanding, the Issuer shall carry out its business in accordance with proper and prudent Netherlands business practice and in accordance with the requirements of Netherlands law and accounting practice and shall not, except (i) to the extent permitted by the Mortgage Receivables Purchase Agreement, the Issuer Services Agreement, the Pledge Agreements, the Foundation GMAC RFC Nederland Collection Account Pledge Agreement, the Foundation Atlas Funding Account Pledge Agreement, the Agency Agreement, the Management Agreements, the Programme Agreement and the Receivables Proceeds Distribution Agreements to the extent these agreements are applicable to the relevant Compartment and Pool, the relevant Parallel Debt Agreement, the relevant Hedging Agreement(s), the relevant Floating Rate GIC, the relevant Liquidity Facility Agreement, the relevant Notes Purchase Agreement, the Notes, the relevant Deeds of Sale, Assignment and Pledge, the relevant Deed of Pledged Assets, the relevant Foundation Quion 20 Collection Account Pledge Agreement, the relevant Foundation Atlas Quion Account

Pledge Agreement, the relevant Sub-Participation Agreement, the relevant Beneficiary Waiver Agreement and the relevant Trust Deed (together the '**Relevant Issue Documents**' and the Relevant Issue Documents of all Compartments together the '**Relevant Documents**') or (ii) with the prior written consent of the Security Trustee or (iii) in connection with the issue of Notes of another Compartment than the relevant Compartment, provided that (a) such Notes and liabilities of the Issuer to be incurred in connection with the issuance of such Compartment are limited recourse on (x) the relevant Pool of Mortgage Receivables; (y) any claims of the Issuer under the Relevant Issue Documents of such Compartment and Pool to the extent these claims can be attributed to such Compartments and Pools, and in respect of claims which cannot be attributed to such Compartment, such claims on a pro rata basis for all Compartments; and (z) the balances standing to the credit of the relevant Transaction Accounts of such Compartment and Pool; and (b) the Security or the then current ratings assigned to the Notes is not adversely affected by the issuance of such Notes:

- (a) carry out any business other than as described in the Base Prospectus dated 17 November 2006 relating to the issue of the Notes and as contemplated in the Relevant Documents of all Compartments;
- (b) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness, except as contemplated by the Relevant Documents of all Compartments;
- (c) create or promise to create any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of any part of its assets, except as contemplated in the Relevant Documents of all Compartments;
- (d) consolidate or merge with any other person or convey or transfer its assets substantially or as an entirety to one or more persons;
- (e) permit the validity or effectiveness of the Relevant Documents, or the priority of the security created thereby or pursuant thereto to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations or consent to any waiver except as contemplated in the Relevant Documents;
- (f) have any employees or premises or have any subsidiary or subsidiary undertaking;
- (g) have an interest in any bank account other than the (i) Transaction Accounts for all Compartments or (ii) accounts to which collateral under the Hedging Agreements is transferred or (iii) accounts under the relevant Liquidity Facility Agreement, unless all rights in relation to such account will have been pledged to the Security Trustee as provided in Condition of the Notes 2(c)(iii); or
- (h) invest in Eligible Investments only, except for other investments as contemplated by the Relevant Documents of all Compartments.

4. Interest

The Notes will bear fixed rate interest ('**Fixed Rate Notes**') or floating rate interest ('**Floating Rate Notes**') as specified in the relevant Final Terms.

(I) *Fixed Rate Notes*

If Fixed Rate Notes is specified in the Final Terms the following applies (unless indicated otherwise in the Final Terms) up to the First Put Date:

(a) *Period of Accrual*

The Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition of the Notes 6(h)) from and including the Issue Date. Each Note (or in the case of the redemption of part only of a Note that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgement) at the rate applicable to such Note up to but excluding the date on which, on

presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) the seventh day after notice is duly given by the Principal Paying Agent to the holder thereof (in accordance with Condition of the Notes 13) that upon presentation thereof, such payments will be made, provided that upon such presentation payment is in fact made. Whenever it is necessary to compute an amount of interest in respect of any Note for any period, such interest shall be calculated on the basis of the actual number of days in the Fixed Rate Interest Period (as defined below) concerned divided by a year of 365 days or, in the case of a Fixed Rate Interest Period falling in a leap year, 366 days.

(b) *Fixed Rate Interest Periods and Accrual Payment Dates*

Up to (but excluding) the First Put Date interest on the Notes shall be payable by reference to successive yearly interest periods (each a '**Fixed Rate Interest Period**') and will be payable per annum in arrear in euros in respect of the days specified in the Final Terms (or, if such day is not a Business Day the next succeeding Business Day) in each year (each such day being an '**Annual Payment Date**'). Each successive Fixed Rate Interest Period will commence on (and include) the interest period date set out in the Final Terms (the '**Interest Period Date**') and end on (but exclude) the same date in the next succeeding year except for the first Fixed Rate Interest Period, which will commence on (and include) the relevant Issue date and end on (but exclude) the Interest Period Date set out in the Final Terms.

(c) *Interest up to the First Put Date*

Up to (but excluding) the First Put Date the rate of interest applicable to the Notes will be as stated in the applicable Final Terms.

(d) *Interest following the First Put Date*

If on the First Put Date the Put Option Notes of any Class have not been redeemed in full, a floating rate of interest will be applicable to each Class of Notes equal to the sum of Euribor for three months deposits, payable by reference to Floating Rate Interest Periods on each succeeding relevant Quarterly Payment Date, increased with the relevant Extension Margin as calculated in accordance with Condition of the Notes 4(II).

(II) *Floating Rate Notes*

If Floating Rate Notes is specified in the Final Terms and, in the case of Fixed Rate Notes, from the First Put Date, the following applies (unless indicated otherwise in the Final Terms and in respect of Fixed Rate Notes excluding items 4(II)(a), (b) and (c)):

(a) *Period of Accrual*

The Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition of the Notes 6(h)) from and including the Issue Date. Each Note (or in the case of the redemption of part only of a Note that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgement) at the rate applicable to such Note up to but excluding the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) the seventh day after notice is duly given by the Principal Paying Agent to the holder thereof (in accordance with Condition of the Notes 13) that upon presentation thereof, such payments will be made, provided that upon such presentation payment is in fact made. Whenever it is necessary to compute an amount of interest in respect of any Note for any period, such interest shall be calculated on the basis of the actual number of days in the Floating Rate Interest Period (as defined below) concerned divided by a year of 360 days.

(b) *Floating Rate Interest Periods and Quarterly Payment Dates*

Interest on the Notes shall be payable by reference to successive interest periods (each a '**Floating Rate Interest Period**'). Each successive Floating Rate Interest Period will commence on (and include) a relevant Quarterly Payment Date and end on (but exclude) the next succeeding relevant Quarterly Payment Date, except for the first Floating Rate Interest Period, which will commence on (and include) the Issue Date and end on (but exclude) the first Quarterly Payment Date as set out in the Final Terms.

A '**Business Day**' means a day on which banks are open for business in Amsterdam, Dublin and London unless set out otherwise in the Final Terms, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System ('**TARGET System**') or any successor thereto is operating credit or transfer instructions in respect of payments in euro.

Interest on each of the Notes will be payable quarterly in arrear in euros, in respect of the Principal Amount Outstanding of each Class of Notes on the 25th day of the months indicated in the Final Terms or, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event interest on the Notes will be payable on the Business Day immediately preceding such day, in each year (each such day being a '**Quarterly Payment Date**').

(c) *Interest on the Notes up to (but excluding) the First Put Date*

Up to (but excluding) the First Put Date, interest on the Notes for each Floating Rate Interest Period will accrue at a rate equal to the sum of the Euro Interbank Offered Rate ('**Euribor**') for three months deposits (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Euribor for the relevant months deposits in euro, rounded, if necessary, to the 5th decimal place with 0.00005, being rounded upwards) plus a margin as specified in the applicable Final Terms.

(d) *Interest on the Notes following the First Put Date*

If on the First Put Date (as specified in the relevant Final Terms) the Put Option Notes have not been redeemed in full, the rate of interest applicable to the relevant Notes will be equal to the sum of Euribor for three months deposits, payable by reference to Floating Rate Interest Periods on each Quarterly Payment Date, increased with the relevant Extension Margin unless specified otherwise in the Final Terms.

(e) *Determination of Extension Margins*

The Extension Margin Agent shall determine the margins applicable to each Class of Notes as of the First Put Date at least 62 days prior to the First Put Date (the '**Extension Margins**'). The Extension Margin Agent shall determine the Extension Margins as follows. The Extension Margin Agent will select a panel of the top five then leading European securitisation underwriters in recognised league tables showing volume of European Residential Mortgage Backed Securities transactions (excluding for the sake of clarity Residential Mortgage Backed Securities transactions with mortgages originated by these underwriters themselves). Such underwriters are requested by the Extension Margin Agent to give quotes for the Extension Margins based on the following assumptions:

- (a) no Put Option Noteholder exercises its Put Option;
- (b) the Put Option Notes will have a remaining assumed average life (on a 30/360 basis) based on a conditional prepayment rate ('**CPR**') as specified in the applicable Final Terms applied to the then outstanding Mortgage Receivables;
- (c) the interest rate applicable to a Mortgage Loan will not change on an interest reset date;
- (d) the Mortgage Receivables are not prepaid on an interest reset date (other than what is effected by the assumed CPR);
- (e) there are no delinquencies and no defaults of Mortgage Loans to which the Mortgage Receivables relate and no such delinquencies or defaults will occur;
- (f) the Conditions of the Notes remain the same;
- (g) there will be no Further Advances and/or repurchases of the Mortgage Receivables by any of the Sellers;
- (h) the Clean-Up Call Option will be exercised; and
- (i) the then current ratings assigned to the Put Option Notes will be confirmed on the First Put Date by each Rating Agency which has assigned a rating to such Put Option Notes.

The Extension Margins will be equal to the arithmetic mean (rounded, if necessary, to the nearest basis point) of such five quotations of such underwriters as determined by the Extension Margin Agent. The Extension Margins shall be notified to the Noteholders on the 60th day prior to the First Put Date in accordance with Condition of the Notes 6(e)(iv)(b).

After the determination of the Extension Margins applicable as of the First Put Date the Extension Margins will not be changed.

(f) *Euribor*

For the purpose of Conditions of the Notes 4 I (c) and 4 II (c) and (d) hereof Euribor will be determined as follows:

- (i) the Reference Agent will obtain for each Floating Rate Interest Period the rate equal to the sum of Euribor for three months deposits in EUR (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Euribor for the relevant months deposits in EUR, rounded, if necessary, to the 5th decimal place with 0.00005 being rounded upwards). The Reference Agent shall use the Euribor rate as determined and published jointly by the European Banking Federation and ACI – The Financial Market Association and which appears for information purposes on the Telerate Page 248 (or, if not available, any other display page on any screen service maintained by any registered information vendor (including, without limitation, the Reuters Monitor Money Rate Service, the Dow Jones Telerate Service and the Bloomberg Service) for the display of the Euribor rate selected by the Reference Agent) as at or about 11.00 a.m. (Central European time) on the day that is two Business Days preceding the first day of each Floating Rate Interest Period (each an '**Interest Determination Date**'); or
- (ii) if, on the relevant Interest Determination Date, such Euribor rate is not determined and published jointly by the European Banking Association and ACI - The Financial Market Association, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will:
 - (a) request the principal Euro-zone office of each of four major banks in the Euro-zone interbank market (the '**Reference Banks**') to provide a quotation for the rate at which three months EUR deposits are offered by it in the Euro-zone interbank market at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date to prime banks in the Euro-zone interbank market in an amount that is representative for a single transaction at that time; and determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotation as is provided; or
 - (b) if fewer than two such quotations are provided as requested, the Reference Agent will determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks, of which there will be at least two in number, in the Euro-zone, selected by the Reference Agent, at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date for three months deposits to leading Euro-zone banks in an amount that is representative for a single transaction in that market at that time,

and Euribor for such Floating Rate Interest Period shall be the rate per annum equal to the Euro-interbank offered rate for EUR deposits as determined in accordance with this paragraph (f), provided that if the Reference Agent is unable to determine Euribor in accordance with the above provisions in relation to any Floating Rate Interest Period, Euribor applicable to the relevant Class of Notes during such Floating Rate Interest Period will be Euribor last determined in relation thereto.

(g) *Determination of Floating Rate of Interest and Calculation of the Floating Interest Amount*

The Reference Agent will, as soon as practicable after 11.00 a.m. (Central European Time) on each relevant Interest Determination Date, determine the floating rates of interest referred to in paragraphs 4 I (d) and 4 II (c) and (d) above for each relevant Class of Notes (the '**Floating Rate of Interest**') and calculate the amount of interest payable on this Class of Notes for the following Floating Rate Interest Period (the '**Floating Interest Amount**') by applying the relevant Floating Rate of Interest to the Principal Amount Outstanding of the relevant Class of Notes. The determination of the relevant Floating Rate of Interest and the Floating Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.

(h) *Notification of the Floating Rate of Interest and the Floating Interest Amount*

The Reference Agent will cause the relevant Floating Rate of Interest and the relevant Floating Interest Amount and the Quarterly Payment Date applicable to each relevant Class of Notes to be notified to the Issuer, the Security Trustee, the Principal Paying Agent, the Issuer Administrator, the ISE and the

Company Announcements Office of the ISE. The Floating Interest Amount and Quarterly Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Rate Interest Period.

(i) *Determination or Calculation by Security Trustee*

If the Reference Agent at any time for any reason does not determine the relevant Floating Rate of Interest or fails to calculate the relevant Floating Interest Amount in accordance with paragraph (g) above, the Security Trustee shall determine the relevant Floating Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in paragraph (f) above), it shall deem fair and reasonable under the circumstances, or, as the case may be, the Security Trustee shall calculate the Floating Interest Amount in accordance with paragraph (g) above, and each such determination or calculation will be final and binding on all parties.

(j) *Reference Banks and Reference Agent*

The Issuer will procure that, as long as any of the Notes remains outstanding, there will at all times be four Reference Banks and a Reference Agent. The Issuer has, subject to prior written consent of the Security Trustee, the right to terminate the appointment of the Reference Agent or of any Reference Bank by giving at least 90 days' notice in writing to that effect. Notice of any such termination will be given to the holders of the relevant Class of Notes in accordance with Condition of the Notes 13 hereof. If any person will be unable or unwilling to continue to act as a Reference Bank or the Reference Agent (as the case may be) or if the appointment of any Reference Bank or the Reference Agent will be terminated, the Issuer will, with the prior written consent of the Security Trustee, appoint a successor Reference Bank or Reference Agent (as the case may be) to act in its place, provided that neither the resignation nor removal of the Reference Agent shall take effect until a successor approved in writing by the Security Trustee has been appointed.

5. Payment

- (a) Payment of principal and interest in respect of the Notes will be made upon presentation of the Note and against surrender of the relevant Coupon appertaining thereto, at any specified office of any of the Paying Agents in cash or by transfer to a euro account maintained by the payee with a bank in the Netherlands, as the holder may specify or in euro to the relevant Paying Agent for the credit of the respective accounts of the Noteholders through Euroclear Netherlands, if applicable. All such payments are subject to any fiscal or other laws and regulations applicable in the place of payment.
- (b) At the Final Maturity Date (as defined in Condition of the Notes 6), or such earlier date the Notes become due and payable, the Notes should be presented for payment together with all unmatured Coupons appertaining thereto, failing which the full amount of any such missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupons which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five years following the due date for payment of such principal (whether or not such Coupons would have become unenforceable pursuant to Condition of the Notes 8).
- (c) If the relevant Quarterly Payment Date or Annual Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Note or Coupon (**'Local Business Day'**), the holder thereof shall not be entitled to payment until the next following such day, or to any interest or other payment in respect of such delay, provided that in the case of payment by transfer to an euro account as referred to above, the Paying Agent shall not be obliged to credit such account until the Local Business Day immediately following the day on which banks are open for business in the Netherlands. The name of each of the Paying Agents and of its offices are set out below.
- (d) The Issuer reserves the right at any time to vary or terminate the appointment of any of the Paying Agents and to appoint additional or other paying agents provided that no paying agent located in the United States of America will be appointed and that the Issuer will at all times maintain a paying agent having a specified office in the European Union which, if the Notes are listed on the Irish Stock Exchange (**'ISE'**) shall be located in

Ireland. Notice of any termination or appointment of a Paying Agent and of any changes in the specified offices of such Paying Agent will be given to the Noteholders in accordance with Condition of the Notes 13.

6. Redemption and purchase

(a) Final redemption

Unless previously redeemed as provided below, the Issuer will redeem the Notes of a Compartment at their respective Principal Amount Outstanding on the final maturity date specified in the applicable Final Terms (the '**Final Maturity Date**'), but in respect of the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes and the Subordinated Class E Notes subject to Condition of the Notes 9(b) hereof.

(b) Mandatory redemption of the Put Option Notes

(l) Unless specified otherwise in the Final Terms, the Issuer will apply in respect of the Put Option Notes, as of the Quarterly Payment Date specified in the relevant Final Terms and on each Quarterly Payment Date thereafter, up to the Quarterly Payment Date prior to the Target Amortisation Date specified in the Final Terms and on or after such Target Amortisation Date in case a Target Amortisation Event has occurred which is not cured prior to such Quarterly Payment Date, the Notes Redemption Available Amount to redeem in whole or in part the Put Option Notes until fully redeemed in the following order:

- (a) *first, pro rata and pari passu* the Senior Class A Notes, until fully redeemed, or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Senior Class A1 Notes, until all tranches of the Senior Class A Notes have been fully redeemed, and thereafter
- (b) *second, pro rata and pari passu*, the Mezzanine Class B Notes except if such Class of Notes is the Supporting Class of Notes, until fully redeemed or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Mezzanine Class B1 Notes, until all tranches of the Mezzanine Class B Notes have been fully redeemed, and thereafter
- (c) *third, pro rata and pari passu*, the Junior Class C Notes except if such Class of Notes is the Supporting Class of Notes, until fully redeemed or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Junior Class C1 Notes, until all tranches of the Junior Class C Notes have been fully redeemed, and thereafter
- (d) *fourth, pro rata and pari passu*, the Subordinated Class D Notes except if such Class of Notes is the Supporting Class of Notes, until fully redeemed, or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Subordinated Class D1 Notes, until all tranches of the Subordinated Class D Notes have been fully redeemed, and

on or after the Target Amortisation Date specified in the Final Terms, unless a Target Amortisation Event has occurred which is not cured prior to such Quarterly Payment Date in the following order:

- (a) *first, pro rata and pari passu*, the Senior Class A Notes by applying the Class A Notes Redemption Available Amount or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Senior Class A1 Notes, until all tranches of the Senior Class A Notes have been fully redeemed;
- (b) *second, pro rata and pari passu*, the Mezzanine Class B Notes except if such Class of Notes is the Supporting Class of Notes by applying the Class B Notes Redemption Available Amount or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Mezzanine Class B1 Notes, until all tranches of the Mezzanine Class B Notes have been fully redeemed;
- (c) *third, pro rata and pari passu*, the Junior Class C Notes except if such Class of Notes is the Supporting Class of Notes by applying the Class C Notes Redemption Available Amount or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Junior Class C1 Notes, until all tranches of the Junior Class C Notes have been fully redeemed; and
- (d) *fourth, pro rata and pari passu*, the Subordinated Class D Notes except if such Class of Notes is the Supporting Class of Notes by applying the Class D Notes Redemption Available Amount or, in case this Class of Notes is divided in two or more tranches, on a sequential basis starting with the Subordinated Class D1 Notes, until all tranches of the Subordinated Class D Notes have been fully redeemed.

- (II) If specified in the Final Terms that Condition of the Notes 6(b)(I) is not applicable, but mandatory redemption of the Put Option Notes is applicable, the Put Option Notes shall be subject to mandatory redemption as specified in the applicable Final Terms.
- (c) *Determination of Principal Redemption Amount and Principal Amount Outstanding*
- (i) On each Quarterly Calculation Date, the Issuer shall determine (or cause the Issuer Administrator to determine) (a) the Principal Redemption Amount and (b) the Principal Amount Outstanding of the relevant Notes on the first day of the following Floating Rate Interest Period. Each determination by or on behalf of the Issuer of any Principal Redemption Amount or the Principal Amount Outstanding of a Note shall in each case (in the absence of manifest error) be final and binding on all persons.
 - (ii) The Issuer will cause each determination of a Principal Redemption Amount and Principal Amount Outstanding of Notes to be notified forthwith to the Security Trustee, the Principal Paying Agent, the Reference Agent, Euroclear, Clearstream, Luxembourg and to the Noteholders in accordance with Condition of the Notes 13. If no Principal Redemption Amount is due to be made on the Notes on any applicable Quarterly Payment Date a notice to this effect will be given to the Noteholders in accordance with Condition of the Notes 13.
 - (iii) If the Issuer does not at any time for any reason determine (or cause the Issuer Administrator to determine) the Principal Redemption Amount or the Principal Amount Outstanding of a Note, such Principal Redemption Amount or such Principal Amount Outstanding shall be determined by the Security Trustee in accordance with this paragraph (c) and paragraph (b) above (but based upon the information in its possession as to the Notes Redemption Available Amount each such determination or calculation shall be deemed to have been made by the Issuer).
- (d) *Redemption of the Put Option Notes at the option of Put Option Noteholders*
- (i) Unless specified in the Final Terms otherwise, each Put Option Noteholder has the option (a '**Put Option**') to offer any or all relevant Put Option Notes held by it to the Issuer for redemption on the Quarterly Payment Date as specified in the applicable Final Terms (the '**First Put Date**') and each Quarterly Payment Date thereafter (each a '**Put Date**') in accordance with the following provisions of this Condition of the Notes 6(d);
 - (ii) If a Put Option Noteholder exercises the Put Option in respect of Put Option Notes held by it then the Issuer will be obliged, subject to Condition of the Notes 9, to redeem such Put Option Notes in full, on the relevant Put Date, at their aggregate Principal Amount Outstanding;
 - (iii) To exercise the Put Option, the Put Option Noteholder shall deliver, at the specified office of the Issuer and the Principal Paying Agent at any time during normal business hours of the Issuer within a period of not less than 45 days (unless such 45th day is not a business day, in which case the immediately preceding day) and not more than 60 days prior to the Put Date (the '**Put Notice Period**'), a duly completed and signed notice of exercise in the form obtainable from the Issuer (the '**Put Notice**') in which the Put Option Noteholder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition of the Notes 6(d) accompanied by the Put Option Note or evidence satisfactory to the Issuer concerned that the relevant Put Option Note will, following delivery of the Put Notice, be held to its order or under its control.
 - (iv) **With respect to the First Put Date** the following is applicable:
 - (a) On or before **the sixtieth day before the First Put Date**, the Issuer shall notify in accordance with Condition of the Notes 13 the Put Option Noteholders of the upcoming First Put Date and that any Put Option Notes in respect of which the Put Option may be exercised will be redeemed in full, subject to Condition of the Notes 9, on the First Put Date and shall notify the Put Option Noteholders of:
 - (A) the right to exercise the Put Option;
 - (B) each Extension Margin;
 - (C) the assumed remaining average life of each Class of Put Option Notes; and
 - (D) the requirement to give a Put Notice no later than by close of business on the forty-fifth day prior to the First Put Date (unless such day is not a business day, in which case the immediately preceding day);
 - (b) On or before **the fifth day before the First Put Date**, the Issuer will notify the Put Option Noteholders which Put Option Notes will be redeemed on the First Put Date, subject to Condition of the Notes 9, the confirmation that the Servicing Advance will be received on the First Put Date

- and the confirmation of each of the Rating Agencies of the then current ratings assigned to the Put Option Notes as of the First Put Date after taking into account the redemption of the Put Option Notes in respect of which the Put Option has been exercised;
- (c) The Put Option Notes in respect of which the Put Option is not exercised, will not be redeemed on the First Put Date. The Put Option Notes in respect of which the Put Option is exercised will be redeemed in full, subject to Condition of the Notes 9, on the Put Date;
 - (d) If any of the Rating Agencies is not able to confirm the then current ratings assigned to the Put Option Notes (as set forth in paragraph (b) of this Condition of the Notes 6(d)(iv)) then all Put Option Notes will be redeemed, subject to Condition of the Notes 9, in full on the First Put Date;

Any Put Notice given by a holder of any Put Option Note shall be irrevocable, except where prior to the First Put Date an Event of Default shall have occurred and be continuing in which event such Put Option Noteholder, at its option, may elect, by giving notice to the Issuer and the Principal Paying Agent, to withdraw the Put Notice given pursuant to this paragraph and instead to declare such Put Option Note forthwith due and payable pursuant to Condition of the Notes 10.

- (v) **With respect to each Put Date after the First Put Date** the following is applicable:
 - (a) On or before **the sixtieth day before the relevant Put Date**, the Issuer shall notify the Put Option Noteholders of:
 - (A) the right to exercise the Put Option; and
 - (B) the requirement to give a Put Notice no later than by close of business on the forty-fifth day prior to such Put Date (unless such day is not a business day, in which case the immediately preceding day)
 - (b) On or before **the fifth day before the relevant Put Date**, the Issuer will notify the Put Option Noteholders which Put Option Notes will be redeemed on the relevant Put Date, subject to Condition of the Notes 9, the confirmation that the Servicing Advance will be received on such Put Date and the confirmation of each of the Rating Agencies of the then current ratings assigned to the Put Option Notes as of such Put Date after taking into account the redemption of the Put Option Notes in respect of which the Put Option has been exercised;
 - (c) The Put Option Notes in respect of which the Put Option is not exercised, will not be redeemed on such Put Date. The Put Option Notes in respect of which the Put Option is exercised will be redeemed in full, subject to Condition of the Notes 9, on the relevant Put Date;
 - (d) If any of the Rating Agencies is not able to confirm the then current ratings assigned to the Put Option Notes (as set forth in paragraph (b) of this Condition of the Notes 6(d)(v)) then all Put Option Notes will be redeemed, subject to Condition of the Notes 9, in full on the relevant Put Date;

Any Put Notice given by a holder of any Put Option Note shall be irrevocable, except where prior to the relevant Put Date an Event of Default shall have occurred and be continuing in which event such Put Option Noteholder, at its option, may elect, by giving notice to the Issuer and the Principal Paying Agent, to withdraw the Put Notice given pursuant to this paragraph and instead to declare such Put Option Note forthwith due and payable pursuant to Condition of the Notes 10.

- (vi) In the event that on a Put Date the Issuer has insufficient funds available to redeem the Put Option Notes subject to redemption, the Put Option Notes Redemption Available Amount shall be applied in accordance with Condition of the Notes 6(b). If on a Put Date the Put Option Notes are not redeemed for whatever reason, this will not constitute an Event of Default as described in Condition of the Notes 10. After the relevant Put Date, in case the Put Option Notes are not redeemed in full, payments on the Put Option Notes will be made in accordance with Conditions of the Notes 4, 6 and 9 until the Put Date on which the Issuer receives a Servicing Advance in an amount sufficient to redeem the Put Option Notes which are subject to redemption;
- (e) *Redemption of Supporting Class of Notes*
 Provided that no Enforcement Notice has been served in accordance with Condition of the Notes 10, the Issuer will be obliged on the earlier of (a) the Quarterly Payment Date on which the Principal Amount Outstanding of the other Classes of Notes of such Compartment is equal to or below the percentage of the Principal Amount Outstanding of such Classes of Notes of such Compartment on the relevant Issue Date as

specified in the applicable Final Terms (the '**Supporting Class Early Amortisation Percentage**') and (b) the Quarterly Payment Date as specified in the applicable Final Terms and on each Quarterly Payment Date thereafter to apply the Supporting Class Redemption Available Amount to redeem (or partially redeem) on a *pro rata* basis the relevant Supporting Class of Notes until fully redeemed.

