

European Mortgage Securities VII B.V.
(Incorporated in the Netherlands with its statutory seat in Amsterdam, the Netherlands)

€ 35,000,000,000
Residential Mortgage Backed Secured Debt Issuance Programme

This document constitutes a Base Prospectus within the meaning of Directive 2003/71/EC (the '**Prospectus Directive**'). This Base Prospectus has been approved by the Netherlands Authority for the Financial Markets ("*Stichting Autoriteit Financiële Markten*", the '**AFM**'), which is the Netherlands competent authority for the purpose of the Prospectus Directive and relevant implementing measures in the Netherlands, as a Base Prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the Netherlands for the purpose of giving information with regard to the issue of Notes under the Programme during the period of twelve months after the date hereof.

Under this € 35,000,000,000 Residential Mortgage Backed Secured Debt Issuance Programme (the '**Programme**') European Mortgage Securities VII B.V. (the '**Issuer**') may from time to time issue notes (the '**Notes**') denominated in Euro. For each new issue a new compartment of Notes (each a '**Compartment**') 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 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 (each a '**Pool**') and will be indirectly secured by a right of pledge over such Pool and the Beneficiary Rights relating to such Pool in favour of Stichting Security Trustee European Mortgage Securities VII (the '**Security Trustee**') and a right of pledge over certain of the other assets of the Issuer to the extent such assets are related to the relevant Pool in favour of the Security Trustee. 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 Transaction Accounts to the extent such accounts are related to the relevant Pool 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. There will be no other assets of the Issuer available for any further payments. The right of payment of interest and principal in respect of any Class of Notes of a Compartment, other than the Senior Class A Notes of such Compartment, 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 for Notes issued under the Programme to be admitted to listing on Euronext Amsterdam ('**Euronext Amsterdam**') by NYSE Euronext 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 (as defined under *Terms and Conditions of the Notes under the Programme* below) will be set out in the final terms (the '**Final Terms**') which, with respect to such Notes to be listed on Euronext Amsterdam, will be delivered to Euronext Amsterdam 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 AFM with the exception of the Final Terms contained therein.

The Notes may be issued on a continuing basis. The Notes of each Compartment and Class will (unless otherwise specified in the applicable Final Terms) initially be represented by a temporary global note in bearer form (each a '**Temporary Global Note**'), without coupons, which are expected to be deposited on the date on which such Compartment is issued (each an '**Issue Date**') thereof either, as stated in the applicable Final Terms, (A) if the Notes are intended to be issued in the form of the new global note ('**NGN**'), with a common safekeeper for Euroclear Bank S.A./N.V. as operator of the Euroclear System ('**Euroclear**') and Clearstream Banking, société anonyme ('**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 or Clearstream, Luxembourg or (ii) Euroclear Netherlands or (iii) a depository for any other clearing system. Interests in each Temporary Global Note will be exchangeable for interests in a permanent global note of the relevant Class (each a '**Permanent Global Note**'), without coupons not earlier than forty (40) days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interests in each Permanent Global Note, will, in certain limited circumstances, be exchangeable for Notes in definitive form in bearer form (each a '**Definitive Note**') as described in the terms and conditions of the Notes (the '**Conditions**'). The expression '**Global Notes**' means the Temporary Global Note of each Compartment and Class and the Permanent Global Note of each Compartment and Class and the expression '**Global Note**' means each Temporary Global Note or each Permanent Global Note, as the context may require.

The AFM 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 the relevant Senior Class A Notes, on issue, be assigned an 'Aaa' rating by Moody's Investors Service Limited ('**Moody's**') and, in respect of NHG Compartments, an 'AAA' rating by Fitch Ratings Limited ('**Fitch**') (Moody's and, in case of NHG Compartments, Fitch, the '**Rating Agencies**') the relevant Mezzanine Class B Notes, on issue, be assigned a rating by Moody's and Fitch, if applicable, as indicated in the Final Terms of such Compartment, the relevant Mezzanine Class C Notes, on issue, be assigned a rating by Moody's and Fitch, if applicable, as indicated in the Final Terms of such Compartment and the relevant Mezzanine Class D Notes, on issue, be assigned a rating by Moody's and Fitch, if applicable, as indicated in the Final Terms of such Compartment, the relevant Junior Class E Notes, on issue, be assigned a rating by Moody's and Fitch, if applicable, as indicated in the Final Terms of such Compartment and the relevant Subordinated Class F Notes, on issue, be assigned a rating by Moody's and Fitch, if applicable, as indicated in the Final Terms of such Compartment.

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 obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting, including, without limitation, any of the Arranger, the Dealer, the Notes Purchaser, if any, the Sellers, the MPT Provider, the Defaulted Loan Servicer, the Issuer Administrator, the Liquidity Facility Provider, the GIC Provider, the Swap Counterparty, the Directors, the Paying Agent, the Reference Agent, the Listing Agent (each as defined herein) or the Security Trustee. Furthermore, none of the Arranger, the Dealer, the Notes Purchaser, if any, the Sellers, the MPT Provider, the Defaulted Loan Servicer, the Issuer Administrator, the Liquidity Facility Provider, the GIC Provider, the Swap Counterparty, the Directors, the Paying Agent, the Reference Agent, the Listing Agent, the Security Trustee or any other person, in whatever capacity acting, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. None of the Arranger, the Dealer, the Notes Purchaser, if any, the Sellers, the MPT Provider, the Defaulted Loan Servicer, the Issuer Administrator, the Liquidity Facility Provider, the GIC Provider, the Swap Counterparty, the Directors, the Paying Agent, the Reference Agent, the Listing Agent or the Security Trustee will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances pursuant to the Relevant Documents).

For the page reference of capitalised terms used herein see *Index of Defined Terms*.

The date of this Base Prospectus is 27 March 2009.

ABN AMRO

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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 the 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 can be found elsewhere in this Base Prospectus, unless otherwise stated.

The Programme

Under this Euro 35,000,000,000 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 23 September 2005, may issue Notes on a continuing basis. For each issue of Notes Final Terms and/or a Supplemental Prospectus will be made available and the Notes will be issued in Compartments only. 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.

The Programme was established on 27 February 2006 (the '**Programme Closing Date**'). On the Programme Closing Date the Issuer entered 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 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 Notes of such Compartment 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 or Sellers 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 applicable Final Terms and which will be selected prior to or on the relevant Issue Date.

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 Swap Agreement and amounts credited to the GIC Account related to the relevant Compartment and, for certain of its payment obligations, amounts drawn under the relevant Liquidity Facility Agreement 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 Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes will be subordinated to the Senior Class A Notes of the same Compartment and limited as more fully described herein under *Terms and Conditions of the Notes under the Programme* and the right to payment of interest and principal on the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes will be subordinated to the Mezzanine Class B Notes of the same Compartment and limited as more fully described herein under *Terms and Conditions of the Notes under the Programme* and the right to payment of interest and principal on the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes will be subordinated to the Mezzanine Class C Notes of the same Compartment and limited as more fully described herein under *Terms and Conditions of the Notes under the Programme* and the right to payment of interest and principal on the Junior Class E Notes and the Subordinated Class F Notes will be subordinated to the Mezzanine Class D Notes of the same Compartment and limited as more fully described herein under *Terms and Conditions of the Notes under the Programme* and the right to payment of interest

and principal on the Subordinated Class F Notes will be subordinated to the Junior Class E Notes of the same 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 enter into a Liquidity Facility Agreement under which it will be entitled to make drawings if (after any drawing from the relevant Reserve Account) 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).

The Issuer has entered into the Floating Rate GIC under which the GIC Provider agrees to pay a guaranteed rate of interest on the balance standing from time to time to the credit of the relevant Transaction Accounts (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, or may opt for an alternative hedging arrangement (see *Credit Structure* below).

The Issuer

European Mortgage Securities VII B.V. was incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") on 23 September 2005 under number B.V. 1.336.379. The corporate seat ("*statutaire zetel*") of the Issuer is in Amsterdam, the Netherlands. The Issuer is a special purpose vehicle. All shares of the Issuer are held by Stichting Holding European Mortgage Securities VII.

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, whereas 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 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 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 and the relevant Liquidity Facility Agreement and in respect of the relevant Transaction Accounts.

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 *Credit Structure* and *Description of Security* below.

Interest on the Notes

The Notes will bear either a fixed rate of interest or a floating rate of interest (See *Principal features of the Programme* and *Terms and Conditions of the Notes* 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 Conditions.

The Issuer may (but is not obliged to) redeem all of the Notes of a Compartment, in whole but not in part only, on any Optional Redemption Date or in the event of certain tax changes affecting the Notes at their Principal Amount Outstanding, after payments of the amounts to be paid in priority of the Notes and subject to the applicable Conditions. The Issuer will consult with the relevant Seller(s) in respect of exercising the option to redeem the Notes.

Furthermore, after the first Optional Redemption Date the Issuer will on each Quarterly Payment Date be obliged to apply all amounts received as principal to redeem (or partially redeem) the Notes of the relevant Compartment in the order of priority of the Notes until fully redeemed. Also, prior to the first Optional Redemption Date, all amounts of principal received will, after deduction of amounts used or reserved for the purchase of Substitute Mortgage Receivables and Further Advance Receivables, be used on each Quarterly Payment Date to redeem the Senior Class A1 Notes until fully redeemed.

In addition, the relevant Seller, or, as the case may be, the relevant Sellers may upon the occurrence of certain events exercise the Clean-up Call Option and repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables of a Pool. The Issuer has undertaken to apply the proceeds of any such sale towards redemption of the Notes of the relevant Compartment.

Listing

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

Rating

It is a condition precedent to issuance of each Compartment of Notes that the relevant Senior Class A Notes, on issue, be assigned an 'Aaa' rating by Moody's and, in respect of each Compartment to which a Pool is linked which consists of NHG Mortgage Loans only (each a '**NHG Compartment**'), 'AAA' by Fitch. The ratings of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes will be indicated in the Final Terms of such Compartment.

Risk factors

There are certain risk factors which the prospective Noteholders should take into account. These risk factors relate to, *inter alia*, 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 a credit risk, liquidity risk, prepayment risk, maturity risk, interest rate risk and other risks) relating to the Notes. Moreover, there are certain structural, legal and other risks relating to the Mortgage Receivables. The material risks which the Issuer believes are inherent in investing in the Notes are set out in "*Risk Factors*" below, to which section prospective Noteholders should refer. (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 all material 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 reasons other than those factors described below which the Issuer believes represent all material risks. The Issuer therefore does not represent that the statements below regarding the risks of investing in 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.

RISK FACTORS REGARDING THE ISSUER

The Notes will be solely the obligations of the Issuer

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 Arranger, the Dealer, the Notes Purchaser, if any, the Sellers, the MPT Provider, the Defaulted Loan Servicer, the Issuer Administrator, the Liquidity Facility Provider, the GIC Provider, the Swap Counterparty, the Directors, the Paying Agent, the Reference Agent, the Listing Agent or the Security Trustee. Furthermore, none of the Arranger, the Dealer, the Notes Purchaser, if any, the Sellers, the MPT Provider, the Defaulted Loan Servicer, the Issuer Administrator, the Manager, the Liquidity Facility Provider, the GIC Provider, the Swap Counterparty, the Directors, the Paying Agent, the Reference Agent, the Listing Agent, the Security Trustee or any other entity or person in whatever capacity acting, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. None of the Arranger, the Dealer, the Notes Purchaser, if any, the Sellers, the MPT Provider, the Defaulted Loan Servicer, the Issuer Administrator, the Liquidity Facility Provider, the GIC Provider, the Swap Counterparty, the Directors, the Paying Agent, the Reference Agent, the Listing Agent or the Security Trustee will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances pursuant to the Relevant Documents).

The Issuer has limited resources available to meet its 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 of the sale of any such Mortgage Receivables, the receipt by it of payments under the relevant Swap Agreement and the receipt by it of interest in respect of the balance standing to the credit of the relevant Transaction Accounts (other than on the Construction Ledger). In addition, the Issuer will have available to it the balances standing to the credit of the relevant Reserve Account and the amounts available to be drawn under the Liquidity Facility Agreement in respect of the relevant Compartment for certain of its payment obligations. See further *Credit Structure* below. The Issuer does not have any other resources available to it to meet its obligations under the Notes.

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

The Issuer has counterparty risk exposure

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. It should be noted that there is a risk that (a) ABN AMRO in its capacity of Seller, Issuer Administrator, MPT Provider, Defaulted Loan Servicer, GIC Provider, Liquidity Facility Provider, Paying Agent, Reference Agent and Swap Counterparty, will not meet its obligations vis-à-vis the Issuer (b) ABN

AMRO Hypotheken Groep, MoneYou, WoonNexxt Hypotheken, Combi-Hypotheken, CombiVoordeel Hypotheken, Albank or MNF Bank each in its capacity as Seller will not meet their respective obligations vis-à-vis the Issuer, (c) any new Seller will not meet its obligations vis-à-vis the Issuer and (d) the counterparties to the Intercreditor Agreement will not meet their obligations and will not comply with the contractual arrangements, which may lead to the Issuer not receiving amounts which have been paid by the Borrowers in respect of the Relevant Mortgage Receivables into the Seller Collection Account of ABN AMRO Hypotheken Groep and WoonNexxt Hypotheken.

Effectiveness of the rights of pledge to the Security Trustee in case of insolvency of the Issuer

Under or pursuant to the Pledge Agreements and the Deed(s) of Sale, Assignment and Pledge, various rights of pledge will be granted by the Issuer to the Security Trustee. On the basis of these pledges the Security Trustee can exercise the rights afforded by Netherlands law to pledgees as if there were no bankruptcy or suspension of payments of the Issuer. The Issuer is a special purpose vehicle and is therefore unlikely to become insolvent. However, any bankruptcy or suspension of payments involving the Issuer would affect the position of the Security Trustee as pledgee in some respects, the most important of which are: (i) payments made by the Issuer to the Security Trustee prior to notification but after bankruptcy or suspension of payments will be part of the bankruptcy estate of the Issuer, although the Security Trustee has the right to receive such amounts by preference after deduction of certain costs, (ii) a mandatory 'cool-off' period of up to four months may apply in case of bankruptcy or suspension of payments involving the Issuer, which, if applicable would delay the exercise of the right of pledge on the Mortgage Receivables and (iii) the Security Trustee may be obliged to enforce its right of pledge within a reasonable period following bankruptcy as determined by the judge-commissioner ("*rechter-commissaris*") appointed by the court in case of bankruptcy of the Issuer.

To the extent the receivables pledged by the Issuer to the Security Trustee are future receivables, the right of pledge on such future receivable cannot be invoked against the estate of the Issuer, if such future receivable comes into existence after the Issuer has been declared bankrupt or has been granted a suspension of payments. The Issuer has been advised that the assets pledged to the Security Trustee under the Trustee Assets Pledge Agreement should probably be regarded as future receivables. This would for example apply to amounts paid to the GIC Accounts following the Issuer's bankruptcy or suspension of payments. In respect of the effectiveness of the rights of pledge on the Beneficiary Rights and the Construction Amounts, see also *Risks relating to Beneficiary Rights under the Insurance Policies* and *Risk regarding assignment and pledge of Mortgage Receivables relating to Construction Amounts* below.

One Issuer for all Compartments

The Issuer has been established to issue notes from time to time under this Programme. The 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. 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.

Multiple Sellers

In the Programme Agreement the transaction parties have agreed that subsidiaries and group companies of ABN AMRO, if they meet the Seller Eligibility Criteria, may accede to the Relevant Documents and become Seller and may therefore sell Mortgage Receivables to the Issuer. The Issuer may therefore be exposed to other risk on such Sellers than on the 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 the applicable Final Terms. This applies to the sale and assignment of new Pools of Mortgage Receivables and to the sale and assignment of Further Advance Receivables and Substitute Mortgage Receivables in existing Pools.

Risks related to the creation of pledges on the basis of a 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 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 relevant 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. There is no statutory law or case law available on the concept of parallel debts such as the Parallel Debt and the question whether a parallel debt constitutes a valid basis for the creation of security rights. However, the Issuer has been advised that such Parallel Debts create 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 Trustee Receivables Pledge Agreement and the Trustee Assets Pledge Agreement (see also *Description of Security* below).

Any payments in respect of a Parallel Debt and any proceeds received by the Security Trustee are, in the case of an insolvency of the Security Trustee, not separated from the Security Trustee's other assets. If the Issuer would become insolvent, the Secured Parties therefore have a credit risk on the Security Trustee.

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 on a pro rata 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.

Licence requirements under the Act on Financial Supervision

Under the Act on Financial Supervision ("*Wet op het financieel toezicht*" or "*Wft*"), as amended from time to time, which entered into force on 1 January 2007, a special purpose vehicle which services ("*beheert*") and administers ("*uitvoert*") loans granted to consumers, 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 Act on Financial Supervision as offeror of credit ("*aanbieder van krediet*") or intermediary ("*bemiddelaar*"). The Issuer has outsourced the servicing and administration of the Mortgage Loans to the MPT Provider and the Defaulted Loan Servicer. ABN AMRO, as the MPT Provider and the Defaulted Loan Servicer, holds a licence under the Act on Financial Supervision and the Issuer thus benefits from the exemption. However, if the Issuer Services Agreement is terminated, the Issuer will need to outsource the servicing and administration of the Mortgage Loans to another licensed entity or it needs to apply for and hold a licence itself. In the latter case, the Issuer will have to comply with the applicable requirements under the Act on Financial Supervision. If the Issuer Services Agreement is terminated and the Issuer has not outsourced the servicing and administration of the Mortgage Loans to a licensed entity and, in such case, it will not hold a licence itself, the Issuer will have to terminate its activities and settle ("*afwikkelen*") its existing agreements.

Risk related to the termination of the Swap Agreements

There will be a difference 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 the relevant Compartment. To mitigate this risk, the Issuer will enter into Swap Agreements in respect of each Compartment. The Swap Counterparty will be obliged to make payments under each Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. The relevant Swap Agreement

will provide, however, that if due to (i) action taken by a relevant taxing authority or brought in a court of competent jurisdiction, or (ii) any change in tax law, in both cases after the date of such Swap Agreement, the Swap Counterparty will, or there is a substantial likelihood that it will, be required to pay to the Issuer additional amounts for or on account of tax (a '**Tax Event**'), the Swap Counterparty may (with the consent of the Issuer and provided that the then current rating of the Notes of the relevant Compartment will not adversely be affected) transfer its rights and obligations to another of its offices, branches or affiliates to avoid the relevant Tax Event. If the Swap Counterparty is unable to transfer its rights and obligations under the Swap Agreement to another office, branch or affiliate, it will have the right to terminate the Swap Agreement. Upon such termination, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party.

The relevant Swap Agreement will be terminable by one party in certain circumstances, including if (i) an 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 Swap Agreement, or (iii) an Enforcement Notice is served. Events of Default under the relevant Swap Agreement in relation to the Issuer will be limited to (i) non-payment under the relevant Swap Agreement and (ii) certain insolvency events. The relevant Swap Agreement will terminate on the earlier of the relevant Final Maturity Date and the date on which the Notes of the relevant Compartment have been redeemed or written-off in full in accordance with the relevant Conditions. If the relevant Swap Agreement terminates the Issuer will be exposed to changes in the relevant rates of interest. As a result, unless a replacement swap is entered into, the Issuer may have insufficient funds to make payments under the Notes.

Adjustment of Swap Amounts

If Fixed Rate Notes are issued in a Compartment, the relevant Swap Agreement will provide for an adjustment mechanism. If the sum of scheduled interest actually received and interest (including penalties) recovered on the Mortgage Receivables falls short of scheduled interest receivable on the Mortgage Receivables, the payment obligation of the Issuer will be reduced with an amount equal to such shortfall. In such event the payment of the Swap Counterparty will be adjusted accordingly on a Euro for Euro basis. Such reduction could result in the Issuer not having sufficient funds available to meet its payment obligations in accordance with the priorities of payments described above.

RISK FACTORS REGARDING THE MORTGAGE RECEIVABLES

Risk related to payments received by a Seller prior to notification of the assignment to the Issuer

Under Netherlands law, assignment of the legal title of claims, such as the Mortgage Receivables, can be effectuated by means of a notarial deed of assignment or a deed of assignment and registration thereof with the appropriate tax authorities, without notification of the assignment to the debtors being required ("*stille cessie*"). The legal title of the Relevant Mortgage Receivables will be transferred by the relevant Sellers to the Issuer through the relevant registered deed of assignment. The Mortgage Receivables Purchase Agreement will provide that the assignment of the Relevant Mortgage Receivables by the relevant Seller to the Issuer will not be notified by the relevant Seller or, as the case may be, the Issuer to the relevant Borrowers except if certain events occur. For a description of these notification events reference is made to *Mortgage Receivables Purchase Agreement*.

Until notification of the assignment has been made to the Borrowers, the Borrowers can only validly pay to the relevant Seller in order to fully discharge their payment obligations ("*bevrijdend betalen*") in respect thereof. Each of the 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 Pool during the immediately preceding Mortgage Calculation Period. However, receipt of such amounts by the Issuer is subject to the relevant Seller actually making such payments. In case the relevant Seller is declared bankrupt or subject to emergency regulations or suspension of payments, the Issuer has no right of any preference in respect of the amounts not yet transferred to it. However, ABN AMRO Hypotheken Groep has undertaken to grant to the Issuer in respect of the collections of ABN AMRO Hypotheken Groep and WoonNexxt Hypotheken a second right of pledge over the balance of the Seller Collection Account (see *Cash Collection Arrangements* in the paragraph *Credit Structure*).

Payments made by Borrowers to the relevant Seller prior to notification but after bankruptcy or emergency regulations or suspension of payments in respect of the relevant Seller having been declared will be part of the relevant 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.

Set-off by Borrowers may affect the proceeds under the Mortgage Receivables

Under Netherlands law a debtor has a right of set-off if it has a claim which corresponds to its debt to the same counterparty and it is entitled to pay its debt as well as to enforce payment of its claim. Subject to these requirements being met, each Borrower will be entitled to set off amounts due by the relevant Seller to it (if any) with amounts it owes in respect of the Relevant Mortgage Receivable prior to notification of the assignment of the Relevant Mortgage Receivable to the Issuer having been made. Such amounts due and payable by a Seller to a Borrower could, *inter alia*, result from current account balances or deposits, including the Redemption Account balances or, in respect of Bank Savings Mortgage Loans originated by ABN AMRO Hypotheken Groep, the Bank Savings Account balances of a Borrower held with ABN AMRO or ABN AMRO Hypotheken Groep, respectively, or from services rendered by a Seller to the Borrower, such as investment advice or investment management services rendered by such Seller or for which such Seller is responsible. As a result of the set-off of amounts due and payable by a Seller to the Borrower with amounts the Borrower owes in respect of the Relevant Mortgage Receivable, the Relevant Mortgage Receivable will, partially or fully, be extinguished ("*gaat teniet*"). Set-off by Borrowers could thus lead to losses under the Notes.