(f) *Clean-Up Call*

In case on any Quarterly Payment Date the aggregate Principal Amount Outstanding of the Put Option Notes of a Compartment (in the case of a Principal Shortfall in respect of any Class of Put Option Notes, less such aggregate Principal Shortfall) is not more than ten (10) per cent. of the aggregate Principal Amount Outstanding of such Put Option Notes on the relevant Issue Date the Issuer will, if so instructed by the MPT Provider, redeem all of the Put Option Notes of such Compartment, in whole but not in part at their Principal Amount Outstanding subject to and in accordance with the Condition of the Notes 9(b). No Class of Put Option Notes may be redeemed under such circumstances unless the other Classes of Put Option Notes of the relevant Compartment (or such of them as are then outstanding) are also redeemed in full at the same time subject to and in accordance with the Condition of the Notes 9(b). The Issuer shall notify the exercise of such option by giving not more than 60 nor less than 30 days' written notice to the Noteholders and the Security Trustee prior to the relevant Quarterly Payment Date.

(g) *Redemption for tax reasons*

In the event of certain tax changes affecting the Notes, including in the event that the Issuer is or will be obliged to make any withholding or deduction from payments in respect of the Notes (although the Issuer will not have any obligation to pay additional amounts in respect of any such withholding or deduction), which is evidenced by written legal tax advice, the Issuer will, if so directed by GMAC RFC Nederland as Seller and representative of all Sellers, redeem all of the Put Option Notes, in whole but not in part, at their Principal Amount Outstanding together with accrued interest thereon up to but excluding the date of redemption, subject to and in accordance with this Condition of the Notes. No Class of Put Option Notes may be redeemed under such circumstances unless the other Classes of Put Option Notes of the relevant Compartment (or such of them as are then outstanding) are also redeemed in full at the same time. The Issuer shall notify the exercise of such option by giving not more than 60 nor less than 30 days' written notice to the Noteholders and the Security Trustee prior to the relevant Quarterly Payment Date.

(h) *Definitions*

For the purposes of these Conditions of the Notes the following terms shall have the following meanings:

"Delinquent Mortgage Receivables" means (i) Mortgage Receivables under which amounts are due and payable, have remained unpaid for a consecutive period exceeding 90 days or (ii) in respect of Mortgage Receivables which have remained unpaid for less than 90 days and for which an instruction has been given to the civil-law notary to commence foreclosure proceedings.

"Delinquent Quotient" means the sum of the aggregate Outstanding Principal Amount of Mortgage Loans associated with the Mortgage Receivables in arrears for a period exceeding 60 days divided by the aggregate Outstanding Principal Amount of the Mortgage Loans associated with the Mortgage Receivables;

"Principal Available Amount" means, prior to the delivery of an Enforcement Notice by the Security Trustee in respect of a Compartment, the sum of the following amounts to the extent these amounts relate to such Compartment and the related Pool, calculated on any Quarterly Calculation Date, as being received or held during the immediately preceding Quarterly Calculation Period:

- (i) as repayment and prepayment in full of principal under the relevant Pool of Mortgage Receivables, from any person (including any Insurance Company), whether by set-off or otherwise, but, for the avoidance of doubt, excluding Prepayment Penalties, if any, less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation;
- (ii) as Net Foreclosure Proceeds of the relevant Pool, to the extent such proceeds relate to principal less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation;
- (iii) as amounts received in connection with a repurchase of Mortgage Receivables of the relevant Pool pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant

- to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to the relevant Pool of Mortgage Receivables and to principal less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation and if such amount cannot be attributed to any Pool, the amount received multiplied by the relevant Pool Fraction;
- (iv) as amounts received in connection with a sale of the relevant Excess Mortgage Receivables pursuant to the relevant Trust Deed and the Issuer Services Agreement to the extent such amounts relate to principal less with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation, except in the case of a sale of Excess Mortgage Receivables which is set-off against repayment of the Servicing Advance;
 - (v) as amounts of interest received to be credited to the relevant Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date or Annual Payment Date;
 - (vi) as Monthly Participation Increase pursuant to the relevant Sub-Participation Agreement;
 - (vii) as partial prepayment in respect of the relevant Mortgage Receivables from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding Prepayment Penalties;
 - (viii) during the Pre-funding Period, an amount equal to the positive difference between the initial purchase price of New Mortgage Receivables and the Principal Available Amount (less this item) and upon expiry of the Pre-funding Period the balance standing to the credit of the relevant Pre-funded Account;
 - (ix) as amounts received on the relevant Collection Accounts from the credit of the relevant Construction Account in accordance with the Mortgage Receivables Purchase Agreement;
 - (x) as consideration for the Initial Participation in respect of Further Advance Receivables and New Mortgage Receivables which qualify as Savings Mortgage Receivables or Life Mortgage Receivables with a Savings Element and in case of a switch of any mortgage receivable into a Savings Mortgage Receivables or Life Mortgage Receivables with a Savings Element pursuant to the relevant Sub-Participation Agreement;
 - (xi) any part of the Notes Redemption Available Amount calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards redemption of the Put Option Notes on the immediately preceding Quarterly Payment Date; and
 - (xii) as amounts received as the Servicing Advance on the relevant Put Date;

"Notes Redemption Available Amount" shall mean, on any Quarterly Payment Date, the Principal Available Amount less the initial purchase price of New Mortgage Receivables and/or Further Advance Receivables purchased during the immediate preceding Quarterly Calculation Period or on such Mortgage Payment Date immediately preceding the Quarterly Payment Date;

"Class A Notes Redemption Available Amount" means, with respect to any Quarterly Calculation Date, an amount equal to the lesser of:

- (a) the aggregate Principal Amount Outstanding of the Senior Class A Notes;
- (b) the Notes Redemption Available Amount; and
- (c) the positive difference between (i) the aggregate Principal Amount Outstanding of the Senior Class A Notes; and (ii) the aggregate Outstanding Principal Amount of the Mortgage Receivables on the last day of the relevant Quarterly Calculation Period multiplied by the relevant Target Amortisation Percentage in respect of the Senior Class A Notes as specified in the applicable Final Terms.

"Class B Notes Redemption Available Amount" means, with respect to any Quarterly Calculation Date, an amount equal to the lesser of:

- (a) the aggregate Principal Amount Outstanding of the Mezzanine Class B Notes;
- (b) the Notes Redemption Available Amount less the Class A Notes Redemption Available Amount; and
- (c) the positive difference between (i) the sum of the aggregate Principal Amount Outstanding of the Senior Class A Notes on the first day of the following Quarterly Calculation Period and the aggregate Principal Amount Outstanding of the Mezzanine Class B Notes; and (ii) the aggregate Outstanding Principal Amount on the last day of the relevant Quarterly Calculation Period multiplied by the relevant Target Amortisation Percentage in respect of the Mezzanine Class B Notes as specified in the applicable Final Terms.

"Class C Notes Redemption Available Amount" means, with respect to any Quarterly Calculation Date, an amount equal to the lesser of:

- (a) the aggregate Principal Amount Outstanding of the Junior Class C Notes;

- (b) the Notes Redemption Available Amount less the sum of the Class A Notes Redemption Available Amount and the Class B Notes Redemption Available Amount; and
- (c) the positive difference between (i) the sum of the aggregate Principal Amount Outstanding of the Senior Class A Notes and the aggregate Principal Amount Outstanding of the Mezzanine Class B Notes on the first day of the following Quarterly Calculation Period and the aggregate Principal Amount Outstanding of the Junior Class C Notes; and (ii) the aggregate Outstanding Principal Amount on the last day of the relevant Quarterly Calculation Period multiplied by the relevant Target Amortisation Percentage in respect of the Junior Class C Notes as specified in the applicable Final Terms.

"Class D Notes Redemption Available Amount" means, with respect to any Quarterly Calculation Date, an amount equal to the lesser of:

- (a) the aggregate Principal Amount Outstanding of the Subordinated Class D Notes;
- (b) the Notes Redemption Available Amount less the sum of the Class A Notes Redemption Available Amount, the Class B Notes Redemption Available Amount and the Class C Notes Redemption Available Amount; and
- (c) the positive difference between (i) the sum of the aggregate Principal Amount Outstanding of the Senior Class A Notes, the aggregate Principal Amount Outstanding of the Mezzanine Class B Notes and the aggregate Principal Amount Outstanding of the Junior Class C Notes on the first day of the following Quarterly Calculation Period and the aggregate Principal Amount Outstanding of the Subordinated Class D Notes; and (ii) the aggregate Outstanding Principal Amount on the last day of the relevant Quarterly Calculation Period multiplied by the relevant Target Amortisation Percentage in respect of the Subordinated Class D Notes as specified in the applicable Final Terms.

"Class A Principal Redemption Amount" means the principal amount so redeemable in respect of each Senior Class A Note on the relevant Quarterly Payment Date which shall be equal to the Class A Notes Redemption Available Amount divided by the number of Senior Class A Notes subject to such redemption (rounded down to the nearest EUR), provided always that the Class A Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Senior Class A Note.

"Class B Principal Redemption Amount", means the principal amount so redeemable in respect of each Mezzanine Class B Note, unless such Class of Notes is the Supporting Class of Notes, on the relevant Quarterly Payment Date which shall be equal to the Class B Notes Redemption Available Amount divided by the number of Mezzanine Class B Notes subject to such redemption (rounded down to the nearest EUR), provided always that the Class B Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Mezzanine Class B Note.

"Class C Principal Redemption Amount" means the principal amount so redeemable in respect of each Junior Class C Note, unless such Class of Notes is the Supporting Class of Notes, on the relevant Quarterly Payment Date which shall be equal to the Class C Notes Redemption Available Amount divided by the number of Junior Class C Notes subject to such redemption (rounded down to the nearest EUR), provided always that the Class C Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Junior Class C Note.

"Class D Principal Redemption Amount" means the principal amount so redeemable in respect of each Subordinated Class D Note, unless such Class of Notes is the Supporting Class of Notes, on the relevant Quarterly Payment Date which shall be equal to the Subordinated D Notes Redemption Available Amount divided by the number of Subordinated Class D Notes subject to such redemption (rounded down to the nearest EUR), provided always that the Class D Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Subordinated Class D Note.

"Principal Redemption Amount" means the principal amount so redeemable (i) in respect of each Note other than the Supporting Class of Notes, on the relevant Quarterly Payment Date which shall be equal to (a) on or after the Target Amortisation Date, unless a Target Amortisation Event has occurred which is not cured any and all of the Class A Principal Redemption Amount, the Class B Principal Redemption Amount, the Class C Principal Redemption Amount and the Class D Principal Redemption Amount and (b) before the Target Amortisation Date (and on or after the Target Amortisation Date in case a Target Amortisation Event has occurred which is not cured) the Notes Redemption Available Amount (as applicable to each Class of Notes,

other than the Supporting Class of Notes) and (ii) in respect of the Supporting Class of Notes, the Supporting Class Redemption Amount. The Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Note of the relevant Class. Following application of the Principal Redemption Amount to redeem a Note, the Principal Amount Outstanding of such Note shall be reduced accordingly.

"Mortgage Calculation Period" means the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of such calendar month and the first mortgage calculation period will commence on the Portfolio Cut-Off Date and will end on (and include) the last day of the calendar month as specified in the relevant Supplemental Prospectus.

"Net Foreclosure Proceeds" means (a) the proceeds of a foreclosure on the mortgage right, (b) the proceeds of foreclosure on any other collateral securing the Mortgage Receivable, (c) the proceeds, if any, of collection of any insurance policies in connection with the Mortgage Receivable, including but not limited to fire insurance and the Insurance Policies, (d) the NHG Guarantee and the proceeds of any other guarantees or sureties and (e) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs in respect of such Mortgage Receivable.

"Participation Fraction" means, in respect of a Savings Mortgage Receivable and a Life Mortgage Receivable with a Savings Element on any day, an amount equal to the relevant Participation on the first day of the Mortgage Calculation Period divided by the Outstanding Principal Amount of such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element on the first day of such Mortgage Calculation Period.

"Principal Amount Outstanding" means, on any Quarterly Payment Date of any Note, the principal amount of that Note upon issue less the aggregate amount of all Principal Redemption Amounts in respect of that Note that have become due and payable prior to such Quarterly Payment Date.

"Quarterly Calculation Date" means, in relation to a Quarterly Payment Date the third business day prior to such Quarterly Payment Date.

"Quarterly Calculation Period" means, in relation to a Quarterly Calculation Date, the three successive Mortgage Calculation Periods immediately preceding such Quarterly Calculation Date except for the first Quarterly Calculation Period which will commence on the Portfolio Cut-Off Date and end on (and include) the last day of the Mortgage Calculation Period immediately preceding the first Quarterly Payment Date.

"Supporting Class Redemption Amount" means the principal amount so redeemable in respect of each Note of the Supporting Class of Notes on the relevant Quarterly Payment Date shall be the relevant Supporting Class Redemption Available Amount, if any, divided by the relevant number of Notes of the Supporting Class of Notes subject to such redemption (rounded down to the nearest EUR).

"Supporting Class Redemption Available Amount" means, in respect of a Compartment, the sum of an amount equal to

- (i) until the Quarterly Payment Date specified in the relevant Final Terms on which the Supporting Class of Notes becomes subject to redemption, zero, and
- (ii) on the Quarterly Payment Date referred to under (i) and each Quarterly Payment Date thereafter up to but excluding the First Put Date unless on such Quarterly Payment Date the Principal Available Amount of the Put Option Notes is equal to or below the Supporting Class Early Amortisation Percentage, an amount equal to the positive difference between the balance standing to the credit of the Reserve Account (after payment of items (a) up to and including (n) of the Interest Priority of Payments have been met on such date) and the Reserve Account Target Level on the first day of the immediately succeeding Floating Rate Interest Period, and
- (iii) on each Quarterly Payment Date on which the Principal Available Amount of the Put Option Notes is equal to or below the Supporting Class Early Amortisation Percentage and on the First Put Date and each Put Date thereafter, an amount equal to the sum of (x) the amount of the Notes Interest Available Amount remaining, if any, after items (a) up to and including (n) and items (p) up to and including (v) of the Interest Priority of Payment have been met and (y) the positive difference between the balance standing to the credit of the Reserve Account (after items (a) up to and

including (n) of the Interest Priority of Payments have been met on such date) and the Reserve Account Target Level on the first day of the immediately succeeding Floating Rate Interest Period;

"Supporting Class of Notes" means the Class of Notes of a Compartment which is specified in the relevant Final Terms.

"Target Amortisation Date" means the Quarterly Payment Date as specified in the applicable Final Terms.

"Target Amortisation Event" means, on the Target Amortisation Date and any Quarterly Payment Date after the Target Amortisation Date, (a) the balance standing to the credit of the Reserve Account is less than the Reserve Account Target Level or (b) the Delinquent Quotient is equal to or higher than the percentage as specified in the applicable Final Terms or (c) any drawing under the Liquidity Facility is not repaid or a drawing under the Liquidity Facility is made on such date or (d) there is a debit balance on the Principal Deficiency Ledger as modified by the Final Terms.

"Target Amortisation Percentage" means, in respect of a Compartment, the relevant amortisation percentage in respect of the Senior Class A Notes and/or the Mezzanine Class B Notes and/or Junior Class C Notes and/or Subordinated Class D Notes, as specified in the relevant Final Terms;

7. Taxation

All payments in respect of the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties or charges of whatsoever nature unless the Issuer or the Principal Paying Agent (as applicable) is required by applicable law to make any payment in respect of the Notes subject to any withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Union Directive on the taxation of savings that was adopted on 3 June 2003 or any other law implementing or complying with, or introduced in order to conform to such Directive. In that event, the Issuer or the Principal Paying Agent (as the case may be) shall make such payment after the required withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Principal Paying Agent nor the Issuer will be obliged to make any additional payments to the Noteholders in respect of such withholding or deduction.

8. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons shall become prescribed and become void unless made within five years from the date on which such payment first becomes due.

9. Subordination

(a) Interest

Interest on the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes and the Subordinated Class E Notes and the Subordinated Extension Interest Part relating to the Senior Class A Notes shall be payable in accordance with the provisions of Conditions of the Notes 4 and 6, subject to the terms of this Condition.

In the event that on any Quarterly Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes and the Subordinated Class E Notes and as the Subordinated Extension Interest Part relating to the Senior Class A Notes, on the next Quarterly Payment Date, the amount available (if any) in respect of a Class of Notes in accordance with the Interest Priority of Payments, shall be applied *pro rata* to the amount of the interest due on such Quarterly Payment Date to the holders of such Class of Notes. In the event of a shortfall in respect of a Class of Notes, the Issuer shall credit the relevant Interest Deficiency Ledger (as defined in the Master Definitions Schedule), with an amount equal to the amount by which the aggregate amount of interest paid on such Class of Notes on any Quarterly Payment Date (in accordance with this Condition of the Notes) falls short of the aggregate amount of interest payable on that Class of Notes on that date pursuant to Condition of the Notes 4. Such shortfall shall not be treated as due on that date for the purposes of Conditions of the Notes 4 and 10, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the relevant Class of Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon will be aggregated with the amount of, and treated for the purpose of these

Conditions of the Notes as if it were interest due, subject to this Condition of the Notes, on each Note of the relevant Class on the next succeeding Quarterly Payment Date.

(b) *Principal*

If, on any Quarterly Payment Date, there is a balance on the Principal Deficiency Ledger of a Class of Put Option Notes, then notwithstanding any other provisions of these Conditions of the Notes the principal amount payable on redemption of each such Put Option Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall on such Quarterly Payment Date. The Put Option Noteholders of a Class of Notes shall have no further claim against the Issuer for the Principal Amount Outstanding on such Notes after the earlier of (i) the Final Maturity Date or (ii) the relevant Quarterly Payment on which the Issuer (a) no longer holds any Mortgage Receivables of the relevant Pool, (b) there are no balances standing to the credit of the Transaction Accounts and (c) there will be no more amounts received under the Relevant Issue Documents to the extent related to relevant Pool. '**Principal Shortfall**' shall mean an amount equal to the quotient of the balance on the relevant sub-ledger of the Principal Deficiency Ledger divided by the number of the Put Option Notes of the relevant Class on such Quarterly Payment Date.

The holders of the Supporting Class of Notes shall have no further claim against the Issuer for the Principal Amount Outstanding of the Supporting Class Notes after the earlier of (i) the Final Maturity Date or (ii) the date on which the Issuer no longer holds any Mortgage Receivables of the relevant Pool and there are no balances standing to the credit of the relevant Reserve Account. The Noteholders will have no recourse on the assets of the Issuer other than described in Condition of the Notes 2 (c). In particular the Noteholders will not have any recourse against Pools and other assets forming part of or relating to other Compartments.

(c) *General*

In the event that the Security in respect of the Notes and the Coupons appertaining thereto has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking under the Trust Deed in priority to a Class of Notes are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of such Class of Notes, the Noteholders of the relevant Class of Notes shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

10. Events of Default

The Security Trustee at its discretion may, and if so directed by an Extraordinary Resolution of the Noteholders of the highest ranking Class of Notes outstanding of the relevant Compartment (subject, in each case, to being indemnified to its satisfaction) (in each case, the '**Relevant Class**') shall (but in the case of the occurrence of any of the events mentioned in (b) below, only if the Security Trustee shall have certified in writing to the Issuer that such an event is, in its opinion, materially prejudicial to the Noteholders of the Relevant Class) give notice (an '**Enforcement Notice**') to the Issuer that the Notes are, and each Note shall become, immediately due and payable at their or its Principal Amount Outstanding, together with accrued interest, if any of the following shall occur:

- (a) default is made for a period of fifteen (15) days or more in the payment on the due date of any amount due in respect of the Notes of the relevant Compartment of the Relevant Class other than in respect of the Put Option on a Put Date; or
- (b) the Issuer fails to perform any of its other obligations binding on it under the Notes of the relevant Compartment and the Relevant Class, the relevant Trust Deed, the Agency Agreement or the Pledge Agreements to the extent related to the relevant Compartment and, except where such failure, in the reasonable opinion of the Security Trustee, is incapable of remedy, such default continues for a period of thirty (30) days after written notice by the Security Trustee to the Issuer requiring the same to be remedied; or
- (c) if a conservatory attachment ("*conservatoir beslag*") or an executory attachment ("*executoriaal beslag*") on any major part of the Issuer's assets is made and not discharged or released within a period of thirty (30) days; or

- (d) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution or winding-up of the Issuer or for the appointment of a liquidator or receiver of the Issuer or of all or substantially all of its assets; or
- (e) the Issuer makes an assignment for the benefit of, or enters into any general assignment ("*akkoord*") with its creditors; or
- (f) the Issuer files a petition for a suspension of payments ("*surseance van betaling*") or for bankruptcy ("*faillissement*") or is declared bankrupt;

provided that, if Notes of a higher ranking Class are outstanding, no Enforcement Notice may or shall be given by the Security Trustee to the Issuer in respect of a lower ranking Class of Notes, irrespective of whether an Extraordinary Resolution is passed by the Noteholders of the lower Class(es) of Notes, unless an Enforcement Notice in respect of the Most Senior Class of Notes outstanding has been given by the Security Trustee. In exercising its discretion as to whether or not to give an Enforcement Notice to the Issuer in respect of the Most Senior Class of Notes, the Security Trustee shall not be required to have regard to the interests of the Noteholders of other Classes of Notes. There is no cross-default between the Compartments and an event of default in respect of another Compartment will not result in an Event of Default.

11. Enforcement

- (a) At any time after the Notes of any Class of the relevant Compartment become due and payable, the Security Trustee may, at its discretion and without further notice, take such steps and/or institute such proceedings as it may think fit to enforce the terms of the relevant Trust Deed, the Pledge Agreements and the relevant Notes, but it need not take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes outstanding of the relevant Compartment and (ii) it shall have been indemnified to its satisfaction.
- (b) No Noteholder may proceed directly against the Issuer unless the Security Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.
- (c) The Noteholders may not institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one (1) year after the latest maturing Note issued under the Programme is paid in full. The Noteholders accept and agree that the only remedy of the Security Trustee against the Issuer after any of the Notes have become due and payable pursuant to Condition of the Notes 10 above is to enforce the Security.

12. Indemnification of the Security Trustee

The Trust Deed contains provisions for the indemnification of the Security Trustee and for its relief from responsibility. The Security Trustee is entitled to enter into commercial transactions with the Issuer and/or any other party to the Relevant Documents without accounting for any profit resulting from such transaction.

13. Notices

With the exception of the publications of the Reference Agent in Condition of the Notes 4 and of the Issuer in Condition of the Notes 6, all notices to the Noteholders will only be valid if published in at least one daily newspaper of wide circulation in the Netherlands and in the English language in the Financial Times, or, if all such newspapers shall cease to be published or timely publication therein shall not be practicable, in such newspaper as the Security Trustee shall approve having a general circulation in Europe and, as long as the Put Option Notes are listed on the ISE, any notice will also be made to the Company Announcements Office of the ISE. Any such notice shall be deemed to have been given on the first date of such publication.

14. Meetings of Noteholders; Modification; Consents; Waiver

The Trust Deed contains provisions for convening meetings of the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Junior Class C Noteholders, the Subordinated Class D Noteholders and the Subordinated Class E Noteholders of the relevant Compartment to consider matters affecting the interests, including the sanctioning by an Extraordinary Resolution, of such Noteholders of the relevant Class of a change of any of these Conditions of the Notes or any provisions of the Relevant Documents.

(a) Meeting of Noteholders

A meeting as referred to above may be convened by the Issuer or by Noteholders of any Class holding not less than 10 per cent. in Principal Amount Outstanding of the Notes of such Class.

(b) Basic Terms Change

No change of certain terms by the Noteholders of any Class including the date of maturity of the Notes of the relevant Class, or a change which would have the effect of postponing any day for payment of interest in respect of such Notes, or change the denomination or reducing or cancelling the amount of principal payable in respect of such Notes or the rate of interest applicable in respect of such Notes or altering the majority required to pass an Extraordinary Resolution or any alteration of the date or priority of redemption of such Notes (any such change in respect of any such Class of Notes referred to below as a '**Basic Terms Change**') shall be effective, unless it is sanctioned by an Extraordinary Resolution of the Noteholders of the relevant Class of Notes as described below, except that, if the Security Trustee is of the opinion that such a Basic Terms Change (a) is being proposed by the Issuer as a result of, or in order to avoid, an Event of Default and (b) (i) the Security Trustee has notified the Rating Agencies and (ii) the Rating Agencies have confirmed that the then current ratings assigned to the Notes will not be adversely affected by such Basic Term Change, no such Extraordinary Resolution is required.

(c) Extraordinary Resolution*Quorum and majority*

The quorum for any meeting convened to consider an Extraordinary Resolution for any Class of Notes will be not less than 75 per cent. of the Principal Amount Outstanding of the Notes of the relevant Class, as the case may be, and at such a meeting an Extraordinary Resolution is adopted with at least 75 per cent. of the validly cast votes at that Extraordinary Resolution. If at such meeting the aforesaid quorum is not represented, a second meeting of Noteholders will be held within one month, with due observance of the same formalities for convening the meeting which governed the convening of the first meeting; at such second meeting an Extraordinary Resolution is adopted with not less than 75 per cent. majority of the validly cast votes, regardless of the Principal Amount Outstanding of the Notes of the relevant Class then represented.

Any Extraordinary Resolution duly passed shall be binding on all Noteholders of the relevant Class (whether or not they were present at the meeting at which such resolution was passed).

Limitations

No Extraordinary Resolution to sanction a change which would have the effect of accelerating or increasing the maturity of the Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes or the Subordinated Class E Notes, as the case may be, or any date for payment of interest thereon, increasing the amount of principal or the rate of interest payable in respect of a Class of Notes, shall take effect unless it shall have been sanctioned by an Extraordinary Resolution of the other Classes of Notes ranking higher in priority than such Class of Notes.

An Extraordinary Resolution of the Mezzanine Class B Noteholders and/or the Junior Class C Noteholders and/or the Subordinated Class D Noteholders and/or the Subordinated Class E Noteholders shall only be effective when the Security Trustee is of the opinion that it will not be materially prejudicial to the interests of the Senior Class A Noteholders and/or, as the case may be, the Mezzanine Class B Noteholders and/or, as the case may be, the Junior Class C Noteholders and/or, as the case may be, the Subordinated Class D Noteholders or it is sanctioned by an Extraordinary Resolution of the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Junior Class C Noteholders or the Subordinated Class D Noteholders, as the case may be. The Trust Deed imposes no such limitations on the powers of the Senior Class A Noteholders, the exercise of which will be binding on the Mezzanine Class B Noteholders, the Junior Class C Noteholders, the Subordinated Class D Noteholders and the Subordinated Class E Noteholders, irrespective of the effect on their interests.

(d) Modifications by the Security Trustee

The Security Trustee may agree, without the consent of the Noteholders of the relevant Compartment, to (i) any modification of any of the provisions of the Relevant Issue Documents to the extent related to the relevant Compartment which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any

other modification and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Relevant Issue Documents which is in the opinion of the Security Trustee not materially prejudicial to the interests of the relevant Noteholders, provided that (a) in the opinion of the Security Trustee such modification is not materially prejudicial to the interests of any of the Noteholders of other Compartments and Pools or other Secured Parties of other Compartments and Pools or such modification is also proposed for such other Compartment and Pool and is or shall be approved in accordance with the relevant Trust Deed. Any such modification (except if prohibited in the Relevant Documents), any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Relevant Documents shall be deemed not be materially prejudicial to the interests of the Noteholders if the Rating Agencies have confirmed that the then current ratings assigned to the Notes will not be adversely affected by any such modification, authorisation or waiver. For the avoidance of doubt, any such confirmation from the Rating Agencies does not address whether such modification, authorisation or waiver is in the best interest of, or prejudicial to, some of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Security Trustee so requires, such modification shall be notified to the Noteholders in accordance with Condition of the Notes 13 as soon as practicable.

(e) *Exercise of Security Trustee's functions*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Security Trustee shall have regard to the interests of the Senior Class A Noteholders of each Compartment and the Mezzanine Class B Noteholders of each Compartment and the Junior Class C Noteholders of each Compartment and the Subordinated Class D Noteholders of each Compartment and the Subordinated Class E Noteholders of each Compartment each as a Class and shall not have regard to the consequences of such exercise for individual Noteholders and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

The Security Trustee cannot be removed from its duties until all amounts due to the Secured Parties have been paid in full. A director of the Security Trustee can be removed by an Extraordinary Resolution of the holders of the highest ranking Class of Notes of each Compartment, provided that, *inter alia*, such Extraordinary Resolution was also passed by the highest ranking Class of Notes in respect of the other Compartments then outstanding.

15. Replacements of Notes and Coupons

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the office of the Paying Agent upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered, in the case of Notes together with all unmatured Coupons appertaining thereto, in the case of Coupons together with the Note and all unmatured Coupons to which they appertain ("*mantel en blad*"), before replacements will be issued.

16. Governing Law

The Notes and Coupons are governed by, and will be construed in accordance with, the laws of the Netherlands. In relation to any legal action or proceedings arising out of or in connection with the Notes and Coupons the Issuer irrevocably submits to the jurisdiction of the District Court in Amsterdam, the Netherlands. This submission is made for the exclusive benefit of the holders of the Notes and the Security Trustee and shall not affect their right to take such action or bring such proceedings in any other courts of competent jurisdiction.

USE OF PROCEEDS

The net proceeds from each issue of Notes other than the Supporting Class of Notes less, if applicable, the Pre-funded Amount will be applied on the relevant Issue Date to pay part of the Initial Purchase Price for the Mortgage Receivables of the relevant Pool.

The net proceeds of the issue of the Supporting Class of Notes will be credited to the relevant Reserve Account.

The aggregate Construction Amount, as specified in the Supplemental Prospectus, will be withheld by the Issuer from the Initial Purchase Price and deposited in the relevant Construction Account.

The Pre-funded Amount, if and as indicated in the Supplemental Prospectus, will be deposited in the Pre-funding Account and will be available for the purchase of New Mortgage Receivables during the Pre-funding Period.

Finally, an amount as indicated in the Supplemental Prospectus will be received by the Issuer as consideration of the Initial Participation granted to the Savings Insurance Companies in the relevant Savings Mortgage Receivables and the relevant Life Mortgage Receivables with a Savings Element. The Issuer will apply this amount towards payment of the remaining part of the Initial Purchase Price.

MORTGAGE RECEIVABLES PURCHASE AGREEMENT

Under the Mortgage Receivables Purchase Agreement, any of the Sellers may offer from time to time Pools of Mortgage Receivables to the Issuer and the Issuer shall accept each such offer. On the relevant Issue Date, the Issuer and the relevant Seller or, as the case may be, each of the relevant Sellers shall (each) sign a Deed of Sale, Assignment and Pledge pursuant to which the Relevant Mortgage Receivables of the relevant Pool will be sold and assigned by means of a registered or notarial deed of assignment as a result of which legal title to the Relevant Mortgage Receivables will be transferred to the Issuer by the relevant Seller or, as the case may be, the relevant Sellers and the Issuer will purchase and accept assignment of such Relevant Mortgage Receivables. It is a condition for the purchase of the Relevant Mortgage Receivables that any Beneficiary Rights, to the extent legally possible and required, will be assigned to the Issuer. The Sellers have agreed to assign such Beneficiary Rights to the Issuer and the Issuer has agreed to accept such assignment. Such sale and assignment will take place on each Issue Date. The assignment of the Relevant Mortgage Receivables of the relevant Pool from the relevant Seller or, as the case may be, the relevant Sellers to the Issuer will not be notified to the relevant Borrowers, except in case of the occurrence of any of the Notification Events. Until such notification the relevant Borrower will only be entitled to validly pay ("*bevrijdend betalen*") to the relevant Seller. The Issuer will be entitled to all proceeds in respect of the Relevant Mortgage Receivables of a Pool as of the relevant Portfolio Cut-Off Date. The relevant Seller (or a third party on its behalf) will pay to the Issuer on each Mortgage Payment Date all proceeds received during the immediately preceding Mortgage Calculation Period in respect of the Relevant Mortgage Receivables. As an independent obligation, by way of parallel debt, each of the Collection Foundations has undertaken in the relevant Receivables Proceeds Distribution Agreement to pay the Issuer the same amounts if and to the extent it has received the amounts under or in connection with the Relevant Mortgage Receivables on its Foundation Account(s).

Purchase Price

The purchase price for the Mortgage Receivables of each Pool shall consist of an Initial Purchase Price and a Deferred Purchase Price. The relevant Initial Purchase Price is equal to the aggregate Outstanding Principal Amount in respect of the Mortgage Receivables of the relevant Pool on, in respect of the Mortgage Receivables purchased on the relevant Issue Date, the Portfolio Cut-Off Date and, in respect of any New Mortgage Receivables and Further Advance Receivables, on the first day of the calendar month wherein the relevant Pre-funding Purchase Date, if any, or the relevant Mortgage Payment Date falls. A part of the relevant Initial Purchase Price equal to the aggregate Construction Amounts of the Mortgage Receivables purchased on such date will be withheld by the Issuer and will be credited to the Construction Account. The relevant Deferred Purchase Price shall be equal to the sum of all relevant Deferred Purchase Price Instalments.

Common Representations and Warranties

Each of the relevant Sellers will represent and warrant on the relevant Issue Date with respect to the Relevant Mortgage Receivables that it will sell and assign on such date and the Relevant Mortgage Loans that, *inter alia*:

- (1) Each of the Relevant Mortgage Receivables and each of the Beneficiary Rights relating thereto is duly and validly existing.
- (2) Each Relevant Mortgage Loan was originated by it.
- (3) Each of the Relevant Mortgage Loans conforms to the Relevant Eligibility Criteria in all material respects.
- (4) It has full right and title ("*titel*") to the Relevant Mortgage Receivables and each of the Beneficiary Rights relating thereto and no restrictions on the sale and assignment of the Relevant Mortgage Receivables and each of the Beneficiary Rights relating thereto are in effect and the Relevant Mortgage Receivables and each of the Beneficiary Rights relating thereto are capable of being assigned.
- (5) It has the power ("*is beschikkingsbevoegd*") to sell and assign the Relevant Mortgage Receivables and each of the Beneficiary Rights relating thereto.
- (6) The Relevant Mortgage Receivables are free and clear of any rights of pledge or other or similar rights ("*bepaalde rechten*"), encumbrances and attachments ("*beslagen*") and no rights have been granted in favour of any third party with regard to the acquisition or encumbrances in respect of the Relevant Mortgage Receivables, other than a right of pledge which will be released prior to the relevant Issue Date.
- (7) The Relevant Mortgage Loans and the Mortgage Conditions relating thereto comply in all material respects with the laws of the Netherlands applicable thereto, including mortgage credit and consumer protection legislation.

- (8) Each Relevant Mortgage Receivable is secured by a mortgage right ('*hypothekrecht*') on a Mortgaged Asset located in the Netherlands and is governed by Netherlands law.
- (9) All Mortgages and Borrower Pledges securing the Relevant Mortgage Loans (i) constitute valid mortgage rights ('*hypothekrechten*') and rights of pledge ('*pandrechten*') respectively on the assets which are the subject of the Mortgages and the Borrower Pledges, as applicable, and, to the extent relating to the Mortgages securing the Relevant Mortgage Loans, have been entered into the appropriate public register ('*Dienst van het Kadaster en de Openbare Registers*'); and (ii) were vested to secure the repayment of an Outstanding Principal Amount which at least equals the Outstanding Principal Amount at origination, increased with interest, penalties, costs and any damages together up to an amount equal to at least 140 per cent. of the Outstanding Principal Amount at origination in respect of the Relevant Mortgage Loans.
- (10) Each Relevant Mortgage Receivable, the Mortgage and the Borrower Pledge securing such receivable, if any, constitute legal, valid, binding and enforceable obligations of the relevant Borrower vis-à-vis the relevant Seller, except for any limitation on enforceability due to applicable bankruptcy or insolvency laws.
- (11) The relevant mortgage deeds or, if applicable, the general conditions, which are incorporated by reference in the mortgage deed, contain the provision that the Mortgages and the Borrower Pledges will partially follow, *pro rata*, the Relevant Mortgage Receivables upon their assignment or pledge.
- (12) In respect of (x) the Relevant Mortgage Receivables originated by GMAC RFC Nederland or, as the case may be, Atlas Funding at origination, each Mortgaged Asset was valued by an independent qualified surveyor or tax valuer not more than 12 months before application for a Mortgage Loan was made, except in the case of (i) Relevant Mortgage Loans of which the Outstanding Principal Amount does not exceed 80 per cent. of the value of the residential property as shown on the assessment notice of the real estate tax authorities ('*WOZ Beschikking*'); (ii) Relevant Mortgage Loans secured by a mortgage right on newly built properties with less than 15 per cent. additional work ('*meerwerk*') and (y) the Relevant Mortgage Receivables originated by Quion 20 at origination, each Mortgaged Asset was valued by an independent qualified surveyor or tax valuer not more than 12 months before application for a Mortgage Loan was made, except in the case of (i) Relevant Mortgage Loans of which the Outstanding Principal Amount did not exceed 60 per cent. of the purchase price of the Mortgaged Asset; (ii) in the case of a refinancing where the Outstanding Principal Amount did not exceed 60 per cent. of the value of the residential property as shown on the assessment notice of the real estate tax authorities ('*WOZ Beschikking*'); and (iii) Relevant Mortgage Loans secured by a mortgage right on newly built properties with less than ten per cent. additional work ('*meerwerk*') (see *Description of Mortgage Loans*).
- (13) The maximum Outstanding Principal Amount of each Relevant Mortgage Loan originated by GMAC RFC Nederland or, as the case may be, Atlas Funding did not, upon its origination and on the relevant Issue Date, exceed (a) in the case of an appraisal report by an independent qualified appraiser 125 per cent. of (i) the original Foreclosure Value ('*executiewaarde*') or (ii) the construction costs ('*stichtingskosten*') divided by 1.2 and multiplied by 1.05 in the case of newly built property financed by a mortgage loan with a construction deposit, or (b) in the case the Borrowers have deposited an amount equal to 3 per cent. of the Foreclosure Value into a disability insurance policy ('*koopsom*'- or '*woonlastenbeschermer*') and have pledged the rights under or in connection with the disability insurance policy to the relevant Seller and an appraisal report by an independent qualified appraiser 128 per cent. of (i) the original Foreclosure Value or (ii) the construction costs ('*stichtingskosten*') divided by 1.2 and multiplied by 1.05 in the case of newly built property financed by a mortgage loan with a construction deposit, or (c) in the case of a tax assessment ('*WOZ waarde*') of the mortgaged property, 80 per cent. of such value.
- (14) The maximum Outstanding Principal Amount of each Relevant Mortgage Loan originated by Quion 20 did not, upon its origination and on the relevant Issue Date, exceed (a) in the case of an appraisal report by an independent qualified appraiser (i) 125 per cent. of the original Foreclosure Value ('*executiewaarde*') or (ii) 90 per cent. of the construction costs ('*stichtingskosten*'); or (iii) 128 per cent. of the original Foreclosure Value in the case the Borrowers have deposited an amount equal to 3 per cent. of the Foreclosure Value into a disability Insurance policy ('*koopsom*'- or '*woonlastenbeschermer*') and have pledged the rights under or in connection with the disability insurance policy to Quion 20 or (b) in the case of a tax assessment ('*WOZ waarde*') of the mortgaged property 60 per cent. of such value.
- (15) Each Relevant Mortgage Loan has been granted to a Borrower in accordance with all applicable legal requirements prevailing at the time of origination in all material respects and each Relevant Mortgage Loan meets in all material respects the standard underwriting criteria and procedures of the relevant Seller, including Borrower income requirements, prevailing at the time of origination.
- (16) Each NHG Guarantee ("*Nationale Hypotheek Garantie*") connected to the Relevant Mortgage Receivables which have the benefit of a NHG Guarantee, (i) has been granted for the full Outstanding Principal Amount in respect of the Relevant Mortgage Receivable or a loan-part, (ii) constitutes legal, valid, and binding obligations

of Stichting Waarborgfonds Eigen Woningen, enforceable in accordance with their terms, (iii) all terms and conditions ("*voorwaarden en normen*") applicable to the NHG Guarantee at the time of origination of the Relevant Mortgage Loans were complied with and (iv) the relevant Seller is not aware of any reason why any claim under any NHG Guarantee granted by Stichting Waarborgfonds Eigen Woningen in respect of any Relevant Mortgage Receivable should not be met in full and in a timely manner.

- (17) The Borrowers have been committed in the Mortgage Conditions relating to the Relevant Mortgage Loans to take out a building insurance policy ("*opstalverzekering*") for the full reinstatement value ("*herbouwwaarde*") at the time the Relevant Mortgage Loan was advanced.
- (18) Other than the aggregate Construction Amounts under construction mortgage loans ("*bouwhypotheke*"), all Relevant Mortgage Loans have been fully disbursed.
- (19) Payments in respect of the Relevant Mortgage Loans are made in arrear in monthly instalments by direct debit.
- (20) The aggregate Outstanding Principal Amount in respect of all Relevant Mortgage Receivables is equal to the amount indicated in the relevant Supplemental Prospectus on the Portfolio Cut-Off Date.
- (21) No amount is held in respect of all Relevant Mortgage Loans in deposit with respect to premia and interest payments ("*rente- en premiedepots*").
- (22) The notarial mortgage deeds ("*minuut*") relating to the mortgage rights are kept by a civil law notary at the time of execution of the deed and the relevant Seller is not aware that such notarial mortgage deeds are not kept by a civil law notary in the Netherlands, while the loan files, which include authenticated copies of the notarial mortgage deeds, and which loan files could be in electronic form are kept by or to the order of the relevant Seller or, as the case may be, the Issuer or the Security Trustee.
- (23) To the best of its knowledge, the relevant Borrowers are not in any material breach of any provision of their Relevant Mortgage Loans.
- (24) The Mortgage Conditions relating to the Relevant Mortgage Loans provide that all payments by the Borrower should be made without any deduction or set-off.
- (25) Each Relevant Mortgage Loan constitutes the entire loan granted to the relevant Borrower that is secured by the Mortgage and not merely one or more loan parts ("*leningdelen*").
- (26) The aggregate Construction Amounts in respect of all Relevant Mortgage Receivables did not exceed the amount indicated in the relevant Supplemental Prospectus on the Portfolio Cut-Off Date.
- (27) The particulars of each Relevant Mortgage Receivable, as set forth in the list of Mortgage Receivables attached to the Deed of Sale, Assignment and Pledge to be executed on the relevant Issue Date and to be deposited with the civil-law notary, are true, correct and complete in all material respects.
- (28) All Relevant Mortgage Receivables secured by a Mortgage on a long lease ("*erfpacht*") provide that the Outstanding Principal Amount of the Relevant Mortgage Receivable, including interest, will become immediately due and payable if the long lease terminates, if the leaseholder materially breaches or ceases to perform its payment obligation under the long lease ("*canon*") or if the leaseholder in any other manner breaches the conditions of the long lease.
- (29) It has no Other Claim vis-à-vis any relevant Borrower.
- (30) It has not accepted any deposits from the relevant Borrowers and does not have any current account relationship with such Borrowers.

Eligibility Criteria

- A. On the relevant Issue Date, each of the Mortgage Loans and Mortgage Receivables of each Pool will meet following criteria ("**Eligibility Criteria A**"):
 - (a) the Mortgages Loans are in one of the following forms:
 - (1) Life Mortgage Loans ("*levenhypotheke*"),
 - (2) Savings Mortgage Loans ("*sparhypotheke*"),
 - (3) Investment Mortgage Loans ("*beleggingshypotheke*"),
 - (4) Annuity Mortgage Loans ("*annuïteiten hypotheke*"),
 - (5) Interest-only Mortgage Loans ("*aflossingsvrije hypotheke*") which may include Bridge Mortgage Loans ("*overbruggingshypotheke*"),
 - (6) Linear Mortgage Loans ("*lineaire hypotheke*"); or
 - (7) a combination of any of the above mentioned types of mortgage loans ("*combinatiehypotheke*");
 - (b) the Borrower is a resident of the Netherlands;
 - (c) each Mortgage Loan is covered by a first ranking and sequentially lower ranking rights of mortgage on property situated in the Netherlands together with, in case of a Mortgage Loan which qualifies as a Bridge Mortgage

Loan, a mortgage right on the other mortgaged assets owned by the relevant Borrower for a certain period of time;

- (d) no amounts due and payable under any of the Mortgage Receivables were in arrear for more than one payment of interest and/or redemption and, as the case may be, in respect of an Insurance Policy with the exception of Mortgage Loans that were originated one month preceding the relevant Portfolio Cut-Off Date or, in respect of New Mortgage Receivables or Further Advance Receivables originated in the calendar month preceding the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date immediately preceding a Quarterly Payment Date;
 - (e) except for Mortgage Loans originated one month preceding the relevant Issue Date or, in respect of New Mortgage Receivables and Further Advance Receivables originated in the calendar month preceding the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date immediately preceding a Quarterly Payment Date, at least one (interest) payment has been made;
 - (f) the Mortgaged Asset had to be occupied by the Borrower at and after the time of origination. No consent for residential letting of the mortgaged property has been given by or on behalf of any of the relevant Sellers;
 - (g) the interest rate on each Mortgage Loan is a fixed rate, subject to an interest reset from time to time, or a variable rate;
 - (h) interest payments on the Mortgage Loans are scheduled to be made monthly in arrear by direct debit;
 - (i) in respect of all Interest-only Mortgage Loans, or in the case of a combination of types of mortgage loans, the Outstanding Principal Amount of the interest-only loan part, did not exceed 100 per cent. of the loan-to-foreclosure value of the mortgaged property upon creation of the relevant Mortgage Loan and in case of Star Mortgage Loans 128 per cent. of the loan-to-foreclosure value of the mortgaged property upon creation of the relevant Mortgage Loan;
 - (j) the Mortgage Receivables resulting from Mortgage Loans originated by Quion 20 do not result from Further Advances; and
 - (k) the Borrower is not an employee of any of the Sellers or any of its group companies, unless stated otherwise in the relevant Supplemental Prospectus;
 - (l) no Mortgage Receivable will have a legal maturity beyond the date specified in the relevant Supplemental Prospectus;
 - (m) the Outstanding Principal Amount in respect of each Mortgage Receivable, or of all Mortgage Receivables secured on the same Mortgaged Assets together, did not exceed the Maximum LTFV Percentage upon origination of the Mortgage Loan or Mortgage Loans, as the case may be;
 - (n) each Mortgage Loan, or all Mortgage Loan secured on the same Mortgaged Asset, has an Outstanding Principal Amount of not more than the Maximum Outstanding Principal Amount set out in the relevant Supplemental Prospectus;
- B. Any adjustments to the Eligibility Criteria A, or any additional criteria applicable to the related Pool as set forth in the relevant Supplemental Prospectus and Deed of Sale, Assignment and Pledge will apply (**'Eligibility Criteria B'**).

Eligibility Criteria A and B are together the '**Relevant Eligibility Criteria**'.

The same Relevant Eligibility Criteria apply also to the selection of New Mortgage Receivables and Further Advance Receivables unless stated otherwise.

Repurchase of Mortgage Receivables

If at any time any of the representations and warranties relating to the Relevant Mortgage Loans and the Relevant Mortgage Receivables proves to have been untrue or incorrect in any material respect, the relevant Seller will within 14 days of having knowledge of such breach or receipt of written notice thereof from the Issuer or the Security Trustee remedy the matter giving rise thereto and if such matter is not capable of remedy or is not remedied within those 14 days, the relevant Seller will repurchase and accept re-assignment of the Relevant Mortgage Receivable on the immediately succeeding Mortgage Payment Date following the expiration of the relevant remedy period.

The relevant Seller will undertake to repurchase and accept re-assignment of a Relevant Mortgage Receivable if it agrees with a Borrower to amend the terms of the Relevant Mortgage Loan upon the request of a Borrower and as a result thereof the Relevant Mortgage Loan no longer meets each of the Relevant Eligibility Criteria and the representations and warranties of the Mortgage Receivables Purchase Agreement or which as a result changes the

interest rate of the Mortgage Loan. For the avoidance of doubt, the relevant Seller will not change the interest rate unless upon the request of a Borrower (other than in respect of Reset Mortgage Receivables).

The relevant Seller will undertake to repurchase and accept re-assignment of a Relevant Mortgage Receivable on the immediately succeeding Mortgage Payment Date if a Further Advance is granted by the relevant Seller during a Quarterly Calculation Period and the Issuer does not purchase and accept assignment of the relevant Further Advance Receivable on the Mortgage Payment Date immediately succeeding such Quarterly Calculation Period.

The relevant Seller will undertake in respect of Mortgage Loans originated within one calendar month prior to the Relevant Mortgage Receivable is sold and assigned to the Issuer, to repurchase and accept re-assignment of a Relevant Mortgage Receivable, a New Mortgage Receivable or a Further Advance Receivable, if the relevant Borrower fails to pay the first three interest instalments due in respect thereof on the Mortgage Payment Date immediately following such failure.

The relevant Seller will undertake to repurchase and accept re-assignment of the Relevant Mortgage Receivable if a NHG Mortgage no longer has the benefit of a NHG Guarantee on the Mortgage Payment Date immediately following the date on which the Relevant Mortgage Loan ceases to have the benefit of the NHG Guarantee.

The relevant Seller will undertake to repurchase and accept re-assignment of the Relevant Mortgage Receivables resulting from NHG Mortgage Loans, on the Mortgage Payment Date immediately following the date on which a formal request for payment under the NHG Guarantee in respect of a NHG Mortgage Loan has been made and *Stichting Waarborgfonds Eigen Woningen* refuses to pay the full amount so requested.

The Issuer will sell and assign to Quion 20 a Mortgage Receivable originated by Quion 20 pursuant to the Mortgage Receivables Purchase Agreement if on an interest reset date of such Mortgage Loan the relevant Borrower decides to accept the interest rate of another lender and such lender prefers to take over the existing Relevant Mortgage Loan rather than granting a new mortgage loan to such Borrower.

The relevant Seller will undertake to repurchase and accept re-assignment of the Relevant Mortgage Receivables if the Clean-up Call Option is exercised on any relevant Quarterly Payment Date.

Finally, each of the relevant Sellers may, at its option and its sole discretion, on a Mortgage Payment Date repurchase and accept re-assignment of any relevant Delinquent Mortgage Receivable.

In the case of a repurchase and re-assignment the price will be equal to the relevant Outstanding Principal Amount together with interest accrued up to but excluding the date of purchase and re-assignment of the Relevant Mortgage Receivable.

Moreover, the relevant MPT Provider or a third party selected by the Issuer (or its agent) will within three months after the Servicing Advance having been granted, purchase and accept assignment of Excess Mortgage Receivables relating to a Pool of Mortgage Receivables for a price equal to the aggregate Outstanding Principal Amount of such Excess Mortgage Receivables, increased with accrued but unpaid interest thereon. At the request of the relevant Hedging Counterparty, the Issuer will stipulate as a condition for the sale of the relevant Excess Mortgage Receivables that the relevant part of the relevant Hedging Agreement will be novated to the purchaser of such Excess Mortgage Receivables. The purchase price for the relevant Excess Mortgage Receivables shall be set-off against the Issuer's obligation to repay the relevant Servicing Advance provided by the relevant MPT Provider or, as the case may be, such third party.

Notification Events

The Mortgage Receivables Purchase Agreement provides that if, *inter alia*:

- (a) a default is made by any of the relevant Sellers in the payment on the due date of any amount due and payable by it under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party to the extent relating to the relevant Pool and such failure is not remedied within 5 business days after having knowledge of such failure or notice thereof has been given by the Issuer or the Security Trustee to the relevant Seller; or

- (b) any of the relevant Sellers fails duly to perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party to the extent relating to the relevant Pool, and if such failure is capable of being remedied, such failure is not remedied within 10 business days after having knowledge of such failure or notice thereof has been given by the Issuer or the Security Trustee to the relevant Seller; or
- (c) any of the relevant Initial Sellers takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ('*ontbinding*') and liquidation ('*vereffening*') or legal demerger ('*juridische splitsing*') involving the relevant Seller or its assets are placed under administration ('*onder bewind gesteld*'); or
- (d) any of the relevant Initial Sellers has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into suspension of payments or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (e) a Collection Foundation has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into suspension of payments or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it; or
- (f) a Trustee Notification Event occurs to the extent relating to the relevant Pool,

then, and at any time thereafter, the relevant Seller or Sellers will unless (but not in the case of the events mentioned under (c) and (d)) within a period of 10 business days an appropriate remedy to the satisfaction of the Security Trustee is found, after having received confirmation from the relevant Rating Agencies that no notice will not result in a downgrade of the then current ratings assigned to the relevant Put Option Notes of the relevant Compartment(s) forthwith notify the relevant Borrowers of the relevant Pool or, as the case may be, the relevant Pools, the relevant Insurance Companies and any other relevant parties indicated by the Issuer and/or the Security Trustee of the assignment of the relevant Mortgage Receivables and the Beneficiary Rights relating thereto of such Pool to the Issuer or, at its option, the Issuer will be entitled to make such notifications itself.

In addition, pursuant to the relevant Beneficiary Waiver Agreement, each of the relevant Sellers will undertake to use its best efforts following a Notification Event to obtain the cooperation from all relevant parties (including the relevant Life Insurance Companies) to (a) waive its rights as beneficiary and (b) appoint (i) the Issuer subject to the dissolving condition of a Trustee Notification Event and (ii) the Security Trustee under the condition precedent of the occurrence of a Trustee Notification Event as first beneficiary under the relevant Insurance Policies. For the situation that a Borrower Insurance Proceeds Instruction exists, each of the relevant Sellers and the relevant Savings Insurance Companies will in the relevant Beneficiary Waiver Agreement undertake to use their best efforts, following a Notification Event to obtain the cooperation of all relevant parties to change the payment instruction in favour of (i) the Issuer subject to the dissolving condition of a Trustee Notification Event and (ii) the Security Trustee under the condition precedent of the occurrence of a Trustee Notification Event.

Purchase of New Mortgage Receivables

The Mortgage Receivables Purchase Agreement provides that the Issuer will apply in respect of each Pool the relevant Purchase Available Amount on any Pre-funding Purchase Date during the Pre-funding Period and, thereafter, on any Mortgage Payment Date immediately preceding a Quarterly Payment Date up to and including the Quarterly Payment Date immediately preceding the Final Maturity Date relating to such Pool, to purchase any New Mortgage Receivables from the relevant Seller if and to the extent offered by such Seller in respect of such Pool. The Initial Purchase Price payable by the Issuer as consideration for any New Mortgage Receivables will be equal to the aggregate of the Outstanding Principal Amount of such New Mortgage Receivables on the first day of the month of the relevant Pre-funding Purchase Date or relevant Mortgage Payment Date immediately preceding a Quarterly Payment Date. The Issuer will be entitled to all proceeds in respect of the relevant New Mortgage Receivables following such assignment as of the first day of the month of the relevant Pre-funding Purchase Date or the relevant Quarterly Payment Date.

The purchase by the Issuer of New Mortgage Receivables from a Seller of that Pool will be subject to a number of conditions, which include, *inter alia*, the conditions that on the relevant date of completion of the sale and purchase of such New Mortgage Receivables (the "**NMR-Conditions**"):

- (a) each relevant Seller will represent and warrant to the Issuer and the Security Trustee the matters set out in the clauses providing for the representations and warranties relating to the Relevant Mortgage Loans, the Relevant

Mortgage Receivables and the relevant Seller in the Mortgage Receivables Purchase Agreement (as modified in the relevant Final Terms) with respect to (and to the extent required, modified for) the relevant New Mortgage Receivables sold and relating to the relevant Seller;

- (b) no Notification Event relating to the relevant Compartment and Pool has occurred and is continuing;
- (c) there has been no failure by the relevant Seller to repurchase any Mortgage Receivable of the relevant Compartment and Pool which it is required to repurchase pursuant to the Mortgage Receivables Purchase Agreement;
- (d) the Purchase Available Amount of the relevant Pool is sufficient to pay the Initial Purchase Price for the relevant New Mortgage Receivables;
- (e) the Beneficiary Rights relating to such New Mortgage Receivables are assigned to the Issuer; and
- (f) If applicable, any other purchase condition set out in the Supplemental Prospectus.