Some of the conditions applicable to the Mortgage Loans of the Sellers provide that payments by the Borrowers should be made without set-off. Although this clause is intended as a waiver by the relevant Borrowers of their set-off rights vis-à-vis the relevant Seller, under Netherlands law it is uncertain whether such waiver will be valid. Should such waiver be invalid and in respect of the Mortgage Loans which do not contain such provision, the Borrowers will have the set-off rights described in this paragraph.

After assignment of the Mortgage Receivables to the Issuer and notification thereof to a Borrower, such Borrower will also have set-off rights vis-à-vis the Issuer, provided that the legal requirements for set-off are met (see above), 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 has been originated ("*opgekomen*") and became due and payable ("*opeisbaar*") prior to the assignment of the Mortgage Receivable and notification thereof to the relevant Borrower. The question whether a court will come to the conclusion that the Relevant Mortgage Receivable and the claim of the Borrower on the relevant Seller result from the same legal relationship will depend on all relevant facts and circumstances involved. But even if these would be held to be different legal relationships, set-off will be possible if the counterclaim of the Borrower has originated and become due and payable prior to notification of the assignment, and, further, provided that all other requirements for set-off have been met (see above). A balance on a current account is due and payable at any time and, therefore, this requirement will be met. In the case of deposits it will depend on the term of the deposit whether the balance thereof will be due and payable at the moment of notification of the assignment. The same applies in the case of a balance on a Redemption Account or, in respect of Bank Savings Mortgage Loans originated by ABN AMRO Hypotheken Groep, a balance on a Bank Savings Account. The Issuer has been informed by ABN AMRO and ABN AMRO Hypotheken Groep in their respective capacity as Seller that a balance on a deposit account, a Redemption Account and a Bank Savings Account with it can, in principle, be withdrawn at any time unless agreed otherwise and, consequently, such balance is due and payable ("*opeisbaar*") at any time. If after the moment the Borrower receives notification of the assignment of the Mortgage Receivable, amounts are debited from or credited to the current account, the deposit account, the Redemption Account or, as the case may be, the Bank Savings Account, the Borrower will only be able to set-off its claim vis-à-vis the Issuer for the amount of its claim at the moment such notification has been received after deduction of amounts which have been debited from the current account, the deposit account, the Redemption Account or the Bank Savings Account after such moment, notwithstanding that amounts may have been credited.

In view of the above, the Sellers, other than ABN AMRO and ABN AMRO Hypotheken Groep, unless specified otherwise in the relevant Final Terms, will represent and warrant on the relevant Quarterly Payment Date on which such Seller sells and assigns Mortgage Receivables to the Issuer, that they have not accepted any deposits from the Borrowers and they do not have any account relationships with the Borrowers.

In respect of Mortgage Loans granted by the Sellers to their employees ('**Employee Mortgage Loans**') the Borrower, which is also an employee of the relevant Seller, has set-off rights vis-à-vis the Issuer for claims resulting from its employment relationship, provided that the conditions for set-off after notification of assignment, set out above, are met. Consequently, counterclaims resulting from the employment relationship which have become due prior to notification, can be set-off against the Relevant Mortgage Receivable. For counterclaims which are not due at the time of notification, the question is whether the counterclaim results from the same legal relationship as the relevant Employee Mortgage Loan. The Issuer has been informed by each of the Sellers, other than ABN AMRO Hypotheken Groep, that its employees, have the right to a reduced interest on a mortgage loan taken out with the relevant Seller as part of their employment conditions and by ABN AMRO Hypotheken Groep that its employees as part of their employment conditions have the right to a surcharge on their salary in case such employee takes out a mortgage loan with any of the Sellers, other than ABN AMRO, Combi-Hypotheken and CombiVoordeel Hypotheken. On this basis it could be argued that the relevant Employee Mortgage Loan is part of the employment relationship and could on this basis be regarded as resulting from the same legal relationship. However, the Issuer has been advised that the better view is that the relevant Employee Mortgage Loan and the employment relationship should not be regarded as the same legal relationship, since the Issuer has been informed by the relevant Sellers that (i) the only connection between the relevant Employee Mortgage Loan and the employment relationship is the right to reduced interest on the relevant Employee Mortgage Loan or the right to a surcharge on their salary and (ii) no actual set-off of amounts due under the relevant Employee Mortgage Loan with salary payments is agreed or actually effectuated. There is no case law or literature supporting this view.

In case notification of the assignment of the Relevant Mortgage Receivables is made after the bankruptcy or emergency regulations or suspension of payments of the relevant Seller having become effective, it is defended in legal literature that the Borrower will, irrespective of the notification of the assignment, continue to have the broader set-off rights afforded to it in the Netherlands Bankruptcy Code. Under the Netherlands Bankruptcy Code a person which is both debtor and creditor of the bankrupt entity can set off its debt with its claim, if each claim (i) came into existence prior to the moment at which the bankruptcy became effective or (ii) resulted from transactions with the bankrupt entity concluded prior to the bankruptcy becoming effective. A similar provision applies in case of emergency regulations.

The Mortgage Receivables Purchase Agreement provides that if a Borrower sets off amounts due to it by the relevant 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 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 the Hybrid Insurance Policies, Life Insurance Policies or, as the case may be, Savings Insurance Policies connected to the Mortgage Loans, reference is made to the paragraph *Risk of set-off or defences in case of insolvency of Insurance Companies* below.

Risk of set-off or defences in case of Mortgage Receivables resulting from Bank Savings Mortgage Loans

The Bank Savings Mortgage Loans have the benefit of the balances standing to the credit of the Bank Savings Accounts which are held with ABN AMRO Hypotheken Groep. In respect of the Bank Savings Account balances, the intention is that at the maturity of the relevant Bank Savings Mortgage Loan, such balances will be used to repay the relevant Bank Savings Mortgage Loan, whether in full or in part. If ABN AMRO Hypotheken Groep is no longer able to meet its obligations in respect of the relevant Bank Savings Account, for example as a result of bankruptcy, this could result in the balance standing to the credit of the relevant Bank Savings Account either not, or only partly, being available for application in reduction of the Mortgage Receivable resulting from the relevant Bank Savings Mortgage Loan. This may lead to the Borrower trying to invoke set-off rights and defences against the relevant Seller, the Issuer or the Security Trustee, as the case may be, which may have the result that the Mortgage Receivables will be, fully or partially, extinguished ("*tenietgaan*") or cannot be recovered for other reasons, which could lead to losses under the Notes. The analysis for such set-off or defences by Borrowers is similar to the analysis described in *Risk of set-off or defences in case of insolvency of Insurance Companies* below.

The Issuer has been advised that there is a considerable risk ("*een aanmerkelijk risico*") that such a set-off or defence would be successful, in view of, *inter alia* (a) the close connection between the Bank Savings Mortgage Loan and the Bank Savings and (b) the wording of the mortgage documentation used by the relevant Sellers.

Risk that the Bank Mortgages will not follow the Mortgage Receivables upon assignment to the Issuer

Part of the mortgage deeds relating to the Relevant Mortgage Receivables sold by the Sellers to the Issuer provide that the mortgage rights ("*hypothekrechten*") created pursuant to such mortgage deeds, not only secure the loan granted to the Borrower for the purpose of acquiring the Mortgaged Assets, but also other liabilities and moneys that the Borrower, now or in the future, may owe to the relevant Seller ("*bankhypotheken*", hereinafter '**Bank Mortgages**'). Part of the mortgage deeds relating to the Relevant Mortgage Receivables to be sold by the relevant Sellers to the Issuer provide that the Relevant Mortgage Receivables will be secured by mortgage rights created under a mortgage deed in which the Borrower has given security over the Mortgaged Assets for all amounts which the Borrower is or may become due to the loan agreement to the relevant Seller ("*krediethypotheken*", hereinafter '**Credit Mortgages**'). In the mortgage deeds or in separate deeds of pledge, rights of pledge ("*pandrechten*") have been vested in favour of the relevant Seller on certain assets, such as (i) the Borrower Insurance Pledge and (ii) the Investment Accounts. These pledges secure the same debts as the Bank Mortgages (the '**Bank Pledges**') and the Credit Mortgages (the '**Credit Pledges**') (the Bank Mortgages and the Bank Pledges together the '**Bank Security Rights**'). The comments set out below in respect of Bank Security Rights apply *mutatis mutandis* to the Credit Mortgages and the Credit Pledges.

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 legal commentators has been for a long time that upon the assignment of a receivable secured by a Bank Security Right, such security 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 Security Right 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 security 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. Legal commentators following such trend argue that in case of assignment of a receivable secured by a Bank Security Right, the security 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 security right will be jointly-held by the assignor and the assignee after the assignment. In this view a Bank Security Right only continues to secure exclusively claims of the original holder of the security right and will not pass to the assignee, if this has been explicitly stipulated in the deed creating the security right.

Although the view prevailing in the past, to the effect that given its nature a Bank Security Right 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 Security Right in view of its nature follows the receivable as an accessory right upon its assignment. Whether in the particular circumstances involved the bank security right will remain with the original holder of the security right, will be a matter of interpretation of the relevant deed creating the security right.

Part of the mortgage deeds relating to the Mortgage Loans provide that in case of assignment of the claim for which the Bank Security Right is vested to a third party, such third party will have the benefit of a (pro rata) part of the Bank Security Right as an ancillary right. This stipulation 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 these provisions in the Mortgage Loans makes clear that the Bank Security Right (partially) follows the Mortgage Receivable as accessory and ancillary right upon its assignment, but there is no case law explicitly supporting this

advice.

The remaining part of mortgage deeds of the Mortgage Loans of the Sellers do not contain any explicit provision on the issue whether the Bank Security Right follows the receivable upon its assignment. In these cases there is no clear indication of the intention of the parties. The Issuer has been advised that in such a case the Bank Security Right should (partially) follow the receivable as accessory and ancillary right upon its assignment, but that there is no case law explicitly supporting this advice and that, consequently, it is not certain what the Netherlands courts would decide if this matter were to be submitted to them, particularly taking into account the prevailing view of Dutch commentators on Bank Security Rights in the past, which view continues to be defended by some legal commentators.

The preceding paragraph 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 as the conditions applicable to the Mortgage Loans do not provide that in case of pledge of the Mortgage Receivables the Bank Security Rights will follow the Mortgage Receivables.

Risk related to jointly held Bank Security Rights by the relevant Seller, the Issuer and the Security Trustee

If the Bank Security Rights has (partially) followed the Relevant Mortgage Receivables upon its assignment, the Bank Mortgages will be jointly-held by the Issuer (or the Security Trustee as pledgee) and the relevant Seller and will secure both the Mortgage Receivables held by the Issuer (or the Security Trustee, as pledgee) and any claims held by the relevant Seller on the same Borrowers from time to time (the '**Other Claims**').

Where the mortgage rights are jointly-held by both the Issuer or the Security Trustee and the relevant Seller the rules applicable to joint-ownership ("*gemeenschap*") apply. The Netherlands Civil Code provides for various mandatory rules applying to such jointly held rights. In the Mortgage Receivables Purchase Agreement the Sellers, the Issuer and the Security Trustee have agreed that the Issuer and/or the Security Trustee (as applicable) will manage and administer such co-held rights. Certain acts, including acts concerning the day-to-day management ("*beheer*") of the jointly-held rights, may under Dutch law be transacted by each of the participants ("*deelgenoten*") in the jointly-held rights. All other acts must be transacted by all of the participants acting together in order to bind the jointly-held rights. It is uncertain whether the foreclosure of the mortgage rights will be considered as day-to-day management, and, consequently it is uncertain whether the consent of the relevant Seller, the relevant Seller's bankruptcy trustee (in case of bankruptcy) or administrator (in case of emergency regulations), as the case may be, may be required for such foreclosure.

The Issuer is granted a second right of pledge together with certain other parties over the balance of the Seller Collection Account of ABN AMRO Hypotheken Groep, to which also the collections of WoonNexxt Hypotheken are made. The above paragraph applies *mutatis mutandis* in respect of such jointly held second right of pledge, except that such right of pledge will, pursuant to the relevant pledge agreement, be exercised by the pledgees jointly (see paragraph *Cash Collection Arrangements* in the chapter *Credit Structure*).

On the basis of the Netherlands Civil Code the shares of the joint owners in a community are equal, unless their legal relationship provides otherwise. Each of the Sellers, the Issuer and/or the Security Trustee (as applicable) will agree that in case of foreclosure the share ("*aandee*") in each co-held mortgage right of the Security Trustee and/or the Issuer will be equal to the Outstanding Principal Amount in respect of the Relevant Mortgage Receivable, increased with interest and costs, if any, and the share of the relevant Seller will be equal to the Net Proceeds less the Outstanding Principal Amount in respect of the Relevant Mortgage Receivable, increased with interest and costs, if any. The Issuer has been advised that although a good argument can be made that this arrangement will be enforceable against the relevant Seller or, in case of its bankruptcy or emergency regulations, its trustee ("*curator*") or administrator ("*bewindvoerder*"), as the case may be, this is not certain. Furthermore it is noted that this arrangement may not be effective against the Borrower. In this respect it is agreed that in case of a breach by the relevant 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 Seller, the relevant Seller shall 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 Seller to actually make such payments.

To further secure the obligations of the Sellers under this arrangement, if (i) ABN AMRO's long term credit rating from Moody's ceases to be at least A3 or, in respect of a NHG Compartment, from Fitch ceases to be at least A- and ABN AMRO does not regain a long term credit rating of A3 by Moody's or A- by Fitch, if applicable, on the date falling twelve months after the date of such downgrade or (ii) if ABN AMRO's long-term credit rating from Moody's ceases to be at least Baa1 or, in respect of a NHG Compartment, from Fitch ceases to be at least BBB+ or any such rating is withdrawn, then, unless an appropriate remedy to the satisfaction of the Security Trustee, provided that (a) the Security Trustee, in its reasonable opinion, does not expect that the then current ratings of the Notes assigned by Moody's will be adversely affected and (b) in respect of NHG Compartments, Fitch has confirmed that no downgrading of the then current ratings of the Notes of the relevant Compartment will occur, instructs the Issuer otherwise, within a period of 10 business days, the Sellers shall have an obligation to pledge their Other Claims (in the case of a downgrade by Fitch only the Other Claims relating to the relevant NHG Compartments) 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 Sellers created for this purpose equal to the share of the Sellers 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, ABN AMRO regains a long-term credit rating from Moody's of at least A3 and, in respect of a NHG Compartment, A- from Fitch and retains at least an A3 rating from Moody's and an A- rating from Fitch, if applicable, for a consecutive period of twelve months, 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 Amounts in respect of the Relevant Mortgage Receivable is been repaid in full.

Risk that the mortgage rights on long leases cease to exist

The mortgage rights securing the Mortgage Loans may be vested on a long lease ("*erfpacht*"), as further described in *Description of Mortgage Loans* below. A long lease will, *inter alia*, end as a result of expiration of the long lease term (in the case of a 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 ("*in ernstige mate tekortschiet*") other obligations under the long lease. If the long lease ends, the landowner will have the obligation to compensate the leaseholder. In such event the mortgage right 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.

When underwriting a Mortgage Loan to be secured by a mortgage right on a long lease each of the Sellers will take into consideration the conditions, including the term, of the long lease. The general terms and conditions provide that the Relevant Mortgage Loans become immediately due and payable in the event that, *inter alia*, (i) the leaseholder has not paid the remuneration, (ii) the leaseholder seriously breaches any obligation under the long lease or (iii) the long lease is dissolved or terminated.

Risk that the Borrower Insurance Pledge will not be effective

All rights of a Borrower under the Insurance Policies have been pledged to the relevant Seller (the '**Borrower Insurance Pledge**'). The Issuer has been advised that it is probable that the right to receive payment, including the commutation payment ("*afkoopsom*"), under the Insurance Policies will be regarded by a Netherlands court as a future right. The pledge of a future right is, under Netherlands law, not effective if the pledgor is declared bankrupt, granted a suspension of payments or is subject to emergency regulations, prior to the moment such right comes into existence. This means that it is uncertain whether such pledge will be effective. Furthermore, even if the Borrower Insurance Pledge would be effective, as the pledge secures the same liabilities as the Bank Mortgages (and therefore should be regarded as "bank pledges") or the Credit Mortgages (and should therefore be regarded as "credit pledges"), reference is made to *Risk that the Bank Mortgages will not follow the Mortgage Receivables upon assignment to the Issuer* above.

Risks relating to Beneficiary Rights under the Insurance Policies

Furthermore, the Sellers have been appointed as beneficiary under the relevant Insurance Policies, for the amount stated in the relevant Insurance Policies (the '**Beneficiary Rights**'). Contrary to this appointment, pursuant to the

mortgage conditions the appointment of another beneficiary who has been appointed ahead of the relevant Seller will remain in place, provided that, *inter alia*, the relevant Insurance Company is irrevocably authorised by such beneficiary to pay the insurance proceeds to the relevant Seller (the '**Borrower Insurance Proceeds Instruction**'). It is unlikely that the Beneficiary Rights will be regarded as an ancillary right and that it will follow the relevant Mortgage Receivables upon assignment or pledge thereof to the Issuer or the Security Trustee. The Beneficiary Rights will be assigned by the each of the Sellers to the Issuer and pledged by the Issuer to the Security Trustee (see *Description of Security* below), but it is uncertain whether this assignment and pledge will be effective. For the situation that no Borrower Insurance Proceeds Instruction is given and the assignment and pledge of the Beneficiary Rights is not effective, each of the Sellers has undertaken in the Mortgage Receivables Purchase Agreement to use its best efforts to obtain the co-operation from all relevant parties (including the Insurance Companies and the Borrowers) following a Notification Event (see *Mortgage Receivables Purchase Agreement* below) to (a) waive its rights as beneficiary under the Insurance Policies and (b) to appoint as first beneficiary (i) the Issuer subject to the dissolving condition ("*ontbindende voorwaarde*") of the occurrence of a Trustee Receivables Notification Event and (ii) the Security Trustee under the condition precedent ("*opschortende voorwaarde*") of the occurrence of a Trustee Receivables Notification Event. It is uncertain whether such co-operation will be forthcoming. For the event a Borrower Insurance Proceeds Instruction exists, each of the Sellers will undertake to use its best efforts, following a Notification Event, to obtain the co-operation from all relevant parties to change the payment instruction in favour of (i) the Issuer subject to the dissolving condition of the occurrence of a Trustee Receivables Notification Event and (ii) the Security Trustee under the condition precedent of the occurrence of a Trustee Receivables Notification Event.

It is uncertain whether the co-operation of all parties involved will be forthcoming. If the Issuer or the Security Trustee, as the case may be, has not become beneficiary of the Insurance Policies and the assignment, the pledge and the waiver of the Beneficiary Rights are not effective, any proceeds under the Insurance Policies will be payable to the relevant 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 Seller, it will be obliged to pay the amount involved to the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the relevant Seller and it does not pay the amount involved to the Issuer or the Security Trustee, as the case may be, e.g. in the case of bankruptcy of the relevant 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 trying to invoke set-off rights and defences against the Issuer or the Security Trustee, as the case may be, for the amounts so received by the relevant Seller as further discussed under *Risk of Set-off or defences in case of insolvency of Insurance Companies* below.

Risk of set-off or defences in case of insolvency of Insurance Companies

The Hybrid Mortgage Loans have the benefit of Hybrid Insurance Policies, the Life Mortgage Loans have the benefit of Life Insurance Policies and the Savings Mortgage Loans have the benefit of Savings Insurance Policies. The intention of the Insurance Policies is that at maturity of the relevant Mortgage Loan, the proceeds of such insurance policies can be used to repay the relevant Mortgage Loan, whether in full or in part. If any of the Insurance Companies is no longer able to meet its obligations under the Insurance Policies, for example as a result of bankruptcy or having 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 which may have the result that the Mortgage Receivables will be, fully or partially, extinguished ("*teniet gaan*") or cannot be recovered for other reasons, which could lead to losses under the Notes.

As set out in *Set-off by Borrowers may affect the proceeds under the Mortgage Receivables* above, some of the Borrowers have waived their set-off rights, but it is uncertain whether such waiver is effective. If the waiver is not effective and regarding the Mortgage Receivables in respect of which there is no such waiver, the relevant Borrowers will in order to invoke a right of set-off, need to comply with the applicable legal requirements for set-off.

One of these requirements is that the Borrower should have a claim, which corresponds to his debt to the same counterparty. The Insurance Policies are contracts between the relevant Insurance Company and the Borrowers. Therefore, in order to invoke a right of set-off, the Borrowers would have to establish that the relevant Seller and the relevant Insurance Company should be regarded as one legal entity or, possibly, based upon interpretation of case

law, that set-off is allowed, even if the relevant Seller and the relevant Insurance Company are not considered as one legal entity, since the Insurance Policies and the Relevant Mortgage Loans might be regarded as one inter-related legal relationship. The Issuer has been advised that it is unlikely that the Relevant Mortgage Loan and a Life Insurance Policy should be regarded as one legal relationship in view of the facts and circumstances set forth below. However, in view of the facts stated below, the Issuer has been advised that a Savings Mortgage Loan and the Savings Insurance Policy and a Hybrid Mortgage Loan and the Hybrid Insurance Policy, respectively, are likely to be regarded as one legal relationship. Another requirement is that the Borrowers should have a counterclaim that is due and payable. If the relevant Insurance Company is declared bankrupt or subject to emergency regulations, the Borrower will have the right unilaterally to terminate the Insurance Policy and to receive a commutation payment ("*afkoopsom*"). These rights are subject to the Borrower Insurance Pledge. However, despite this pledge, it could be argued that the Borrower will be entitled to invoke a right of set-off for the commutation payment, subject, however, to what is stated above on "bank pledges" and "credit pledges" under *Risk that the Borrower Insurance Pledge will not be effective* above. However, apart from the right to terminate the Insurance Policies, the Borrowers are also likely to have the right to dissolve 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 in respect of such claim by the Borrowers.