Purchase of Further Advance Receivables

The Mortgage Receivables Purchase Agreement provides that if any of the relevant Sellers decides to grant a Further Advance to a Borrower upon the request of such Borrower, the Issuer will purchase the relevant Further Advance Receivable on each Mortgage Payment Date immediately preceding a Quarterly Payment Date in respect of each Pool, subject to a number of conditions which include *inter alia* the conditions that on the relevant date of completion of the sale and purchase of the relevant Further Advance Receivables (the "**FAR-Conditions**"):

- (a) the relevant Seller will represent and warrant to the Issuer and the Security Trustee the matters set out in the clauses providing for the representations and warranties relating to the Mortgage Loans, the Mortgage Receivables and the relevant Seller in the Mortgage Receivables Purchase Agreement with respect to (and to the extent relevant and to the extent required, modified for) the Further Advance and the Further Advance Receivables sold and relating to the relevant Seller;
- (b) no Notification Event relating to the relevant Compartment and Pool has occurred and is continuing;
- (c) there has been no failure by the relevant Seller to repurchase any Mortgage Receivable of the relevant Compartment and Pool which it is required to repurchase pursuant to the Mortgage Receivables Purchase Agreement;
- (d) the Principal Available Amount of the relevant Pool is sufficient to pay the Initial Purchase Price for the relevant Further Advance Receivables;
- (e) the Beneficiary Rights relating to such Further Advance Receivables are assigned to the Issuer; and
- (f) if applicable any other purchase condition set out in the Supplemental Prospectus.

The Initial Purchase Price payable by the Issuer for any Further Advance Receivables will be equal to the aggregate of the aggregate Outstanding Principal Amount of the relevant Further Advance Receivables as at first day of the month of the relevant Mortgage Payment Date immediately preceding a Quarterly Payment Date. The Issuer will be entitled to all proceeds in respect of the Further Advance Receivables following such assignment as of the first day of the month of the relevant Mortgage Payment Date immediately preceding a Quarterly Payment Date.

ISSUER SERVICES AGREEMENT

In the Issuer Services Agreement the MPT Provider (i) will agree to provide mortgage payment transactions and other services to the Issuer on a day-to-day basis in relation to the Mortgage Loans and the Mortgage Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Mortgage Loans and (ii) will agree to provide the implementation of arrears procedures including the enforcement of mortgage rights. The MPT Provider will be obliged to provide the mortgage payment transactions and other services as set out above in respect of the Mortgage Loans and the Mortgage Receivables at the same level of skill, care and diligence as mortgage loans in its own portfolio. The MPT Provider should have a licence under the (new) Financial Services Act (*'Wet financiële dienstverlening'*) in order to ensure that the Issuer benefits from the exemption under the Financial Services Act to have a licence under the Financial Services Act itself. The MPT Provider has submitted an application for a licence under the Financial Services Act with the AFM in Amsterdam. Granting of a permanent licence can take up to one year, which period can be extended (two times) with a half year (each time). However, the MPT Provider has been provided by the AFM with a temporary licence. The Issuer has been advised that the temporary licence of the MPT Provider is sufficient to be exempted from the licence requirement of the Financial Services Act (see *Risk Factors* above).

The MPT Provider will, in accordance with the Issuer Services Agreement, appoint Stater as its sub-agent to carry out the activities, other than the Defaulted Loan Services, in respect of the Mortgage Loans originated by GMAC RFC Nederland and part of the Mortgage Loans originated by Atlas Funding upon the terms and provisions of and in accordance with the subcontract to be entered into between the MPT Provider and Stater in respect of the relevant Mortgage Loans. Stater will accept this appointment and, in addition, will commit itself, in favour of the Issuer, to carry out the activities subject to and on the terms provided in the Issuer Services Agreement, in the case of a default by the MPT Provider of its obligations to provide the MPT Services and the Defaulted Loan Services. The MPT Provider will in accordance with the Issuer Services Agreement appoint Quion Hypotheekbemiddeling to perform the MPT Services and the Defaulted Loan Services in respect of the Mortgage Loans originated by Quion 20 and the other part of the Mortgage Loans originated by Atlas Funding. Quion Hypotheekbemiddeling will accept the appointment and, in addition, will commit itself to perform such activities in respect of the relevant Mortgage Receivables in favour of the Issuer subject and in accordance with the terms provided in the Issuer Services Agreement, in the case of a default by MPT Provider under the Issuer Services Agreement. The Issuer and the Security Trustee will consent to the appointment of Stater and Quion Hypotheekbemiddeling as sub-agent.

Furthermore, in case the Put Option in respect of any of the Put Option Notes of a Compartment is exercised (see above under Condition of the Notes 6(d)) or the then current ratings assigned to the Put Option Notes of such Compartment are not confirmed as of a Put Date, the MPT Provider (but not its sub-agent) will grant the Issuer a Servicing Advance in an amount equal to the aggregate Principal Amount Outstanding of the Put Option Notes which are subject to redemption, less the aggregate Principal Shortfall in respect of such Put Option Notes, if any, after applying the Notes Redemption Available Amount in respect of such date, to enable the Issuer to redeem such Put Option Notes on such Put Date. If the MPT Provider does not confirm that it will provide the Servicing Advance on the relevant Put Date on ultimately 42 days prior to such Put Date, the Issuer (or its agent) will within 14 days approach and request third parties to (i) grant the relevant Servicing Advance in respect of that relevant Put Date and in respect of one or more subsequent Put Dates and (ii) purchase the Excess Mortgage Receivables, on terms substantially the same as set out in the Issuer Services Agreement. Upon giving the Servicing Advance the MPT Provider (or any other party providing the Servicing Advance) has the right to acquire the Excess Mortgage Receivables on the relevant Put Date at a price equal to their Outstanding Principal Amounts, plus accrued but unpaid interest up to the relevant Put Date. The proceeds of such sale will be applied towards the repayment of the Servicing Advance by way of set off. At the request of the relevant Hedging Counterparty, the Issuer will stipulate as a condition for the sale of the Excess Mortgage Receivables that the relevant part of the relevant Hedging Agreement will be novated to the purchaser of the Excess Mortgage Receivables.

The Issuer Administrator will in the Issuer Services Agreement agree to provide certain administration, calculation and cash management services to the Issuer, including (a) the direction of amounts received by the Sellers to the relevant Collection Accounts and the production of monthly reports in relation thereto, (b) drawings (if any) to be made by the Issuer from the relevant Reserve Account and under the relevant Liquidity Facility Agreement, if any, (c) all payments to be made by the Issuer under the relevant Hedging Agreements and any of the other Relevant Documents, (d) all payments to be made by the Issuer under the Notes of the relevant Compartment in accordance with the Conditions of

the Notes and in respect of the relevant Sub-Participation Agreement, (e) the maintaining of all required ledgers in connection with the above and (f) all calculations to be made pursuant to the Conditions of the Notes of the relevant Compartment.

Each Pool will need to be serviced on a segregated basis and the MPT Provider and the Issuer Administrator will be required to be able to identify which Mortgage Loans and Mortgages are allocable to each Compartment.

Termination

The appointment of the MPT Provider and/or the Issuer Administrator under the Issuer Services Agreement may be terminated by the Security Trustee in certain circumstances, including (a) if the MPT Provider and/or the Issuer Administrator are in default of payment on the due date of any payment due and payable by either of them under the Issuer Services Agreement and such default continues unremedied for a period of fourteen (14) days after the earlier (i) of the MPT Provider and/or the Issuer Administrator becoming aware of such default and (ii) receipt by the MPT Provider and/or the Issuer Administrator of written notice by the Issuer or the Security Trustee requiring the same to be remedied, (b) if the MPT Provider and/or the Issuer Administrator are in default of performance or observance of any of its other covenants and obligations under the Issuer Services Agreement, which in the opinion of the Security Trustee is materially prejudicial to the interests of the Secured Parties and (except where, in the reasonable opinion of the Security Trustee, such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned will be required) such default continues unremedied for a period of fourteen (14) days after the earlier of (i) the MPT Provider and/or the Issuer Administrator becoming aware of such default and (ii) receipt by the MPT Provider and/or the Issuer Administrator of written notice from the Security Trustee requiring the same to be remedied, (c) the MPT Provider or the Issuer Administrator takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ('*ontbinding*') and liquidation ('*vereffening*'), (d) the MPT Provider or the Issuer Administrator has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into suspension of payments or for bankruptcy or has become subject to any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of its or any or all of its assets, or (e) at any time it becomes unlawful for the MPT Provider or the Issuer Administrator to perform all or a material part of its obligations hereunder or (f) the MPT Provider ceases to have a license under the Financial Services Act ('*Wet Financiële Dienstverlening*').

In such events, the Security Trustee and the Issuer shall use their best efforts to appoint a substitute mpt provider and/or issuer administrator and such substitute mpt provider and/or issuer administrator shall enter into an agreement with the Issuer and the Security Trustee substantially on the terms of the Issuer Services Agreement, provided that such substitute mpt provider and/or issuer administrator shall have the benefit of a fee at a level to be then determined. Any substitute mpt provider is obliged to (i) have experience of administering mortgage loans and mortgages of residential property in the Netherlands and (ii) hold a licence under the Financial Services Act ('*Wet Financiële Dienstverlening*'). The Issuer shall, promptly following the execution of such agreement, pledge its interest in such agreement in favour of the Security Trustee on the terms of the Trustee Assets Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

The appointment of the MPT Provider and/or the Issuer Administrator under the Issuer Services Agreement may be terminated by the MPT Provider and/or the Issuer Administrator upon the expiry of not less than 12 months' notice of termination given by the MPT Provider and/or the Issuer Administrator to each of the Issuer and the Security Trustee provided that – *inter alia* – (a) the Security Trustee consents in writing to such termination and (b) a substitute mpt provider and/or issuer administrator shall be appointed, such appointment to be effective no later than the date of termination of the Issuer Services Agreement.

The MPT Provider and/or the Issuer Administrator shall not be released from its obligations under the Issuer Services Agreement until a substitute mpt provider and/or issuer administrator has entered into such new agreement.

Each of the Sellers will undertake in the Mortgage Receivables Purchase Agreement to set the interest rates of Mortgage Loans as agent of the Issuer or, as the case may be, the Security Trustee in accordance with its then prevailing procedures and on a certain level. Each of the Security Trustee and the Issuer may terminate the appointment of the relevant Seller as agent of the Issuer to determine and set the rates of interest at any time. The Issuer may undertake vis-à-vis a Hedging Counterparty of a Compartment that in case (i) the senior unsecured, unsubordinated and unguaranteed debt obligations of Residential Capital, LLC is lower than or is withdrawn in respect of any two of the following ratings: BB- or its equivalent by S&P or Ba3 or its equivalent by Moody's or BB- or its equivalent by Fitch or (ii) the relevant Initial Seller ceases to be a wholly owned indirect subsidiary of Residential Capital, LLC and thereafter the rating assigned to the senior unsecured, unsubordinated and unguaranteed debt

obligations of the relevant Initial Seller or the entity of which the relevant Initial Seller becomes a wholly owned (indirect) subsidiary is lower than or is withdrawn in respect of any of the following ratings: BB- or its equivalent by S&P or Ba3 or its equivalent by Moody's or BB- or its equivalent by Fitch then the Issuer will terminate the appointment of the relevant Initial Seller and will appoint such Hedging Counterparty to determine and set the rates of interest in accordance with the Mortgage Conditions in respects of the Mortgage Receivables of the related Pool. The MPT Provider will undertake in the Issuer Services Agreement that it will comply with such obligations.

SUB-PARTICIPATION AGREEMENTS

On each Issue Date, the Issuer will enter into a Sub-Participation Agreement with, *inter alia*, the Savings Insurance Companies in respect of a Pool under which the Issuer will grant to each of the Savings Insurance Companies a sub-participation in the relevant Savings Mortgage Receivables and, as the case may be, Life Mortgage Receivables with a Savings Element of a Pool. Each of the Savings Insurance Companies will undertake to pay to the Issuer:

- (i) (a) on the relevant Issue Date or (b) on the relevant Quarterly Payment Date or the relevant Pre-funding Purchase Date, in the case of purchase and assignment of New Mortgage Receivables or Further Advance Receivables which qualify as Savings Mortgage Receivables or, as the case may be, new Life Mortgage Receivables with a Savings Element or (c) on the relevant Mortgage Payment Date, in the case of a switch from any type of a Mortgage Loan other than a Life Mortgage Loan with a Savings Element or a Savings Mortgage Loan, into a Savings Mortgage Loan or a switch to a Life Mortgage Loan with a Savings Element, the relevant Initial Participation; and
- (ii) on each relevant Mortgage Payment Date an amount equal to the amount received by the Savings Insurance Company as Savings Premium during the relevant Mortgage Calculation Period then ended in respect of the relevant Savings Insurance Policies or, as the case may be, Life Insurance Policies with a Savings Alternative connected to the Mortgage Receivables of the relevant Pool,

provided that in respect of each Savings Mortgage Receivable or, as the case may be, each Life Mortgage Receivable with a Savings Element no amounts will be paid to the extent that, as a result thereof, the relevant Participation in such Savings Mortgage Receivable or, as the case may be, Life Mortgage Receivable with a Savings Element would exceed the Participation Maximum Amount.

In consideration of such payments the Savings Insurance Company will acquire a Participation in each of the relevant Savings Mortgage Receivables and as the case may be, Life Mortgage Receivables with a Savings Element of the relevant Pool, which is equal to the relevant Initial Participation in respect of the relevant Savings Mortgage Receivable or, as the case may be, relevant Life Mortgage Receivable with a Savings Element increased during each Mortgage Calculation Period with the relevant Monthly Participation Increase.

In consideration for the undertaking of the relevant Savings Insurance Company described above, the Issuer will undertake to pay to the relevant Savings Insurance Company on each Mortgage Payment Date the relevant part of the relevant Participation Redemption Available Amount.

For the avoidance of doubt, the relevant Participation in a Savings Mortgage Receivable or a Life Mortgage Receivable with a Savings Element will not terminate in case a Savings Mortgage Loan switches in whole or in part to another type of Mortgage Loan or, as the case may be, a Life Mortgage Loan with a Savings Element switches to the Unit-Linked Alternative. GMAC RFC Nederland and the Savings Insurance Companies will agree in the relevant Sub-Participation Agreement that upon such switch becoming effective GMAC RFC Nederland will acquire the relevant Participation from the relevant Savings Insurance Company. Besides this, as a result of the switch, the relevant Participation will no longer be increased with the relevant Monthly Participation Increase and GMAC RFC Nederland will be entitled to the *pro rata* part of the interest received by the Issuer in respect of the relevant Savings Mortgage Receivable or relevant Life Mortgage Receivable with a Savings Element on each Mortgage Payment Date.

Reduction of Participation

If:

- (i) a Borrower invokes a defence, including a right of set-off or a counterclaim against any person in respect of the relevant Savings Mortgage Receivables or, as the case may be, relevant Life Mortgage Receivables with a Savings Element of a Pool based upon a default in the performance, whether in whole or in part or for any reason, by the relevant Savings Insurance Company of its obligations under the relevant Savings Insurance Policy or, as the case may be, relevant Life Insurance Policy with a Savings Alternative; or
- (ii) any of the Sellers fails to pay any amount due by it to the Issuer in accordance with the Mortgage Receivables Purchase Agreement in respect of a Savings Mortgage Receivable or a Life Mortgage Receivable with a Savings Element of a Pool;

and, as a consequence thereof, the Issuer will not have received any amount outstanding prior to such event in respect of such Savings Mortgage Receivables or Life Mortgage Receivables with a Savings Element of such Pool, the relevant Participation of the relevant Savings Insurance Company in respect of such Savings Mortgage Receivables or such Life Mortgage Receivables with a Savings Element of such Pool, will be reduced by an amount equal to the amount which the Issuer has failed to so receive.

Enforcement Notice

If an Enforcement Notice in respect of the relevant Compartment is given by the Security Trustee to the Issuer, then and at any time thereafter the Security Trustee on behalf of the relevant Savings Insurance Companies may, and if so directed by the relevant Savings Insurance Companies shall, by notice to the Issuer:

- (i) declare that the obligations of the relevant Savings Insurance Companies under the relevant Sub-Participation Agreement are terminated; and
- (ii) declare the relevant Participation to be immediately due and payable, whereupon it will become so due and payable, but such payment obligations will be limited to the relevant Participation Redemption Available Amount received or collected by the Issuer or, in the case of enforcement, the Security Trustee under the relevant Savings Mortgage Receivables or the relevant Life Mortgage Receivables with a Savings Element.

Termination

If one or more of the Savings Mortgage Receivables or the Life Mortgage Receivables with a Savings Element of a Pool are (i) repurchased by the relevant Seller from the Issuer pursuant to the Mortgage Receivables Purchase Agreement or (ii) sold by the Issuer to the MPT Provider or a third party pursuant to the Issuer Services Agreement and the relevant Trust Deed in connection with a Put Date, the relevant Participation in such Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element will terminate and the relevant Participation Redemption Available Amount in respect of the Savings Mortgage Receivables and, as the case may be, the Life Mortgage Receivables with a Savings Element will be paid by the Issuer to the relevant Savings Insurance Companies. The Issuer will, if so requested by the relevant Savings Insurance Companies, undertake to use its reasonable efforts to ensure that the acquirer of such Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element will enter into a sub-participation agreement with the relevant Savings Insurance Companies in a form similar to the relevant Sub-Participation Agreement. Furthermore, the Participation envisaged in the relevant Sub-Participation Agreement will terminate if at the close of business of any Mortgage Payment Date the relevant Savings Insurance Company has received the relevant Participation in respect of the relevant Savings Mortgage Receivables or the Life Mortgage Receivables with a Savings Element.

HEDGING AGREEMENTS

The description of the Hedging Agreements set out below applies if all of the Notes of a Compartment are floating rate from the relevant Issue Date. If that is not the case, or if the description below does not apply to a Compartment, the description of the relevant alternative will be set out in the Supplemental Prospectus.

The majority of the Mortgage Loans in a Pool will carry fixed rates of interest and others will carry floating rates of interest while the Notes of a Compartment will carry floating rates of interest. The Issuer will enter into one or more Hedging Agreements in respect of a Pool in order to mitigate the interest rate exposure arising from its Mortgage Loans carrying fixed rates of interest and its floating rate payment obligations under the Notes of the related Compartment.

Under each Swap Transaction in relation to a Compartment, the relevant Swap Counterparty will receive from the Issuer, in respect of each relevant Floating Rate Interest Period, an amount calculated by reference to a specified fixed swap rate multiplied by the Notional Amount and the Issuer will receive from the relevant Swap Counterparty, in respect of each Floating Rate Interest Period, an amount calculated by reference to Euribor, with a designated maturity of 3 months, multiplied by the Notional Amount.

If the amortisation rate of the Notional Amount of the Swap Transaction varies from the expected rate of amortisation, the Notional Amount of the Swap Transaction will be adjusted in accordance with the relevant Swap Agreement and a Notional Adjustment Payment will be due to or from the Issuer on the next Quarterly Payment Date. If the amount of the Prepayment Penalties received by the Issuer on any Quarterly Payment Date is less than the aggregate Notional Adjustment Payment due but unpaid by the Issuer, the difference will form part of the Swap Subordinated Amount to be paid under item (q) of the relevant Interest Priority of Payments.

On each Quarterly Payment Date, the Issuer will enter into a Reset Swap Agreement to mitigate the potential interest rate exposure arising from the Reset Mortgage Receivables in respect of which the rate of interest has been reset in the Quarterly Calculation Period preceding such Quarterly Payment Date. If the amortisation rate of the Notional Amount of a Reset Swap Agreement varies from the expected rate of amortisation, a Notional Adjustment Payment may be due to or from the Issuer on the next Quarterly Payment Date. If the amount of the Prepayment Penalties received by the Issuer on any Quarterly Payment Date is less than the Notional Adjustment Payment due but unpaid by the Issuer, the difference will form part of the Swap Subordinated Amount to be paid under item (q) of the relevant Interest Priority of Payments.

Each Hedging Agreement entered into by the Issuer in respect of the Notes of a Compartment will be documented under an ISDA Master Agreement and will be an over-the-counter-transaction negotiated at arm's length between the Issuer and the relevant Hedging Counterparty. The Hedging Agreements may be terminated in accordance with Events of Default and Termination Events (each as defined in the relevant Hedging Agreement). Each Hedging Agreement will be terminable by one party if (i) an applicable Event of Default or Termination Event (as defined therein) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the relevant Hedging Agreement or (iii) an Enforcement Notice is served. Events of Default under the Hedging Agreements in relation to the Issuer will be limited to (i) non-payment under the relevant Hedging Agreement and (ii) certain insolvency events.

Subject to the satisfaction of certain conditions, upon a redemption in full of all Classes of Notes, the Issuer, the MPT Provider and each Hedging Counterparty will enter into a novation agreement with respect to the Hedging Agreements and no payments will be due to or from the Issuer thereupon. In the event that such conditions are not met and the Notes are redeemed in full pursuant to Conditions of the Notes 6(d) and (f), the Issuer and each Hedging Counterparty will be entitled to terminate the Hedging Agreements and (subject to the Swap Counterparty's option to match the rate offered by the replacement counterparty), the Issuer will be entitled to terminate any Hedging Agreement after each Put Date if, *inter alia*, (i) the fixed swap rate to be paid by the Issuer under that Hedging Agreement is increased and (ii) a replacement counterparty with the Required Hedging Counterparty Rating has agreed to enter into a replacement Hedging Agreement on the same terms as the Hedging Agreement being terminated, except that the fixed swap rate to be paid by the Issuer is lower.

Upon the early termination of a Hedging Agreement, the Issuer or the relevant Hedging Counterparty may be liable to make a termination payment to the other party. The amount of any termination payment will be based on the market value of the relevant terminated Hedging Agreement. The market value will be based on market quotations of the cost of entering into a transaction that would have the effect of preserving the economic equivalent of the respective full payment obligations of the parties that would but for the occurrence of such early termination have been required after the early termination date.

No Hedging Agreement will provide a guarantee of any level of excess spread. In relation to each Reset Swap Agreement, however, each Hedging Counterparty will agree that the fixed swap rate to be paid by the Issuer will be such that an amount of the Notes Interest Available Amount equal to an excess spread of 0.35 per cent. (or, as the case may be, 0.20 per cent. after the First Put Date) of the aggregate Outstanding Principal Amount of the Reset Mortgage Receivables will remain after deduction of the amounts relating to items (a), (b), (c), (d), (e), (f), (h), (j) and (l) of the Interest Priority of Payments on the first Quarterly Payment Date after the effective date of the relevant Reset Swap Agreement. There is no guarantee that on any Quarterly Payment Date thereafter, the excess spread will be 0.35 per cent. (or, as the case may be, 0.20 per cent. after the First Put Date). Such Swap Counterparty will on the Closing Date agree that it will enter into one or more Reset Swap Agreements.

In the event that the Issuer is required to withhold or deduct an amount in respect of tax from payments due from it to a Hedging Counterparty, the Issuer will not be required pursuant to the terms of the relevant Hedging Agreement to pay the Hedging Counterparty such amounts as would otherwise have been required to ensure that the Hedging Counterparty received the same amounts that it would have received had such withholding or deduction not been made.

In the event that a Hedging Counterparty is required to withhold or deduct an amount in respect of tax from payments due from it to the Issuer, the Hedging Counterparty will be required pursuant to the terms of the relevant Hedging Agreement to pay to the Issuer such additional amounts as are required to ensure that the Issuer receives the same amounts that it would have received had such withholding or deduction not been made.

In either event, the relevant Hedging Counterparty will, if it is unable to transfer its rights and obligations under the relevant Hedging Agreement to another office, at its own cost have the right to terminate such Hedging Agreement. Upon such termination, either the Issuer or the Hedging Counterparty may be liable to make a termination payment to the other party.

If the Issuer receives any Tax Credit resulting from the payment of any withholding tax by such Hedging Counterparty, the Issuer shall pay the cash benefit of such Tax Credit to such Hedging Counterparty (see *Credit Structure*).

A Hedging Counterparty may, at its own discretion and at its own expense, novate its rights and obligations under a Hedging Agreement to any third party provided that, *inter alia*, such third party has the same or equivalent external credit rating as such Hedging Counterparty and that no additional amount will be payable by the Issuer to the Hedging Counterparty or to the transferee as a result of such transfer.

In the event that the relevant rating(s) of a Hedging Counterparty or its guarantor, as applicable, is or are, as applicable downgraded by a Rating Agency below the rating specified in the relevant Hedging Agreement (in accordance with the requirements of that rating agency) for such Hedging Counterparty or its guarantor as applicable the relevant Hedging Counterparty will be required to take certain remedial measures which may include the provision of collateral for its obligations under the relevant swap agreement, arranging for its obligations under the relevant Hedging Agreement to be transferred to an entity with the rating(s) required by the relevant Rating Agency as specified in the relevant Hedging Agreement, procuring another entity with at least the rating(s) required by the relevant Rating Agency as specified in the relevant Hedging Agreement to become co-obligor in respect of its obligations under the relevant Hedging Agreement, or the taking of such other action as it may agree with the relevant Rating Agency.

A failure to take such steps, subject to certain conditions, will give the Issuer a right to terminate the relevant Hedging Agreement.

Any collateral transferred by a Hedging Counterparty in accordance with the provisions set out above which is in excess of its obligations to the Issuer under a Hedging Agreement will be returned to such Hedging Counterparty prior to the distribution of any amounts due to the Noteholders or the other Secured Parties.

The Swap Counterparty has the right on any Put Date to reprice the Hedging Agreements to which it is a party, but such right may only be exercised once (and not on multiple Put Dates). If such repricing results in an increase in the fixed swap rates of more than 0.15 per cent. the excess will form part of the Swap Subordinated Amount.

Furthermore, in the event that on any Quarterly Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts due under any Hedging Agreement, the amount available (if any) shall be paid pro rata to the amounts due to the relevant Hedging Counterparty. To the extent that any amount other than a Swap Subordinated Amount is not paid to a Hedging Counterparty on a Quarterly Payment Date, then failure to pay such shortfall constitutes a "Failure to Pay" under the relevant Hedging Agreement which shall entitle that Hedging Counterparty to terminate the relevant Hedging Agreement. To the extent that any Swap Subordinated Amount is not paid to a Hedging Counterparty on a Quarterly Payment Date, then such shortfall shall be deemed to be due on the next Quarterly Payment Date provided, however, that default interest shall be paid by the Issuer to the Hedging Counterparty on such shortfall from the Quarterly Payment Date on which it was due at the default rate agreed in the relevant Hedging Agreement. Such amount shall rank below all payments of interest to the Noteholders but shall rank higher than the Subordinated Extension Interest Part due to any Class of Notes.

A termination payment to be made by the Issuer to a Hedging Counterparty which arises due to (i) an Event of Default for which the Hedging Counterparty is the Defaulting Party or (ii) the loss of the Required Hedging Counterparty Rating, due to the failure of that Hedging Counterparty to comply with the terms of the relevant Hedging Agreement shall not rank in priority to payments due to any Noteholders (but to the extent that the Issuer receives a premium from any replacement Hedging Counterparty in relation to a transaction entered into to replace that Hedging Agreement, the Hedging Counterparty shall rank in priority to payments due to any Noteholder). If the amount of any premium received by the Issuer from a replacement Hedging Counterparty is less than the amount due to the Hedging Counterparty following an Event of Default in respect of the Hedging Counterparty or termination which arises as a result of the Hedging Counterparty's failure to comply with the requirements under the relevant Hedging Agreement following the loss of the Required Hedging Counterparty Rating, the amount by which the termination payment exceeds the premium payable by the replacement Hedging Counterparty shall be payable on each Quarterly Payment Date (to the extent not previously paid) after payment of all amounts due to the Noteholders has been made on that Quarterly Payment Date. Such amount shall rank below all payments of interest to the Noteholders but shall rank higher than the Subordinated Extension Interest Part due to any Class of Notes.

E-MAC PROGRAM B.V.

The Issuer was incorporated with limited liability under the laws of the Netherlands on 26 October 2006 under number 1397796. The corporate seat ("*statutaire zetel*") of the Issuer is in Amsterdam, the Netherlands. The registered office of the Issuer is at Frederik Roeskestraat 123, 1076 EE Amsterdam and its telephone number is +31 20 5771 177. The Issuer is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 34258908.

The Issuer is a special purpose vehicle, which objectives are (a) to acquire, purchase, conduct the management of, dispose of and encumber receivables ("*vorderingen op naam*") and to exercise any rights connected to such receivables, (b) to take up loans by way of issues of securities or by entering into loan agreements to acquire the assets mentioned under (a), (c) to invest and on-lend any funds held by the Issuer, (d) to hedge interest rate and other financial risks, *inter alia*, by entering into derivative agreements, such as swaps and options, (e) if incidental to the foregoing, to take up loans, *inter alia*, to repay the principal sum of the securities mentioned under (b), and to grant security rights and (f) to perform all activities which are incidental to or which may be conducive to any of the foregoing.

The Issuer has an authorised share capital of euro 90,000, of which euro 18,000 has been issued and is fully paid. All shares of the Issuer are held by Stichting E-MAC Holding.

Stichting E-MAC Holding is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 9 July 2002. The objects of Stichting E-MAC Holding are, *inter alia*, to incorporate, acquire and to hold shares in the share capital of the Issuer and comparable companies and to exercise all rights attached to such shares and to dispose of and encumber such shares. The sole managing director of Stichting E-MAC Holding is ATC Management B.V.

Statement by managing director of the Issuer

Since its incorporation there has been no material adverse change in the financial position or prospects of the Issuer and the Issuer has not (i) commenced operations, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in this Base Prospectus and (ii) been involved in any governmental, legal, arbitration or administrative proceedings which may have a significant effect on the Issuer's financial position or profitability nor, so far as the Issuer is aware, are any such proceedings pending or threatened against the Issuer.

The Issuer has the corporate power and capacity to issue the Notes, to acquire the Mortgage Receivables and to enter into and perform its obligations under the Relevant Documents (see further *Terms and Conditions of the Notes under the Programme* above).

The sole managing director of the Issuer is ATC Management B.V. The managing directors of ATC Management B.V. are J.H. Scholts, G.F.X.M. Nieuwenhuizen, A.G.M. Nagelmaker and J. Lont. The managing directors of ATC Management B.V. have chosen domicile at the office address of ATC Management B.V., being Frederik Roeskestraat 123, 1076 EE Amsterdam. The sole shareholder of ATC Management B.V. is Amsterdam Trust Corporation B.V.

The objectives of ATC Management B.V. are (a) advising of and mediation by financial and related transactions, (b) finance company, and (c) management of legal entities.

Each of the Directors has entered into a management agreement with the entity of which it has been appointed managing director (*statutair directeur*). In these management agreements each of the Directors agrees and undertakes to, *inter alia*, (i) do all that an adequate managing director (*statutair directeur*) should do or should refrain from doing, and (ii) refrain from taking any action detrimental to the obligations under any of the Relevant Documents, or the then current ratings assigned to the Notes under the Programme outstanding. In addition each of the Directors agrees in the relevant management agreement that it will not enter into any agreement in relation to the Issuer other than the Relevant Documents to which it is a party, without the prior written consent of the Security Trustee and after having received written confirmation by the Rating Agencies that there will be no adverse effect on the ratings assigned to the Notes under the Programme outstanding.

The financial year of the Issuer coincides with the calendar year. The first financial year will end on 31 December 2007.

Capitalisation

The following table shows the capitalisation of the Issuer as of the Programme Closing Date:

Share Capital

| | |
|--------------------------|-------------|
| Authorised Share Capital | euro 90,000 |
| Issued Share Capital | euro 18,000 |

DESCRIPTION OF SECURITY

The Issuer will enter into a Parallel Debt Agreement in respect of each Compartment. In each Parallel Debt Agreement, the Issuer will irrevocably and unconditionally undertake to pay to the Security Trustee (each a '**Parallel Debt**') amounts equal to the aggregate amount due ("*verschuldigd*") by the Issuer in respect of each Compartment:

- (i) as fees or other remuneration to the Directors under the Management Agreements to the extent such amounts relate to the relevant Compartment or, if such amounts cannot be attributed to a certain Compartment, such amount for all Compartments multiplied by the relevant Pool Fraction;
- (ii) as fees and expenses to the Issuer Administrator and the MPT Provider under the Issuer Services Agreement to the extent such amounts relate to the relevant Compartment or, if such amounts cannot be attributed to a certain Compartment, such amount for all Compartments multiplied by the relevant Pool Fraction;
- (iii) as fees and expenses to the Paying Agents and the Reference Agent under the Agency Agreement to the extent such amounts relate to the relevant Compartment or, if such amounts cannot be attributed to a certain Compartment, such amount for all Compartments multiplied by the relevant Pool Fraction;
- (iv) to the Liquidity Facility Provider under the relevant Liquidity Facility Agreement, if any;
- (v) to the Hedging Counterparty under the relevant Hedging Agreement;
- (vi) to the Noteholders under the Notes of the relevant Compartment;
- (vii) to the relevant Seller or, as the case may be, the Sellers (a) under the Mortgage Receivables Purchase Agreement to the extent such amounts relate to the relevant Pool or, if such amounts cannot be attributed to a certain Pool, such amount for all Pools multiplied by the relevant Pool Fraction and (b) under the Deeds of Sale, Assignment and Pledge of the relevant Compartment and Pool; and
- (viii) to the Savings Insurance Companies under the relevant Sub-Participation Agreement.

Each Parallel Debt constitutes separate and independent obligations of the Issuer and constitute the Security Trustee's own separate and independent claims to receive payment of such Parallel Debt of the relevant Compartment, the payment obligations of the Issuer to the Secured Parties of such Compartment shall be reduced by an amount equal to the amount so received.

To the extent that the Security Trustee irrevocably receives any amount in payment of the relevant Parallel Debt, the Security Trustee shall distribute such amount among the relevant Secured Parties in accordance with the relevant Priority of Payments upon Enforcement, save for amounts due to the Savings Insurance Companies in connection with the relevant Participations. The amounts due to the relevant Secured Parties, other than to the relevant Savings Insurance Companies, will be the sum of (i) amounts recovered ("*verhaald*") by it (a) on the relevant Pool of Mortgage Receivables and other relevant assets pledged pursuant to the Trustee Receivables Pledge Agreement, the Trustee Assets Pledge Agreement and in the relevant Deeds of Sale, Assignment and Pledge and the relevant Deed of Pledge of Assets, other than the relevant Savings Mortgage Receivables and the relevant Life Mortgage Receivables with a Savings Element and (b) on the relevant Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element to the extent the amount exceeds the relevant Participation in the relevant Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element and (ii) the *pro rata* part of amounts received from any of the relevant Secured Parties, as received or recovered by any of them pursuant to the relevant Parallel Debt Agreement (by reference to the proportion the relevant Participations bear to the aggregate relevant Pool of Mortgage Receivables); less (y) any amounts already paid by the Security Trustee to the relevant Secured Parties (other than the relevant Savings Insurance Companies) pursuant to the relevant Parallel Debt Agreement and (z) the *pro rata* part of the costs and expenses of the Security Trustee (including, for the avoidance of doubt, any costs of, *inter alia*, the Rating Agencies and any legal advisor, auditor or accountant appointed by the Security Trustee) (by reference to the proportion the relevant Participation bears to the aggregate relevant Pool of Mortgage Receivables).

The amounts due by the Security Trustee in accordance with the relevant Trust Deed to the relevant Savings Insurance Companies consist of, *inter alia*, (i) the amounts actually recovered ("*verhaald*") by it on the relevant Savings Mortgage Receivables and the relevant Life Mortgage Receivables with a Savings Element, but only to the extent such amounts do not exceed the Participation in such Savings Mortgage Receivables or the Life Mortgage Receivables with a Savings Element and (ii) the *pro rata* part of the amounts received from any of the relevant Secured Parties, as received or recovered by any of them pursuant to the relevant Parallel Debt Agreement (by

reference to the proportion the relevant Participations bear to the aggregate relevant Pool of Mortgage Receivables), less (y) any amounts already paid to the relevant Savings Insurance Companies by the Security Trustee pursuant to the relevant Parallel Debt Agreement and (z) the *pro rata* part of the costs and expenses of the Security Trustee (including, for the avoidance of doubt, any costs of, *inter alia*, the Rating Agencies and any legal advisor, auditor or accountant appointed by the Security Trustee) (by reference to the proportion the Participations bear to the aggregate relevant Pool of Mortgage Receivables).

In the relevant Parallel Debt Agreement, the parties thereto have agreed that any relevant Hedging Counterparty (other than the Swap Counterparty) in connection with any Reset Swap Agreement will have the benefit of the Parallel Debt Agreement provided that such Swap Counterparty has confirmed that it is bound to the terms and provisions of the Parallel Debt Agreement. As a result thereof, such Hedging Counterparty will become a Secured Party in respect to such compartment.

The Issuer undertakes in respect of each Pool to grant a first ranking right of pledge ("*pandrecht*") in the relevant Deed of Sale, Assignment and Pledge pursuant to a receivables pledge agreement between the Issuer and the Security Trustee dated the Programme Closing Date (the '**Trustee Receivables Pledge Agreement**') over the Mortgage Receivables and all Beneficiary Rights of such Pool to the Security Trustee. Such right of pledge will in respect of a Pool of Mortgage Receivables together with Beneficiary Rights of such Pool be vested on the relevant Issue Date (and in respect of any relevant Further Advance Receivables and relevant New Mortgage Receivables and any Beneficiary Rights relating thereto on the relevant Mortgage Payment Date immediately preceding a Quarterly Payment Date or relevant Pre-funding Purchase Date on which they are acquired), which will secure the payment obligations of the Issuer to the Security Trustee under the relevant Parallel Debt and any other Relevant Documents to the extent related to the relevant Compartment and Pool. The pledge on the relevant Pool of Mortgage Receivables and the Beneficiary Rights provided for in the Trustee Receivables Pledge Agreement, will not be notified to the Borrowers and the Insurance Companies respectively, except a Trustee Notification Event in respect of such Compartment occurs. Prior to notification of the pledge to the Borrowers, the pledge will be a "silent" right of pledge ("*stil pandrecht*") within the meaning of section 3:239 of the Netherlands Civil Code.

The Issuer will also vest rights of pledge in favour of the Security Trustee in an assets pledge agreement between the Issuer and the Security Trustee dated the Programme Closing Date (the '**Trustee Assets Pledge Agreement**') and in the Deeds of Pledge of Assets on the relevant Issue Dates. The rights of pledge created in the Trustee Assets Pledge Agreement secure, *inter alia*, any and all liabilities of the Issuer in respect of all Compartments to the Security Trustee resulting from or in connection with each of the Parallel Debt Agreements and any other Relevant Documents and will be vested on all rights of the Issuer under or in connection with (i) the Mortgage Receivables Purchase Agreement, (ii) the Issuer Services Agreement, (iii) the Floating Rate GIC(s) (excluding any rights in respect of the Transaction Accounts which relate to each Compartment respectively), (iv) the Receivables Proceeds Distribution Agreements and (v) the Programme Agreement. The rights of pledge created in each Deed of Pledge of Assets pursuant to the Trustee Assets Pledge Agreement secure, *inter alia*, any and all liabilities of the Issuer in respect of the relevant Compartments to the Security Trustee resulting from or in connection with the relevant Parallel Debt Agreement and any other Relevant Issue Documents to the extent related to the relevant Compartment and will be vested on all rights of the Issuer under or in connection with (i) the Transaction Accounts of the relevant Compartment, (ii) the Liquidity Facility Agreement, if any, of the relevant Compartment, (iii) the Hedging Agreement(s) of the relevant Compartment and (iv) the Sub-Participation Agreement of the relevant Compartment. These rights of pledge will be notified to the relevant obligors and will, therefore be a "disclosed" right of pledge ("*openbaar pandrecht*") but the Security Trustee will grant a power to collect to the Issuer which will be withdrawn upon the occurrence of any of the Trustee Notification Events in respect of the relevant Compartment.

From the occurrence of a Trustee Notification Event in respect of the relevant Compartment and, consequently notification to the Borrowers and the Insurance Companies and the withdrawal of the power to collect, the Security Trustee will collect ('*innen*') all amounts due to the Issuer whether by Borrowers or parties to the Relevant Documents. Pursuant to the relevant Trust Deed the Security Trustee will, until the delivery of an Enforcement Notice in respect of the relevant Compartment, (i) apply such amounts in accordance with the relevant Interest Priority of Payments and the relevant Principal Priority of Payments or (ii) for the sole purpose of enabling the Issuer to make payments in accordance with the relevant Priority of Payments, pay or procure the payment of certain amounts from the Security Account, whilst for that sole purpose terminating ("*opzeggen*") its right of pledge. The delivery of an Enforcement Notice in respect of a Compartment does not constitute an Event of Default under any other Compartment (see Condition of Notes 10).

Stichting GMAC RFC Nederland Ontvangsten shall grant on the balance standing to the credit of the Foundation GMAC RFC Nederland Collection Account a first ranking right of pledge in favour of, *inter alia*, the Security Trustee and the Previous Transaction Security Trustees jointly and a second ranking right of pledge in favour of, *inter alia*, the Issuer and the Previous Transaction SPVs jointly both under the condition that future issuers (and any security trustees) in securitisations and future vehicles in conduit transactions or similar transactions (and any security trustees relating thereto) initiated by GMAC RFC Nederland will also have the benefit of such right of pledge. Such rights of pledge will be notified to the Foundation Accounts Provider, the bank where the Foundation GMAC RFC Nederland Collection Account is maintained.

Stichting Atlas Funding Ontvangsten shall grant on the balance standing to the credit of the Foundation Atlas Funding Collection Account a first ranking right of pledge in favour of, *inter alia*, the Security Trustee and the Previous Transaction Security Trustees jointly and a second ranking right of pledge in favour of the Issuer and the Previous Transaction SPVs jointly both under the condition that future issuers (and any security trustees) in securitisations and future vehicles in conduit transactions or similar transactions (and any security trustees relating thereto) initiated by Atlas Funding will also have the benefit of such right of pledge. Such rights of pledge will be notified to the Foundation Accounts Provider, the bank where the Foundation Atlas Funding Collection Account is maintained.

Since the Previous Transaction SPVs (and/or the Previous Transaction Security Trustees, as the case may be) and the Issuer (and/or the Security Trustee, as the case may be) have a first ranking right of pledge on the amounts standing to the credit of the Foundation GMAC RFC Nederland Collection Account and the Foundation Atlas Funding Collection Account respectively, the rules applicable to co-ownership (*'gemeenschap'*) apply. The Netherlands Civil Code provides for various mandatory rules applying to such co-owned rights. In principle co-owners are required to co-operate with regard to their co-owned goods, but according to section 3:168 of the Netherlands Civil Code it is possible for co-owners to make an arrangement for the management (*'beheer'*) of the co-owned goods by one or more of the co-owning parties.

The Previous Transaction SPVs, the Issuer, the Security Trustee and the Previous Transaction Security Trustees will further in the Foundation GMAC RFC Nederland Collection Account Pledge Agreement and the Foundation Atlas Funding Collection Account Pledge Agreement respectively agree that the Security Trustee and the Previous Transaction Security Trustees will manage (*'beheren'*) such co-held rights jointly. The Issuer has been advised that it is uncertain whether the foreclosure of the rights of pledge will constitute management for the purpose of section 3:168 of the Netherlands Civil Code and as a consequence the cooperation of the Previous Transaction SPVs and the Issuer may be required for such foreclosure to take place.

Furthermore, such parties will agree in the Foundation GMAC RFC Nederland Collection Account Pledge Agreement and the Foundation Atlas Funding Collection Account Pledge Agreement respectively that (i) the share (*'aandeel'*) in each co-held right of pledge will be equal to the amounts collected from the respective Pools of mortgage receivables purchased by each Previous Transaction SPV respectively and the amounts collected from the Mortgage Receivables, respectively, and (ii) in case of foreclosure of the right of pledge on the Foundation GMAC RFC Nederland Collection Account and the Foundation Atlas Funding Collection Account respectively, the proceeds will be divided according to each share. It is uncertain whether this sharing arrangement is enforceable in the event that the Issuer, the Security Trustee, the Previous Transaction SPVs and the Previous Transaction Security Trustees should become insolvent. However, the Issuer has been advised that neither the Stichting GMAC RFC Nederland Ontvangsten's nor the insolvency of GMAC RFC Nederland or Stichting Atlas Funding Ontvangsten's nor the insolvency of Atlas Funding would affect this arrangement. In this respect it will be agreed that in case of a breach by a party of its obligations under the abovementioned agreements or if such agreement is dissolved, void, nullified or ineffective for any reason in respect of such party, such party shall compensate the other parties forthwith for any and all loss, costs, claim, damage and expense whatsoever which such party incurs as a result hereof.

Stichting Quion 20 Ontvangsten shall grant on the balance standing to the credit of the Foundation Quion 20 Collection Account relating to the relevant Compartment a first ranking right of pledge in favour of the Security Trustee and a second ranking right of pledge in favour of the Issuer. Such rights of pledge will be notified to the Foundation Accounts Provider, the bank where the Foundation Quion 20 Collection Account is maintained.

Stichting Atlas Funding Ontvangsten shall grant on the balance standing to the credit of the Foundation Atlas Quion Collection Account relating to the relevant Compartment a first ranking right of pledge in favour of the Security Trustee

and a second ranking right of pledge in favour of the Issuer. Such rights of pledge will be notified to the foundation accounts provider, the bank where the Foundation Atlas Quion Collection Account is maintained.

The security rights described above will in respect of each Compartment and Pool serve as security for the benefit of the relevant Secured Parties of a Compartment and Pool, including each of the Senior Class A Noteholders of such Compartment, the Mezzanine Class B Noteholders of such Compartment, the Junior Class C Noteholders of such Compartment, the Subordinated Class D Noteholders of such Compartment and the Subordinated Class E Noteholders of such Compartment, but, *inter alia*, amounts owing to Noteholders of the Most Senior Class of Notes of such Compartment will rank in priority of payment after amounts owing the holders of other Classes of Notes (see *Credit Structure*).

THE SECURITY TRUSTEE

Stichting Security Trustee E-MAC Program is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 11 October 2006. It has its registered office in Amsterdam, the Netherlands.

The objects of the Security Trustee are (a) to act as agent and/or Security Trustee; (b) to acquire, keep and administer security rights in its own name, and if necessary to enforce such security rights, for the benefit of certain creditors of the Issuer, including the holders of the Notes to be issued by the Issuer, and to perform acts and legal acts, including the acceptance of a parallel debt obligation from, *inter alia*, the Issuer, which are conducive to the holding of the abovementioned security rights (c) to borrow money and (d) to perform any and all acts which are related, incidental or which may be conducive to the above.

The sole director of the Security Trustee is Amsterdamsch Trustee's Kantoor B.V. The Security Trustee has its registered office at Amsterdam, the Netherlands. The managing directors of Amsterdamsch Trustee's Kantoor B.V are F.E.M. Kuijpers and D.P. Stolp.

NETHERLANDS TAXATION

The following summary describes the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of the Notes by corporate noteholders. This summary does not describe the Netherlands tax consequences for individuals and does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant to a decision to acquire, to hold, and dispose of the Notes. Each prospective Noteholder should consult a professional advisor with respect to the tax consequences of an investment in the Notes. The discussion of certain Netherlands taxes set forth below is included for general information purposes only.

Except as otherwise indicated, this summary only addresses Netherlands tax legislation, as in effect and in force at the date hereof, as interpreted in published case law, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

1. Withholding tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

2. Taxes on income and capital gains

A holder of Notes will not be subject to Netherlands taxes on income or capital gains in respect of any payment under the Notes or in respect of any gain realised on the disposal or deemed disposal of the Notes, provided that:

- (a) such holder is neither resident nor deemed to be resident of the Netherlands; and
- (b) such holder does not have an interest in an enterprise or deemed enterprise (statutorily defined term) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Notes are attributable.

3. Gift taxes

No Netherlands gift taxes will arise on the transfer of Notes by way of gift by a holder of Notes who is neither resident nor deemed to be resident in the Netherlands, unless such holder at the time of the gift has an enterprise or an interest in an enterprise that, in whole or in part, is or was either effectively managed in the Netherlands or carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Notes are or were attributable.

4. Turnover tax

No Netherlands turnover tax will arise in respect of any payment in consideration for the issue of the Notes or with respect to any payment by the Issuer of principal, interest or premium (if any) on the Notes.

5. Other Taxes and Duties

No Netherlands registration tax, stamp duty or other similar documentary tax or duty or capital tax, other than court fees, will be payable in the Netherlands by the holders of Notes in respect of or in connection with the issue of the Notes.

SUBSCRIPTION AND SALE

Each of the Dealers has in the Programme Agreement dated 16 November 2006 (as further amended and/or supplemented and/or restated from time to time agreed (and each further Dealer appointed under the Programme or in respect of a Compartment will agree) with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under *Final Terms and Terms and Conditions of the Notes under the Programme* above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of its expenses in connection with the redocumentation of the Programme and the issue of Notes under the Programme.

European Economic Area

In relation to each Member State of the European Economic Area (European Union plus Iceland, Norway and Liechtenstein) which has implemented the Prospectus Directive (each a "Relevant Member State"), each Dealer will represent and agree (and each further Dealer appointed under the Programme will represent and agree) that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of the Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes, which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Notes to the public in that Relevant Member State at any time: (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; (b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or (c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

France

The Notes may only be offered or sold to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), provided such investors act for their own account, and/or to persons providing portfolio management financial services (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), in the Republic of France, within the meaning of Article L.411-2 of the French *Code Monétaire et Financier* (Monetary and Financial Code) and the Decree 98-880 dated 1st October 1998; neither this Base Prospectus, which has not been submitted to the *Autorité des Marchés Financiers*, nor any information contained therein or any offering material relating to the Notes, may be distributed or caused to be distributed to the public in France.

Italy

The offering of the Notes in Italy has not been registered with the Commissione Nazionale per la Società e la Borsa ('CONSOB') pursuant to Italian securities legislation and, accordingly, the Notes cannot be offered, sold or delivered in the Republic of Italy ('Italy') nor may any copy of this Prospectus or any other document relating to the Notes be distributed in Italy other than to professional investors (*operatori qualificati*) as defined in Article 31, second paragraph, of CONSOB Regulation No. 11522 of 1 July, 1998 as subsequently amended. Any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in Italy must be made (a) by an investment firm, bank or intermediary permitted to conduct such activities in Italy in accordance with Legislative Decree No. 58 of 24 February 1998 (the '*Financial Services Act*') and Legislative Decree No. 385 of 1 September 1993 (the '*Banking Act*'); (b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy and (c) in compliance with any other applicable laws and regulations and other possible requirements or limitations which may be imposed by Italian authorities. The Notes cannot be offered, sold or delivered on a retail basis, either in the primary or in the secondary market, to any individuals residing in Italy.

United Kingdom

Each Dealer will represent and agree and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Ireland

Each Dealer appointed under the Programme will be required to represent and agree that:

- (a) in respect of a local offer (within the meaning of Section 38(1) of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland) of Notes in Ireland, it has complied with section 94 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland;
- (b) it has complied with and will comply with all applicable provisions of the Investment Intermediaries Act 1995 to 2000 of Ireland (as amended) with respect to anything done by it in relation to the Notes or operating in, or otherwise involving, Ireland and, in the case of a Dealer acting under and within the terms of an authorisation to do so for the purposes of the EU Council Directive 93/22/EEC of 10 May 1993 (as amended or extended), it has complied with any code of conducts made under the Investment Intermediaries Act 1995 to 2000 of Ireland (as amended) and, in the case of a Dealer acting within the terms of an authorisation granted to it for the purposes of the EU Council Directive 2000/12/EC of 20 March 2000 (as amended or extended), it has complied with any code of conduct or practice made under Section 117(1) of the Central Bank Act, 1989 of Ireland (as amended); and
- (c) in connection with the offer or sales of Notes, it has only issued or passed on, and will only issue or pass on, in Ireland, any documents received by it in connection with the issue of such Notes to persons who are persons to whom the documents may otherwise lawfully be issued or passed on.

Spain

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

Norway

Each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell in the Kingdom of Norway any Notes other than to persons who are registered with the Oslo Stock Exchange as professional investors.

Sweden

This offering document is for the recipient only and may not in any way be forwarded to any other person or to the public in Sweden. It has not and will not be registered with the Swedish Financial Instruments Supervisory Authority pursuant to the Swedish Financial Instruments Trading Act (1991:980, as amended). Accordingly, this offering document may not be made available, nor may the Notes otherwise be marketed and offered in Sweden, other than in circumstances which are deemed not to be an offer to the public in Sweden under the Financial Instruments Trading Act.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to US persons, except in certain transactions exempt from the registration

requirements of the US Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act. The Notes are in bearer form and are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by US tax regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer will agree (and each further Dealer appointed under the Programme will agree) that it will not offer, sell or deliver the Notes (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering on the Issue Date within the United States or to, or for the account or benefit of, US persons and it will have sent to each distributor, Dealer or person receiving a selling concession, fee or other remuneration to which it sells Notes during the distribution compliance period (as defined in Regulation S) a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, US persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by any of the Dealers (whether or not participating in the purchase) may violate the registration requirements of the Securities Act. Terms used in these paragraphs have the meanings given to them by Regulation S and the US Internal Revenue Code and regulations thereunder.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the 'Securities and Exchange Law') and the Dealer will agree and each further Dealer appointed under the Programme will be required to agree that, it will not offer or sell Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which terms as used herein means any person resident in Japan, including any corporation or other entity organised under the Laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws and regulations of Japan.

General

Each Dealer will agree and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any Dealer shall have any responsibility therefore.

Neither the Issuer nor the Dealers (nor each further Dealer appointed under the Programme) shall represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Compartment or any Class of Notes thereof, each Dealer will be required to comply with any other additional restrictions set out in the applicable Final Terms.