Even if the Borrowers cannot invoke a right of set-off, they may invoke defences vis-à-vis the relevant Seller, the Issuer and/or the Security Trustee, as the case may be. The relevant Borrowers will naturally have all defences afforded by Netherlands law to debtors in general. A specific defence one could think of would be based upon interpretation of the Mortgage Conditions and the promotional materials relating to the Mortgage Loans. Borrowers could argue that the Relevant Mortgage Loan and the relevant Insurance Policy are to be regarded as one inter-related legal relationship and could on this basis claim a right of annulment or rescission of the Mortgage Loans or possibly suspension of their obligations thereunder. They could also argue that it was the intention of the Borrower, the relevant Seller and the relevant Insurance Company, at least they could rightfully interpret the Mortgage Conditions and the promotional materials in such a manner, that the Relevant Mortgage Receivable would be (fully or partially) repaid by means of the proceeds of the relevant Insurance Policy and that, failing such proceeds being so applied, the Borrower is not obliged to repay the (corresponding) part of the Relevant Mortgage Receivable. Also, a defence could be based upon principles of reasonableness and fairness ("*redelijkheid en billijkheid*") in general, i.e. that it is contrary to principles of reasonableness and fairness for the Borrower to be obliged to repay the Relevant Mortgage Receivable to the extent that he has failed to receive the proceeds of the relevant Insurance Policy. The Borrowers could also base a defence on "error" ("*dwalig*"), i.e. that the Relevant Mortgage Loan and the Insurance Policy were entered into as a result of "error". If this defence would be successful, this could lead to annulment of the Relevant Mortgage Loan, which would have the result that the Issuer no longer holds a Mortgage Receivable.

Life Mortgage Loans

In respect of Life Mortgage Loans originated by any of ABN AMRO, ABN AMRO Hypotheken Groep and Albank, the Issuer has been advised that it is unlikely that a court would honour set-off or defences of the Borrowers, in view of the preceding paragraphs and the representation by each of ABN AMRO, ABN AMRO Hypotheken Groep and Albank that with respect to Life Mortgage Loans (i) the Life Mortgage Loans and the Life Insurance Policies have not been offered as one combined mortgage and life insurance product or under one name, (ii) the Borrowers are free to choose the relevant Life Insurance Company and (iii) the relevant Life Insurance Company is not a group company of the relevant Seller within the meaning of Section 2:24b NCC. With respect to Life Mortgage Loans originated by any of the other Sellers, the Issuer has been advised that the risk of such set-off or defences being successful will depend on all factual circumstances involved, such as the specific wording of the relevant mortgage deed of such Seller and on the manner in which such Life Mortgage Loans and the Life Insurance Policies connected thereto have been offered to the Borrowers.

Savings Mortgage Loans and Hybrid Mortgage Loans

In respect of Savings Mortgage Loans and the Hybrid Mortgage Loans the Issuer has been advised that there is a considerable risk ("*een aanmerkelijk risico*") that such a set-off or defence would be successful, in view, *inter alia*, of (a) the close connection between the Savings Mortgage Loan and the Hybrid Mortgage Loan and the Savings Insurance Policy and the Hybrid Insurance Policy, respectively, and (b) the wording of the mortgage documentation used by the relevant Seller.

Insolvency of ABN AMRO

In respect of certain Hybrid Insurance Policies with a Savings Part and the Savings Insurance Policies the specific wording used in the relevant Insurance Policies is relevant for the situation that ABN AMRO would become insolvent. Certain conditions applicable to the Hybrid Insurance Policies and Savings Insurance Policies provide that in case of bankruptcy or emergency regulations involving ABN AMRO, the relevant Savings Insurance Companies have the right to apply the amount invested on the "*hypotheekrenterekening*" or, as the case may be, the account of the relevant Savings Insurance Company held with ABN AMRO in respect of the Hybrid Insurance Policies and/or Savings Insurance Policies (the '**Deposit Account**'), respectively, on behalf of the relevant Borrower as (partial) repayment of the Relevant Mortgage Loan to ABN AMRO. Furthermore, it is provided that the relevant Savings Insurance Companies will in such event be released from their obligations under the Hybrid Insurance Policies and/or Savings Insurance Policies up to the amount so paid. It is uncertain whether this set-off arrangement is enforceable. However, if this clause is effective, upon the exercise of the right granted therein by the relevant Savings Insurance Company, the Relevant Mortgage Receivable will be reduced by the amount of the deposit on the "*hypotheekrenterekening*" and the Deposit Account, respectively, the Issuer will suffer damages up to an amount equal to the amount by which the Relevant Mortgage Receivables are reduced in case the relevant Savings Insurance Company invokes its set-off rights.

In case of a NHG Compartment comprising of (*inter alia*) Savings Mortgage Receivables, to mitigate the risk that a set-off or defence as described in the preceding two paragraphs will be successful, the Issuer shall undertake in the relevant Trust Deed to take such measures to ensure that the ratings of the Notes of the relevant Compartment will not be adversely affected.

PensionExtra Mortgage Receivables

The Issuer has been informed that a PensionExtra Mortgage Loan is a combination of an interest-only mortgage loan and an annuity insurance policy with the PensionExtra Insurance Company. In addition, the Issuer has been informed that if the PensionExtra Insurance Company which offers the annuity insurance policy fails to pay the annuity, the monthly interest payments of the Borrower will increase and the Borrower will not receive any additional income. If the PensionExtra Insurance Company does not meet its obligations under the annuity insurance policy, the Borrower may invoke set-off or another defence. The Borrower could argue that, because he did not receive the monthly payments under the annuity insurance policy, he or she should not have to pay any interest or repay (a corresponding part of) the PensionExtra Mortgage Loan. The arguments of Borrowers mentioned in *Risk of set-off and defences by Borrowers in case on insolvency of Insurance Companies* above with respect to accumulated premia, may apply mutatis mutandis in respect of the PensionExtra Mortgage Loan.

Risk Insurance Policies

If the principal sum outstanding of a Mortgage Loan from which the Mortgage Receivable results upon origination, or all Mortgage Receivables secured on the same asset, exceeded (i) in case of Mortgage Receivables resulting from Mortgage Loans originated prior to 1 January 2007 by ABN AMRO, Albank and MNF Bank 75% and (ii) in case of Mortgage Receivables resulting from Mortgage Loans originated after 1 January 2007 by ABN AMRO, Albank and MNF Bank 100%, of the foreclosure value of the Mortgaged Assets, such Mortgage Receivable(s) has/have the benefit of a life insurance risk policy (the '**Risk Insurance Policy**') with any insurance company established in the Netherlands. The arguments of Borrowers mentioned in *Risk of set-off and defences by Borrowers in case on insolvency of Insurance Companies* above apply mutatis mutandis to the Risk Insurance Policies.

Risk of set-off or defences in respect of investments under Investment Mortgage Loans

The Sellers have represented that under the Investment Mortgage Loans the related securities are purchased by a bankruptcy remote securities giro ("*effectengiro*"), a bank or an investment firm ("*beleggingsonderneming*") for the account of the Borrowers and that these securities are held in custody by an admitted institution of Euroclear Netherlands if these securities qualify as securities as defined in the Dutch Securities Giro Transfer Act ("*Wet giraal effectenverkeer*") or, if they do not qualify as such, by a separate depository vehicle. The Issuer has been advised that on the basis of this representation the relevant investments should be effectuated on a bankruptcy remote basis and that, in respect of these investments, the risk of set-off or defences by the Borrowers should not become relevant in this respect. However, if this is not the case and the investments were to be lost, this may lead to the Borrowers trying

to invoke set-off rights or defences against the Issuer on similar grounds as discussed under *Risk of Set-off and defences by Borrowers in case of insolvency of Insurance Companies*.

Risk related to value of investments under Investment Mortgage Loans

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

Risks related to offering of Investment Mortgage Loans, Life Mortgage Loans and Hybrid Mortgage Loans

Apart from the general obligation of contracting parties to provide information, there are several provisions of Netherlands law applicable to offerors of financial products, such as Investment Mortgage Loans, Life Mortgage Loans and Hybrid Mortgage Loans. In addition, several codes of conduct apply on a voluntary basis. On the basis of these provisions offerors of these products (and intermediaries) have a duty, *inter alia*, to provide the customers with accurate, complete and non-misleading information about the product, the costs and the risks involved. These requirements have become more strict over time. A breach of these requirements may lead to a claim for damages from the customer on the basis of breach of contract or tort or the relevant contract may be dissolved ("*ontbonden*") or nullified or a Borrower may claim set-off or defences against the relevant Seller or the Issuer (or the Security Trustee). The merits of such claims will, to a large extent, depend on the manner in which the product was marketed and the promotional material provided to the Borrower. Depending on the relationship between the offeror and any intermediary involved in the marketing and sale of the product, the offeror may be liable for actions of the intermediaries which have led to a claim. The risk of such claims being made increases, if the value of investments made under Investment Mortgage Loans, Life Insurance Policies or Hybrid Insurance Policies is not sufficient to redeem the Mortgage Loans.

In relation to investment insurance policies ("*beleggingsverzekeringen*") a specific issue has arisen concerning the costs of these products. In 2006, the AFM has issued a report on these products in which it concludes that these types of insurances are relatively expensive and that the information about costs is in many cases incomplete, inadequate and sometimes incorrect. The report was followed by a letter of the Minister of Finance and a report issued in December 2006 by an independent committee, the Committee de Ruiter, containing recommendations to the insurers to improve the information provided to customers. In addition, in a recent report of the AFM (dated October 2008) it was also concluded that for certain types of investment insurance policies a reduced value of investments may lead to higher risk premia on these investment insurance policies being due and thus leading to a lower amount being available for investment premia under such policies (which may again affect the investment results). The Dutch Association of Insurers ("*Verbond van Verzekeraars*") has in a public communication (a) underwritten the recommendations of the Committee De Ruiter, stating that it sees these as a logical step in the various steps which have in previous years been made to improve transparency and (b) said that insurers will (1) verify whether in the past in individual cases mistakes have been made and if so, correct these mistakes and (2) provide costumers having an investment insurance policy with all relevant information regarding their insurance policy. The latter is intended to provide any missing information with retrospective effect, where necessary.

The Dutch Minister of Finance has informed Parliament that the Dutch Government intends to stimulate a balanced approach for resolving complaints, to prevent a multitude of individual disputes before a complaint institute or in public courts, and has requested the Financial Services Ombudsman and Chairman of the Complaint Institute for Financial Services ("*Klachteninstituut Financiële Dienstverlening*") to propose a balanced approach to deal with complaints. This Ombudsman has concluded in its recommendation (published on 4 March 2008) that insurers in general have not provided sufficient transparency concerning the costs of life insurance policies and/or savings insurance policies with an investment alternative. This may, however, vary per insurer. He recommends insurers to compensate customers of life insurance policies and/or savings insurance policies with an investment alternative of which the costs over the duration of the policy is higher than 3.5 per cent. of the gross fund output at least for the incremental costs. If all parties would cooperate with these recommendations, this could accelerate a solution and could result in a compromise for an important number of cases.

The Dutch Association of Insurers has in a public communication stated that the recommendation offers a clear framework for a solution in a cumbersome file and that it expects that insurers will take this recommendation seriously.

The recommendation addresses primarily individual insurers who should decide on the basis of their portfolio if and to what extent they will adopt this recommendation. It concludes that the recommendation of the Ombudsman makes fast, clear and transparent adaptation possible and prevents lengthy legal procedures which will benefit both insurers and customers. In the press some claimant organisations have announced that the recommendations are disappointing and/or do not offer customers sufficient compensation and new class actions have been announced against insurance companies. Recently a number of insurers announced that each of them has reached agreement with two claimant organisations on compensation of its customers for the costs of investment insurance policies entered into with the relevant insurer.

If Life Insurance Policies or Hybrid Insurance Policies related to the Mortgage Loans would for the reasons described in this paragraph be dissolved or nullified, this will affect the collateral granted to secure these Mortgage Loans (the Borrower Insurance Pledge and the Beneficiary Rights). The Issuer has been advised that in such case the Mortgage Loans connected thereto can possibly also be dissolved or nullified, but that this will depend on the particular circumstances involved. Even if the Mortgage Loan is not affected, the Borrower/insured may invoke set-off or other defences against the Issuer. The analysis in that situation is similar to the situation in case of insolvency of the insurer (see *Risk of set-off and defences by Borrowers in case of insolvency of Insurance Companies*), except if the Seller is itself liable, whether jointly with the insurer or separately, vis-à-vis the Borrower/insured. In this situation, which may depend on the involvement of the Seller in the marketing and sale of the insurance policy, set-off or defences against the Issuer may be invoked, which will probably only become relevant if the insurer and/or the Seller will not indemnify the Borrower.

The Issuer has been advised by each of the Sellers that no actions have been announced against any of the Sellers in relation to the risks described above in relation to Investment Mortgage Loans, Life Mortgage Loans and Hybrid Mortgage Loans.

Any such set-off or defences may lead to losses under the Notes.

Risk related to the Construction Amounts being set-off with the Mortgage Receivable

Pursuant to the Mortgage Conditions, the Borrowers have the right to request to withhold on deposit part of a Mortgage Loan to be paid out for the building or improvements of the Mortgaged Assets (together with accrued interest, the '**Construction Amount**'). In relation to Mortgage Loans originated by ABN AMRO only, such amounts are deposited on an account with ABN AMRO which is pledged to ABN AMRO. The Construction Amounts will be paid out in case certain conditions are met. The Issuer and the Sellers have agreed in the Mortgage Receivables Purchase Agreement that the Issuer will be entitled to withhold from the relevant Initial Purchase Price an amount equal to the aggregate Construction Amounts as per the relevant Portfolio Cut-Off Date as indicated in the applicable Final Terms. Such amount will be deposited on the construction ledger relating to such Pool (each a '**Construction Ledger**'). On each relevant Quarterly Payment Date, the Issuer will release from the relevant Construction Ledger such part of the relevant Initial Purchase Price which equals the difference between the relevant aggregate Construction Amounts relating to such Pool and the balance standing to the credit of the relevant Construction Ledger and pay such amount to the relevant Seller.

Pursuant to the conditions of the Mortgage Loans relating to Mortgage Loans originated by ABN AMRO, Albank and MNF Bank Construction Amounts have to be paid out within a certain period, which differs between 6 to 24 months, unless otherwise agreed. Pursuant to the conditions of the Mortgage Loans relating to Mortgage Loans originated by ABN AMRO Hypotheken Groep, MoneYou, WoonNexxt, CombiVoordeel Hypotheken and Combi-Hypotheken Construction Amounts have to be paid out within a certain period, which differs between 6 to 18 months, unless otherwise agreed. Upon the expiry of such period or earlier if so agreed between the relevant Seller and the Borrower, the remaining Construction Amount will be set-off against the Relevant Mortgage Receivable up to the amount of the Construction Amount, in which case the Issuer shall have no further obligation towards the relevant Seller to pay the remaining part of the relevant Initial Purchase Price, and consequently any remaining part of the amounts of the relevant Construction Ledger will be used for redemption of the Notes of the relevant Compartment in accordance with Condition 6 (b). Pursuant to the conditions of the Mortgage Loans taken out with (i) ABN AMRO, if the Construction Amount is less than euro 2,500, (ii) ABN AMRO Hypotheken Groep, WoonNexxt, CombiVoordeel Hypotheken and Combi-Hypotheken, if the Construction Amount is less than euro 10,000 and (iii) MoneYou, if the

Construction Amount is less than euro 9,000, the Borrower may request the relevant Seller to pay out the remaining amount to such Borrower. If a Notification Event has occurred, the Issuer will no longer be under the obligation to pay such remaining part of the relevant Initial Purchase Price. The amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the Construction Amount.

Risk regarding assignment and pledge of Mortgage Receivables relating to Construction Amounts

Under Netherlands law the distinction between "existing" ("*bestaande*") receivables and "future" ("*toekomstige*") receivables is relevant. If receivables are to be 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 (emergency regulations). 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 (emergency regulations) 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 to be 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 Seller is declared bankrupt or has become subject to emergency regulations.

Risk related to prepayment on the Mortgage Loans

The Issuer is obliged to apply the Notes Redemption Available Amount towards prepayment of the Notes in accordance with Condition 6(b). The maturity of the Notes of each Compartment and each Class will depend on, *inter alia*, the amount and timing of payment of principal (including full and partial prepayments, sale of the Mortgage Receivables by the Issuer, Net Proceeds upon enforcement of a Relevant Mortgage Loan and repurchase by the relevant Seller, or, as the case may be, the relevant Sellers of Mortgage Receivables) on the Relevant Mortgage Loans. The average maturity, until the first Optional Redemption Date, of the Senior Class A1 Notes and thereafter all Classes of the Notes of the relevant Compartment, may be adversely affected by a higher or lower than anticipated rate of prepayments on the Relevant Mortgage Loans and the amount of Further Advance Receivables and Substitute Mortgage Receivables purchased. The rate of prepayment of Mortgage Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax laws (including, but not limited to, amendments to mortgage interest tax deductibility), local and regional economic conditions and changes in Borrowers' behaviour (including, but not limited to, home-owner 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 must therefore be viewed with considerable caution and Noteholders should make their own assessment thereof.

Payments on the Mortgage Receivables are subject to credit, liquidity and interest rate risks

Payments on the Mortgage Receivables are subject to credit risks (which includes 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 Loans.

Risk that interest rate reset rights will not follow Mortgage Receivables

The Issuer has been advised that a good argument can be made that the right to reset the interest rate on the Mortgage Loans should be considered as an ancillary right and follows the Mortgage Receivables upon their assignment to the Issuer and the pledge to the Security Trustee. However, in the absence of case law or legal literature this is not certain. To the extent the interest rate reset right passes upon the assignment of the Mortgage Receivables to the Issuer or upon the pledge of the Mortgage Receivables to the Security Trustee, such assignee or pledgee will be bound by the contractual provisions relating to the reset of interest rates. If the interest reset right remains with the relevant Seller, the co-operation of the receiver (in bankruptcy) or administrator (in preliminary suspension of payments or emergency regulations) would be required to reset the interest rates. Losses on the Mortgage Receivables could lead to losses under the Mortgage Loans and therefore to losses under the Notes.

Risks of losses associated with declining values of Mortgaged Assets

The security for the Notes created under the Trustee Receivables Pledge Agreement may be affected by, among other things, a decline in the value of the Mortgaged Assets. No assurance can be given that values of the Mortgaged Assets 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 of the relevant Mortgaged Assets may result in losses to the relevant Noteholders if the relevant security rights on the relevant Mortgaged Assets are required to be enforced. The relevant Seller or, as the case may be, the relevant Sellers will not be liable for any losses incurred by the Issuer in connection with the Mortgage Loans.

RISK FACTORS REGARDING THE NOTES

Risk that the Issuer will not exercise its right to redeem the Notes at the Optional Redemption Dates

As a result of the possible increase in the margin payable on and from the relevant first Optional Redemption Date in respect of the floating rate of interest on relevant Notes of a Compartment, the Issuer may have an incentive to exercise its right to redeem the Notes of a Compartment, on the relevant first Optional Redemption Date or on any relevant Optional Redemption Date thereafter. No guarantee can be given that the Issuer will actually exercise such right. The exercise of such right will, *inter alia*, depend on the ability of the Issuer to have sufficient funds available to redeem the relevant Notes, for example through a sale of relevant Mortgage Receivables still outstanding at that time. The Issuer will consult with the relevant Seller(s) in respect of exercising the option to redeem the Notes. See also *Solvency Regulations* below.

Clean-Up Call Option and Redemption for Tax Reasons

On each Quarterly Payment Date each of the Sellers has the right to exercise the option (but not the obligation) to repurchase the Relevant Mortgage Receivables of a Pool if on the Quarterly Calculation Date immediately preceding such Quarterly Payment Date the aggregate Outstanding Principal Amount in respect of the Relevant Mortgage Receivables of such Pool is not more than 10 per cent. of the sum of the aggregate Outstanding Principal Amount in respect of the Relevant Mortgage Receivables of the corresponding Compartment on the relevant Issue Date. The Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Mortgage Receivables remaining in a Pool to the relevant Seller or Sellers or any third party appointed by the relevant Seller or Sellers in its sole discretion in case of the exercise of the Clean-Up Call Option. The proceeds of such sale shall be applied by the Issuer towards redemption of the Notes in accordance with Condition 9(b). Furthermore the Issuer will have the option to redeem the Notes for tax reasons in accordance with Condition 6(f).

In case of a Mezzanine Class B Principal Shortfall (as defined in Condition 9(b)), a Mezzanine Class C Principal Shortfall (as defined in Condition 9(b)), a Mezzanine Class D Principal Shortfall (as defined in Condition 9(b)), a Junior Class E Principal Shortfall (as defined in Condition 9(b)) or a Subordinated Class F Principal Shortfall (as defined in Condition 9(b)) would remain after the sale of the Mortgage Receivables, the Issuer may redeem all of the Notes of such Compartment, but not some only, at their Principal Amount Outstanding less such Mezzanine Class B Principal Shortfall, Mezzanine Class C Principal Shortfall, Mezzanine Class D Principal Shortfall, Junior Class E Principal Shortfall or Subordinated Class F Principal Shortfall as applicable, on the relevant Quarterly Payment Date, provided that the Security Trustee has confirmed to the Issuer that it is in the interest of the Noteholders (in such determination the Security Trustee may not take into account any increase of the margin after the first Optional Redemption Date in respect of such Notes) to partially redeem the Mezzanine Class B Notes or the Mezzanine Class C Notes or the Mezzanine Class D Notes or the Junior Class E Notes or the Subordinated Class F Notes respectively, at their Principal Amount Outstanding less such Mezzanine Class B Principal Shortfall, or Mezzanine Class C Principal Shortfall, or Mezzanine Class D Principal Shortfall or Junior Class E Principal Shortfall or Subordinated Class F Principal Shortfall, as the case may be, as provided in Condition 9(b), on such date. Should the Security Trustee decide that redemption is not in the interests of such Noteholders, such Notes may not be redeemed. This does not constitute an Event of Default. In such case on the relevant Optional Redemption 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 Issuer had not exercised its right to redeem the Notes of the relevant Compartment until the Optional Redemption Date on which the Issuer exercises its right to redeem the Notes of the relevant Compartment and the Security

Trustee decides that redemption is in the interests of the relevant Noteholders. This also applies in case the Issuer has the option to redeem the Notes on an Optional Redemption Date.

Maturity Risk

The ability of the Issuer to redeem all the Notes of a Compartment on each relevant Optional Redemption Date or, as the case may be, on the relevant Final Maturity Date in full and to pay all amounts due to the Noteholders, including after the occurrence of an Event of Default, may depend upon whether the value of the Mortgage Receivables is sufficient to redeem the Notes.

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

To the extent set forth in Condition 9 and the Final Terms, (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 Mezzanine 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 Mezzanine 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 Mezzanine Class C Notes of such Compartment, (d) the Junior Class E Notes of each Compartment are subordinated in right of payment to the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Mezzanine Class D Notes of such Compartment and (e) the Subordinated Class F Notes of each Compartment are subordinated in right of payment to the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E 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.

If, upon default by the Borrowers and after exercise by the MPT Provider or the Defaulted Loan Servicer, as the case may be, of all available remedies in respect of the applicable Mortgage Loans, 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 of Notes 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 9. On any relevant Quarterly Payment Date, any such losses on the Mortgage Loans will be allocated as described in *Credit Structure* 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:

- (i) 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;
- (ii) 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;
- (iii) 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;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) 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 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, if any, and the applicable Final Terms which apply and/or disapply, supplement and/or amend the master Terms and Conditions of 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 Ledger 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*. In the event that the Security in respect of the Notes of a Compartment 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.

Eligible Investment

The Issuer may invest certain amounts in (A) euro denominated securities with a maturity not beyond the relevant first Optional Redemption Date provided (i) that such securities have been assigned either (a) a rating of Aaa by Moody's in case of a remaining tenor longer than 90 days or (b) a rating of A1 and Prime-1 by Moody's in case of a remaining tenor of less than 90 days but longer than 30 days or (c) a rating of Prime-1 by Moody's in case of a remaining tenor of less than 30 days, and (ii), in the case of a NHG Compartment, that such securities have been assigned either (a) a rating of AAA by Fitch in case of a remaining tenor longer than one year or (b) AA- and F1+ by Fitch in case of a remaining tenor less than one year but longer than thirty (30) days or (c) A and F1 by Fitch in case of a remaining tenor less than thirty (30) days or (B) other securities provided that the Security Trustee, in its reasonable opinion, does not expect that the then current ratings of the Notes assigned by Moody's will be adversely affected and, in respect of NHG Compartments, Fitch has confirmed that no downgrading of the then current ratings of the Notes of the relevant Compartment will occur. Noteholders should be aware that these securities provide security in a different manner than the security provided by the Mortgage Receivables.

Risk related to the limited liquidity of the Notes

The secondary market for mortgage-backed securities is currently experiencing severe disruptions resulting from reduced investor demand for mortgage-backed securities and increased investor yield requirements for those securities. As a result, the secondary market for mortgage-backed securities is experiencing extremely limited liquidity. Limited liquidity in the secondary market for mortgage-backed securities has had a severe adverse effect on the market value of mortgage-backed securities. Limited liquidity in the secondary market may continue to have a severe adverse effect on the market value of mortgage-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Consequently, an investor in the Notes may not be able to sell its Notes readily. The market values of the Notes are likely to fluctuate and may be difficult to determine. Any of these fluctuations may be significant and could result in significant losses to such investor. In addition, the forced sale into the market of mortgage-backed securities held by structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities that are currently experiencing funding difficulties could

adversely affect an investor's ability to sell, and/or the price an investor receives for, the Notes in the secondary market.

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.

No Gross-up for Taxes

As provided in Condition 7, if withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatever nature are imposed by or on behalf of the State 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.

Changes to tax deductibility of interest may result in an increase of defaults

In the Netherlands, subject to a number of conditions, mortgage loan interest payments are deductible from the income of the Borrowers for income tax purposes. The period allowed for deductibility is restricted to a term of 30 years and it only applies to mortgage loans secured by owner occupied properties. Starting in 2005, it is also no longer allowed, after a refinancing, to deduct interest on any equity extractions. It is however uncertain if and to what extent such deductibility will remain in force and for how long. Should there be a change to the possibility of the deductibility of interest payments, this may among other things have an effect on the house prices and the rate of recovery and, depending on the changes in treatment of existing mortgage loans, may result in an increase of defaults, prepayments and repayments.

Proposed Changes to the Basel Capital Accord

The Basel Committee on Banking Supervision published on 26 June 2004 the text of the new capital accord under the title "Basel II: International Convergence of Capital Measurement and Capital Standards: a Revised Framework" (the 'Framework'). The Framework, which places enhanced emphasis on market discipline and sensitivity to risk, serves as a basis for national and supra-national rulemaking and approval processes for banking organisations. The Framework has been put into effect for credit institutions in Europe via the recasting of a number of prior directives in a consolidating directive referred to as the Capital Requirements Directive. The Framework, as published, will affect risk-weighting of the Notes for investors subject to the new framework following its implementation (whether via the Capital Requirements Directive or otherwise by non-EU regulators if not amended from its current form when or if implemented by non-EU regulators). Consequently, potential investors should consult their own advisers as to the consequences to and effect on them of the application of the Framework, as implemented by their own regulator, to their holding of any Notes. The Issuer and the Security Trustee are not responsible for informing Noteholders of the effects on the changes to risk-weighting which will result for investors from the adoption by their own regulator of the Framework (whether or not implemented by them in its current form or otherwise).

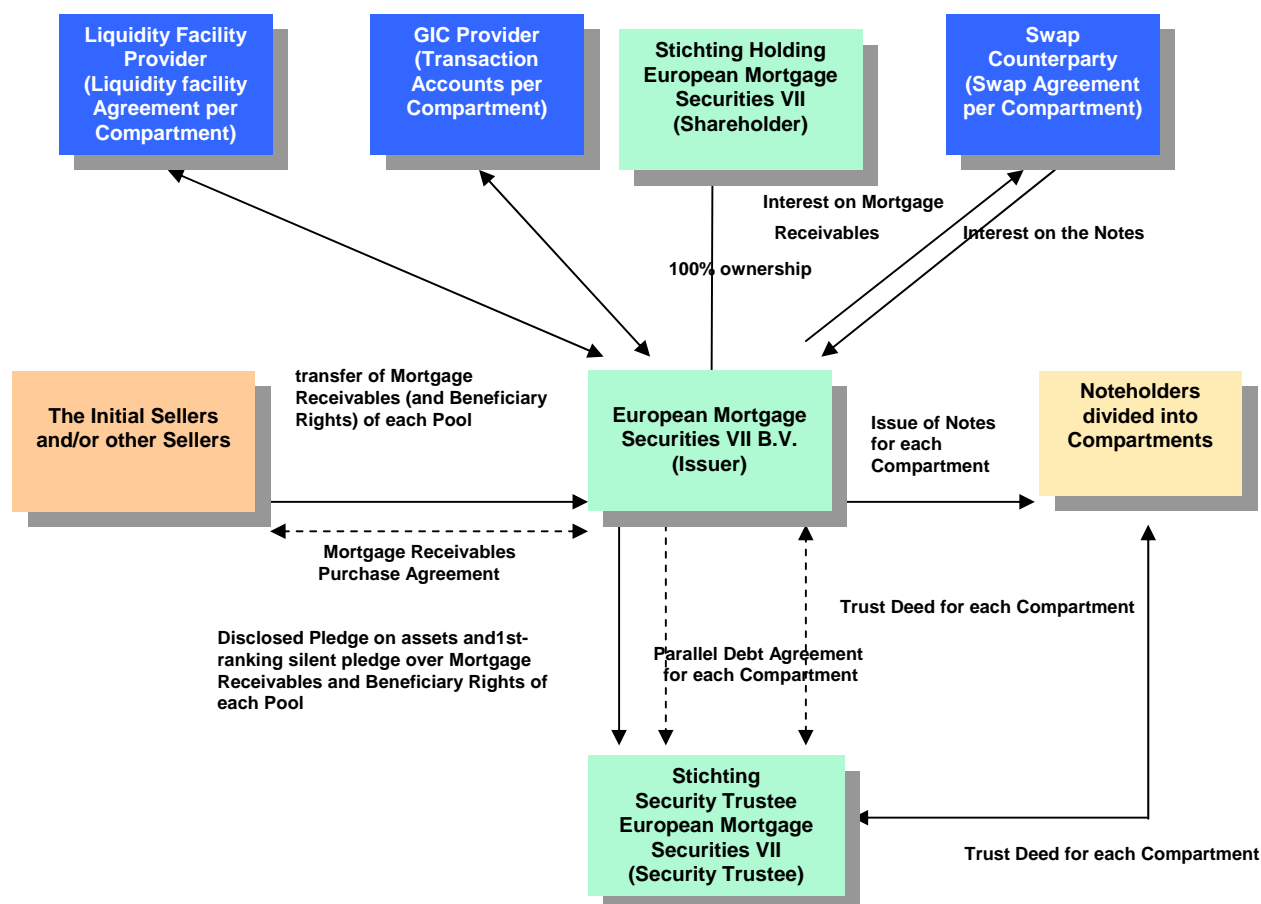
Credit rating may not reflect all risks

The (future) rating of each of the Notes addresses the assessment made by Moody's or Fitch 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 organisation if in its judgement, the circumstances (including a reduction in the credit rating of the 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:

European Mortgages Securities VII, incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*")

Sellers:

ABN AMRO Bank N.V., incorporated under the laws of the Netherlands as a public limited liability company ("*naamloze vennootschap met beperkte aansprakelijkheid*") ('**ABN AMRO**');

ABN AMRO Hypotheken Groep B.V. (formerly known as Bouwfonds Hypotheken B.V.), incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") ('**ABN AMRO Hypotheken Groep**');

MoneYou B.V., incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") ('**MoneYou**');

WoonNexxt Hypotheken B.V., incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") ('**WoonNexxt**');

Combi-Hypotheken B.V., incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") ('**Combi-Hypotheken**');

CombiVoordeel Hypotheken B.V., incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") ('**CombiVoordeel Hypotheken**');

Albank B.V., incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") ('**Albank**');

MNF Bank N.V. incorporated under the laws of the Netherlands as a public limited liability company ("*naamloze vennootschap met beperkte*")

aansprakelijkheid") ('MNF Bank'); and

any other seller who accedes to the Programme as seller of mortgage receivables, which is (i) a group company within the meaning of article 2:24b Netherlands Civil Code or (ii) a direct or indirect subsidiary of ABN AMRO within the meaning of article 2:24a Netherlands Civil Code (the '**Seller Eligibility Criteria**') (each a '**Seller**').

Issuer Administrator:

ABN AMRO. ABN AMRO may subcontract its obligations as Issuer Administrator to ATC Financial Services B.V., incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") or any other person in accordance with the Issuer Services Agreement

MPT Provider:

ABN AMRO. ABN AMRO may subcontract (part of) its obligations as MPT Provider subject to and in accordance with the Issuer Services Agreement (without the consent of the Issuer and the Security Trustee or the approval of the Rating Agencies or any other party). Any such subcontracting will not relieve ABN AMRO from its responsibility to perform its obligations under the Issuer Services Agreement, although in the case of subcontracting, such services will be performed by a sub-agent

Defaulted Loan Servicer:

ABN AMRO. ABN AMRO may subcontract (part of) its obligations as Defaulted Loan Servicer subject to and in accordance with the Issuer Services Agreement (without the consent of the Issuer and the Security Trustee or the approval of the Rating Agencies or any other party). Any such subcontracting will not relieve ABN AMRO from its responsibility to perform its obligations under the Issuer Services Agreement, although in the case of subcontracting, such services will be performed by a sub-agent

Security Trustee:

Stichting Security Trustee European Mortgages Securities VII, established under the laws of the Netherlands as a foundation ("*stichting*")

Issuer Director:

ATC Management B.V., incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*")

Issuer Holding:

Stichting Holding European Mortgages Securities VII, established under the laws of the Netherlands as a foundation ("*stichting*")

Issuer Holding Director:

ATC Management B.V.

Security Trustee Director:

ANT Trust & Corporate Services N.V., incorporated under

the laws of the Netherlands as a public limited company ("*naamloze vennootschap*")

Liquidity Facility Provider:	ABN AMRO
Swap Counterparty:	ABN AMRO
GIC Provider:	ABN AMRO
Paying Agent:	ABN AMRO or any other paying agent as indicated in the relevant Final Terms
Reference Agent:	ABN AMRO
Listing Agent:	ABN AMRO

THE NOTES:

The Notes:

The notes will be issued in different compartments of notes (each a '**Compartment**') and each Compartment will be linked to a specific pool of Mortgage Receivables. 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 (each a '**Pool**'). The Notes of each Compartment will be issued in the following Classes: Senior Class A1 Notes, Senior Class A2 Notes (together with the Senior Class A1 Notes, the '**Senior Class A Notes**'), Mezzanine Class B Notes, Mezzanine Class C Notes, Mezzanine Class D Notes, Junior Class E Notes and Subordinated Class F Notes (all notes issued by the Issuer, together the '**Notes**'). 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.

Final Terms and Supplemental Prospectus:

For each issue of a Compartment of Notes the Final Terms relating to such Compartment will be made available. The Final Terms will describe the relevant Pool and will contain the Final Terms relating to such Compartment and will be submitted to the AFM. If so required pursuant to the Prospectus Directive, a Supplemental Prospectus will be made available in connection with an issue of a relevant Compartment, which will be subject to the prior approval of the AFM.

Denomination:

All Notes issued by Issuer will be issued in denominations of at least Euro 50,000.

Status and Ranking:

The Notes of each Class 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 in relation to each Compartment (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 Mezzanine 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 Mezzanine 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 Mezzanine Class C Notes, (iv) payments of principal and interest on the Junior 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 Mezzanine Class C Notes and the Mezzanine Class D Notes and (v) payments of principal and interest on the Subordinated Class F Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E 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 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 successive quarterly interest periods (each 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 20th 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 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 date on which such Notes of the relevant Compartment are issued (the '**Issue Date**') and will end on the date 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.

A '**Business Day**' means each day on which banks are open for business in Amsterdam, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system ('**TARGET 2**') (or its predecessor) or any successor thereto is operating credit or transfer instructions in respect of payments in euro.

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 the euro Interbank Offered Rate ('**Euribor**') for three-months deposits in euros, alternatively in accordance with the Conditions, plus a margin 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 successive yearly interest periods (each 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 days 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 interest on such Notes will be payable on the Business Day immediately preceding such 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 relevant 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.

Interest Switch/Step-up:

If on the first Optional Redemption Date of any Compartment the Notes of such Compartment have not been redeemed full, a floating rate of interest will be

applicable to each Class of Notes as calculated in accordance with Condition 4 and either (i) in the case of Floating Rate Notes the applicable margin will increase as specified in the relevant Final Terms and (ii) in the case of Fixed Rate Notes such Notes shall be deemed to be Floating Rate Notes thereafter and the interest will switch to a floating rate of interest as specified in the relevant Final Terms.

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 set forth in the Final Terms of such Compartment.

Mandatory Redemption of the Notes:

The Issuer will be obliged to apply the relevant Notes Redemption Available Amount, if any, to (partially) redeem the relevant Senior Class A1 Notes on each Quarterly Payment Date falling after the relevant Issue Date until (but including) the Quarterly Payment Date immediately preceding the relevant first Optional Redemption Date relating to the Notes of the relevant Compartment at their respective Principal Amount Outstanding until fully redeemed. The relevant Notes Redemption Available Amount will be equal to the relevant Principal Available Amount less (i) the relevant Further Advance Amount, (ii) the relevant Reserved Amount and (iii) the relevant Substitution Available Amount. As a consequence on any Quarterly Payment Date the Notes Redemption Available Amount may be nil.

On the first Optional Redemption Date relating to the Notes of the relevant Compartment and on each Quarterly Payment Date thereafter the Issuer will be obliged to apply the relevant Notes Redemption Available Amount to redeem (or partially redeem) the then outstanding Notes of the relevant Compartment at their respective Principal Amount Outstanding on a *pro rata* basis in the following order, (a) firstly, *pari passu*, the Senior Class A1 Notes and the Senior Class A2 Notes until fully redeemed, (b) secondly, the Mezzanine Class B Notes until fully redeemed, (c) thirdly, the Mezzanine Class C Notes until fully redeemed, (d) fourthly, the Mezzanine Class D Notes until fully redeemed, (e) fifthly, the Junior Class E Notes until fully redeemed and (f) finally, the Subordinated Class F Notes until fully redeemed.

Optional Redemption of the Notes:

On the Quarterly Payment Date specified in the relevant Final Terms and on each Quarterly Payment Date thereafter (each an '**Optional Redemption Date**'), the Issuer will have the option to redeem the Notes of the relevant Compartment, but not some only, at their

respective Principal Amount Outstanding, less (i) in the case of the Mezzanine Class B Notes, the Mezzanine Class B Principal Shortfall (if any), (ii) in the case of the Mezzanine Class C Notes, the Mezzanine Class C Principal Shortfall (if any), (iii) in the case of the Mezzanine Class D Notes, the Mezzanine Class D Principal Shortfall (if any), (iv) in the case of the Junior Class E Notes, the Junior Class E Principal Shortfall (if any), and (v) in the case of the Subordinated Class F Notes, the Subordinated Class F Principal Shortfall (if any), all subject to and in accordance with the Conditions.

The Issuer will consult with the relevant Seller(s) in respect of exercising the option to redeem the Notes.

Redemption for tax reasons

The Issuer will have the option to redeem the Notes for tax reasons in accordance with Condition 6(f).

Method of Payment:

Payments of principal and interest will be made in euro to the Paying Agent for the credit of the respective accounts of the Noteholders through Euroclear Netherlands or, as the case may be, Euroclear and Clearstream, Luxembourg or any other agreed clearing system.

Use of proceeds:

The Issuer will use the net proceeds from the issue of the Notes of a Compartment to pay to the relevant Seller or Sellers the initial purchase price for the related Pool pursuant to the provisions of an agreement dated 27 February 2006 (the '**Programme Closing Date**'), as amended from time to time, between the Sellers, the Issuer and the Security Trustee (the '**Mortgage Receivables Purchase Agreement**').

Security for the Notes:

The Notes of each Compartment will be indirectly secured (i) by a first ranking right of pledge to the Security Trustee by the Issuer over (a) the Mortgage Receivables of the related Pool and (b) the Beneficiary Rights relating thereto and (ii) by a first ranking right of pledge to the Security Trustee for the benefit of all Noteholders (including any Notes to be issued from time to time) by the Issuer over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Programme Agreement, the Swap Agreement, the Issuer Services Agreement, the Intercreditor Agreement (to the extent that such rights cannot be attributed to a specific Compartment and Pool), if any, and the floating rate guaranteed investment contract (the '**Floating Rate GIC**') (and therefore, if applicable, a pro-rata share in such rights of pledge) and in respect of the relevant Transaction Accounts and (iii) by a 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, (iii) the Swap Agreement of the relevant Compartment and (iv) the Intercreditor Agreement (to the extent relating to a specific Compartment and Pool). 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.

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 balance standing to the credit of the relevant Transaction Accounts and amounts received by the relevant Security Trustee as creditor under the relevant Parallel Debt. Payments to the relevant Secured Parties will be made in accordance with the relevant Priority of Payments upon Enforcement.

THE PROGRAMME:

Description:

Residential Mortgage Backed Secured Debt Issuance Programme.

Regulatory Matters:

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 as amended from time to time (see *Subscription and Sale* below).

The AFM 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.

Programme Size:

Up to € 35,000,000,000 outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Maturities:	Any maturity, subject to applicable laws, regulations and restrictions and subject to a minimum maturity of one year.
Issue Price:	Notes will be issued at an issue price which is set out in the relevant Final Terms.
Form of Notes:	Each Compartment of Notes will (unless otherwise specified in the Supplemental Prospectus and/or applicable Final Terms) initially be represented by Notes in global form (each a ' Global Note ') 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 a common depository on behalf Euroclear and Clearstream, Luxembourg or (ii) Euroclear Netherlands or (iii) any other agreed clearing 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.
Withholding tax:	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 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 any and all rights of the relevant Seller against certain
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borrowers (the '**Borrowers**') under or in connection with certain pre-selected Mortgage Loans which meet the relevant Eligibility Criteria (the '**Mortgage Receivables**' which term will include upon the purchase of any Further Advance Receivables and Substitute Mortgage Receivables in respect of the relevant Pool, such Further Advance Receivables or Substitute Mortgage Receivables).

Furthermore, in the Programme Agreement, the Transaction Parties have agreed that subsidiaries or group companies of ABN AMRO which meet the Seller Eligibility Criteria, may accede to the Relevant Documents and therewith become a new Seller 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) if any of the representations and warranties given by the relevant Seller in respect of such Relevant Mortgage Receivable or the Relevant Mortgage Loan on its purchase date is untrue or incorrect in any material respect, on (i) the Mortgage Payment Date immediately following the expiration of the relevant remedy period without being remedied or (ii) if such Mortgage Payment Date referred to under (i) falls within fourteen (14) days of the end of such period, the second Mortgage Payment Date following expiry such period; and
- (ii) if the relevant Seller agrees with a Borrower to amend the terms of the Relevant Mortgage Loan as a result of which such Mortgage Loan no longer meets certain criteria set forth in the Mortgage Receivables Purchase Agreement, on (i) the Mortgage Payment Date immediately following such agreement or (ii) if such Mortgage Payment Date referred to under (i) falls within fourteen (14) days of such date, the second Mortgage Payment Date following such date, unless such amendment is made as part of the enforcement procedures to be complied with upon a default by the Borrower under the Relevant Mortgage Loan or is otherwise made as part of a restructuring or renegotiation of the Relevant Mortgage Loan due to a deterioration of the credit quality of the Borrower of such Mortgage Loan; and
- (iii) if the relevant Seller agrees with a Borrower to grant a further advance under a Mortgage Loan, which may include a new mortgage loan, which is

- only secured by the mortgage right which also secures the Relevant Mortgage Receivable (the '**Further Advance**') and the relevant Further Advance Receivable is not purchased by the Issuer, on (i) the Mortgage Payment Date immediately following the date on which such Seller has agreed thereto or (ii) if such Mortgage Payment Date referred to under (i) falls within fourteen (14) days of such date, the second Mortgage Payment Date following such date; and
- (iv) if a Mortgage Receivable that was sold and assigned as Mortgage Receivable having the benefit of a NHG Guarantee or a Municipality Guarantee (a '**NHG Mortgage Loan**') and such NHG Mortgage loan no longer has the benefit of a NHG Guarantee or Municipality Guarantee, as the case may be, as a result of an action taken or omitted to be taken by the relevant Seller, the MPT Provider or the Defaulted Loan Servicer on (i) the Mortgage Payment Date immediately following the date on which the Relevant Mortgage Loan ceases to have the benefit of the NHG Guarantee or Municipality Guarantee, as the case may be or (ii) if such Mortgage Payment Date referred to under (i) falls within fourteen (14) days of such date, the second Mortgage Payment Date following such date.

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 at least equal to the relevant Outstanding Principal Amount, increased with accrued interest due but unpaid, if any, in respect each related Mortgage Receivable (including any costs incurred by the Issuer in effecting and completing such sale and re-assignment).

The proceeds of such repurchase, will form part of the Notes Redemption Available Amount of the Pool of which the Relevant Mortgage Receivable forms part.