GENERAL INFORMATION

1. The establishment of the Programme has been duly authorised by a resolution of the managing director of the Issuer dated 14 November 2006. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of The Netherlands have been given for the issue of Notes and for the Issuer to undertake and perform its obligations under the Programme Agreement, the Agency Agreement and the Notes.
2. Application will be made for Notes issued under the Programme to be admitted to listing on the Irish Stock Exchange during the period of 12 months from the date of this Base Prospectus. Notice of the aggregate nominal amount of the relevant Notes, interest (if any) payable in respect of such Notes, the issue price of such Notes and any other terms and conditions not contained herein which are applicable to the Notes of such Compartment will be set out in the Final Terms which, with respect to such Notes to be listed on the Irish Stock Exchange will be delivered to the Irish Stock Exchange and filed with IFRSA on or before the date of issue of such Compartment. Notes issued under the Programme may also be listed on any other stock exchange specified in the applicable Final Terms or unlisted.
3. For the life of the Base Prospectus, copies of the following documents (in electronic form) may be inspected at the specified offices of the Security Trustee and the Principal Paying Agent during normal business hours:
 - (i) the Deed of Incorporation of the Issuer;
 - (ii) the Mortgage Receivables Purchase Agreement;
 - (iii) the Agency Agreement;
 - (iv) the Trust Deed;
 - (v) the Parallel Debt Agreement;
 - (vi) the Trustee Receivables Pledge Agreement;
 - (vii) the Trustee Assets Pledge Agreement;
 - (viii) the Issuer Services Agreement;
 - (ix) the Floating Rate GIC;
 - (x) the Hedging Agreements;
 - (xi) the Liquidity Facility Agreement;
 - (xii) the articles of association of the Security Trustee;
 - (xiii) the Programme Agreement;
 - (xiv) the Sub-Participation Agreement;
 - (xv) the Beneficiary Waiver Agreement;
 - (xvi) the Receivables Proceeds Agreements; and
 - (xvii) any future Base Prospectuses, Supplemental Prospectuses, information memoranda and supplements (including the Final Terms in respect of listed Notes) to this Base Prospectus and any other documents incorporated herein or therein by reference.
4. The audited annual financial statements of the Issuer prepared annually will be made available, free of charge, at the specified offices of the Principal Paying Agent.
5. A free copy of the Issuer's articles of association is available at the office of the Issuer.
6. Application will be made for the Notes to be accepted for clearance through Euroclear and/or Clearstream, Luxembourg or Euroclear Netherlands or any other agreed clearing system. The appropriate common code, ISIN and security code for each Compartment allocated by Euroclear and/or Clearstream, Luxembourg or Euroclear Netherlands, or any other agreed clearing system, and any other relevant security code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in applicable Final Terms.
7. US Taxes:

The Notes will bear a legend to the following effect: 'any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Section 165(j) and 1287(a) of the Internal Revenue Code.'

The sections referred to in such legend provide that a United States person who holds a Note will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

8. A quarterly report on the performance, including the arrears and the losses, of the transactions can be obtained at the website www.emainvestors.com. This website does not form part of the Prospectus.

ANNEX A

"**ABN AMRO**" means ABN AMRO Bank N.V., a public company ("*naamloze vennootschap*") organised under the laws of the Netherlands and established in Amsterdam, the Netherlands;

"**ABN AMRO, London Branch**" means ABN AMRO Bank N.V., a public company ("*naamloze vennootschap*") organised under the laws of the Netherlands and established in Amsterdam, the Netherlands, acting through its branch at 250 Bishopsgate in London, EC2M 4AA, United Kingdom;

"**AFM**" means Netherlands Authority for the Financial Markets;

"**Agency Agreement**" means the agency agreement to be entered into by the Issuer, the Principal Paying Agent, the Paying Agent, the Reference Agent, the Extension Margin Agent and the Security Trustee on the Programme Closing Date as the same may be amended, restated, supplemented or otherwise modified from time to time;

"**Allianz**" means Allianz Nederland Levensverzekering N.V., a public company ("*naamloze vennootschap*"), organised under the laws of the Netherlands and established in Utrecht, the Netherlands;

"**Annual Payment Date**" means, in respect of a Compartment up to (but excluding) the First Put Date, the day on which interest on the Fixed Rate Notes is payable as, which will be payable per annum in arrear in euros specified in the Final Terms (or, if such day is not a Business Day the next succeeding Business Day) in each year;

"**Annuity Mortgage Loan**" means any Mortgage Loan under which the Borrower pays a fixed monthly payment, consisting of an initially high and subsequently decreasing interest portion and an initially low and subsequently increasing principal portion;

"**Atlas Funding**" means Atlas Funding B.V., a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") incorporated under the laws of the Netherlands and established in Amsterdam, the Netherlands;

"**Bank Mortgage**" means any mortgage right which not only secures the loan granted to the Borrower to purchase the mortgaged property, but also any other liabilities and monies that the Borrower, now or in the future, may owe the relevant Seller;

"**Base Prospectus**" means this prospectus dated 17 November 2006 relating to the Notes, which is in compliance with the Prospectus Directive;

"**Beneficiary Rights**" means the Risk Beneficiary Rights, the Savings Beneficiary Rights and the Life Beneficiary Rights;

"**Beneficiary Waiver Agreement**" means the beneficiary waiver agreement to be entered into by the Sellers, the Savings Insurance Companies, the Security Trustee and the Issuer on an Issue Date;

"**BKR**" means the National Credit Register ("*Bureau Krediet Registratie*");

"**Borrower Insurance Pledge**" means a right of pledge ("*pandrecht*") in favour of the relevant Seller on the rights of the relevant Borrower against the relevant Insurance Company under the relevant Insurance Policy securing the Savings Mortgage Receivable or the Life Mortgage Receivable or the Investment Mortgage Receivable, as the case may be, as created under the Mortgage Conditions in the form attached to the Mortgage Receivables Purchase Agreement;

"**Borrower Insurance Proceeds Instruction**" means the irrevocable instruction by the beneficiary under an Insurance Policy to the relevant Insurance Company to apply the insurance proceeds towards repayment up to the

amount the relevant Borrower now or in the future may owe to the relevant Seller (or any of its successors) under the Mortgage Conditions in the form attached to the Mortgage Receivables Purchase Agreement;

"**Borrower Pledge**" means a right of pledge ("*pandrecht*") securing the relevant Mortgage Receivable, including a Borrower Insurance Pledge;

"**Borrowers**" means the debtors, including any jointly and severally liable co-debtors, of the Mortgage Receivables;

"**Broker Verified Income Loans**" means the loans in respect of which an applicant is required to provide evidence of his income to the broker;

"**Business Day**" means a day on which banks are open for business in Amsterdam, Dublin and London, unless set out otherwise in the relevant Final Terms, provided that such day is also a day on which the TARGET System or any successor thereto is operating credit or transfer instructions in respect of payments in EUR;

"**Class**" means either the Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes or the Subordinated Class E Notes, as the case may be;

"**Class A Principal Deficiency Ledger**" means a sub-ledger of the Principal Deficiency Ledger;

"**Class B Principal Deficiency Ledger**" means a sub-ledger of the Principal Deficiency Ledger;

"**Class C Principal Deficiency Ledger**" means a sub-ledger of the Principal Deficiency Ledger;

"**Class D Principal Deficiency Ledger**" means a sub-ledger of the Principal Deficiency Ledger;

"**Class B Principal Deficiency Limit**" means in respect of a Compartment, on any date, the aggregate Principal Amount Outstanding of the Mezzanine Class B Notes;

"**Class C Principal Deficiency Limit**" means in respect of a Compartment, on any date, the aggregate Principal Amount Outstanding of the Junior Class C Notes;

"**Class D Principal Deficiency Limit**" means, in respect of a Compartment, on any date, the aggregate Principal Amount Outstanding of the Subordinated Class D Notes;

"**Clean-Up Call Option**" means in respect of a Compartment, the right of the Issuer to redeem all of the Put Option Notes of such Compartment subject to and in accordance with Condition of the Notes 6(f);

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme;

"**Collection Account**", means, in respect of each Compartment, the account of the Issuer maintained with the Floating Rate GIC Provider, to which, *inter alia*, all amounts of interest, Prepayment Penalties, principal and all other collections received under the Mortgage Loans relating to the Mortgage Receivables of a specific Pool will be transferred by the relevant Seller or, as the case may be, relevant Sellers in accordance with the Mortgage Receivables Purchase Agreement or, as the case may be, the MPT Provider in accordance with the Issuer Services Agreement or, as the case may be, the relevant Collection Foundation in accordance with the relevant Receivables Proceeds Distribution Agreement;

"**Collection Accounts Pledge Agreements**" means the Foundation Atlas Funding Collection Account Pledge Agreement, the Foundation GMAC RFC Nederland Collection Account Pledge Agreement, the Foundation Quion 20 Collection Account Pledge Agreements and the Foundation Quion Atlas Collection Account Pledge Agreements;

"**Collection Foundations**" means Stichting GMAC RFC Nederland Ontvangsten, Stichting Quion 20 Ontvangsten and Stichting Atlas Funding Ontvangsten;

"**Common Depository**" means the common depository on behalf of Euroclear and Clearstream, Luxembourg or Euroclear Netherlands or any other clearing system as specified in the applicable Final Terms;

"Common Safekeeper" means the common safekeeper on behalf of Euroclear and Clearstream, Luxembourg as specified in the applicable Final Terms;

"Compartment" means all Notes of a separate issue of Notes which all relate to a certain Pool as indicated in the Supplemental Prospectus;

"Conditions of the Notes" means, in respect of each Compartment, the terms and conditions endorsed on (or incorporated by reference) to any Class of Notes in the form or substantially in the form set out in section Terms and Conditions of the Notes under the Programme;

"Construction Account" means in respect of each Compartment, the account of the Issuer held with the Floating Rate GIC Provider to which in relation to such Compartment and Pool (i) on the relevant Issue Date and (ii) on the relevant Pre-funding Purchase Date or Mortgage Payment Date an amount corresponding to the aggregate Construction Amounts of the Mortgage Receivables purchased on such day will be credited;

"Construction Amount" means such part of a Mortgage Loan that at the request of the relevant Borrower was withheld by the relevant Seller on deposit to be paid out for the building or improvements of the Mortgaged Assets;

"CPI" means Consumer Price Index;

"CPR" means constant prepayment rate;

"Credit Mortgage" means mortgage rights which secure all drawings or amounts that are or may become due by the particular Borrower in the context of a particular credit relationship;

"Credit Suisse" means Credit Suisse Securities (Europe) Limited, a company incorporated under the laws of England and Wales and established in London, United Kingdom;

"DBV" means DBV Levensverzekeringsmaatschappij N.V., a public company ("*naamloze vennootschap*") organised under the laws of the Netherlands and established in Zeist, the Netherlands;

"Dealers" means the dealers under the Programme Agreement, being on the Programme Closing Date, Credit Suisse, GRSE and ABN AMRO, London Branch and in respect of a Compartment, the Dealers specified as such in the relevant Final Terms;

"Deed of Pledge of Assets" means in respect of each Compartment the relevant deed of pledge of assets in the form or substantially in the form attached as the Schedule to the Trustee Assets Pledge Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time;

"Deed of Sale, Assignment and Pledge" means in respect of each Compartment, the deeds pursuant to which the relevant Seller will sell and assign the Relevant Mortgage Receivables of a specific Pool, to the extent legally possible, the relevant Beneficiary Rights relating thereto, by means of a registered or notarial deed of assignment;

"Defaulted Loan Services" means the arrears management activities in respect of Mortgage Receivables which are in arrears for at least one (1) day;

"Deferred Purchase Price" means in respect of a Compartment part of the purchase price for the Mortgage Receivables and will be equal to the sum of all Deferred Purchase Price Instalments;

"Deferred Purchase Price Instalment" means, in respect of a Compartment, an amount equal to (A) prior to delivery of an Enforcement Notice in respect of the relevant Compartment (i) on each Quarterly Payment Date up to and but excluding the First Put Date on which the Outstanding Principal Amount of the Put Option Notes exceeds the Supporting Class Early Amortisation Percentage of the Principal Amount Outstanding of the Put Option Notes on the relevant Issue Date, the sum of (x) the Notes Interest Available Amount as calculated on each Quarterly Calculation Date less the sum of all amounts payable by the Issuer as set forth in the Interest Priority of Payments under (a) up to and including (w) increased with (y), on each Quarterly Payment Date on which the Supporting Class of Notes is not

subject to redemption, the balance standing to the credit of the Reserve Account less the sum of the Reserve Account Target Level on the first day of the immediately succeeding Floating Rate Interest Period, and (ii) on each Quarterly Payment, if and to the extent the Supporting Class of Notes have been redeemed in full, the sum of (x) the Notes Interest Available Amount remaining after all amounts payable, if any, by the Issuer as set forth in the Interest Priority of Payments under (a) up to and including (w) have been made and (y) the remaining balance standing to the credit of the Reserve Account and (B) following delivery of an Enforcement Notice in respect of the relevant Compartment, the amount remaining after all the payments as set forth in the relevant Priority of Payments upon Enforcement under (a) up to and including (v) on such date have been made;

"Definitive Notes" means Notes issued in definitive form in or substantially in the form set out in Schedule 2 to the relevant Trust Deed, a form of which is attached as a schedule to the Programme Agreement;

"Delinquent Mortgage Receivables" means (i) Mortgage Receivables under which amounts, which are due and payable, have remained unpaid for a consecutive period exceeding 90 days or (ii) in respect of Mortgage Receivables which have remained unpaid for less than 90 days and for which an instruction has been given to the civil-law notary to commence foreclosure proceedings;

"Delinquent Quotient" means the sum of the aggregate Outstanding Principal Amount in respect of Mortgage Receivables of a Pool which are in arrears for a period exceeding 60 days divided by the aggregate Outstanding Principal Amount in respect of the Mortgage Receivables of such Pool;

"Director" means Amsterdamsch Trustee's Kantoor B.V. as sole director of the Security Trustee and ATC Management B.V. as sole director of the Issuer and Stichting Holding;

"Eligible Investments" means (i) short-term senior unsecured euro-denominated debt obligations (including commercial paper) issued by an issuing entity of which the unsecured and unguaranteed debt obligations are assigned a rating of "A-1+" by S&P and "Prime-1" by Moody's (or, in case such debt obligations are guaranteed, the unsecured and unguaranteed debt obligations of the guarantor are assigned a rating of "A-1+" by S&P and "Prime-1" by Moody's and are in accordance with the then current S&P criteria) and (ii) deposits in euro with a bank having at least the Short Term Requisite Rating, provided that such Eligible Investments may not have a maturity beyond the immediately succeeding Quarterly Payment Date;

"Enforcement Date" means in respect of a Compartment, the date of an Enforcement Notice;

"Enforcement Notice" means in respect of a Compartment, a notice referred to in Condition of the Notes 10;

"Erasmus" means LevensverzekeringsMaatschappij Erasmus N.V., a public company ("*naamloze vennootschap*") organised under the laws of the Netherlands;

"EUR" means the currency of the member states of the European Union that adopt a single currency in accordance with the treaty establishing the European Communities, as amended by the Treaty on the European Union;

"Euribor" has the meaning ascribed to it in the Condition of the Notes 4;

"Euroclear" means Euroclear Bank S.A./N.V. or its successors, as operator of the Euroclear System;

"Event of Default" means any of the events as set out in items (a) up to and including (f) of Condition of the Notes 10;

"Excess Mortgage Receivables" means, in respect of a Pool on any day, any Mortgage Receivables selected at random in an amount up to the amount by which the aggregate Outstanding Principal Amount of the Mortgage Receivables exceeds the aggregate Principal Amount Outstanding of the Put Option Notes of the related Compartment on such day;

"Excess Swap Collateral" means in respect of a Compartment, an amount equal to the value of any collateral transferred to the Issuer by a Hedging Counterparty in respect of a Hedging Agreement that is in excess of such Hedging Counterparty's mark-to-market exposure to the Issuer thereunder (i) as at the date such Hedging Agreement is terminated or (ii) as at any other date of valuation or (iii) that is otherwise due to such Hedging Counterparty in

accordance with the terms of such Hedging Agreement or (iv) as a result of a Rating Event or as a result of the remedy of a Rating Event;

"Exchange Date" means in respect of a Compartment, the date which is not less than 40 days nor more than 90 days after the date on which the Temporary Global Note of the relevant Compartment is issued;

"Exchange Event" means (a) the Notes become immediately due and repayable by reason of an Event of Default, (b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg or, if applicable, Euroclear Netherlands or, if applicable, the other agreed clearing system, has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system is available or (c) as a result of any addition to, or change in the laws or regulations of the Netherlands (including any guidelines issued by the tax authorities or any other jurisdiction) or of any authority therein or thereof having power of tax, or in the interpretation or administration of such laws or regulations which becomes effective on or after the Issue Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding on account of tax from any payment in respect of the Notes which would not be required if the Notes were in definitive form

"Extension Margin Agent" means, in respect of a Compartment, the extension margin agent specified in the relevant Final Terms;

"Extension Margins" means the margins applicable to each Class of Notes of a Compartment as of the First Put Date in accordance with Condition of the Notes 4;

"Falcon" means Falcon Leven N.V., a public company ("*naamloze vennootschap*") organised under the laws of the Netherlands;

"Final Maturity Date" means, in respect of each Compartment, the Quarterly Payment Date specified in the relevant Final Terms;

"Final Terms" means, in respect of each Compartment, the duly completed final terms as attached to the relevant Trust Deed, a form of which is incorporated in the Base Prospectus and the Programme Agreement;

"First Put Date" means, in respect of a each Compartment, the Quarterly Payment Date specified in the relevant Final Terms;

"Fitch" means Fitch Ratings Ltd.;

"Fixed Rate Notes" means Notes bearing fixed rate interest;

"Fixed Rate Interest Period" means, in relation to Fixed Rate Notes, each successive yearly interest periods;

"Floating Rate GIC" means the guaranteed investment contract to be entered into by the Issuer, the Security Trustee and the Floating Rate GIC Provider on or around the Programme Closing Date or, as the case may be, the Issue Date, whereby the Floating Rate GIC Provider will agree to pay a guaranteed rate of interest determined by reference to Euribor for 3 months deposits minus a margin or, in case a Liquidity Facility Stand-by Account is opened in respect of a Compartment, Euribor for 3 months deposits plus a margin over the balance standing to the credit of such Liquidity Facility Stand-by Account;

"Floating Rate GIC Provider" means, in respect of each Compartment, the floating rate gic provider specified in the Final Terms relating to a Compartment or its successor(s);

"Floating Rate Interest Period" means, in relation to Floating Rate Notes, each successive quarterly interest period;

"Floating Rate Notes" means Notes bearing a floating rate of interest;

"Foreclosure Value" means the foreclosure value of the mortgaged property as valued (i) when application for a mortgage loan was made, based on an existing tax assessment or (ii) by an independent qualified appraiser, provided that such assessment is not older than one year;

"Foundation Accounts" means, in respect of each Compartment, the Foundation GMAC RFC Nederland Collection Account, the Foundation Quion 20 Collection Account in respect of such Compartment, the Foundation Atlas Funding Collection Account and the Foundation Quion Atlas Collection Account in respect of such Compartment;

"Foundation Accounts Provider" means ABN AMRO or any successor;

"Foundation Atlas Funding Collection Account" means the account of Stichting Atlas Funding Ontvangsten with the Foundation Accounts Provider to which all amounts of interest, Prepayment Penalties, principal and all other collections received under part of the mortgage receivables relating to mortgage loans originated by Atlas Funding are paid by the relevant Borrowers;

"Foundation Atlas Funding Collection Account Pledge Agreement" means the pledge agreement to be entered into by Stichting Atlas Funding Ontvangsten, Atlas Funding, the Foundation Accounts Provider, the Previous Transaction SPVs, the Previous Transaction Security Trustees, the Security Trustee and the Issuer, on or prior to the Programme Closing Date;

"Foundation GMAC RFC Nederland Collection Account" means the account of Stichting GMAC RFC Nederland Ontvangsten with the Foundation Accounts Provider to which all amounts of interest, Prepayment Penalties, principal and all other collections received under all mortgage receivables relating to Mortgage Loans originated by GMAC RFC Nederland are paid by the relevant Borrowers;

"Foundation GMAC RFC Nederland Collection Account Pledge Agreement" means the pledge agreement to be entered into by Stichting GMAC RFC Nederland Ontvangsten, GMAC RFC Nederland, the Foundation Accounts Provider, the Previous Transaction SPVs, the Previous Transaction Security Trustees, the Security Trustee and the Issuer, on or prior to the Programme Closing Date;

"Foundation Quion Atlas Collection Account" means, in respect of a Compartment, the account of Stichting Atlas Funding Ontvangsten with the Foundation Accounts Provider to which all amounts of interest, Prepayment Penalties, principal and all other collections received under part of the mortgage receivables relating to mortgage loans of the related Pool originated by Quion 20 and Atlas Funding are paid by the relevant Borrowers;

"Foundation Quion Atlas Collection Account Pledge Agreement" means, in respect of a Compartment, the pledge agreement to be entered into by Stichting Atlas Funding Ontvangsten, Quion 20, Atlas Funding, the Foundation Accounts Provider, the Security Trustee and the Issuer, on or prior to the Issue Date;

"Foundation Quion 20 Collection Account" means, in respect of a Compartment, the account of Stichting Quion 20 Ontvangsten with the Foundation Accounts Provider to which all amounts of interest, Prepayment Penalties, principal and all other collections received under part of the mortgage receivables relating to mortgage loans of the related Pool originated by Quion 20 are paid by the relevant Borrowers;

"Foundation Quion 20 Collection Account Pledge Agreement" means, in respect of a Compartment, the pledge agreement to be entered into by Stichting Quion 20 Ontvangsten, Quion 20, the Foundation Accounts Provider, the Security Trustee and the Issuer, on or prior to the Issue Date;

"Further Advance" means a loan or a further advance to be made to a Borrower under the relevant Mortgage Loan pursuant to and in accordance with the Mortgage Conditions, which will (also) be secured by the Mortgage;

"Further Advance Receivable" means any and all rights of the relevant Seller (or its assignee) against any Borrower under or in connection with any Further Advance relating to a Mortgage Loan;

"Generali" means GENERALI levensverzekering maatschappij N.V, a public company ("*naamloze vennootschap*") organised under the laws of the Netherlands;

"Global Notes" means, in respect of each Compartment, the Temporary Global Notes and the Permanent Global Notes of such Compartment;

"GMAC" means GMAC, LLC, formerly General Motors Acceptance Corporation;

"GMAC RFC Nederland" means GMAC RFC Nederland B.V., a private company with limited liability organised under the laws of the Netherlands and established in Amsterdam, the Netherlands;

"GRSE" means RFSC International Ltd, acting under its trade name GMAC-RFC Securities Europe, a company organised under the laws of England and Wales;

"Hedging Agreement" means, in respect of a Compartment, the Swap Agreement and any Reset Swap Agreement or any other hedging instrument as set out in the relevant Supplemental Prospectus, as the case may be;

"Hedging Counterparty" means, in relation to a Compartment, the Swap Counterparty and any suitably rated counterparty to any Hedging Agreement, as the case may be, as specified in the applicable Final Terms;

"IFSRA" means the Irish Financial Services Regulatory Authority;

"Initial Margins" means in respect of each Compartment, the margins as specified in the relevant Final Terms which will be applicable up to (but excluding) the First Put Date in respect of each Class of Notes of such Compartment as specified in the relevant Final Terms;

"Initial Participation" means, in respect of each of the Savings Mortgage Receivables or Life Mortgage Receivables with a Savings Element of a Pool, the amount of the participation therein being (a) at the relevant Issue Date for each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element an amount equal to the Savings Premium received by the relevant Savings Insurance Company from the Borrower in a month increased by $(IR/12) \times S$ for each month on a capitalised basis from the month of first payment of Savings Premium by the relevant Borrower up to, but excluding, the relevant Portfolio Cut-Off Date and accrued interest thereon, or (b) at the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date, in the case of a purchase and assignment of New Mortgage Receivables and any Further Advance Receivables to which a Savings Insurance Policy and/or Life Insurance Policy with the Savings Alternative is connected, an amount equal to the Savings Premium received by the relevant Savings Insurance Company from the Borrower in a month increased by $(IR/12) \times S$ for each month up to the first day of the month wherein the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date immediately preceding a Quarterly Payment Date falls increased with accrued interest thereon on a capitalised basis or (c) at the relevant Mortgage Payment Date, in the case of a switch from any type of Mortgage Loan other than a Savings Mortgage Loan or a Life Mortgage Loan with a Savings Element, into a Savings Mortgage Loan or a Life Mortgage Loan with a Savings Element, an amount equal to the Savings Premium received by the relevant Savings Insurance Company from the Borrower in a month increased by $(IR/12) \times S$ for each month up to the first day of the month wherein the relevant Mortgage Payment Date falls increased with accrued interest thereon on a capitalised basis, whereby IR = the interest rate on such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element and S = the Savings Premium;

"Initial Purchase Price" means in respect of each Compartment and Pool, the aggregate Outstanding Principal Amount (i) of the Mortgage Receivables at the Portfolio Cut-Off Date, which shall be payable on the relevant Issue Date and (ii) of the New Mortgage Receivables on the first day of the month wherein the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date immediately preceding the relevant Quarterly Payment Date falls, which shall be payable on the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date immediately preceding such Quarterly Payment Date and (iii) of the Further Advance Receivables on the first day of the month wherein the relevant Mortgage Payment Date immediately preceding the relevant Quarterly Payment Date falls, which shall be payable on the relevant Mortgage Payment Date immediately preceding the relevant Quarterly Payment Date;

"Initial Sellers" means GMAC RFC Nederland, Quion 20 and Atlas Funding;

"Insurance Companies" means the Life Insurance Companies and the Savings Insurance Companies;

"Insurance Policies" means the Life Insurance Policies, the Risk Insurance Policies and the Savings Insurance Policies;

"Interest-only Mortgage Loans" means any Mortgage Loan in respect of which the Borrower does not pay principal towards redemption of the relevant Mortgage Receivable until maturity of the Mortgage Receivable;

"Interest Priority of Payments" means (in each case only if and to the extent that payments of a higher order of priority have been made in full):

- a. *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of the fees or other remuneration due and payable to the Directors in connection with the Management Agreements and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Relevant Documents to the extent related to the relevant Compartment or Pool and in respect of fees and remuneration which cannot be attributed to a certain Compartment or Pool, such fees and remuneration multiplied by the Pool Fraction;
- b. *second*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of administration fees and expenses due and payable to the Issuer Administrator and the MPT Provider under the Issuer Services Agreement, to the extent related to the relevant Compartment or Pool and in respect of such fees and expenses which cannot be attributed to a certain Compartment or Pool, such fees and expenses multiplied by the relevant Pool Fraction;
- c. *third*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, (i) of any amounts due and payable to third parties under obligations incurred in the Issuer's business (other than under the Relevant Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax (to the extent such taxes cannot be paid out of item (xii) of the Notes Interest Available Amount) and the fees and expenses of the Rating Agencies, the Security Trustee and any legal advisor, auditor and accountants appointed by the Issuer or the Security Trustee, to the extent related to the relevant Compartment or Pool and in respect of general costs which cannot be attributed to a certain Compartment or Pool, such costs multiplied by the relevant Pool Fraction, (ii) the fees and expenses due to the Paying Agents and the Reference Agent under the Agency Agreement, to the extent related to the relevant Compartment or Pool and in respect of such fees and expenses which cannot be attributed to a certain Compartment or Pool, such fees and expenses multiplied by the relevant Pool Fraction and (iii) the Liquidity Facility Commitment Fee under the relevant Liquidity Facility Agreement, if any;
- d. *fourth*, in or towards satisfaction of any amounts under the relevant Liquidity Facility Agreement of the relevant Compartment and the relevant Pool, other than the Liquidity Facility Commitment Fee payable under (c)(iii) above and any Liquidity Facility Subordinated Amount payable under (p) below, or following a Liquidity Facility Stand-by Drawing in or towards satisfaction of sums due and payable to the Liquidity Facility Provider in respect of a Liquidity Facility Drawing to be credited to the Liquidity Facility Stand-by Account or, as the case may be, the Liquidity Facility Stand-by Ledger of the relevant Compartment and the relevant Pool;
- e. *fifth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of amounts, if any, due or accrued but unpaid under the relevant Hedging Agreements to the Swap Counterparty and to any other Hedging Counterparty, but excluding any Swap Subordinated Amount and, for the avoidance of doubt, excluding any amount relating to Excess Swap Collateral and any Tax Credit;
- f. *sixth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of all amounts of interest due or interest accrued but unpaid in respect of the Senior Class A Notes of the relevant Compartment, excluding, after the First Put Date, the Subordinated Extension Interest Part relating to the Senior Class A Notes of the relevant Compartment;
- g. *seventh*, in or towards making good any shortfall reflected in the Class A Principal Deficiency Ledger of the relevant Compartment until the debit balance, if any, on the Class A Principal Deficiency Ledger of the relevant Compartment is reduced to zero;
- h. *eighth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Mezzanine Class B Notes of the relevant Compartment, excluding, after the First Put Date, the Subordinated Extension Interest Part relating to the Mezzanine Class B Notes of the relevant Compartment;
- i. *ninth*, in or towards making good any shortfall reflected in the Class B Principal Deficiency Ledger of the relevant Compartment, if any, until the debit balance, if any, on the Class B Principal Deficiency Ledger of the relevant Compartment is reduced to zero;

- j. *tenth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Junior Class C Notes of the relevant Compartment, excluding, after the First Put Date, the Subordinated Extension Interest Part relating to the Junior Class C Notes of the relevant Compartment;
- k. *eleventh*, in or towards making good any shortfall reflected in the Class C Principal Deficiency Ledger of the relevant Compartment, if any, until the debit balance, if any, on the Class C Principal Deficiency Ledger of the relevant Compartment is reduced to zero;
- l. *twelfth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class D Notes of the relevant Compartment, excluding, after the First Put Date, the Subordinated Extension Interest Part relating to the Subordinated Class D Notes of the relevant Compartment;
- m. *thirteenth*, in or towards making good any shortfall reflected in the Class D Principal Deficiency Ledger of the relevant Compartment, if any, until the debit balance, if any, on the Class D Principal Deficiency Ledger of the relevant Compartment is reduced to zero;
- n. *fourteenth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class E Notes of the relevant Compartment, excluding, after the First Put Date, the Subordinated Extension Interest Part relating to the Subordinated Class E Notes of the relevant Compartment;
- o. *fifteenth*, in or towards satisfaction of any sums required to be deposited on the relevant Reserve Account or, as the case may be, to replenish the relevant Reserve Account up to the amount of the Reserve Account Target Level of the relevant Compartment;
- p. *sixteenth*, in or towards satisfaction of a Liquidity Facility Subordinated Amount due, if any, to the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement of the relevant Compartment and the relevant Pool;
- q. *seventeenth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, to the relevant Hedging Counterparties of any Swap Subordinated Amount due under the Hedging Agreements of the relevant Compartment and the relevant Pool;
- r. *eighteenth*, after the First Put Date, in or towards satisfaction of interest due or interest accrued but unpaid on the Senior Class A Notes of the relevant Compartment as Subordinated Extension Interest Part relating to the Senior Class A Notes of the relevant Compartment;
- s. *nineteenth*, after the First Put Date, in or towards satisfaction of interest due or interest accrued but unpaid on the Mezzanine Class B Notes of the relevant Compartment as Subordinated Extension Interest Part relating to the Mezzanine Class B Notes of the relevant Compartment;
- t. *twentieth*, after the First Put Date, in or towards satisfaction of interest due or interest accrued but unpaid on the Junior Class C Notes of the relevant Compartment as Subordinated Extension Interest Part relating to the Junior Class C Notes of the relevant Compartment;
- u. *twenty-first*, after the First Put Date, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class D Notes of the relevant Compartment as Subordinated Extension Interest Part relating to the Subordinated Class D Notes of the relevant Compartment;
- v. *twenty-second*, after the First Put Date, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class E Notes of the relevant Compartment as Subordinated Extension Interest Part relating to the Subordinated Class E Notes of the relevant Compartment;
- w. *twenty-third*, on the relevant Quarterly Payment Date, in or towards satisfaction of principal amounts due under the Supporting Class of Notes of the relevant Compartment as item (iii)(x) of the Supporting Class Redemption Available Amount; and
- x. *twenty-fourth*, in or towards satisfaction of a Deferred Purchase Price Instalment (except for items (A)(i)(y) or (A)(ii)(y) of the definition thereof) relating to the relevant Compartment and Pool due and payable to the Sellers.