Purchase of Further Advance Receivables:

The Mortgage Receivables Purchase Agreement will provide that on each relevant Quarterly Payment Date each relevant Seller will sell and the Issuer will purchase all mortgage receivables resulting from Further Advances (the '**Further Advance Receivables**') in respect of the relevant Pool granted by such Seller in the relevant preceding Calculation Period, subject to the fulfilment of certain conditions (which may differ per Pool). On each relevant Quarterly Payment Date the Issuer will apply the relevant Principal Available Amount towards the purchase of such Further Advance Receivables, provided that the relevant aggregate Principal Available Amount on such Quarterly Payment

Date exceeds the aggregate Outstanding Principal Amount of the relevant Further Advance Receivables.

Substitution:

The Mortgage Receivables Purchase Agreement will provide that, provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer will use (i) on each relevant Quarterly Payment Date up to, but excluding, the relevant first Optional Redemption Date the relevant Principal Available Amount less, in respect of each Principal Available Amount, the Further Advance Amount to purchase from the relevant Seller or Sellers mortgage receivables (the '**Substitute Mortgage Receivables**'), subject to the fulfilment of certain conditions (which may differ per Pool) and to the extent that such Substitute Mortgage Receivables are offered for sale by such Seller and provided that the relevant Substitution Principal Available Amount is sufficient to pay the initial purchase price for the relevant Substitute Mortgage Receivables.

Clean-Up Call Option:

On each relevant Quarterly Payment Date, each of the Sellers has the option (but not the obligation) to repurchase the Relevant Mortgage Receivables of a Pool if on the Quarterly Calculation Date immediately preceding such Quarterly Payment Date the aggregate Outstanding Principal Amount in respect of the Relevant Mortgage Receivables of such Pool is not more than 10 per cent. of the sum of the aggregate Outstanding Principal Amount in respect of the Relevant Mortgage Receivables of the corresponding Compartment on the relevant Issue Date (the '**Clean-Up Call Option**').

The Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Mortgage Receivables remaining in a Pool to the relevant Seller or Sellers or any third party appointed by the relevant Seller or Sellers in its sole discretion in case of the exercise of the Clean-Up Call Option. The proceeds of such sale shall be applied by the Issuer towards redemption of the Notes of the relevant Compartment in accordance with Condition 9(b). The purchase price will be calculated as described in *Sale of Mortgage Receivables* below.

Mortgage Loans:

The Mortgage Receivables to be sold by the relevant Seller or Sellers pursuant to the Mortgage Receivables Purchase Agreement will relate to loans secured by a mortgage right, over (i) a real property ("*onroerende zaak*"), (ii) an apartment right ("*appartementsrecht*") or (iii) a long lease ("*erfpacht*", and together with real property and apartment rights, the '**Mortgaged Assets**') situated in the Netherlands and entered into by the relevant Seller or Sellers and the relevant Borrowers which meet the Relevant Eligibility Criteria and the other criteria set forth in the Mortgage Receivables Purchase Agreement and which will be selected prior to or on the Issue Date (the '**Mortgage Loans**').

The Mortgage Loans will consist of

- (i) interest only mortgage loans ("*aflossingsvrije hypotheek*"),
- (ii) annuity mortgage loans ("*annuitaire hypotheek*"),
- (iii) linear mortgage loans ("*lineaire hypotheek*"),
- (iv) hybrid mortgage loans ("*hybride hypotheek*"),
- (v) savings mortgage loans ("*spaarhypotheek*") (only if originated by ABN AMRO),
- (vi) investment mortgage loans ("*beleggingshypotheek*"),
- (vii) life mortgage loans ("*levenhypotheek*"),
- (viii) pensionextra mortgage loans ("*pensioen extra hypotheek*"),
- (ix) bank savings mortgage loans ("*bankspaarhypotheek*"),
- (x) capital growth mortgage loans ("*kapitaalgroeihypotheek*"), and
- (xi) combinations of any of these types of mortgage loans,

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

The Mortgage Loans may consist of one or more loan-parts ("*leningdelen*"). If a Mortgage Loan consists of one or more loan parts, the relevant Seller shall sell and assign and the Issuer shall purchase and accept the assignment of all, but not some, loan parts of such Mortgage Loan at the relevant Issue Date.

The Mortgage Loans have the characteristics that demonstrate the capacity to produce funds to service payments under the Notes.

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 to withhold the Construction

Amount. In respect of Mortgage Loans originated by ABN AMRO only, such amounts are deposited on an account with ABN AMRO which is pledged by the relevant Borrower to ABN AMRO. The Construction Amounts will be paid out in case certain conditions are met. With respect to a Pool that consists of Mortgage Receivables with Construction Amounts outstanding, the Issuer and the relevant Seller have agreed in the Mortgage Receivables Purchase Agreement that the Issuer will be entitled to withhold from the relevant Initial Purchase Price an amount equal to the aggregate Construction Amounts as per the relevant Portfolio Cut-Off Date indicated in the applicable Final Terms. Such amount will be deposited on the Construction Ledger relating to such Pool. On each relevant Quarterly Payment Date the Issuer will release from the relevant Construction Ledger such part of the relevant Initial Purchase Price which equals the difference between the relevant aggregate Construction Amounts relating to such Pool and the balance standing to the credit of the relevant Construction Ledger and pay such amount to the relevant Seller or Sellers.

Sale of Mortgage Receivables:

The Issuer will have the right to sell and assign all but not some of the Mortgage Receivables of a Pool on each relevant Optional Redemption Date, provided that the Issuer shall apply the proceeds of such sale to redeem the Notes of the relevant Compartment linked to such Pool. If the Issuer decides to offer for sale (part of) the Relevant Mortgage Receivables it will first offer such Relevant Mortgage Receivables to the relevant Seller.

The purchase price of each Mortgage Receivable in the event of such sale shall be at least equal to the Outstanding Principal Amount in respect of the Mortgage Receivable, increased with accrued interest due but unpaid, if any, of each Mortgage Receivable, except that with respect to Mortgage Loans which are in arrears for a period exceeding 90 days or in respect of which an instruction has been given to the civil-law notary to start foreclosure proceedings, the purchase price shall be at least the lesser of (i) the sum of (a) an amount equal to the foreclosure value of the Mortgaged Assets or if no valuation report of less than 12 months is available, its indexed foreclosure value and (b), to the extent applicable, the amount claimable under the NHG Guarantee or Municipality Guarantee and (ii) the sum of the Outstanding Principal Amount in respect of the Mortgage Receivable, increased with accrued interest due but unpaid, if any, and any other amount due under the Mortgage Loan.

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 Final Terms 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. The Eligibility Criteria will be split between (i) criteria applicable to all Mortgage Loans and Mortgage Receivables and (ii) criteria applicable to the Mortgage Loans and Mortgage Receivables assigned to a specific Pool. The Final Terms 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:

On the relevant Issue Date, the Issuer will enter into a 364 day term liquidity facility agreement with the Liquidity Facility Provider in respect of a Compartment (each a **'Liquidity Facility Agreement'**) 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 GIC Provider have entered into a floating rate guaranteed investment contract (the **'Floating Rate GIC'**) on the Programme Closing Date, whereunder the GIC Provider has agreed 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.

GIC Accounts:

The Issuer shall maintain with the GIC Provider an account in respect of each Compartment (each a **'GIC Account'**) to which all amounts of interest and principal received under the Mortgage Receivables of a specific Pool will be transferred by, *inter alia*, the MPT Provider in accordance with the Issuer Services Agreement.

Reserve Accounts:

Unless stated otherwise in the relevant Final Terms, for each Compartment the Issuer will open an account to deposit amounts from time to time to cover any Realised Losses in respect of the related Pool (each a **'Reserve Account'** and the Reserve Account together with the GIC Account, the **'Transaction Accounts'**). On the relevant Issue Date the balance standing to the credit of the relevant Reserve Account will be zero, gradually building up to the relevant Reserve Account Target Level.

Amounts credited to the relevant Reserve Account will be available on any relevant Quarterly Payment Date to

meet items (a) to (q) inclusive of the Interest Priority of Payments relating to the relevant Compartment.

If and to the extent that the relevant Notes Interest Available Amount on any Quarterly Calculation Date exceeds the amounts required to meet items ranking higher than item (q) inclusive of the Interest Priority of Payments relating to the relevant Compartment, the excess amount will be deposited on the relevant Reserve Account or, as the case may be, be applied to replenish the relevant Reserve Account, to the extent required until the balance standing to the credit of the relevant Reserve Account equals the relevant Reserve Account Target Level.

Swap Agreement:

On each Issue Date, the Issuer will enter into a Swap Agreement, a schedule thereto, a swap confirmation and a credit support annex in respect of each Compartment with the Swap Counterparty (each a '**Swap Agreement**') 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. Alternatively, the Issuer will have the option to replace an existing Swap Agreement with an alternative swap mechanism or on the relevant Issue Date institute an alternative swap mechanism provided that the Security Trustee, in its reasonable opinion, does not expect that the then current ratings of the Notes assigned by Moody's will be adversely affected and, in respect of NHG Compartments, Fitch has confirmed that no downgrading of the then current ratings of the Notes of the relevant Compartment will occur.

OTHER:

Issuer Services Agreement:

Under the terms of an issuer services agreement entered into on the Programme Closing Date (the '**Issuer Services Agreement**') between the Issuer, the Issuer Administrator, the MPT Provider, the Defaulted Loan Servicer and the Security Trustee, (i) the MPT Provider has agreed to provide certain mortgage payment transactions and the other services as agreed in the Issuer Services Agreement in relation to the Mortgage Loans 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 Loans and (ii) the Defaulted Loan Servicer has agreed to provide the implementation of arrears procedures including, if applicable, the enforcement of mortgages (see further *Mortgage Loan Underwriting and Mortgage Services*) and (iii) the Issuer Administrator has agreed to

provide certain administration, calculation and cash management services for 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.

**Management
Agreements:**

The Issuer and the Security Trustee have on the Programme Closing Date each entered into a management agreement (together the '**Management Agreements**') with the relevant Director, whereunder the relevant Director has undertaken to act as director of the Issuer or the Security Trustee respectively and to perform certain services in connection therewith.

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.

Listing:

Application will be made for Notes issued under the Programme to be admitted to listing on Euronext Amsterdam 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 Euronext Amsterdam, will be delivered to Euronext Amsterdam 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, Japan 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.

IMPORTANT NOTICE

The Issuer is responsible for the information contained in this Base Prospectus, except for the information for which the Sellers are responsible, as referred to in the following paragraph. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus, except for the information for which the Sellers are responsible, 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 and specified as such in this Base Prospectus, except for the information for which the Sellers are responsible, as referred to in the following paragraph, has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third-party, no facts have been omitted which would 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 Dutch Residential Mortgage Market, the Description of the Sellers, Description of the Mortgage Loans, Municipality/NHG Guarantee Programme and Mortgage Loan Underwriting and Servicing*. 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 and specified as such in these sections is in accordance with the facts and does not omit anything likely to affect the impact of such information. Any information from third-parties contained and specified as such in these sections has been accurately reproduced and as far as the Sellers are aware and are able to ascertain from information published by that third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Sellers accept responsibility accordingly.

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

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.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see '*Documents Incorporated by Reference*' below). This Base Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Base Prospectus.

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 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 on 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 from time to time) (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 United States persons as defined in Regulation S under the Securities Act, except in certain transactions permitted by US tax regulations and the Securities Act (see *Subscription and Sale* below).

In connection with the issue of the Notes, ABN AMRO Bank N.V., acting through its London branch or, if so specified in the relevant Final Terms, the Notes Purchaser, (the '**Stabilising Manager**'), or any duly appointed person acting for the Stabilising Manager) may over-allot (provided that the aggregate Principal Amount Outstanding of the 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 Manager (or persons acting on behalf of a Stabilising Manager) 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 Closing Date 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.

All references in this document to '€' and 'euro' refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended from time to time.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and form part of, this Base Prospectus:

- (a) the Articles of Association of the Issuer;
- (b) the audited financial statements of the Issuer in relation to the financial period starting 23 September 2005 and ending on 31 December 2006, the financial period starting 1 January 2007 and ending on 31 December 2007;
- (c) ABN AMRO's registration document dated 27 June 2008 pursuant to the Commission Regulation (EC) No 809/2004 (the EU Prospectus Regulation) for ABN AMRO Holding and ABN AMRO as approved by the AFM on 27 June 2008 and as amended and supplemented on 2 October 2008, 7 October 2008, 2 December 2008, 7 January 2009 and 20 January 2009 (the '**Registration Document**'); and
- (d) ABN AMRO Holding N.V.'s ('**ABN AMRO Holding**') publicly available consolidated audited annual financial statements for the year ended 31 December 2008.

The Issuer will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference. Written requests for such documents should be directed to the Issuer at its registered office set out at the end of this Base Prospectus. In addition, such documents will be available from the office in Breda of ABN AMRO in its capacity as Paying Agent.

The Issuer will, in connection with the listing of the Notes on the relevant regulated market, so long as any Note remains outstanding and listed on such market, in the event of a material adverse change in the financial condition of the Issuer which is not reflected in this Base Prospectus, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes to be listed on the relevant regulated market. If the terms of this Programme are modified or amended in a manner which would make this Base Prospectus inaccurate or misleading, a new Base Prospectus will be prepared.

This Base Prospectus and any supplement will only be valid for listing Notes on Euronext Amsterdam by NYSE Euronext and/or any other regulated market in an Principal Amount Outstanding which, when added to the Principal Amount Outstanding then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed € 35,000,000,000.

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, Swap Agreement, Trust Deed, Parallel Debt Agreement and Priorities of Payments.

Mortgage Loan Interest Rates

The Mortgage Loans bear interest on a floating rate basis or a fixed rate basis, subject to a reset from time to time on dates agreed with the Borrower. Interest rates vary between individual Mortgage Loans. The range of interest rates is set out further in *Description of the Mortgage Loans* below. The actual amount of interest received by the Issuer will vary during the life of the Notes as a result of the level of delinquencies, defaults, repayments and prepayments, substitution and the reset of interest rates from time to time in respect of the Mortgage Receivables. Similarly, the actual amounts payable under the relevant Interest Priority of Payments will vary during the life of the transaction as a result of fluctuations in Euribor and possible variations in certain other costs and expenses of the Issuer. The eventual effect of such variations in certain other costs and expenses of the Issuer could lead to drawings, and the replenishment of such drawings, under the relevant Reserve Account and the relevant Liquidity Facility of the relevant Compartment and to non-payment of certain items under the relevant Interest Priority of Payments.

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 Borrowers will be paid into the collection account of the relevant Seller with either ABN AMRO Bank N.V., Fortis Bank (Nederland) N.V. or Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. as the **'Seller Collection Account Providers'**. Such collection accounts will also be used for the collection of monies paid in respect of mortgages loans other than the Mortgage Loans and in respect of other monies belonging to the relevant Seller.

To mitigate the risk that in case of an insolvency of ABN AMRO Hypotheken Groep the Issuer will have an unsecured claim against the bankruptcy estate of ABN AMRO Hypotheken Groep in respect of amounts received under the Mortgage Loans on the relevant Seller Collection Account but not yet paid to the Issuer, ABN AMRO Hypotheken Groep has in respect of its collection account held with Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., to which payments by borrowers of mortgage loans granted by ABN AMRO Hypotheken Groep and WoonNexxt Hypotheken are made, granted a second ranking right of pledge on the balance standing to the credit of such Seller Collection Account in favour of the Issuer and certain other parties jointly under the condition that future issuers in securitisations and future vehicles in conduit transactions or similar transactions (and any securities trustees relating thereto) initiated by ABN AMRO Hypotheken Groep and/or ABN AMRO Bank N.V. and/or WoonNexxt will also have the benefit of such right of pledge. In such case, ABN AMRO Hypotheken Groep will grant on the balance standing to the credit of such Seller Collection Account a first ranking right of pledge in favour of N.V. Trustinstelling Hoevelaken. It is envisaged that the rights of pledge will be notified to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and will therefore be a disclosed right of pledge ("*openbaar pandrecht*") whereby ABN AMRO Hypotheken Groep will be granted a power to collect, which will be withdrawn upon the occurrence of certain events.

Furthermore, in connection with such envisaged rights of pledge, ABN AMRO Hypotheken Groep has entered into an intercreditor agreement with N.V. Trustinstelling Hoevelaken, the Issuer, ABN AMRO Hypotheken Groep, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., Stater and certain other parties (as the same may be amended, restated, supplemented or modified from time to time) (the **'Intercreditor Agreement'**) in which the parties have contractually agreed that the amounts standing to the credit of the Seller Collection Account of ABN AMRO Hypotheken Groep will be distributed in accordance with the share of each beneficiary in the balance on this account deriving from the mortgage receivables sold or pledged to it. For issues in respect of such jointly held second right of pledge reference is made to *Risk related to jointly held Bank Security Rights by the relevant Seller, the Issuer and the*

Security Trustee of the chapter *Risk Factors*, which applies *mutatis mutandis*, except that such right of pledge will, pursuant to the relevant pledge agreement, be exercised by the pledgees jointly.

The MPT Provider will transfer ultimately on each Mortgage Payment Date (being the 8th business day of each month) all amounts received by the relevant Seller in respect of the Relevant Mortgage Loans and paid to the relevant Seller's collection account during the immediately preceding Mortgage Calculation Period to the relevant GIC Account.

If the rating of the short-term, unsecured and unguaranteed debt obligations of a Seller Collection Account Provider falls below Prime-1 by Moody's or, in respect of a NHG Compartment, F1 by Fitch (the '**Seller Collection Account Provider Requisite Rating**'), the relevant Seller or, as the case may be relevant Sellers, will, to maintain the then current rating assigned to the Notes, either: (i) ensure that payments to be made in respect of amounts received on the collection account(s) relating to the relevant Mortgage Receivables will be guaranteed by a party having at least the Seller Collection Account Provider Requisite Rating; or (ii) (a) open an escrow account in the name of the Issuer, at its own costs, with a party having at least the Seller Collection Account Provider Requisite Rating, and (b) transfer to the escrow account an amount equal to the highest single amount of principal, interest and pre-payment penalties received since the relevant Issue Date on the GIC Account during one Mortgage Calculation Period in respect of all Pools; or (iii) implement any other actions agreed at that time with Moody's and Fitch.

For these purposes a '**Mortgage Calculation Period**' is 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, except for the first Mortgage Calculation Period which will commence on and end on the dates indicated in the applicable Final Terms.

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 ledgers to reflect the amounts received in respect of a Pool.

The Issuer will maintain with the GIC Provider for each Compartment a GIC Account to which, *inter alia*, all amounts received from the relevant Seller in respect of the Relevant Mortgage Receivables of the Pool related to such Compartment will be paid.

The Issuer Administrator will identify all amounts paid into the relevant GIC Account by the relevant Seller in respect of the relevant Pool of Mortgage Receivables by crediting such amounts to ledgers established for such purpose. Payments received in respect of such Mortgage Loans will be identified as principal or revenue receipts and credited to the relevant principal ledger (the '**Principal Ledger**') or the relevant revenue ledger (the '**Revenue Ledger**'), as the case may be. A Principal Ledger and a Revenue Ledger will be maintained in respect of each Compartment and related Pool.

Payments may be made from the relevant GIC Account other than on a relevant Quarterly Payment Date or Annual Payment Date only to satisfy amounts due to third parties (other than pursuant to the Relevant Documents) (which third party amounts can include claims of third parties which have not been paid by the Issuer in respect of one or more Compartments, in which case such unpaid part of such claim will be shared by the other Compartments on a pro rata basis) and payable in connection with the Issuer's business to the extent such amounts relate to the relevant Compartment. Further ledgers will be maintained to record amounts held in the relevant Transaction Accounts in respect of the balance of the relevant Reserve Account and certain drawings made under the Liquidity Facility (see further '*Liquidity Facility*' below).

The Issuer may, at its option, until the Quarterly Payment Date immediately preceding the first Optional Redemption Date of the relevant Compartment reserve and/or withhold amounts from the Principal Available Amount less, in respect of each Principal Available Amount, the Further Advance Amount and the Substitution Amount, for the purchase of Substitute Mortgage Receivables in the succeeding Quarterly Calculation Periods (the '**Reserved Amount**'). The Reserve Amount may never exceed the Outstanding Principal Amount in respect of all Substitute Mortgage Receivables which the relevant Seller or Sellers expect to offer to the Issuer up to the first Optional

Redemption Date of the relevant Compartment, if such amount is notified by the relevant Seller or Sellers to the Issuer prior the relevant Quarterly Payment Date.

Unless specified otherwise in the relevant Final Terms, the Issuer may invest all funds in the relevant GIC Account, including, but not limited to, any Reserved Amount, to the extent not applied for the purchase of Further Advance Receivables or Substitute Mortgage Receivables, into (A) euro denominated securities, subject to certain conditions, including that such securities may not have a maturity beyond the relevant first Optional Redemption Date and (i) that such securities have been assigned either (a) a rating of Aaa by Moody's in case of a remaining tenor longer than ninety (90) days or (b) A1 and Prime-1 by Moody's in case of a remaining tenor less than ninety (90) days but longer than thirty (30) days or (c) Prime-1 by Moody's in case of a remaining tenor less than thirty (30) days and (ii), in the case of a NHG Compartment, that such securities have been assigned either (a) a rating of AAA by Fitch in case of a remaining tenor longer than one year or (b) AA- and F1+ by Fitch in case of a remaining tenor less than one year but longer than thirty (30) days or (c) A and F1 by Fitch in case of a remaining tenor less than thirty (30) days or (B) in other securities provided that the Security Trustee, in its reasonable opinion, does not expect that the then current ratings of the Notes assigned by Moody's will be adversely affected and, in respect of NHG Compartments, Fitch has confirmed that no downgrading of the then current ratings of the Notes of the relevant Compartment will occur as a result of such investment. In addition, if during any Quarterly Calculation Period, the balance standing to the credit of the relevant GIC Account exceeds euro 150,000,000, the Issuer may at its option, invest such funds, to the extent such funds exceed euro 150,000,000, into (A) euro denominated securities, subject to certain conditions, including that such securities may not have a maturity beyond the next relevant Quarterly Payment Date or Annual Payment Date and (i) that such securities have been assigned either (x) a rating of Aaa by Moody's in case of a remaining tenor longer than ninety (90) days or (y) Prime-1 by Moody's in case of a remaining tenor less than thirty (30) days or (z) Prime-1 and A1 by Moody's in case of a remaining tenor less than ninety but (90) days but longer than thirty (30) days or (ii) that such securities have been assigned either (a) a rating of AAA by Fitch in case of a remaining tenor longer than one year or (b) AA- and F1+ by Fitch in case of a remaining tenor less than one year but longer than thirty (30) days or (c) A and F1 by Fitch in case of a remaining tenor less than thirty (30) days, or (B) in other securities provided that the Security Trustee, in its reasonable opinion, does not expect that the then current ratings of the Notes assigned by Moody's will be adversely affected and, in respect of NHG Compartments, Fitch has confirmed that no downgrading of the then current ratings of the Notes of the relevant Compartment will occur (the '**Eligible Investments**').

In addition, on the Issue Date an amount corresponding to the aggregate Construction Amounts of the relevant Pool will be credited to the relevant GIC Account and to the Construction Ledger. A debit from the Construction Ledger and corresponding payments from the relevant GIC Account on a relevant Quarterly Payment Date may be made only to satisfy payment by the Issuer to the relevant Seller of (part of) the relevant Initial Purchase Price as a result of the distribution of (part of) the relevant Construction Amount by the relevant Seller to the relevant Borrowers. Besides this, the relevant Construction Ledger will be debited with the amount Borrowers have set off against the relevant Mortgage Receivables in connection with the relevant Construction Amounts and as a result in respect of which the Issuer has no further obligation to pay (such part of) the relevant Initial Purchase Price. Such amount will form part of the relevant Principal Available Amount.

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

If at any time (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the GIC Provider are assigned a rating of less than Prime-1 by Moody's or less than F1 by Fitch, in respect of a NHG Compartment, the Issuer will be required within thirty (30) days to transfer the balance on the relevant Transaction Accounts to an alternative bank with the required minimum rating or to obtain a third party, having a short-term unsecured, unsubordinated and unguaranteed debt obligations of Prime-1 by Moody's and, in respect of a NHG Compartment, acceptable to the Fitch, to guarantee the obligations of the GIC Provider.

Priority of Payments in respect of interest for each Compartment

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 (being the 5th business day prior to each relevant Quarterly Payment

Date or Annual Payment Date, as the case may be) as being received or held in relation to the Quarterly Calculation Period immediately preceding such Quarterly Calculation Date (items (i) up to and including (xiv) being hereafter referred to as the '**Notes Interest Available Amount**') unless the relevant Final Terms provides otherwise:

- (i) as interest, including any prepayment penalties and penalty interest ("*boeterente*"), on the Mortgage Receivables of such Pool;
- (ii) as interest credited to the Transaction Accounts of such Compartment and the related Pool and any revenue on any Eligible Investments made by the Issuer to the extent such investments relate to such Compartment and Pool;
- (iii) as Net Proceeds on any Mortgage Receivables of such Pool, to the extent such proceeds do not relate to principal;
- (iv) as amounts to be drawn under the Liquidity Facility (other than relevant Liquidity Facility Stand-by Drawings) of such Compartment and Pool on the immediately succeeding relevant Quarterly Payment Date or Annual Payment Date;
- (v) as amounts to be drawn from the Reserve Account of such Compartment and Pool on the immediately succeeding relevant Quarterly Payment Date or Annual Payment Date;
- (vi) as amounts to be received from the Swap Counterparty under the Swap Agreement of such Compartment and Pool on the immediately succeeding relevant Quarterly Payment Date or Annual Payment Date, if any, excluding, for the avoidance of doubt, any collateral transferred pursuant to such Swap Agreement;
- (vii) as amounts received in connection with a repurchase of Mortgage Receivables of such Pool pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal or any other amounts to be 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 and, if such amount cannot be attributed to any Pool, the amounts received multiplied by the relevant Pool Fraction;
- (viii) as amounts received in connection with a sale of the Mortgage Receivables of such Pool pursuant to the relevant Trust Deed to the extent such amounts do not relate to principal;
- (ix) as amounts received as Post Foreclosure Proceeds on the Mortgage Receivables of such Pool;
- (x) the Pre-Closing Proceeds to the extent such amounts relate to such Pool and do not relate to principal;
- (xi) on the Final Maturity Date or, if earlier, the Optional Redemption Date on which the Notes of such Compartment are redeemed in accordance with Condition 6(e), the remaining balance standing to the credit of the Transactions Accounts of such Compartment and Pool, if any;
- (xii) as amounts received in connection with a NHG Guarantee or Municipality Guarantee to the extent such amounts do not relate to principal;
- (xiii) any other amounts as set forth as such in the relevant Final Terms; **less**
- (xiv) on the first Quarterly Payment Date of each year or Annual Payment Date in respect of a Compartment, the sum of
 - (i) an amount equal to 5 per cent. of the annual fee due to the Director of the Issuer multiplied by the relevant Pool Fraction, and
 - (ii) an amount of Euro 1500 multiplied by the relevant Pool Fraction; **less**
 - (iii) any amounts owed by the Issuer to the tax authorities over the amounts mentioned under (i) and (ii), multiplied by the relevant Pool Fraction;

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

- (a) *first*, 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 relating to the relevant Pool), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax and the fees and expenses of the Rating Agencies, any legal advisor, auditor and accountants appointed by the Issuer and/or, as the case may be, 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 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 by the Issuer (the '**Pool Fraction**') and (ii) fees and expenses due to the Paying Agent and the Reference Agent under the Agency Agreement, to the extent related to the relevant Compartment 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 Pool Fraction and (iii) the Liquidity Facility Commitment Fee;

- (b) *second*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of administration fees, costs and expenses due and payable to the Issuer Administrator, the MPT Provider and the Defaulted Loan Servicer under the Issuer Services Agreement, 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;
- (c) *third*, 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 documents relating to the relevant Compartment and Pool, and in respect of general costs which cannot be attributed to a certain Compartment or Pool, such costs multiplied by the Pool Fraction;
- (d) *fourth*, in or towards satisfaction of any amounts due and payable to the Liquidity Facility Provider under the relevant Liquidity Facility Agreement of the relevant Compartment and relevant Pool, but excluding any gross-up amounts or additional amounts due under the relevant Liquidity Facility Agreement and payable under (p) below, or, following a relevant Liquidity Facility Stand-by Drawing in or towards satisfaction of sums to be credited to the relevant Liquidity Facility Stand-by Ledger of the relevant Compartment and the relevant Pool;
- (e) *fifth*, in or towards satisfaction of amounts, if any, due but unpaid under the relevant Swap Agreement (except for any termination payment due or payable as a result of the occurrence of an Event of Default (as defined in the relevant Swap Agreement) where the Swap Counterparty is the Defaulting Party or an Additional Termination Event (as defined in the relevant Swap Agreement) relating to the credit rating of the Swap Counterparty (as such terms are defined in the relevant Swap Agreement), including a Settlement Amount (as defined in the relevant Swap Agreement) (a '**Swap Counterparty Default Payment**'));
- (f) *sixth*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of all amounts of interest due in respect of the Senior Class A Notes of the relevant Compartment;
- (g) *seventh*, in or towards making good, pro rata, 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 accrued due but unpaid on the Mezzanine Class B Notes of the relevant Compartment, if any;
- (i) *ninth*, in or towards making good any shortfall reflected in the Class B Principal Deficiency Ledger of the relevant Compartment 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 accrued due but unpaid on the Mezzanine Class C Notes of the relevant Compartment, if any;
- (k) *eleventh*, in or towards making good any shortfall reflected in the Class C Principal Deficiency Ledger of the relevant Compartment 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 accrued due but unpaid on the Mezzanine Class D Notes of the relevant Compartment, if any;
- (m) *thirteenth*, in or towards making good any shortfall reflected in the Class D Principal Deficiency Ledger of the relevant Compartment 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 accrued due but unpaid on the Junior Class E Notes of the relevant Compartment, if any;
- (o) *fifteenth*, in or towards making good any shortfall reflected in the Class E Principal Deficiency Ledger of the relevant Compartment until the debit balance, if any, on the Class E Principal Deficiency Ledger of the relevant Compartment is reduced to zero;
- (p) *sixteenth*, in or towards satisfaction of interest due or accrued due but unpaid on the Subordinated Class F Notes of the relevant Compartment, if any;
- (q) *seventeenth*, in or towards making good any shortfall reflected in the Class F Principal Deficiency Ledger of the relevant Compartment until the debit balance, if any, on the Class F Principal Deficiency Ledger of the relevant Compartment is reduced to zero;
- (r) *eighteenth*, in or towards satisfaction of any sums required to deposit 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;
- (s) *nineteenth*, in or towards satisfaction of the Swap Counterparty Default Payment payable to the Swap Counterparty under the terms of the relevant Swap Agreement;
- (t) *twentieth*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of gross-up amounts or additional amounts due, if any, to the Liquidity Facility Provider pursuant to the relevant Liquidity Facility Agreement of the relevant Compartment and the relevant Pool;
- (u) *twenty first*, in or towards satisfaction of a Deferred Purchase Price Instalment relating to the relevant Compartment and relevant Pool the relevant Seller or relevant Sellers, as the case may be.

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 such amounts relate to such Compartment, calculated as at any Quarterly Calculation Date, as being received or held in relation to the immediately preceding Quarterly Calculation Period (items (i) up to and including (xi) hereinafter referred to as the '**Principal Available Amount**' and items (i) up to and including (xiv) as the '**Notes Redemption Available Amount**') unless the relevant Final Terms provides otherwise:

- (i) as repayment and prepayment of principal under the relevant Pool of Mortgage Receivables;
- (ii) as Net Proceeds on any Mortgage Receivable of the relevant Pool, to the extent such proceeds relate to principal;
- (iii) as amounts received in connection with a repurchase of the 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 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 relevant Mortgage Receivables pursuant to the relevant Trust Deed to the extent such amounts relate to principal;
- (v) as amount to be credited to the relevant Principal Deficiency Ledger on the immediately succeeding relevant Quarterly Payment Date or Annual Payment Date;

- (vi) any part of the relevant Notes Redemption Available Amount calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards redemption of the Notes on the immediately preceding relevant Quarterly Payment Date;
- (vii) as Pre-Closing Proceeds to the extent such proceeds relate to principal of the relevant Pool;
- (viii) as amounts debited from the relevant Construction Ledger in accordance with the Mortgage Receivables Purchase Agreement;
- (ix) the Reserved Amount on the last day of the preceding Quarterly Calculation Period;
- (x) as amounts received in connection with a NHG Guarantee or Municipality Guarantee to the extent such amounts relate to principal; and
- (xi) any other amounts as set forth as such in the relevant Final Terms,

less, on such Quarterly Calculation Date, the sum of:

- (xii) any amount applied to the purchase of the relevant Substitute Mortgage Receivables on such Quarterly Payment Date (the '**Substitution Amount**');
- (xiii) any amount applied to the purchase of the relevant Further Advance Receivables on such Quarterly Payment Date (the '**Further Advance Amount**'); and
- (xiv) the Reserved Amount;

will pursuant to the relevant Trust Deed be applied by the Issuer on the immediately succeeding relevant Quarterly Payment Date as follows (and in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the '**Principal Priority of Payments**') in relation to each Compartment unless the relevant Final Terms provides otherwise:

- (i) *first*, prior to the first Optional Redemption Date in or towards satisfaction, of principal amounts due under the Senior Class A1 Notes and on the first Optional Redemption Date and each Quarterly Payment Date thereafter, in or towards satisfaction, pro rata, of principal amounts due under the Senior Class A1 Notes and the Senior Class A2 Notes;
- (ii) *second*, on the first Optional Redemption Date and on each Quarterly Paying Date thereafter in or towards satisfaction of principal amounts due under the Mezzanine Class B Notes of the relevant Compartment;
- (iii) *third*, on the first Optional Redemption Date and on each Quarterly Paying Date thereafter in or towards satisfaction of principal amounts due under the Mezzanine Class C Notes of the relevant Compartment;
- (iv) *fourth*, on the first Optional Redemption Date and on each Quarterly Paying Date thereafter in or towards satisfaction of principal amounts due under the Mezzanine Class D Notes of the relevant Compartment;
- (v) *fifth*, on the first Optional Redemption Date and on each Quarterly Paying Date thereafter in or towards satisfaction of principal amounts due under the Junior Class E Notes of the relevant Compartment; and
- (vi) *sixth*, on the first Optional Redemption Date and on each Quarterly Paying Date thereafter in or towards satisfaction of principal amounts due under the Subordinated Class F Notes of the relevant Compartment.

Priority of Payments upon Enforcement

Following delivery of an Enforcement Notice relating to the relevant Compartment, any amounts payable by the Security Trustee under the relevant Trust Deed and the relevant Parallel Debt Agreement will be paid to the Secured Parties of the relevant Pool (including the Noteholders of the relevant Compartment) in the following order of priority (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) (the '**Priority of Payments upon Enforcement**') relating to the relevant Compartment unless the relevant Final Terms provides otherwise:

- (a) *first*, in or towards satisfaction, of the repayment of any Liquidity Facility Stand-by Drawing due and payable but unpaid under the 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) any cost, charge, liability and expenses incurred by the Security Trustee under or in connection with any of the documents relating to the relevant Pool, (iii) the fees and expenses of the Paying Agent and the Reference Agent incurred under the provisions of the Agency Agreement and (iv) the fees, costs and expenses of the Issuer Administrator, the MPT Provider and the Defaulted Loan Servicer under the Issuer Services Agreement, all to the extent relating to the relevant Compartment and relevant Pool or in respect of general costs 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 accrued due but unpaid under the Liquidity Facility Agreement, but excluding any Liquidity Facility Standby Drawing payable under (a) above and any gross-up amounts or additional amounts due under the Liquidity Facility Agreement 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 but unpaid under the relevant Swap Agreement, except for any Swap Counterparty Default Payment payable under subparagraph (m) below of the relevant Compartment and relevant Pool;
- (e) *fifth*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Senior Class A Notes of the relevant Compartment;
- (f) *sixth*, in or towards satisfaction, pro rata, according to the respective amounts thereof, 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 accrued due but unpaid in respect of the Mezzanine Class B Notes of the relevant Compartment;
- (h) *eighth*, 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 accrued due but unpaid in respect of the Mezzanine Class C Notes of the relevant Compartment, if any;
- (j) *tenth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Mezzanine Class C Notes of the relevant Compartment, if any;
- (k) *eleventh*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Mezzanine Class D Notes of the relevant Compartment, if any;
- (l) *twelfth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Mezzanine Class D Notes of the relevant Compartment, if any;
- (m) *thirteenth*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Junior Class E Notes of the relevant Compartment, if any;
- (n) *fourteenth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Junior Class E Notes of the relevant Compartment, if any;
- (o) *fifteenth*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Subordinated Class F Notes of the relevant Compartment, if any;
- (p) *sixteenth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Subordinated Class F Notes of the relevant Compartment, if any;
- (q) *seventeenth*, in or towards satisfaction of the Swap Counterparty Default Payment payable to the Swap Counterparty under the terms of the relevant Swap Agreement;
- (r) *eighteenth*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of gross-up amounts or additional amounts due, if any, to the Liquidity Facility Provider pursuant to the relevant Liquidity Facility Agreement of the relevant Compartment and relevant Pool;
- (s) *nineteenth*, in or towards satisfaction of the Deferred Purchase Price to the relevant Seller or relevant Sellers, as the case may be.

Liquidity Facility

On or prior to each Issue Date, the Issuer will enter into the Liquidity Facility Agreement in respect to the Compartment issued on such date with the Liquidity Facility Provider. The Issuer will be entitled on any relevant

Quarterly Payment Date (other than (i) the relevant Optional Redemption Date if and to the extent that on such date the Notes of the relevant Compartment are redeemed in full or (ii) the relevant Final Maturity Date) to make drawings under the relevant Liquidity Facility up to the relevant Liquidity Facility Maximum Amount. Each Liquidity Facility Agreement is for a 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 shall only be made on a relevant Quarterly Payment Date if and to the extent that, after the application of amounts available in the relevant Reserve Account and, without 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 (p) (inclusive) (but not items (g) (i), (k), (m) and (o)) in the relevant Interest Priority of Payments in full on that relevant Quarterly Payment Date, provided that no drawing may be made to meet item (h) if there is a debit balance on the relevant Class B Principal Deficiency Ledger and no drawing may be made to meet item (j) if there is a debit balance on the relevant Class C Principal Deficiency Ledger and no drawing may be made to meet item (l) if there is a debit balance on the relevant Class D Principal Deficiency Ledger and no drawing may be made to meet item (n) if there is a debit balance on the relevant Class E Principal Deficiency Ledger and no drawing may be made to meet item (p) if there is a debit balance on the relevant Class F Principal Deficiency Ledger and unless provided otherwise in the relevant Final Terms. The Liquidity Facility Provider will rank in priority of payments and security to, *inter alia*, the Notes unless the Final Terms provides otherwise.

If at any time (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider are assigned a rating of less than Prime-1 by Moody's, or F1 by Fitch, in respect of a NHG Compartment, or any such rating is withdrawn and (ii) within thirty (30) days of such downgrading or withdrawal the Liquidity Facility Provider is not renewed or replaced by the Issuer with a suitable alternative Liquidity Facility Provider or a third party having the required rating has not guaranteed the obligations of the Liquidity Facility Provider, the Issuer will be required forthwith to draw down the entirety of the undrawn portion of the relevant Liquidity Facility (a '**Liquidity Facility Stand-by Drawing**') and credit such amount to the relevant GIC Account with a corresponding credit to a ledger to be known as the '**Liquidity Facility Stand-by Ledger**'. Amounts so credited to the relevant Liquidity Facility Stand-by Ledger and the relevant GIC Account may be utilised by the Issuer in the same manner as if the relevant Liquidity Stand-by Drawing had not been so drawn. A relevant Liquidity Facility Stand-by Drawing shall also be made if the Liquidity Facility is not renewed following its commitment termination date.

For these purposes, '**Liquidity Facility Maximum Amount**' means with respect to each Compartment, on each Quarterly Calculation Date an amount calculated in accordance with the relevant Final Terms.

Reserve Account

A Reserve Account is opened in respect of each Compartment, unless stated otherwise in the relevant Final Terms. On the relevant Issue Date, the balance standing to the credit of the relevant Reserve Account shall be zero. The '**Reserve Account Target Level**' shall be (i) an amount equal to the Principal Amount Outstanding of the Notes of the relevant Compartment on the relevant Issue Date multiplied with the percentage set out in the relevant Final Terms, and (ii) zero on the Quarterly Payment Date on which the Notes of the relevant Compartment will be redeemed in full, or (iii) such other amount as is indicated in the applicable Final Terms of the relevant Compartment.

If and to the extent that the relevant Notes Interest Available Amount on any Quarterly Calculation Date exceeds the amounts required to meet items ranking higher than item (r) in the relevant Interest Priority of Payments, the excess amount will be deposited on the relevant Reserve Account or, as the case may be, be applied to replenish the relevant Reserve Account, to the extent required until the balance standing to the credit of the Reserve Account equals the Reserve Account Target Level.

Amounts credited to the Reserve Account will be available on any relevant Quarterly Payment Date or Annual Payment Date to meet items (a) to (q) inclusive of the relevant Interest Priority of Payments unless the Final Terms provides otherwise.

To the extent that the balance standing to the credit of the relevant Reserve Account on any Quarterly Calculation Date exceeds the relevant Reserve Account Target Level, such excess shall be drawn from the relevant Reserve Account on the immediately succeeding relevant Quarterly Payment Date or Annual Payment Date and be deposited

in the relevant GIC Account and shall form part of the relevant Notes Interest Available Amount on such relevant Quarterly Payment Date or Annual Payment Date, as the case may be.

Principal Deficiency Ledger

Unless stated otherwise in the Final Terms, for each Compartment a Principal Deficiency Ledger comprising six sub-ledgers, known as the '**Class A Principal Deficiency Ledger**', the '**Class B Principal Deficiency Ledger**', the '**Class C Principal Deficiency Ledger**', the '**Class D Principal Deficiency Ledger**', the '**Class E Principal Deficiency Ledger**' and the '**Class F Principal Deficiency Ledger**', respectively, will be established by or on behalf of the Issuer in order to record any relevant Realised Losses (as defined below) on the relevant Pool of Mortgage Receivables including relevant Realised Losses on the sale of relevant Mortgage Receivables in connection with the optional redemption of the relevant Notes (each respectively the '**Class A Principal Deficiency**', the '**Class B Principal Deficiency**', the '**Class C Principal Deficiency**', the '**Class D Principal Deficiency**', the '**Class E Principal Deficiency**' and the '**Class F Principal Deficiency**', together a '**Principal Deficiency**'). Any Realised Loss shall be debited to the relevant Class F Principal Deficiency Ledger (such debit item being reccredited at item (q) of the relevant Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the relevant Subordinated Class F Notes and thereafter such amounts shall be debited to the relevant Class E Principal Deficiency Ledger (such debit item being reccredited at item (o) of the relevant Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the relevant Junior Class E Notes and thereafter such amounts shall be debited to the relevant Class D Principal Deficiency Ledger (such debit item being reccredited at item (m) of the relevant Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the relevant Mezzanine Class D Notes and thereafter such amounts shall be debited to the relevant Class C Principal Deficiency Ledger (such debit item being reccredited at item (k) of the relevant Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the relevant Mezzanine Class C Notes and thereafter such amounts shall be debited to the relevant Class B Principal Deficiency Ledger (such debit item being reccredited at item (i) of the relevant Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the relevant Mezzanine Class B Notes and thereafter such amounts shall be debited to the relevant Class A Principal Deficiency Ledger (such debit items being reccredited at item (g) of the relevant Interest Priority of Payments).

'Realised Losses' means, in respect of a Pool of Mortgage Receivables:

on any relevant Quarterly Calculation Date, the sum of (a) the amount of the difference between (y) the aggregate relevant Outstanding Principal Amount in respect of all Mortgage Receivables of the relevant Pool in respect of which the relevant Seller, the MPT Provider, the Defaulted Loan Servicer or the Issuer has foreclosed from the Issue Date up to and including such Quarterly Calculation Date and (z) the amount of the Net Proceeds of such Pool applied to reduce the Outstanding Principal Amount of such Pool and (b), with respect to the Mortgage Receivables of such Pool sold by the Issuer, the amount of the difference, if any, between (y) the aggregate Outstanding Principal Amount in respect of the Mortgage Receivables of such Pool and (z) the purchase price of the Mortgage Receivables of such Pool sold to the extent relating to principal, and (c) with respect to the Mortgage Receivables in respect of which the Borrower has from the Closing Date up to and including the immediately preceding Quarterly Calculation Period (x) successfully asserted set-off or defence to payments or (y) (p) repaid any amounts, in both cases the amount by which the Mortgage Receivables have been extinguished ("*teniet gegaan*") as a result thereof unless and to the extent the relevant amount is received from the Seller or otherwise pursuant to any of items (i), (iii) or (iv) of the Notes Redemption Available Amount.