"Investment Account" means, in respect of Investment Mortgage Loans, the investment account of the relevant Borrower to which monthly instalments are transferred and on which its investments are administered;

"Investment Mortgage Loans" means any Mortgage Loan in respect of which the Borrower does not pay principal prior to maturity, but undertakes to invest, whether or not on an instalment basis or up front, an agreed minimum amount in certain investment funds;

"Investment Mortgage Receivables" means any and all rights of the relevant Seller against any Borrower under or in connection with any Investment Mortgage Loans;

"ISDA Definitions" means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**");

"ISDA Master Agreement" means, in respect of a Compartment, the 1992 ISDA Master Agreement (Multicurrency Cross Border), as published by ISDA, the relevant Confirmation(s) and the relevant Schedule thereto, as amended from time to time, governed by English law;

"ISE" means the Irish Stock Exchange;

"Issue Date" means, in respect of a Compartment, the date on which the Notes of such Compartment are or are expected to be issued;

"Issuer" means E-MAC Program B.V., a private company with limited liability (*'besloten vennootschap met beperkte aansprakelijkheid'*) organised under the laws of the Netherlands and established in Amsterdam;

"Issuer Administrator" means GMAC RFC Nederland, in its capacity as Issuer Administrator of the Issuer under the Issuer Services Agreement or its successor or successors;

"Issuer Services Agreement" means the issuer services agreement to be entered into by the Issuer Administrator, the MPT Provider, the Issuer and the Security Trustee on the Programme Closing Date;

"Junior Class C Noteholders" means the several persons who are for the time being holders of any Junior Class C Notes;

"Junior Class C Notes" means the junior class C notes of a Compartment, including the Coupons appertaining thereto and as specified as such in the relevant Final Terms;

"Klaverblad Verzekeringen" means Klaverblad Onderlinge Verzekeringsmaatschappij O.A., a mutual insurance association with excluded liability (*"onderlinge waarborgmaatschappij O.A."*), organised under the laws of the Netherlands and established in Zoetermeer, the Netherlands;

"Life Beneficiary Rights" means all claims which the relevant Seller, or after assignment to the Issuer, the Issuer has or will have on a Life Insurance Company other than a Savings Insurance Company, in respect of any Life Insurance Policy under which the relevant Seller has been appointed by the Borrower/insured as first beneficiary (*"begunstigde"*) in connection with the Life Mortgage Receivables;

"Life Insurance Company" means any life insurance company established in the Netherlands;

"Life Insurance Policy" means a risk insurance policy taken by any Borrower with any of the Life Insurance Companies, which pays out upon the death of the insured, combined with a capital insurance policy which pays out on an agreed date (which may not necessarily be the date on which the Mortgage Loan is repayable) any amount (which may be less than the Outstanding Principal Amount under the Mortgage Loan);

"Life Mortgage Loans" means Mortgage Loans which have the benefit of Life Insurance Policies;

"Life Mortgage Receivables" means any and all rights of the relevant Seller against any Borrower under or in connection with any Life Mortgage Loans;

"Linear Mortgage Loan" (*"lineaire hypotheek"*) means a loan under which the Borrower pays a fixed amount on each instalment such that at maturity the entire loan will be redeemed. The Borrower's payment obligation decreases with each payment as interest owed under the Linear Mortgage Loan declines over time;

"Liquidity Facility Account" means, in respect of a Compartment, to the extent applicable, the account of the Issuer opened with the Liquidity Facility Provider at its request to which any drawing under the Liquidity Facility Agreement will be debited;

"Liquidity Facility Agreement" means, in respect of a Compartment, a maximum 364 day term liquidity facility agreement to be entered into by the Issuer, the relevant Liquidity Facility Provider and the Security Trustee on the relevant Issue Date if so specified in the relevant Supplemental Prospectus;

"Liquidity Facility Commitment Fee" means the fee agreed between the relevant Liquidity Facility Provider and the Issuer in the Liquidity Facility Agreement;

"Liquidity Facility Drawing" means, in respect of a Compartment containing a Liquidity Facility, any drawing under the relevant Liquidity Facility by the Issuer made on a relevant Quarterly Payment Date if and to the extent that, unless specified otherwise in the relevant Final Terms, after the application of amounts available in the relevant Reserve Account and taking into account any drawing under the relevant Liquidity Facility, there is a shortfall in the relevant Notes Interest Available Amount to meet items (a) to (l) (inclusive) (but not items (g), (i) and (k)) in the relevant Interest Priority of Payments in full on that relevant Quarterly Payment Date, provided that drawings in respect of certain items may be limited if so specified in the relevant Supplemental Prospectus;

"Liquidity Facility Maximum Amount" means, in respect of a Compartment, the amount specified in the relevant Supplemental Prospectus;

"Liquidity Facility Provider" means the liquidity facility provider, if any, under the Liquidity Facility Agreement as specified in the relevant Supplemental Prospectus;

"Liquidity Facility Stand-by Account" means, in respect of a Compartment, the account of the Issuer maintained with the Floating Rate GIC Provider at the request of the Liquidity Facility Provider, if at all, to which any Liquidity Facility Stand-by Drawing is credited;

"Liquidity Facility Stand-by Drawing" means, in respect of a Compartment containing a Liquidity Facility, the drawing of the Issuer of the entirety of the undrawn portion of such Liquidity Facility if (a) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider are assigned a rating of less than Short Term Requisite Rating or (b) the Liquidity Facility Provider does not extend the Liquidity Facility notwithstanding the request of the Issuer;

"Liquidity Facility Stand-by Ledger" means, if applicable, the ledger corresponding to the relevant Collection Account or, as the case may be, Liquidity Facility Stand-by Account to which Liquidity Facility Stand-by Drawing will be credited;

"Liquidity Facility Subordinated Amount" means, in respect of a Compartment containing a Liquidity Facility, with respect to any Quarterly Payment Date after the First Put Date, the sum of (i) the positive difference between the commitment fee after the First Put Date and the commitment fee before the First Put Date per annum calculated by reference to the daily undrawn and uncanceled amount of the Liquidity Facility Maximum Amount during the Quarterly Calculation Period immediately preceding such Quarterly Payment Date, (ii) the positive difference between the interest rate after the First Put Date and the interest rate before the First Put Date per annum calculated by reference to the amount drawn under the Liquidity Facility during the Quarterly Calculation Period immediately preceding such Quarterly Payment Date; and (iii) any amounts payable under Clauses 12.2 and 12.3 of the Liquidity Facility Agreement;

"LTFV-ratio" means the quotient of the aggregate Outstanding Principal Amount of a Mortgage Loan divided by the Foreclosure Value of the mortgaged property;

"Management Agreements" means the management agreements entered into by, *inter alia*, (i) Stichting Holding and ATC Management B.V., (ii) the Issuer and ATC Management B.V. and (iii) the Security Trustee and Amsterdamsch Trustee's Kantoor B.V., all at the Programme Closing Date;

"Maximum LTFV Percentage" means the maximum loan to foreclosure value percentage of the relevant Compartment set out in the relevant Supplemental Prospectus;

"Maximum Outstanding Principal Amount" means the maximum Outstanding Principal Amount set out in the relevant Supplemental Prospectus;

"Mezzanine Class B Noteholders" means the several persons who are for the time being holders of any Mezzanine Class B Notes;

"Mezzanine Class B Notes" means the mezzanine class B notes of a Compartment, including the Coupons appertaining thereto and as specified as such in the relevant Final Terms;

"Monthly Participation Increase" is calculated by application of the following formula:

$(P \times I) + S$, whereby

P = Participation Fraction;

S = the amount of the Savings Premium received by the relevant Savings Insurance Company in such Mortgage Calculation Period in respect of the relevant Savings Insurance Policy or, as the case may be, the Life Insurance Policy with a Savings Alternative and paid to the Issuer on the Mortgage Payment Date by the relevant Savings Insurance Company pursuant to the relevant Sub-Participation Agreement; and

I = the amount of interest due by the Borrower on the Savings Mortgage Receivables or the relevant Life Mortgage Receivables with a Savings Element and actually received by the Issuer in such Mortgage Calculation Period;

"Moody's" means Moody's Investors Service Limited;

"Mortgage" means a mortgage right ("*hypotheekrecht*") securing the relevant Mortgage Receivable;

"Mortgage Calculation Date" means the 6th business day of each month;

"Mortgage Calculation Period" means in respect of each Pool, the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of such calendar month and the first mortgage calculation period will commence on the Portfolio Cut-Off Date and will end on (and include) the last day of the calendar month as specified in the relevant Supplemental Prospectus;

"Mortgage Conditions" means, in relation to a Mortgage Loan, the terms and conditions applicable to the Mortgage Loan, as set forth in the relevant mortgage deed and/or in any loan document, offer document or any other document and/or in any applicable general terms and conditions for mortgages of the relevant Seller from time to time in effect;

"Mortgaged Assets" means (i) a real property ("*onroerende zaak*"), (ii) an apartment right ("*appartementsrecht*") or (iii) a long lease ("*erfpachtsrecht*") situated in the Netherlands;

"Mortgage Loans" means, in respect of a Pool, the loans granted by the relevant Seller to the relevant Borrowers, as evidenced by the relevant loan agreement, which may consist of one or more loan parts ("*leningdelen*") as listed in the annex to the Deed of Sale, Assignment and Pledge executed on the relevant Issue Date and, after any purchase and assignment of any New Mortgage Receivables or Further Advance Receivables has taken place in accordance with the Mortgage Receivables Purchase Agreement, including any such New Mortgage Loans and any such Further Advances;

"Mortgage Payment Date" means the seventh business day following the last day of each Mortgage Calculation Period;

"Mortgage Receivables" means any and all rights of the relevant Seller against any Borrower under or in connection with any Mortgage Loan which meets the Relevant Eligibility Criteria, including for the avoidance of doubt, upon the purchase and assignment of New Mortgage Receivables, such New Mortgage Receivables, and, upon the purchase and assignment of any Further Advance Receivables, such Further Advance Receivables;

"Mortgage Receivables Purchase Agreement" means the mortgage receivables purchase agreement to be entered into by the Initial Sellers, the Issuer and the Security Trustee on or about the Programme Closing Date as the same may be amended, restated, supplemented or otherwise modified from time to time;

"Most Senior Class of Notes" means in respect of a Compartment, the Senior Class A Notes or, if all amounts due in respect of the Senior Class A Notes have been fully paid, the Mezzanine Class B Notes, or if all amounts due in respect of the Senior Class A Notes and the Mezzanine Class B Notes have been fully paid, the Junior Class C Notes, if any, and if all amounts due in respect of the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes have been fully paid, the Subordinated Class D Notes, if any, and if all amounts due in respect of the

Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D Notes have been fully paid, the Subordinated Class E Notes, if any;

"**MPT Provider**" means GMAC RFC Nederland in its capacity of mpt provider under the Issuer Services Agreement and its successor or successors;

"**MPT Services**" means the services to be provided by the MPT Provider under the Issuer Services Agreement;

"**Net Foreclosure Proceeds**" means (a) the proceeds of a foreclosure on the mortgage right, (b) the proceeds of foreclosure on any other collateral securing the Mortgage Receivable, (c) the proceeds, if any, of collection of any Insurance Policies in connection with the Mortgage Receivable, including but not limited to fire insurance and Insurance Policies, (d) the proceeds of any guarantees (including any NHG Guarantee) or sureties and (e) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs in respect of such Mortgage Receivable;

"**New Mortgage Loans**" means the loans entered into by the relevant Seller and the relevant Borrowers listed in the Annex to any Deed of Sale, Assignment and Pledge executed on any Pre-funding Purchase Date or, as the case may be the Mortgage Payment Date immediately preceding the Quarterly Payment Date, listing the New Mortgage Loans held by such Seller, which list provides the same details as are required in respect of the relevant Mortgage Loans;

"**New Mortgage Receivables**" means any and all rights of the relevant Seller against any Borrower under or in connection with any mortgage loan between the relevant Seller and that Borrower;

"**NGN**" means New Global Note;

"**NHG Guarantee**" means guarantees (*'borgtochten'*) issued by Stichting Waarborgfonds Eigen Woningen under the terms and conditions of the Nationale Hypotheekgarantie, as from time to time amended;

"**NHG Mortgage Loan**" means a Mortgage Loan having the benefit of a NHG Guarantee;

"**NHG Mortgage Receivable**" means a Mortgage Receivable resulting from a NHG Mortgage Loan;

"**NHG Underwriting Criteria**" means the criteria (*'Normen'*) as set out in Voorwaarden & Normen 2006 or earlier versions issued by the Stichting Waarborgfonds Eigen Woningen as amended from time to time;

"**Noteholders**" means the several persons who are for the time being holders of any Notes;

"**Notes**" means all the Put Option Notes and Supporting Class of Notes issued from time to time by the Issuer under the Programme or, if the context so requires otherwise, the Put Option Notes and Supporting Class of Notes of a specific Compartment;

"**Notes Interest Available Amount**" shall mean, on any Quarterly Calculation Date, the sum of the following amounts received by the Issuer during the Quarterly Calculation Period immediately preceding such Quarterly Calculation Date:

- (i) as interest on the Mortgage Receivables of such Pool less with respect to each Mortgage Calculation Period falling in such Quarterly Calculation Period and each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (ii) as revenue on Eligible Investments made by the Issuer in respect of the relevant Compartment and interest credited to the Transaction Accounts of such Compartment and the related Pool, excluding the relevant Construction Account;
- (iii) as interest penalties under the Mortgage Receivables and Prepayment Penalties of such Pool;
- (iv) as Net Foreclosure Proceeds of the relevant Pool, to the extent such proceeds do not relate to principal, less with respect to amounts which relate to interest in respect of each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element in relation to such Pool, an amount equal to such amount received multiplied by the relevant Participation Fraction in relation to such Pool;

- (v) as amounts to be drawn under the Liquidity Facility (other than Liquidity Facility Stand-by Drawings) of such Compartment and Pool on the immediately succeeding Quarterly Payment Date or Annual Payment Date;
- (vi) as amounts to be drawn from the Reserve Account of such Compartment and Pool on the immediately succeeding Quarterly Payment Date or Annual Payment Date;
- (vii) as amounts to be received, whether or not by way of set-off, from the Hedging Counterparties under the Hedging Agreements of such Compartment and Pool on the immediately succeeding Quarterly Payment Date or Annual Payment Date (excluding for the avoidance of doubt any collateral amounts transferred to the Issuer by the Hedging Counterparty in accordance with the terms of such Hedging Agreement);
- (viii) as amounts received in connection with a repurchase of Mortgage Receivables of such Pool pursuant to the Mortgage Receivables Purchase Agreement or any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal and to the extent such amounts relate to such Pool, less with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element an amount equal to the amount of interest received multiplied by the relevant Participation Fraction;
- (ix) as amounts received in connection with a sale of Excess Mortgage Receivables of such Pool pursuant to the relevant Trust Deed or the Issuer Services Agreement to the extent such amounts do not relate to principal and to the extent such amounts relate to such Pool less with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (x) as amounts received as post-foreclosure proceeds on the Mortgage Receivables of such Pool; and
- (xi) as amounts standing to the credit of the relevant Collection Account after all Notes of such Compartment other than the Supporting Class of Notes have redeemed in full to the extent not included in item (i) up to and including (x) and other than item (xii); less
- (xii) on the first Quarterly Payment Date of each year, 5 per cent. of the annual fee due to the Director of the Issuer multiplied by the Pool Fraction,

"Notes Purchase Agreement" means, in respect of a Compartment, a notes purchase agreement to be entered into on the relevant Issue Date, between the relevant Dealers, the Issuer and the Sellers to purchase one or more Classes and/or Tranches of Notes at their issue price specified in the applicable Final Terms;

"Notes Redemption Available Amount" shall mean, on any Quarterly Payment Date, the Principal Available Amount less the initial purchase price of New Mortgage Receivables and/or Further Advance Receivables purchased during the immediate preceding Quarterly Calculation Period or on the Mortgage Payment Date immediately preceding such Quarterly Payment Date;

"Notification Event" means, *inter alia*, any of the following events:

- (a) a default is made by any of the relevant Sellers in the payment on the due date of any amount due and payable by it under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party to the extent relating to the relevant Pool and such failure is not remedied within 5 business days after having knowledge of such failure or notice thereof has been given by the Issuer or the Security Trustee to the relevant Seller; or
- (b) any of the relevant Sellers fails duly to perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party to the extent relating to the relevant Pool, and if such failure is capable of being remedied, such failure is not remedied within 10 business days after having knowledge of such failure or notice thereof has been given by the Issuer or the Security Trustee to the relevant Seller; or
- (c) any of the relevant Initial Sellers takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ('*ontbinding*') and liquidation ('*vereffening*') or legal demerger ('*juridische splitsing*') involving the relevant Seller or its assets are placed under administration ('*onder bewind gesteld*'); or
- (d) any of the relevant Initial Sellers has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into suspension of payments or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (e) a Collection Foundation has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into suspension of payments or for bankruptcy or

for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it; or

- (f) a Trustee Notification Event occurs to the extent relating to the relevant Pool;

"Notifications" means, in respect of the Put Option, the notifications made by the Issuer to (i) the Put Option Noteholders by an advertisement in the English language in the Financial Times and in at least one daily newspaper of wide circulation in the Netherlands, (ii) in case the Put Option Notes are admitted to the Official List of the ISE, to the Company Announcements Office of the ISE or, in case the Put Option Notes are admitted to trading on any other stock exchange (as specified in the relevant Final Terms), the relevant office of such stock exchange on which the Put Option Notes of the relevant Compartment are listed and (iii) to the Common Depository or, as the case may be, the Common Service Provider for communication to the relevant accountholders holding interests in the Global Notes representing such Put Option Notes;

"Notional Adjustment Payment" means, in respect of a Compartment, on any Quarterly Payment Date, the amount to be paid by the Issuer to a Hedging Counterparty or by a Hedging Counterparty to the Issuer as a result of the amortisation rate of the Notional Amount (i) varying from the expected rate of amortisation under the Swap Agreement or (ii) varying from the expected rate of amortisation under a Reset Swap Agreement in accordance with the terms of the relevant Hedging Agreement of such Compartment;

"Notional Amount" means, in respect of a Compartment, (i) in respect of each Swap Transaction, an amount equal to the aggregate Outstanding Principal Amount of the Mortgage Loans relating to the Mortgage Receivables of a Pool less (a) the aggregate Outstanding Principal Amount of the Mortgage Loans relating to the NHG Mortgage Receivables in respect of which a different Swap Transaction has been entered into on the relevant Issue Date, (b) the aggregate Outstanding Principal Amount of the Mortgage Loans relating to the Mortgage Receivables in respect of which a Reset Swap Agreement has been entered into, (c) the aggregate Outstanding Principal Amount of the Mortgage Loans relating to the Mortgage Receivables in respect of which the interest rate was reset to an interest rate resetting on a monthly basis and (d) the relevant Participations on the first day of the relevant Floating Rate Interest Period and (ii) in respect of a Reset Swap Agreement, an amount equal to the aggregate Outstanding Principal Amount of the Reset Mortgage Receivables in relation to that Reset Swap Agreement less the relevant Participations on the effective date of that Reset Swap Agreement of such Compartment;

"Other Claims" means any claims the relevant Seller has vis-à-vis the Borrower, including claims resulting from the acquisition of loans granted to or the granting of loans to such Borrower, which are secured by the Mortgage or Borrower Pledge vested by such Borrower to secure the Relevant Mortgage Receivable;

"Outstanding Principal Amount" means, at any moment in time, (i) the principal balance ("*hoofdsom*") in respect of a Mortgage Receivable resulting from a Mortgage Loan at such time and (ii) after the occurrence of a Realised Loss in respect of such Mortgage Receivable, zero;

"Parallel Debt" means, in respect of a Compartment, an amount equal to the aggregate amount due ("*verschuldigd*") by the Issuer to the Secured Parties of such Compartment under or in connection with the respective Relevant Issue Documents due by the Issuer to the Security Trustee;

"Parallel Debt Agreement" means the parallel debt agreement in respect of a Compartment and Pool to be entered into by the Issuer, the Security Trustee and the Secured Parties (other than the Noteholders) on an Issue Date;

"Participation" means, on any Mortgage Calculation Date, in respect of each Savings Mortgage Receivable and each Life Mortgage Receivable with a Savings Element, an amount equal to the Initial Participation in respect of the relevant Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element, increased with the Monthly Participation Increase up to the Mortgage Calculation Period immediately preceding such Mortgage Calculation Date, but not exceeding, the Participation Maximum Amount;

"Participation Fraction" means, in respect of a Savings Mortgage Receivable and a Life Mortgage Receivable with a Savings Element on any day, an amount equal to the relevant Participation on the first day of the Mortgage Calculation Period and divided by the Outstanding Principal Amount of such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element on the first day of such Mortgage Calculation Period;

"Participation Maximum Amount" means, at any time, in respect of each Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element, the relevant Outstanding Principal Amount at such time;

"Participation Redemption Available Amount" means, in respect of a Compartment, on each Mortgage Payment Date, an amount up to the relevant Participation in each of the Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element in respect of which amounts have been received during the relevant Mortgage Calculation Period (i) by means of repayment and prepayment under the relevant Mortgage Loan to which the Mortgage Receivables relates from any person, whether by way of set-off or otherwise, excluding Prepayment Penalties, if any, and, furthermore, excluding amounts paid as partial prepayments, (ii) in connection with a repurchase of Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, (iii) in connection with a sale of Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element pursuant to the Trust Deed and the Issuer Services Agreement to the extent such amounts relate to principal, and (iv) as Net Foreclosure Proceeds on any Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element up to the relevant Participation;

"Paying Agent" means, in respect of a Compartment, the paying agent(s) specified in the Final Terms relating to a Compartment or its successor(s);

"Paying Agents" means the Principal Paying Agent and the Paying Agent(s) collectively as specified in the relevant Final Terms;

"Permanent Global Notes" means the permanent global note of each Class of Notes of a Compartment;

"Pledge Agreements" means the Trustee Receivables Pledge Agreement, the Trustee Assets Pledge Agreement, the Collection Accounts Pledge Agreements;

"Pool" means a pool of Mortgage Receivables;

"Pool Fraction" means the amount of the aggregate outstanding amount of the Notes of the relevant Compartment divided by the sum of the aggregate Principal Amount Outstanding of all Notes issued under the Programme by the Issuer;

"Portfolio Cut-Off Date" means the date as specified in the relevant Supplemental Prospectus;

"Pre-funded Account" means, in respect of a Compartment, the account of the Issuer held with the Floating Rate GIC Provider to which on the relevant Issue Date the Pre-funded Amount, if any, will be credited;

"Pre-funded Amount" means on the relevant Issue Date the amount specified in the applicable Final Terms and thereafter the balance standing to the credit of the relevant Pre-funded Account;

"Pre-funding Period" means the period commencing on the relevant Issue Date and ending on (but excluding) the 5th Business Day prior to the Quarterly Payment Date specified in the applicable Final Terms;

"Pre-funding Purchase Date" means any business day of each month during the relevant Pre-funding Period;

"Prepayment Penalties" means any prepayment penalties ("*boeterente*") to be paid by a Borrower under a Mortgage Loan as a result of the Mortgage Receivable being repaid (in whole or in part) prior to the maturity date of such Mortgage Loan other than (i) on a date whereon the interest rate is reset or (ii) otherwise permitted pursuant to the Mortgage Conditions;

"Previous Transaction Security Trustees" means (i) in respect of the Foundation GMAC RFC Nederland Collection Account, Stichting Security Trustee PREEMAC NL, Stichting Security Trustee PREEMAC II NL, Stichting Security Trustee E-MAC 2002-I, Stichting Security Trustee E-MAC NL 2003-I, Stichting Security Trustee E-MAC NL 2003-II, Stichting Security Trustee E-MAC NL 2004-I, Stichting Security Trustee E-MAC NL 2004-II, Stichting Security Trustee E-MAC NL 2005-I, Stichting Security Trustee E-MAC NL 2005-NHG II, Stichting Security Trustee E-MAC NL 2005-III and Stichting Security Trustee E-MAC NL 2006-NHG I collectively and (ii) in respect of the Foundation Atlas Funding

Collection Account, Stichting Security Trustee PREEMAC II NL, Stichting Security Trustee E-MAC NL 2006-NHG I and Stichting Security Trustee E-MAC NL 2006-II collectively;

"Previous Transaction SPVs" means (i) in respect of the Foundation GMAC RFC Nederland Collection Account, PREEMAC NL B.V., PREEMAC II NL B.V., E-MAC NL 2002-I B.V., E-MAC NL 2003-I B.V., E-MAC NL 2003-II B.V., E-MAC NL 2004-I B.V., E-MAC NL 2004-II B.V., E-MAC NL 2005-I B.V., E-MAC NL 2005-NHG II B.V., E-MAC NL 2005-III B.V. and E-MAC NL 2006-NHG I collectively and (ii) in respect of the Foundation Atlas Funding Collection Account, PREEMAC II NL B.V., E-MAC 2006-NHG I B.V. and E-MAC NL 2006-II collectively;

"Principal Amount Outstanding" means on any Quarterly Calculation Date of any Note the principal amount of that Note upon issue less the aggregate amount of all relevant Principal Redemption Amounts (as defined in Condition of the Notes 6(h)) in respect of that Note that have become due and payable prior to such Quarterly Calculation Date, provided that for the purpose of Conditions of the Notes 4, 6 and 10 all relevant Principal Redemption Amounts that have become due and not been paid shall not be so deducted;

"Principal Available Amount" means prior to the delivery of an Enforcement Notice by the Security Trustee in respect of a Compartment, the sum of the following amounts to the extent these amounts relate to such Compartment and the related Pool, calculated on any Quarterly Calculation Date, as being received or held during the immediately preceding Quarterly Calculation Period:

- (i) as repayment and prepayment in full of principal under the relevant Pool of Mortgage Receivables, from any person (including any Insurance Company), whether by set-off or otherwise, but, for the avoidance of doubt, excluding Prepayment Penalties, if any, less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation;
- (ii) as Net Foreclosure Proceeds of the relevant Pool, to the extent such proceeds relate to principal less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation;
- (iii) as amounts received in connection with a repurchase of Mortgage Receivables of the relevant Pool pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to the relevant Pool of Mortgage Receivables and to principal less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation and if such amount cannot be attributed to any Pool, the amount received multiplied by the relevant Pool Fraction;
- (iv) as amounts received in connection with a sale of the relevant Excess Mortgage Receivables pursuant to the relevant Trust Deed and the Issuer Services Agreement to the extent such amounts relate to principal less with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation, except in the case of a sale of Excess Mortgage Receivables which is set-off against repayment of the Servicing Advance;
- (v) as amounts of interest received to be credited to the relevant Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date or Annual Payment Date;
- (vi) as Monthly Participation Increase pursuant to the relevant Sub-Participation Agreement;
- (vii) as partial prepayment in respect of the relevant Mortgage Receivables from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding Prepayment Penalties;
- (viii) during the Pre-funding Period, an amount equal to the positive difference between the initial purchase price of New Mortgage Receivables and the Principal Available Amount (less this item) and upon expiry of the Pre-funding Period the balance standing to the credit of the relevant Pre-funded Account;
- (ix) as amounts received on the relevant Collection Accounts from the credit of the relevant Construction Account in accordance with the Mortgage Receivables Purchase Agreement;
- (x) as consideration for the Initial Participation in respect of Further Advance Receivables and New Mortgage Receivables which qualify as Savings Mortgage Receivables or Life Mortgage Receivables with a Savings Element and in case of a switch of any mortgage receivable into a Savings Mortgage Receivables or Life Mortgage Receivables with a Savings Element pursuant to the relevant Sub-Participation Agreement;
- (xi) any part of the Notes Redemption Available Amount calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards redemption of the Put Option Notes on the immediately preceding Quarterly Payment Date;
- (xii) the Pre-Closing Proceeds relating to Principal on the Mortgage Receivables of such Pool; and
- (xiii) as amounts received as the Servicing Advance on the relevant Put Date;

"Principal Deficiency" means, on any date, the sum of the Realised Losses debited on the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger, the Class C Principal Deficiency Ledger and the Class D Principal Deficiency Ledger less any amounts credited to the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger, the Class C Principal Deficiency Ledger and the Class D Principal Deficiency Ledger;

"Principal Deficiency Ledger" means the ledger comprising of four sub ledgers for each Class of Notes other than the Supporting Class of Notes to which any Realised Losses are debited;

"Principal Paying Agent" means ABN AMRO;

"Principal Redemption Amount" means the principal amount so redeemable (i) in respect of each Note other than the Supporting Class of Notes, on the relevant Quarterly Payment Date which shall be equal to (a) on or after the Target Amortisation Date, unless a Target Amortisation Event has occurred which is not cured any and all of the Class A Principal Redemption Amount, the Class B Principal Redemption Amount, the Class C Principal Redemption Amount and the Class D Principal Redemption Amount and (b) before the Target Amortisation Date (and on or after the Target Amortisation Date in case a Target Amortisation Event has occurred which is not cured) the Notes Redemption Available Amount (as applicable to each Class of Notes, other than the Supporting Class of Notes) and (ii) in respect of the Supporting Class of Notes, the Supporting Class Redemption Amount. The Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Note of the relevant Class. Following application of the Principal Redemption Amount to redeem a Note, the Principal Amount Outstanding of such Note shall be reduced;

"Principal Shortfall" means an amount equal to the balance of the relevant sub-ledger of the Principal Deficiency Ledger divided by the number of Notes of the relevant Class of Notes on such Quarterly Payment Date;

"Programme" means the Residential Mortgage Backed Secured Debt Issuance Programme of the Issuer;

"Programme Closing Date" means 16 November 2006 (or such later date as may be agreed between the Issuer and the Dealers);

"Prospectus Directive" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or being admitted to trading;

"Purchase Available Amount" means, unless specified otherwise in the relevant Final Terms, in respect of a Pool, the sum of (A) (i) during the relevant Pre-funding Period (a) the balance standing to the credit of the Pre-funding Account and (b) on any Pre-funding Purchase Date, the sum of all amounts received or deposited by the Issuer during the Quarterly Calculation Period in which such Pre-funding Purchase Date falls which would form part of the Principal Available Amount less any Initial Purchase Price paid by the Issuer during such Quarterly Calculation Period up to (and including) the last day of the Quarterly Calculation Period ending immediately preceeding the last Pre-funding Purchase Date and (ii) after the relevant Pre-funding Period, up to the Quarterly Payment Date immediately preceding the relevant Final Maturity Date, any amounts received as a result of a repurchase by any of the relevant Sellers of Mortgage Receivables of such Pool, to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable and each Life Mortgage Receivable with a Savings Element, the relevant Participation and increased with (B) an amount equal to the Initial Participation of any New Mortgage Receivables to which a Savings Insurance Policy or a Life Insurance Policy with a Savings Alternative is connected, to be purchased on the relevant Mortgage Payment Date immediately preceding a Quarterly Payment Date;

"Put Date" means the First Put Date or any Quarterly Payment Date thereafter;

"Put Notice" means a duly completed and signed notice of exercise in the form obtainable from the Issuer or, in case the Notes are held through Euroclear or Clearstream, Luxembourg, such notice as required by Euroclear and Clearstream, Luxembourg;

"Put Notice Period" means the period not less than 45 days (unless such 45th day is not a business day, in which case the immediately preceding day) and not more than 60 days prior to the relevant Put Date;

"Put Option" means the right of a Put Option Noteholder to offer the Put Option Notes for redemption on a Put Date in accordance with Condition of the Notes 6(e);

"Put Option Notes" means, if according to the relevant Final Terms the relevant Noteholders have the benefit of the Put Option, all Notes of the relevant Compartment excluding the Supporting Class of Notes;

"Put Option Noteholders" means the holder of the Put Option Notes;

"Quarterly Calculation Date" means, in relation to a Quarterly Payment Date, the third business day prior to such Quarterly Payment Date;

"Quarterly Calculation Period" means, in relation to a Quarterly Calculation Date, the three successive Mortgage Calculation Periods immediately preceding such Quarterly Calculation Date except for the first Quarterly Calculation Period which will commence on the Portfolio Cut-Off Date and end on (and include) the last day of the Mortgage Calculation Period immediately preceding the first Quarterly Payment Date.

"Quarterly Payment Date" means the 25th day of the months specified in the relevant Final Terms (or, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such 25th day) in each year;

"Quion 20" means Quion 20 B.V., a private company with limited liability (*'besloten vennootschap met beperkte aansprakelijkheid'*) incorporated under the laws of the Netherlands and established in Rotterdam, the Netherlands;

"Quion Hypotheekbemiddeling" means Quion Hypotheekbemiddeling B.V., a private company (*'besloten vennootschap met beperkte aansprakelijkheid'*) organised under the laws of the Netherlands and established in Rotterdam, the Netherlands;

"Rating Agencies" (each a **"Rating Agency"**) means in respect of the Programme, S&P, Moody's and Fitch and in respect of a Compartment, the rating agencies as specified in the relevant Final Terms;

"Rating Event" has, in respect of a Compartment, the meaning given to that term in the Schedule to the relevant ISDA Master Agreement;

"Realised Losses" means, on any Quarterly Calculation Date, the sum of (I) the amount of the difference between (a) the aggregate Outstanding Principal Amount on all Mortgage Receivables on which the relevant Seller or, the Issuer or the Security Trustee has foreclosed from the relevant Issue Date up to and including such Quarterly Calculation Date less the Participations and (b) the sum of (i) the Net Foreclosure Proceeds on the Mortgage Receivables other than the Savings Mortgage Receivables, the Life Mortgage Receivables with a Savings Element; and (ii) the Net Foreclosure Proceeds on the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element up to the amount of the relevant Savings Mortgage Receivables or Life Mortgage Receivables with a Savings Element less the relevant Participations, and (II) with respect to Mortgage Receivables sold by the Issuer, the amount of the difference, if any, between (x) the aggregate Outstanding Principal Amounts of such Mortgage Receivables less the relevant Participations and (y) the purchase price received in respect of such Mortgage Receivables to the extent relating to the principal less the relevant Participations, whereby, in case of items (I) and (II), for the purpose of establishing the outstanding principal amount in case of set-off or defence to payments asserted by Borrowers any amount by which the Mortgage Receivables have been extinguished (*"teniet gegaan"*) will be disregarded;

"Receivables Proceeds Distribution Agreements" means the agreements entered into by each of the relevant Collection Foundations with, *inter alia*, the Purchasers (as defined therein) pursuant to which the amounts paid into the relevant Foundation Account will be distributed to be entered into on the Programme Closing Date;

"Reference Agent" means, in respect of a Compartment, the reference agent specified in the Final Terms relating to a Compartment or its successor(s);

"Relevant Delinquent Mortgage Receivables" means all Delinquent Mortgage Receivables which result from Mortgage Loans originated by the relevant Seller;

"Relevant Documents" means the Relevant Issue Documents of all Compartments together;

"Relevant Eligibility Criteria" means the Eligibility Criteria applicable to a specific Pool including any adjustments to or any additional criteria applicable to the related Pool as set forth in the Supplemental Prospectus relating to such specific Compartment;

"Relevant Further Advance Receivables" means the Further Advance Receivables resulting from Further Advances originated by any of the Sellers, as the case may be;

"Relevant Issue Documents" means the Mortgage Receivables Purchase Agreement, the Issuer Services Agreement, the Pledge Agreements, the Foundation GMAC RFC Nederland Collection Account Pledge Agreement, the Foundation Atlas Funding Account Pledge Agreement, the Agency Agreement, the Management Agreements, the Programme Agreement, the Receivables Proceeds Distribution Agreements to the extent these agreements are applicable to the relevant Compartment and Pool, the relevant Parallel Debt Agreement, the relevant Hedging Agreement(s), the relevant Floating Rate GIC, the relevant Liquidity Facility Agreement, the relevant Notes Purchase Agreement, the Notes, the relevant Foundation Quion 20 Collection Account Pledge Agreement, the relevant Foundation Quion Atlas Collection Account Pledge Agreement, the relevant Deeds of Sale, Assignment and Pledge, the relevant Deeds of Pledge of Assets, the relevant Sub-Participation Agreement, the relevant Beneficiary Waiver Agreement and the relevant Trust Deed and the addenda to these agreements;

"Relevant Mortgage Loans" means the Mortgage Loans from which the Relevant Mortgage Receivables result;

"Relevant Mortgage Receivables" means the Mortgage Receivables that a Seller will sell and assign to the Issuer;

"Relevant New Mortgage Receivables" means the New Mortgage Receivables that the relevant Seller will sell and assign to the Issuer;

"Required Hedging Counterparty Rating" means, in respect of a Compartment, the rating(s) specified in the relevant Final Terms in respect of a Hedging Counterparty;

"Reserve Account" means, in respect of each Compartment, the account maintained with the Floating Rate GIC Provider or such other account approved by the Security Trustee in the name of the Issuer, to which the net proceeds of the Supporting Class of Notes will be credited;

"Reserve Account Target Level" means, in relation to each Compartment, the reserve account target level as specified in the relevant Supplemental Prospectus;

"Reset Mortgage Receivables" means the Mortgage Receivables or, as the case may be, the relevant loan part of such Mortgage Receivable of which the rate of interest has been reset in accordance with the Mortgage Conditions excluding, for the avoidance of doubt, the aggregate Outstanding Principal Amount in respect of the Mortgage Loans of which the interest rate is set on a monthly basis;

"Reset Swap Agreement" means, in respect of a Compartment, any interest rate swap transaction entered into pursuant to an ISDA Master Agreement and Confirmation (incorporating the ISDA Definitions) thereunder to be entered into in connection with certain Reset Mortgage Receivables with any Hedging Counterparty;

"Risk Beneficiary Rights" means all claims which the relevant Seller or, after assignment to the Issuer, the Issuer or the Security Trustee has or will have on a Life Insurance Company other than a Savings Insurance Company in respect of any Risk Insurance Policy under which the relevant Seller has been appointed by the Borrower/insured as first beneficiary ("*begunstigde*") in connection with the Investment Mortgage Receivables;

"Risk Insurance Policy" means the risk policy ("*risicoverzekering*") relating to an insurance which pays out upon the death of the insured, taken out by a Borrower with any of the Life Insurance Companies;

"S&P" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc.;

"Savings Alternative" means the alternative under a Life Insurance Policy, under which a certain pre-agreed amount to be received upon pay out of the Life Insurance Policy with, in such case, a Savings Insurance Company and the Savings Premium thereof is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Alternative is equal to the Savings Element upon maturity of the Life Mortgage Loan;

"Savings Beneficiary Rights" means all claims which a Seller or, after the assignment to the Issuer, the Issuer has or will have on a Savings Insurance Company in respect of any Insurance Policy, under which such Seller has been appointed by the Borrower/insured as first beneficiary ("*begunstigde*") in connection with the Relevant Mortgage Receivables;

"Savings Element" means the part of the Life Mortgage Loan to which a Life Insurance Policy with a Savings Alternative is connected;

"Savings Insurance Companies" means DBV and/or Universal and/or Allianz and/or Generali and/or any other saving insurance company as specified in the relevant Final Terms;

"Savings Insurance Policy" means the combined risk and capital insurance policy ("*gecombineerde risico- en kapitaalverzekering*") taken out by a Borrower with any of the Savings Insurance Companies in connection with any Savings Mortgage Loan;

"Savings Mortgage Loans" means the Mortgage Loans entered into by a Seller and the relevant Borrowers combined with a Savings Insurance Policy. Under the Savings Mortgage Loan the Borrower does not pay principal towards redemption of the Savings Mortgage Loan prior to maturity. Instead, the Borrower/insured pays a Savings Premium. The Savings Premium is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Insurance Policy due by the Savings Insurance Company to the relevant Borrower is equal to the principal amount due by the Borrower to a Seller at maturity of the Savings Mortgage Loan;

"Savings Mortgage Receivables" means any and all rights of the relevant Seller against any Borrower under or in connection with any Savings Mortgage Loans;

"Savings Premium" means the savings part of the premium including any extra instalments, due by the relevant Borrower to the relevant Savings Insurance Company on the basis of the Savings Insurance Policy or the Life Insurance Policy with a Savings Alternative which is calculated in such a way that the Savings Mortgage Loan or the Savings Element or the Life Mortgage Loan can be redeemed with the insurance proceeds at maturity;

"Secured Parties" means, in respect of a specific Compartment, (a) the Noteholders of such Compartment, (b) the Directors, (c) the Issuer Administrator, (d) the MPT Provider, (e) the Paying Agents, (f) the Reference Agent, (g) the Swap Counterparty of such Compartment, (h) the Liquidity Facility Provider of such Compartment, if any, (i) the Savings Insurance Companies of such Compartment, (j) the Seller or, as the case may be, the Sellers and (k) any other Hedging Counterparty of such Compartment, if any;

"Security" means, in respect of a Compartment, the security for the obligations of the Issuer towards the Noteholders of such Compartment;

"Security Account" means, in respect of a Compartment and Pool, such account as opened by the Security Trustee in its name at any bank as chosen by the Security Trustee, to which account payments from Borrowers of a Pool and any other relevant debtor of such Pool shall be directed upon notification as referred to in Clause 5.1 of the Trustee Receivables Pledge Agreement in respect of such Pool;

"Security Act" means the United States Securities Act 1933, as amended;

"Security Trustee" means Stichting Security Trustee E-MAC Program, a foundation ("*stichting*") organised under the laws of the Netherlands and established in Amsterdam, the Netherlands;

"Sellers" means the Initial Sellers and any other legal entity, if any, which has acceded the Programme after the Programme Closing Date;

"Senior Class A Noteholders" means the several persons who are for the time being holders of any Senior Class A Notes;

"Senior Class A Notes" means the senior class A mortgage-backed notes of a compartment, including the Coupons appertaining thereto and as specified as such in the relevant Final Terms;

"Servicing Advance" means the advance made by the MPT Provider or any other party to the Issuer pursuant to the Issuer Services Agreement or the relevant Trust Deed to enable the Issuer to redeem the Put Option Notes of a Compartment on the relevant Put Date;

"Short Term Requisite Rating" has the meaning ascribed to it in the relevant Supplemental Prospectus;

"Star Mortgage Loan" means an Interest-only Mortgage Loan with a maximum LTFV-ratio of 125 per cent. or with a maximum LTFV-ratio of 128 per cent. in case 3 per cent. is used as a lumpsum top pay disability insurance;

"State" means the State of the Netherlands;

"Stater" means Stater Nederland B.V., a private company with limited liability (*'besloten vennootschap met beperkte aansprakelijkheid'*) organised under the laws of the Netherlands and established in Amersfoort, the Netherlands;

"Stichting Holding" means Stichting E-MAC Holding, a foundation organised under the laws of the Netherlands, and established in Amsterdam;

"Subordinated Class D Noteholders" means the several persons who are for the time being holders of any Subordinated Class D Notes;

"Subordinated Class D Notes" means the subordinated class D notes of a Compartment, including the Coupons appertaining thereto and as specified as such in the relevant Final Terms;

"Subordinated Class E Noteholders" means the several persons who are for the time being holders of any Subordinated Class E Notes;

"Subordinated Class E Notes" means the subordinated class E notes of a Compartment, including the Coupons appertaining thereto and as specified as such in the relevant Final Terms;

"Subordinated Extension Interest Part" means, in respect of a Compartment, with respect to a Quarterly Calculation Period after the relevant First Put Date, an amount equal to the positive difference, if any, between (a) the sum of Euribor increased with the relevant Extension Margin multiplied by the aggregate Principal Amount Outstanding of the relevant Class of Notes and (b) the sum of Euribor increased with the relevant Initial Margin multiplied by the aggregate Principal Amount Outstanding of the relevant Class of Notes;

"Sub-Participation Agreement" means the sub-participation agreement in respect of a Compartment and Pool entered into by the Issuer, the Security Trustee, the relevant Savings Insurance Companies and GMAC RFC Nederland on the relevant Issue Date;

"Supplemental Prospectus" means a supplemental to the Base Prospectus which forms part of and should be read in conjunction with the Base Prospectus and which has been approved by the IFSRA, as competent authority for the purpose of the Prospectus Directive, for the purpose of giving information with regard to (i) a specific issue of Notes under the Programme and/or (ii) (a) any modification or amendment to the terms of the Programme which modification or amendment would make the Base Prospectus, as supplemented, inaccurate or misleading;

"Supporting Class of Notes" means the Class of Notes, including the Coupons appertaining thereto and as specified as such in the relevant Final Terms;

"Supporting Class Early Amortisation Percentage" has the meaning ascribed to it in Condition 9(e);

"Supporting Class Redemption Amount" means, in respect of a Compartment, the principal amount so redeemable in respect of each Note of the Supporting Class of Notes on the relevant Quarterly Payment Date shall be the relevant Supporting Class Redemption Available Amount, if any, divided by the relevant number of Notes of the Supporting Class of Notes subject to such redemption (rounded down to the nearest EUR);

"Supporting Class Redemption Available Amount" means, in respect of a Compartment, the sum of an amount equal to

- (i) until the Quarterly Payment Date specified in the relevant Final Terms on which the Supporting Class of Notes becomes subject to redemption, zero, and
- (ii) on the Quarterly Payment Date referred to under (i) and each Quarterly Payment Date thereafter up to but excluding the First Put Date unless on such Quarterly Payment Date the Outstanding Principal Amount of the Put Option Notes is equal to or below the Supporting Class Early Amortisation Percentage of the aggregate Outstanding Principal Amount of the Put Option Notes on the relevant Issue Date, an amount equal to the positive difference between the balance standing to the credit of the Reserve Account (after payment of items (a) up to and including (n) of the Interest Priority of Payments have been met on such date) and the Reserve Account Target Level on the first day of the immediately succeeding Floating Rate Interest Period, and
- (iii) on each Quarterly Payment Date on which the Outstanding Principal Amount of the Put Option Notes is equal to or below the Supporting Class Early Amortisation Percentage of the aggregate Outstanding Principal Amount of the Put Option Notes on the relevant Issue Date and on the First Put Date and each Put Date thereafter, an amount equal to the sum of (x) the amount of the Notes Interest Available Amount remaining, if any, after items (a) up to and including (n) and items (p) up to and including (v) of the Interest Priority of Payment have been met and (y) the positive difference between the balance standing to the credit of the Reserve Account (after items (a) up to and including (n) of the Interest Priority of Payments have been met on such date) and the Reserve Account Target Level on the first day of the immediately succeeding Floating Rate Interest Period;

"Swap Agreement" means, in respect of a Compartment, the Swap Transactions entered into pursuant to an ISDA Master Agreement, Schedule to the ISDA Master Agreement (and any Credit Support Annex thereto) and the Confirmations (incorporating the ISDA Definitions) in respect of such Compartment to be entered into by the Issuer and the Swap Counterparty of the relevant Compartment on the relevant Issue Date in connection with the Mortgage Receivables, excluding the Reset Mortgage Receivables and Mortgage Receivables which carry a variable rate of interest, of a Pool;

"Swap Counterparty" means, in respect of a Compartment, the swap counterparty specified in the Final Terms relating to a Compartment or its successor(s);

"Swap Subordinated Amount" means in respect of a Compartment,

- (i) prior to the Enforcement Date, with respect to a Quarterly Payment Date:
 - (a) the aggregate of Notional Adjustment Payments, if any, due but unpaid by the Issuer under the Swap Agreement or any Reset Swap Agreement only to the extent such amount exceeds the Prepayment Penalties;
 - (b) payments due from the Issuer under any Hedging Agreement after the First Put Date corresponding to that portion, if any, of the increase in any fixed swap rates in the relevant Hedging Agreement that is in excess of 0.15 per cent.;
 - (c) except to the extent that any premium is received by the Issuer from a replacement Hedging Counterparty, any termination payment due from the Issuer under a Hedging Agreement following an Event of Default (as defined in the relevant Hedging Agreement) where the Hedging Counterparty is the Defaulting Party (as defined in the relevant Hedging Agreement); and
 - (d) except to the extent that any premium is received by the Issuer from a replacement Hedging Counterparty, any termination payment due from the Issuer under any Hedging Agreement following an Additional Termination Event (as defined in the relevant Hedging Agreement) triggered by a failure of the Hedging Counterparty to comply with the requirements under the relevant Hedging Agreement, following the loss of the Required Hedging Counterparty Rating; and
- (ii) following the Enforcement Date:

- (a) payments due from the Issuer under any Hedging Agreement after the First Put Date corresponding to that portion, if any, of the increase in any fixed swap rates in the relevant Hedging Agreement that is in excess of 0.15 per cent.;
- (b) except to the extent that any premium is received by the Issuer from a replacement Hedging Counterparty, any termination payment due from the Issuer under a Hedging Agreement following an Event of Default (as defined in the relevant Hedging Agreement) where the Hedging Counterparty is the Defaulting Party (as defined in the relevant Hedging Agreement); and
- (c) except to the extent that any premium is received by the Issuer from a replacement Hedging Counterparty, any termination payment due from the Issuer under the Hedging Agreement following an Additional Termination Event (as defined in the relevant Hedging Agreement) triggered by the failure of the Hedging Counterparty to comply with the requirements under the relevant Hedging Agreement following the loss of the Required Hedging Counterparty Rating;

"Swap Transaction" means each of the interest rate swap transactions to be entered into on the relevant Issue Date under the terms of the relevant Swap Agreement;

"Target Amortisation Date" means the relevant Quarterly Payment Date specified in the relevant Final Terms;

"Target Amortisation Event" means, on the relevant Target Amortisation Date and any Quarterly Payment Date after the Target Amortisation Date, (a) the balance standing to the credit of the Reserve Account is less than the Reserve Account Target Level or (b) the Delinquent Quotient is equal to or higher than the percentage as specified in the applicable Final Terms or (c) any drawing under the Liquidity Facility is not repaid or a drawing under the Liquidity Facility is made on such date or (d) there is a debit balance on the Principal Deficiency Ledger, as modified by the Final Terms;

"Target Amortisation Percentage" means, in respect of a Compartment, the relevant amortisation percentage in respect of the Senior Class A Notes and/or the Mezzanine Class B Notes and/or Junior Class C Notes and/or Subordinated Class D Notes, as specified in the relevant Final Terms;

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer System, or any successor thereto;

"Tax Credit" means any tax credit, allowance, set-off or repayment from the tax authorities of any jurisdiction obtained by the Issuer relating to any deduction or withholding giving rise to a payment made by the relevant Swap Counterparty of such Swap Agreement in accordance with Section 2(d)(i)(4) of the Swap Agreement, the cash benefit in respect of which shall be paid by the Issuer to the Swap Counterparty pursuant to the terms of the Swap Agreement;

"Temporary Global Notes" means the temporary global notes to be issued in respect of each Class of Notes of a Compartment;

"Transaction Accounts" means the Collection Account, the Reserve Account, the Pre-funded Account, the Construction Account, any account in name of the Issuer that is approved by the Security Trustee on which the Eligible Investments are administered and, if applicable the Liquidity Facility Stand-by Account of the relevant Compartment and Pool;

"Transaction Accounts Balances" means, at any day, the balances standing to the credit of each of the Transaction Accounts of a Compartment and Pool at the close of business of such day;

"Trust Deed" means the relevant trust deed in relation to a Compartment to be entered into by the Security Trustee, Stichting Holding and the Issuer on the relevant Issue Date;

"Trustee Notification Events" means, in respect of a Compartment, similar events as the Notification Events but relating to the Issuer, in respect of such Compartment;

"Trustee Assets Pledge Agreement" means the pledge agreement to be entered into by the Issuer, the Security Trustee and certain other parties on the Programme Closing Date;

"Trustee Receivables Pledge Agreement" means the pledge agreement to be entered into by the Security Trustee, the Savings Insurance Companies and the Issuer on the Programme Closing Date;

"Unit-Linked Alternative" means the alternative under a Life Insurance Policy under which the amount to be received upon pay out of the Life Insurance Policy depends on the performance of certain investment funds chosen by the insured ('**unit-linked**'); and

"Universal" means Universal Leven N.V., a public company ("*naamloze vennootschap*"), organised under the laws of the Netherlands and established in Amsterdam, the Netherlands.

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