Sale of Mortgage Receivables

Under the terms of the relevant Trust Deed, the Issuer will have the right to sell and assign all but not some of the Relevant Mortgage Receivables of the relevant Pool on each relevant Optional Redemption Date to the relevant Seller or Sellers or, as the case may be, a third party, or in accordance with the Mortgage Receivables Purchase Agreement the Issuer may be obliged to sell the Relevant Mortgage Receivables of a Pool to the relevant Seller, provided in any case that the Issuer shall apply the proceeds of such sale to redeem the Notes of the relevant Compartment to the extent relating to principal. If the Issuer decides to offer for sale (part of) the Relevant Mortgage Receivables it will first offer such Relevant Mortgage Receivables to the relevant Seller. The purchase price of each Mortgage Receivable in

the event of such sale shall be at least equal to the Outstanding Principal Amount, together with accrued interest due but unpaid, if any, in respect of each Mortgage Receivable, except that with respect to Mortgage Receivables which are in arrears for a period exceeding ninety (90) days or in respect of which an instruction has been given to the civil-law notary to start foreclosure proceedings, the purchase price shall be at least the lesser of (i) the sum of (a) an amount equal to the foreclosure value of the Mortgaged Assets or if no valuation report of less than twelve (12) months is available, its indexed foreclosure value and (b) the amount claimable under the NHG Guarantee or Municipality Guarantee and (ii) the sum of the Outstanding Principal Amount in respect of the Mortgage Receivable, together with accrued interest due but unpaid, if any, and any other amount due under the Mortgage Receivable.

Interest Rate Hedging

The Eligibility Criteria (as defined under *Mortgage Receivables Purchase Agreement* below) of each Pool require that all Mortgage Loans of such Pool bear a fixed rate of interest, which is subject to a reset from time to time, or a floating rate of interest. If the Notes bear a floating interest rate, the interest rate payable by the Issuer on the Senior Class A1 Notes, the Senior Class A2 Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes of the relevant Compartments will be calculated as a margin over Euribor. If the Notes bear a fixed interest rate, the interest rate payable on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes of the relevant Compartments will be fixed for as long as these Notes are outstanding, provided that after the Optional Redemption Date fixed interest rates on such Notes may switch to floating interest rates. The Issuer will hedge its interest rate exposure by entering into Swap Agreements and each Swap Agreement will relate to a specific Compartment only. Alternatively, the Issuer will have the option to replace an existing Swap Agreement with an alternative swap mechanism or on the relevant Issue Date institute an alternative swap mechanism, provided that the Security Trustee, in its reasonable opinion, does not expect that the then current ratings of the Notes assigned by Moody's will be adversely affected and, in respect of NHG Compartments, Fitch has confirmed that no downgrading of the then current ratings of the Notes of the relevant Compartment will occur as a result thereof.

Under each Swap Agreement, the Issuer will agree to pay on each relevant Quarterly Payment Date in respect of each Compartment and Pool the sum of:

- (a) the scheduled interest on the relevant Pool of Mortgage Receivables; and
- (b) the interest accrued on the relevant Transaction Accounts during the immediately preceding Quarterly Calculation Period and revenue on any relevant Eligible Investments made by the Issuer; less
- (c) an excess margin as indicated in the Final Terms per annum applied to the relevant Outstanding Principal Amount of the relevant Pool of Mortgage Receivables on the first day of the relevant Quarterly Calculation Period (the '**Excess Margin**'); and less
- (d) the expenses set out in items (a) up to and including (c) of the relevant Interest Priority of Payments payable on each relevant Quarterly Payment Date.

The Swap Counterparty will agree in respect of each Compartment to pay amounts equal to the interest due under the relevant Compartment of Notes, and calculated by reference to the rate of interest applied to the Principal Amount Outstanding of the relevant Compartment and Class of Notes (as reduced by any outstanding debit balance on the respective sub-ledger of the Principal Deficiency Ledger) on the first day of the relevant Floating Rate Interest Period or Fixed Rate Interest Period.

If Fixed Rate Notes are issued in a Compartment, the relevant Swap Agreement will provide for an adjustment mechanism. If the sum of scheduled interest actually received and interest (including penalties) recovered on the Mortgage Receivables falls short of scheduled interest receivable on the Mortgage Receivables, the payment obligation of the Issuer will be reduced with an amount equal to such shortfall. In such event the payment of the Swap Counterparty will be adjusted accordingly on a Euro for Euro basis. Such reduction could result in the Issuer not having sufficient funds available to meet its payment obligations in accordance with the priorities of payments described above.

The relevant Swap Agreement entered into by the Issuer will be documented under an ISDA Master Agreement. The relevant Swap 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 Swap Agreement or (iii) an Enforcement Notice is served. Events of Default under the relevant Swap Agreement in relation to the Issuer will be limited to (i) non-payment under the relevant Swap Agreement and (ii) certain insolvency events.

Upon the early termination of the relevant Swap Agreement, the Issuer or the Swap 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 terminated relevant Swap Agreement. The market value will be based on market quotations of the cost of entering into a transaction with the same terms and conditions and 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).

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

In the event the Swap Counterparty is required to withhold or deduct an amount in respect of tax from payments due from it to the Issuer, the Swap Counterparty will be required pursuant to the terms of the relevant Swap 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.

If either of the above withholding tax events occurs, then the Swap Counterparty will at its own cost, if it is unable to transfer its rights and obligations under the relevant Swap Agreement to another office, have the right to terminate the relevant Swap Agreement. Upon such termination, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party.

Downgrade of Swap Counterparty

If the Swap Counterparty ceases to have certain required ratings by the Rating Agencies, the Swap 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 Swap Agreement to be transferred to an entity with such required ratings, procuring another entity with at least such certain required ratings assigned to the Rating Agencies to become co-obligor in respect of its obligations under the relevant Swap Agreement, or the taking of any other action to maintain the then current ratings assigned to the Notes of the relevant Compartment. A failure to take such steps, subject to certain conditions, will give the Issuer a right to terminate the relevant Swap Agreement.

DESCRIPTION OF THE SELLERS

The Sellers, ABN AMRO Bank N.V., ABN AMRO Hypotheken Groep B.V. (formerly known as Bouwfonds Hypotheken B.V.), MoneYou B.V., WoonNexxt Hypotheken B.V., Combi-Hypotheken B.V., CombiVoordeel Hypotheken B.V., Albank B.V. and MNF Bank N.V., are directly or indirectly wholly owned subsidiaries of ABN AMRO Holding N.V.

ABN AMRO Bank N.V.

For specific information on ABN AMRO, reference is made to the registration document dated 27 June 2008 pursuant to the Commission Regulation (EC) No 809/2004 (the EU Prospectus Regulation) for ABN AMRO Holding N.V. and ABN AMRO and approved by the AFM on 27 June 2008 and as amended and supplemented on 2 October 2008, 7 October 2008, 2 December 2008, 7 January 2009 and 20 January 2009 (see also *Documents incorporated by reference* above).

ABN AMRO Hypotheken Groep B.V.

ABN AMRO Hypotheken Groep B.V. is a private limited company (*'besloten vennootschap met beperkte aansprakelijkheid'*) and was incorporated in the Netherlands on 30 December 2001. ABN AMRO Hypotheken Groep B.V.'s primary business is to originate mortgage loans to borrowers in the Netherlands through intermediaries. Its mortgage loans are serviced by Stater. ABN AMRO Hypotheken Groep B.V. performs its activities in the Netherlands under its trade name Florius.

ABN AMRO Hypotheken Groep B.V. is established in Amersfoort, the Netherlands and has its registered place of business is at Ruimtevaart 24, 3824 MX, Amersfoort, the Netherlands.

MoneYou B.V.

MoneYou B.V. is a private company with limited liability (*'besloten vennootschap met beperkte aansprakelijkheid'*) and was incorporated in the Netherlands on 19 February 2001. MoneYou B.V.'s primary business is to originate mortgage loans to borrowers in the Netherlands through the internet. Its mortgage loans are serviced by Stater.

MoneYou B.V. is established in Hoevelaken, the Netherlands and its registered place of business is at Ruimtevaart 24, 3824 MX, Amersfoort, the Netherlands.

WoonNexxt Hypotheken B.V.

WoonNexxt Hypotheken B.V. is a private company with limited liability (*'besloten vennootschap met beperkte aansprakelijkheid'*) and was incorporated in the Netherlands on 30 August 1977. WoonNexxt Hypotheken B.V.'s primary business is to originate mortgage loans to borrowers in the Netherlands through large intermediaries such as insurance companies. Its mortgage loans are serviced by Stater.

WoonNexxt Hypotheken B.V. is established in Hoevelaken, the Netherlands and has its registered place of business is at Ruimtevaart 24, 3824 MX, Amersfoort, the Netherlands.

Combi-Hypotheken B.V.

Combi-Hypotheken B.V. is a private company with limited liability (*'besloten vennootschap met beperkte aansprakelijkheid'*) and was incorporated in the Netherlands on 27 February 1986. Combi-Hypotheken B.V.'s primary business is to originate mortgage loans to borrowers in the Netherlands through intermediaries. Its mortgage loans are serviced by Reaal Levensverzekeringen N.V.

Combi-Hypotheken B.V. is established in Hoevelaken, the Netherlands and has its registered place of business is at Ruimtevaart 24, 3824 MX, Amersfoort, the Netherlands.

CombiVoordeel Hypotheken B.V.

CombiVoordeel Hypotheken B.V. is a private company with limited liability (*'besloten vennootschap met beperkte aansprakelijkheid'*) and was incorporated in the Netherlands on 19 February 2001. CombiVoordeel Hypotheken B.V.'s

primary business is to originate mortgage loans to borrowers in the Netherlands through intermediaries. Its mortgage loans are serviced by Reaal Levensverzekeringen N.V.

CombiVoordeel Hypotheken B.V. is established in Hoevelaken, the Netherlands and has its registered place of business is at Ruimtevaart 24, 3824 MX, Amersfoort, the Netherlands.

Albank B.V.

Albank B.V. is a private company with limited liability (*'besloten vennootschap met beperkte aansprakelijkheid'*) and was incorporated in the Netherlands on 9 September 1970. Albank B.V.'s primary business is to originate mortgage loans to borrowers in the Netherlands through intermediaries. Its mortgage loans are serviced by MNF Bank N.V.

Albank B.V. is established in Rotterdam, the Netherlands and has its registered place of business is at Barbizonlaan 1, 2908 MA, Capelle aan den IJssel, the Netherlands.

MNF Bank N.V.

MNF Bank N.V. is a public company with limited liability (*'naamloze vennootschap'*) and was incorporated in the Netherlands on 13 May 1964. MNF Bank N.V.'s primary business is to originate mortgage loans to borrowers in the Netherlands through intermediaries such as insurance companies. MNF Bank N.V. services its own mortgage loans.

MNF Bank N.V. is established in Rotterdam, the Netherlands and has its registered place of business is at Barbizonlaan 1, 2908 MA, Capelle aan den IJssel, the Netherlands.

OVERVIEW OF THE DUTCH RESIDENTIAL MORTGAGE MARKET

Overview of the Dutch residential mortgage market

The Dutch housing market has been relatively stable compared to certain other European Union countries (i.e. the U.K.), mainly due to a strict town & country policy, which limits supply, and because mortgage loans moreover have longer term fixed mortgage rates, which reduces the interest rate sensitivity of existing home owners. Comparing the Dutch housing market to other European Union countries some more differences are apparent.

The Netherlands have a relatively low level of owner occupancy. Currently, approximately 53% of all houses were occupied by their owners, compared to 42% in 1982. The average level of house ownership for all EU countries was about 64% in 2007 (numbers for 2008 are not published yet). Table 1 below shows the growth of the total Dutch residential property and the proportion of those that are owner occupied.

Table 1. Total dwelling and percentage owner occupied

Year	Total dwelling property (millions)	Owner occupancy rate (in %)
1948	2.1	N.D.
1957	2.7	N.D.
1964	3.2	N.D.
1971	3.9	N.D.
1976	4.5	N.D.
1982	5.1	N.D.
1985	5.4	41.9
1990	5.8	44.5
1994	6.2	46.6
1995	6.3	47.3
1996	6.4	48.1
1997	6.4	48.8
1998	6.5	49.5
1999	6.6	50.4
2000	6.7	51.4
2001	6.7	52.2
2002	6.8	53.0
2003	6.8	53.7
2004	6.9	54.5
2005	6.9	55.2
2006	7.0	55.8
2007	7.0	56.6
2008	7.1	N.D.

Source total dwelling property: CBS

Source owner occupancy rates: VROM

Characteristics of Dutch Mortgages

The Netherlands allow full deduction of mortgage interest payments for income tax. A condition to deductibility of interest in The Netherlands is owner occupancy of the property. In addition to this the period for allowed deductibility is restricted to a term of thirty (30) years. From 1 January 2004, it is also no longer allowed, after a refinancing, to deduct interest payable on the equity extractions.

Due to the fiscal incentives mentioned above, the most common mortgage types in The Netherlands are annuity, linear, savings, life and investment mortgages or a combination of these. Under the savings, life

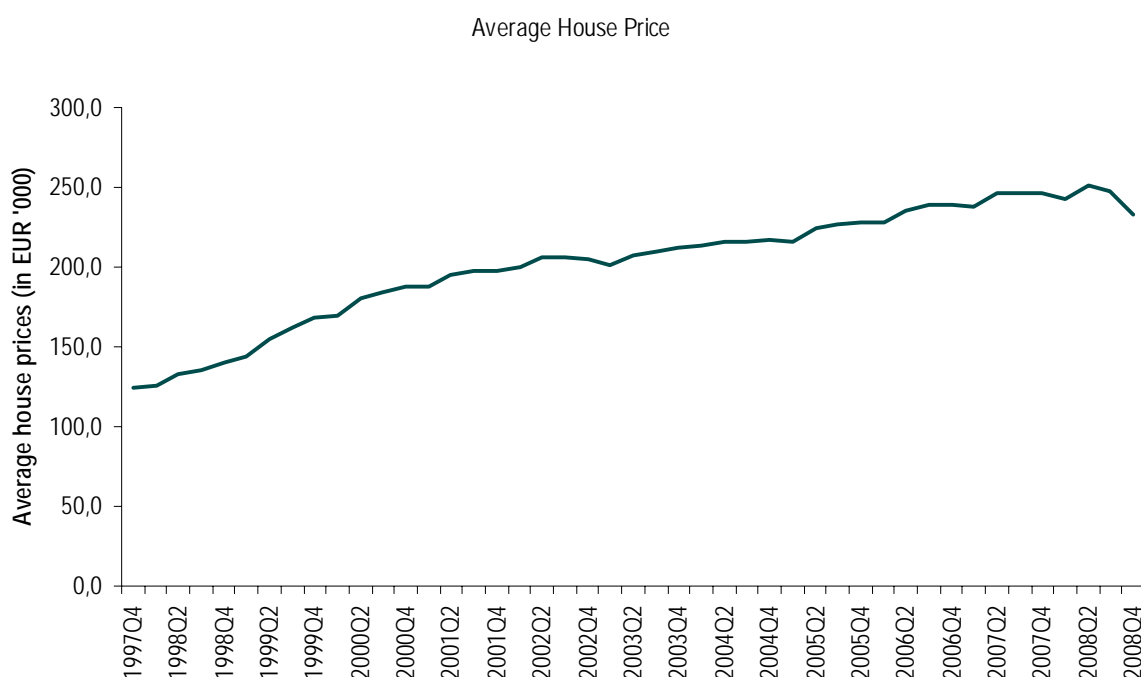
and investment types of mortgages no principal is repaid during the term of the contract. Instead, the Borrower makes payments in a saving account, endowment insurance or investment fund. Upon maturity, amounts available pursuant to the savings accounts, the insurance contract or the investment funds are available to repay the mortgage.

The combination of an attractive fiscal regime, generally long periods of fixed interest rates and attractive repayment arrangements lead to advances of up to 130% of the foreclosure value.

Prepayment rates in The Netherlands are relatively low, mainly due to prepayment penalties that are incorporated in mortgage contracts. Penalties are generally calculated as the net present value of the interest loss to the lender upon prepayment.

House Price Developments

After a housing recession during 1978-1982 house prices in The Netherlands have steadily increased. Strong house price appreciation occurred in The Netherlands in the 1995-2000 period due to the combined effects of institutional changes and favourable economic conditions. Between 2000 and 2003 house price growth slightly slowed to pick up from 2004 onwards and then stabilizing in 2008. House prices declined in the last two quarters of 2008. The graph below shows the house price development since 1997 measured by the Dutch Association of Real Estate Brokers and Real Estate Experts (NVM).



Source: NVM

Price movements of properties in The Netherlands are influenced by developments on both the demand and supply side of the market.

Demand

Several factors contribute to housing demand:

1. The expected level of borrowing costs and the changes in tightness of mortgage lending standards have been very decisive factors for housing demand. Demand increased more than average in

periods that mortgage rates decreased (during the second half of the nineties and 2002-2006). Dutch mortgage rates have steadily risen from the beginning of 2006.

2. 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 twenty five (25) years.
3. Finally, the economic climate influences housing demand. Especially during the second half of the nineties, the economic climate has been stimulating the demand for private dwellings. The recent deepening of the “credit crunch” (in September 2008) may have an adverse impact on the demand, but this is still too early to identify.

Supply

The development in the supply of private dwellings is mainly dependent on existing private dwellings put for sale. New construction only adds about 0.01% to the dwelling stock. About 25% of all transactions of private dwellings concerns newly built houses. The willingness or necessity to sell a private dwelling is also strongly related to the economic climate.

The Dutch government strives to attain owner occupancy at the target level of 65%. Therefore, new construction is stimulated by town and country planning. Furthermore, the sale of rental houses to occupants is stimulated.

Despite a rising supply of dwellings during the nineties and last couple of years, the Dutch housing market still faces a shortage of (private) dwellings. This traditionally laid a firm foundation under the house price level.

Mortgage Loan Market

Dutch residential mortgages have shown solid performance in the past few decades, even in 1979-1982 recession losses remained below 0.25%.

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

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

Market parties

Banks are the main mortgage lenders in The Netherlands, followed by insurance companies and other financial institutions such as pension funds and building societies.

Accuracy of Information

The information contained in this Section Overview of the Dutch Residential Mortgage Market has been sourced from third parties and has been accurately reproduced and is, to the best of the knowledge and belief of the Issuer and as far as it was able to verify this on the basis of publicly available information, in accordance with the facts and does not omit anything likely to affect the import of such information.

MUNICIPALITY / NHG GUARANTEE PROGRAMME

Municipality Guarantee

In 1960, the Netherlands government introduced the 'municipal government participation', an open ended scheme in which the municipalities give, according to a set of defined criteria, municipality guarantees to banks who grant mortgage loans to certain lower income groups (the '**Municipality Guarantees**'). The municipalities and the State shared the risk on a 50/50 basis. If a municipality was unable to meet its obligations under the Municipality Guarantee, the State would make an interest free mortgage loan to cover its obligations. The aim was to promote house ownership among the lower income groups. The Municipality Guarantee covers the outstanding principal, accrued unpaid interest and disposal cost. To the extent that the mortgage loan is partially redeemed either through scheduled payments or prepayments, the Municipality Guarantee is reduced accordingly. Additional mortgage loans made under a mortgage loan agreement are not covered by the Municipality Guarantee to the extent that the outstanding amount of the mortgage loan is greater than the original amount less scheduled repayments.

NHG Guarantee

Since 1 January 1995 a central, privatised entity "*Stichting Waarborgfonds Eigen Woningen*" ('**WEW**') is responsible for the administration and granting of the NHG Guarantee ("*Nationale Hypotheek Garantie*"), 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 a mortgage loan, the NHG Guarantee reduces on a monthly basis by an amount which is equal to the monthly payments (interest and principal) as if such mortgage loan were being prepaid on a thirty year annuity basis. In respect of each mortgage loan, the NHG Guarantee reduces further to take account of scheduled repayments or prepayments. Further advances or re-drawings of prepaid amounts made under the mortgage loan are not covered by the NHG Guarantee to the extent that the outstanding amount of the mortgage loan is greater than the original amount less scheduled principal payments. Also, amounts paid as savings or investment premium under savings insurance policies or life insurance policies, respectively, are deducted from the amount outstanding on such mortgage loans for purposes of the calculation of the amount guaranteed under the NHG.

Transition from Municipality to NHG Guarantee

The Dutch State has effectively transferred its reimbursement obligations with respect to amounts guaranteed by a Municipality to the WEW. All municipalities have transferred their obligations under guarantees issued pursuant to the previous State terms and conditions to the WEW.

The transfer of obligations by the State and the municipalities to the WEW is set forth, respectively, in a 'buy-off agreement' ("*afkoopovereenkomst*") dated 8 December 1994 between the State and the WEW and in standard buy-off agreements entered into between each participating municipality and the WEW. The buy-off agreements basically provide for WEW to assume all payment obligations of the State and the municipalities under guarantees issued (but not enforced) prior to 1 January 1995 against payment by the State and the participating municipalities of an up-front lump sum (and, if necessary, additional payments) to the WEW.

Financing of the WEW

The WEW finances itself, inter alia, by a one-off charge to the borrower of 0.40 per cent. of the principal amount of the mortgage loan. Besides this, the 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 Municipality Guarantee

The State established the terms and conditions for the Municipality Guarantees. These terms and conditions have been amended from time to time over the years. As of October 1992, to qualify for a Municipality Guarantee under the relevant State terms and conditions, *inter alia*, the following conditions had to be met: (1) a municipality guarantee must be applied for the purchase of an asset; (2) the applicant for whose benefit the guarantee is given must be the owner-occupier; (3) the purchase price (as defined in the relevant terms and conditions) must not exceed NLG 250,000 (which amounts to 113,445 euro); (4) the relevant mortgage loan granted for the purchase of the property must have a minimum maturity of five years and a maximum maturity of 30 years; (5) repayments have to be on a monthly basis and can be 'annuity' or 'linear'; (6) the relevant mortgage loan must be secured by a first priority mortgage right securing only the mortgage loan on the mortgaged asset, in favour of the lender; (7) the guarantee covers the lender's claims under the mortgage loan as of the date of sale of the Mortgaged Asset by the lender enforcing the mortgage; (8) if the mortgage right is combined with a life insurance policy, the rights under the policy must be pledged to the lender; (9) the lender must ensure that the asset is adequately insured (by the borrower) against fire damage during the term of the mortgage loan. In addition, once the guarantee has been issued, the lender has certain ongoing obligations under the Municipality Guarantee vis-à-vis the municipality; (i) without the consent of the municipality the lender shall not agree to a suspension of payment under the mortgage loan; (ii) the lender must inform the municipality on a yearly basis as to the amount outstanding under the mortgage loan; (iii) if and when the borrower is in default under the mortgage loan, the lender must inform the municipality accordingly; (iv) if the default of the borrower under the mortgage loan is continuing, the lender may not sell the mortgaged asset, except with the consent of the municipality; (v) the lender may not claim under the guarantee, unless the mortgage has been enforced and the property has been sold.

Terms and the Conditions of the NHG Guarantees

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 by WEW.

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*') ('**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 a 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.

Claiming under the Municipality Guarantee

The claim must be made under the same conditions as for the NHG claim (see below). There are three possibilities for claiming payment for a defaulted mortgage loan covered by a Municipality Guarantee: (1) the municipality has joined the NHG arrangement and has transferred its obligations to the NHG, (2) the municipality has joined the NHG arrangement and has transferred its obligations to the NHG but the municipality has retained its old obligations, or (3) the municipality has not joined the NHG arrangement. The claims procedure is as follows:

- (A) the claim is made to the municipality that issued the guarantee, which checks the validity of the claim and forwards it to the WEW which makes the payment to the lender;
- (B) the claim is made to the issuing municipality which checks the claim and makes the payment to the lender (NHG will reimburse the municipality for 50% of the claim); and
- (C) the claim is made to the issuing municipality which checks the claim and makes the payments to the lender.

In all cases the full file of relevant information must be submitted with the claim within the required time. Payment should be made within two months. If not, interest is payable for the delayed payment period.

In its letter dated 26 October 2000, the WEW has confirmed that the starting point for its policies is that each Financial Institution with which it has a guarantee arrangement acts in good faith (*te goeder trouw*) and that breaches of the terms and conditions (the "*Voorwaarden en Normen*"), which do not have a material influence on the occurrence and the size of the loss, lead to payment under the claims. The WEW also confirmed that if a Financial Institution should transfer to a third party its rights under mortgage loans which have the benefit of a Guarantee and which are registered with the WEW in accordance with the provisions of the *Voorwaarden en Normen*, pursuant to a sale by that Financial Institution of a mortgage loan portfolio to which the mortgage loans in question belong or in connection with a financial transaction, such third party transferee will become the beneficiary of the Guarantee as provided for in article 6:142 sub-section 1 of the Netherlands Civil Code.

Claiming under the NHG Guarantees

When a borrower is in arrears with payments under the mortgage loan for a period of four months, a lender 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 2009

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

- The lender has to perform a BKR check. "A" and "A1" registrations 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 or during a probational period ("*proeftijd*") 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 the rate determined by the association of financial institutions under the Code of Conduct on Mortgage Loans ("*Gedragscode Hypothecaire Financieringen*") and published by the "*Contactorgaan Hypothecair Financiers*" for loans with a fixed interest rate period less than or equal to 10 years and the actual interest rate for loans with a fixed interest rate period in excess of 10 years.

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

- The absolute maximum loan amount is EUR 265,000 as of 1 January 2009. 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 stamp duty ("*vrij op naam*"), the purchase amount under (i) is multiplied by 93 per cent.
 - For the purchase of a property 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 value of the property.
- The risk insurance policy should at a minimum cover the loan amount in excess of 80% of the market value.

DESCRIPTION OF MORTGAGE LOANS

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 Seller, against any Borrower under or in connection with any Mortgage Loan selected by agreement between the relevant 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 Seller, or the relevant Borrowers.

The Mortgage Loans have been selected according to the Eligibility Criteria list set forth in the Mortgage Receivables Purchase Agreement 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 Seller, reference is made to *Mortgage Receivables Purchase Agreement* below.

Mortgaged Assets

The mortgage rights securing the Mortgage Loans are vested on (i) a real property ("*onroerende zaak*"), (ii) an apartment right ("*appartementsrecht*") or (iii) a long lease ("*erfpacht*").

For over a century different municipalities and other public bodies in the Netherlands have used long lease ("*erfpacht*") as a system to issue land without giving away the ownership to it. There are three types of long lease: temporary ("*tijdelijk*"), ongoing ("*voortdurend*") and perpetual ("*eeuwigdurend*"). A long lease is a right in rem ("*zakelijk recht*") which entitles the leaseholder ("*erfpachter*") to hold and use a real property ("*onroerende zaak*") owned by another party, usually a municipality. The long lease can be transferred by the leaseholder without permission from the landowner being required, unless the lease conditions provide otherwise and it passes to the heirs of the leaseholder in case of his death. Usually a remuneration ("*canon*") will be due by the leaseholder to the landowner for the long lease.

Mortgage Types

The Sellers offer a selection of mortgage products. The pool contains various distinguishable repayment types; interest only, annuity, linear, life growth mortgages, life mortgages and savings mortgages. These repayment types can be combined within a Mortgage Loan.

Interest Only Mortgages

Interest only mortgage loans ('**Interest Only Mortgage Loans**') are Mortgage Loans on which only interest is due until maturity of the Mortgage Loan.

Annuity Mortgage Loans

Annuity mortgage loans ('**Annuity Mortgage Loans**') are characterised by equal periodical payments by the Borrower. These payments contain both interest and principal redemption on the Mortgage Loan. As with each payment part of the Mortgage Loan is redeemed, the interest charge declines between each successive payment. The redemption part of the periodical payment rises in such a way that the total payment amount is constant and the remaining balance of the Mortgage Loan at maturity will be zero.

Linear Mortgage Loans

Linear mortgage loans ('**Linear Mortgage Loans**') are Mortgage Loans on which the periodical payment consists of a constant amount for redemption plus an amount of interest based on the remaining loan balance. The balance of the Mortgage Loan is thus being repaid in a straight-line fashion i.e. linear, and will be zero at maturity, while the interest payment declines between payments.

Hybrid Mortgage Loans

The Mortgage Loans may be in the form of hybrid mortgage loans ("*hybride hypotheek*", hereinafter '**Hybrid Mortgage Loans**'). Hybrid Mortgage Loans are Mortgage Loans (or loan-parts) consisting of the combination of an interest only mortgage loan (or loan-part) and an insurance policy connected thereto, hereinafter the '**Hybrid Insurance Policy**'. A Hybrid Insurance Policy is a combined risk- and capital insurance policy. Under such Hybrid Insurance Policy, the Borrower pays a premium or a sum up front ("*koopsom*") under the Hybrid Insurance Policy to the relevant Savings Insurance Company consisting of a risk element and a capital element.

In the case of life growth mortgage loans ("*meegroei-hypotheek*", hereinafter '**Life Growth Mortgage Loans**') the capital element of the premium may consist of an investment part and/or a savings part, the size of which is determined by the Borrower subject to limitations stipulated by the offeror of the Life Growth Mortgage Loans in the conditions applicable to the Life Growth Mortgage Loan. The amount of the investment part will be invested by the Savings Insurance Company in certain investment funds or in certain capital market interest fund (the '**Investment Alternative**'), as agreed in writing with the Borrower in advance or in the switch form. The amount of the savings part will be deposited by the Savings Insurance Company on a savings account (the '**Savings Alternative**'). The Borrower can switch from the Investment Alternative to the Savings Alternative and vice versa by means of a switch form. The Borrower may switch between the Investment Alternative and the Savings Alternative and within the Investment Alternative between the investment funds and the capital market interest fund. The part of the Life Growth Mortgage Receivable that corresponds with the Investment Alternative under the Life Growth Policy is called the '**Investment Part**' and the part of the Life Growth Receivable that corresponds with the Savings Alternative under the Life Growth Policy is called the '**Savings Part**'.

In the case of asset growth mortgage loans ("*vermogensgroei-hypotheek*" hereinafter the '**Asset Growth Mortgage Loans**') the capital element of the premium or sum up front will through an asset growth account ("*Vermogensgroei-rekening*" hereinafter the '**Asset Growth Account**') be invested in certain investment funds or in certain capital market interest fund (the '**Investment Alternative**'), depending on the manner determined by the Borrower subject to limitations stipulated by the offeror of the Asset Growth Mortgage Loans in the conditions applicable to the Asset Growth Mortgage Loans. The Borrower may agree to periodically withdraw certain predetermined sums.

The Life Growth Mortgage Loans and the Asset Growth Mortgage Loans and other Mortgage Loans with the substantially the same or comparable characteristics together are hereinafter referred to as Hybrid Mortgage Loans.

Life Mortgage Loans

The Mortgage Loans (or parts thereof) may be in the form of life mortgage loans ("*levenhypotheek*", hereinafter the '**Life Mortgage Loans**'). A Life Mortgage Loan consists of a Mortgage Loan entered into by the relevant Seller and the relevant Borrowers, which has the benefit of combined risk insurance policies (i.e. a policy relating to an insurance which pays out upon the death of the insured) and capital insurance policies taken out by Borrowers with any insurance company situated in the Netherlands (the '**Life Insurance Companies**') in connection with a Life Mortgage Loan (the '**Life Insurance Policies**'). Under a Life Mortgage Loan the Borrower pays no principal, but interest and premium under the Life Insurance Policy. The premium consists, apart from a cost element, of a risk element and a capital element. There are different types of Life Insurance Policies, their difference depending on the way in which the capital element of the premium is invested by the Life Insurance Company and on the way in which the risk element of the premium is calculated. The capital element is invested in certain investment funds. The proceeds of the Life Insurance Policy will be applied towards the repayment of the Mortgage Loan at maturity of such policy. The insurance proceeds are due either at the end of the term of the Life Insurance Policy (which is generally thirty (30) years) or, if earlier, upon the death of the Borrower.

Savings Mortgage Loans

The Mortgage Loans (or parts thereof) may be in the form of savings mortgage loans ("*spaarhypotheek*", hereinafter '**Savings Mortgage Loans**'), which consist of Mortgage Loans entered into by the relevant Seller and the relevant Borrowers combined with a savings insurance policy (the '**Savings Insurance Policy**') with the relevant insurance company situated in the Netherlands (the '**Savings Insurance Company**'). A Savings Insurance Policy is a combined risk insurance policy (i.e. a policy relating to an insurance which pays out upon the death of the insured) and capital

insurance policy taken out by the relevant Borrower with the Savings Insurance Company (and together with the PensionExtra Insurance Company and the Life Insurance Companies, the '**Insurance Companies**') in connection with the relevant Savings Mortgage Loan. Under the Savings Mortgage Loan no principal is paid by the Borrower prior to maturity of the Mortgage Loan. Instead, the Borrower/insured pays on a monthly basis premium, which consists of a risk element and a savings element (the '**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 amount due by the Borrower to the relevant Seller at maturity of the Savings Mortgage Loan.

PensionExtra Mortgage Loans

The Mortgage Loans (or parts thereof) originated by ABN AMRO may be in the form of pensionextra mortgage loans ("*Pensioenextra hypotheek*") and hereinafter the '**PensionExtra Mortgage Loans**'. These are Mortgage Loans consisting of the combination of an interest-only mortgage loan and 'annuity insurance policy' ("*Lijfrente Garantie Polis*") with ABN AMRO Levensverzekering N.V. (in this capacity '**PensionExtra Insurance Company**') connected thereto and possibly a lump sum (contra) insurance policy ("*Koopsom Risicoverzekering*"). The PensionExtra Mortgage Loans can be characterized as a home equity release product, which allow the embedded value of a mortgaged property to be released as additional monthly income.

Investment Mortgage Loans

The Mortgage Loans (or parts thereof) may be in the form of investment mortgage loans (the '**Investment Mortgage Loans**'). Under Investment Mortgage Loans the Borrower does not pay principal prior to maturity of the Mortgage Loan, but undertakes to invest on an instalment basis or by means of a lump sum investment an agreed amount in certain investment funds. It is the intention that the Investment Mortgage Loans will be fully or partially repaid by means of the proceeds of these investments. The rights under these investments are pledged to the relevant Seller as security for repayment of the relevant Investment Mortgage Loan. An example of an Investment Mortgage Loan is an asset mortgage loan ("*vermogenshypotheek*") hereinafter the '**Asset Mortgage Loans**') which have been sold by ABN AMRO until October 2002.

Bank Savings Mortgage Loans

The Mortgage Loans (or parts thereof) may be in the form of bank savings mortgage loans ("*bankspaarhypotheek*") and hereinafter '**Bank Savings Mortgage Loans**', which consist of Mortgage Loans entered into by ABN AMRO, MoneYou, ABN AMRO Hypotheken Groep or WoonNexxt, as the case may be, and the relevant Borrower combined with a blocked savings account (the '**Bank Savings Account**') held with ABN AMRO Hypotheken Groep, as the case may be. Under the Bank Savings Mortgage Loan no principal is paid by the Borrower prior to the maturity of the Mortgage Loan. Instead, the Borrower pays a monthly deposit in the Bank Savings Account (the '**Bank Savings Deposit**'). The Bank Savings Deposit is calculated in such a manner that, on an annuity basis, the balance standing to the credit of the Bank Savings Account is equal to the relevant part of the amount due by the Borrower to the relevant Seller at maturity of the Bank Savings Mortgage Loan. The balances standing to the credit of the Bank Savings Accounts are pledged to the relevant Seller as security for repayment of the relevant Bank Savings Mortgage Loan.

Capital Growth Mortgage Loans

The Mortgage Loans may be in the form of capital growth mortgage loans ("*kapitaalgroei hypotheek*") and hereinafter the '**Capital Growth Mortgage Loans**'. Capital Growth Mortgage Loans are Mortgage Loans (or loan-parts) entered into by ABN AMRO and the relevant Borrower combined with a bank account, an investment account and a savings account held with ABN AMRO (jointly the '**Redemption Account**'). Under the Capital Growth Mortgage Loan no principal is paid by the Borrower prior to the maturity of the Mortgage Loan. Instead, the Borrower undertakes to pay on an instalment basis or by means of a lump sum an agreed amount in the Redemption Account. It is the intention that the Capital Growth Mortgage Loans will be fully or partially repaid by means of applying the balance standing to the credit of the relevant Redemption Account. The balances standing to the credit of the Redemption Accounts are pledged to ABN AMRO as security for repayment of the relevant Capital Growth Mortgage Loan.

Interest Rates

The Sellers offer different floating rate interest periods (1 months and Euribor based) and fixed interest rate periods (1,2,3,5,6,7,10,12,15,17, 20, 22, 25 and 30 years fixed). With respect to certain of the fixed rate interest periods the

last two years can consist of a so-called reconsider period ("*rentebedenktijd*"). During a reconsider period the Borrower may choose to reset his rate to the then existing interest rate, for a new fixed interest rate period. At an interest reset date, the Borrower may opt for a floating rate of interest.

In addition to fixed interest rates and floating interest rates as set out above, ABN AMRO as Seller offers Buffer Interest, in which case a fixed base rate and a margin and a floating interest rate are agreed in the relevant Mortgage Loan. The margin equals 1% in the case of an interest rate period of 5 years, 1.8% in the case of an interest rate period of 10 years or 2% in the case of an interest rate period of 15 years. If during the term of the relevant loan the then current floating interest rate:

- exceeds or is lower than the base rate by no more than the margin, then the base rate applies;
- exceeds or is lower than the base rate by more than the margin, then the base rate is increased or decreased with the difference between (a) the base rate plus or minus (as the case may be) the margin and (b) the then current floating interest rate.

Concentration with insurer

In view of the associated company Delta Lloyd ABN AMRO Verzekeringen Holding B.V. in respect of which ABN AMRO cooperates with Delta Lloyd N.V., it is probable that more than an average part of the insurance policies relating to the Mortgage Receivables originated by ABN AMRO and purchased by the Issuer on any Issue Date are taken out by the Borrowers, in respect of savings, life growth and life insurance policies, with ABN AMRO Levensverzekering N.V. and, in respect of homeowner's insurances, with ABN AMRO Schadeverzekering N.V., both subsidiaries of Delta Lloyd ABN AMRO Verzekeringen Holding B.V.

MORTGAGE LOAN UNDERWRITING AND SERVICING

Mortgage Loan Underwriting and Servicing by ABN AMRO

Origination

ABN AMRO's mortgage origination process combines a centralised origination system with branch level input. The mortgage origination policy (regarding e.g. pricing, underwriting, loan limits) is determined within several head office departments of ABN AMRO Hypotheken Groep and ABN AMRO. Locally operating branches of ABN AMRO are involved in client contacts. The handling of a clients mortgage application is under the responsibility of ABN AMRO Hypotheken Groep up to the point of final approval. From that point onwards Stater (a 100 % subsidiary of ABN AMRO) will handle the mortgage application and the mortgage files (such as contact with the civil law notary and collecting the mortgage deeds). ABN AMRO aims to provide consistent execution of the underwriting process, while allowing for branch input to reflect client knowledge. This is consistent with ABN AMRO's objective of life-cycle banking, which attempts to build on-going relationships with clients.

Currently, ABN AMRO's mortgage business in The Netherlands can be divided into three levels: front office (origination), mid office and back office. The front office operations consists of 24 locally operating branches, ABN AMRO call centre mortgages (*ABN AMRO Hypotheeklijn*) and ABN AMRO's internet website. From the locally operating branches the mortgages specialists are originating mortgages, the ABN AMRO call centre mortgages are originating applications for second mortgages for existing clients. The ABN AMRO internet mortgage (*internethypotheek*) is supplied by MoneYou B.V. and therefore the MoneYou mortgage processing, credit scoring etc. apply (please refer to the description of the other Initial Originators for a description of the MoneYou processes). The mid office is organised into 3 regions within ABN AMRO Hypotheken Groep (Capelle, Amersfoort and Eindhoven). They support the mortgage specialists by entering borrower information into the Stater system, maintaining customer files and sending statements and confirmations to the customers.

In addition to the branch level and call centre activities, ABN AMRO originates mortgages through local brokers. ABN AMRO has extensive information about its mortgages available on its website for information purposes.

Underwriting

For all channels of origination, ABN AMRO carries out the mortgage underwriting according to guidelines set by central management of ABN AMRO Hypotheken Groep and ABN AMRO. In addition to the property type and valuation, three key underwriting criteria include the mortgage loan to income ratio ("*Woonquote*"), the loan to value ratio, and the results of a credit check at the BKR. The Woonquote is the percentage of income that indicates the maximum cost in interest and instalments to be spent on mortgages by customers. The Woonquote is based on the strict criteria of the 'Nibud' scheme (this scheme is also used by NHG ("*Nationale Hypotheek Garantie*")), The loan to value ratio is subject to a maximum of 125 per cent. and is calculated by dividing the principal amount of the Loan by the Foreclosure Value ("**LTFV**"). The foreclosure value ("*executiewaarde*") of a property ("**Foreclosure Value**") is generally between 75% to 90% of the open market value of such property.

All exceptions to the mortgage underwriting criteria must be approved specifically. Price exceptions can be approved by Supply Chain Management ABN AMRO, product specification and approval exceptions at different departments within ABN AMRO Hypotheken Groep. The exception criteria are based on a policy set up by head office departments of ABN AMRO and ABN AMRO Hypotheken Groep.

Operationally the process rests upon a browser based advisory system (the HAAI system) which contains a credit scoring model. It combines product information and automated underwriting in a single front-end system. Mortgage advisers at the branch level enter the client's details into the system via local terminals. The system, in response, provides a preliminary list of suitable products. The mortgage adviser is able to tailor details such as interest rate, profile and term to meet a client's needs. From this input, the system is able to generate an automated underwriting decision in principal. This is solely an agreement in principal and is subject to the documentation check and approval by the midoffice. Applications will be accepted or rejected by ABN AMRO within a two-week period. The offer will be

valid for three months and depending on the type of mortgage ("budget" or "regular") can be prolonged for another six months.

Property Valuation Procedures

Under the currently prevailing criteria, properties require a valuation prior to the final approval of the mortgage request. which, in respect of Mortgage Loans originated by ABN AMRO, means that the Mortgaged Asset concerned was valued by an independent qualified valuer of surveyor except, (i) for Mortgage Loans relating to existing property, if the principal amount of the relevant Mortgage Loan together with the aggregate principal outstanding amount of all other Mortgage Loans secured on the same Mortgaged Asset did not exceed 87.5% of the foreclosure value of the Mortgaged Asset (calculated on the basis of an assessment by the Dutch tax authorities on the basis of the Act on Valuation of Real Property ("*Wet Waardering Onroerende Zaken*" or "*WOZ*"), whereby the foreclosure value is assumed to be equal to 70% of such assessment), (ii) for Further Advances relating to existing property where the lender of record is ABN AMRO, if the principal amount of the Further Advance together with the aggregate principal outstanding amount of all other Mortgage Receivables secured on the same Mortgaged Asset did not exceed 100% of the foreclosure value of the Mortgaged Asset (calculated on the basis of assessment by the Dutch tax authorities on the basis of the WOZ, whereby the foreclosure value is assumed to be equal to 80% of such assessment), (iii) if the property was to be built yet and formed part of a building project or was to be built by a contractor and not by the Borrower, (iv) if a valuation report by an independent qualified valuer which is not older than one year was available and (v) for Further Advances if a valuation report by an independent qualified valuer which is not older than 1,5 year was available.

All appraisal reports must be less than one year old, include a recent photograph of the property and contain the following information:

- (a) Open market value - the current price that the dwelling could command if offered on the housing market.
- (b) Value under foreclosure - value of the property under a compulsory sale if the borrower cannot fulfil his/ her mortgage obligations; this value tends to be approximately 75-90% of the open market value.
- (c) Reconstruction Value - chiefly relevant for homeowner's insurance, this figure is based on the value and the type of property in the event of its destruction.
- (d) If immediate maintenance work is required, the appraisal should include an estimate of the costs and indicate if the costs will exceed 10% of the open market value.

Since 2001 a new standardised model for appraisal report has been implemented in The Netherlands to ensure consistency across all valuations. It is used for appraisals conducted by real estate agents and valuation agencies (NRVT and VastgoedCert kamer Wonen).

Acceptance and Pre-Funding Controls

The branches have read-only access to the central mortgage administration. Upon acceptance of a mortgage by a borrower the mid offices check the information against the customer file and give their final approval. The borrower then receives a draft of the mortgage deed and is able to check the mortgage conditions. The money together with the definite terms of the mortgage deed are sent to the civil law notary. The civil law notary can only deliver the money to the borrower after the mortgage deed is duly signed.

Insurance

The borrower is required to take out an insurance in respect of the Property against risk of fire and other accidental damage for the full restitution of the value thereof. Most well established insurance companies in The Netherlands are accepted. In addition, after the final acceptance of the mortgage loan, information for the notary is automatically generated and sent out to the notary.

Security

Each mortgage loan is secured in general by a first priority right of mortgage in the form of a notarial deed, which is duly registered with the Property Register at the Land Registry ("*Kadaster*"). When a mortgage deed is first presented for registration an entry to this effect is made to the Property Register. This entry establishes priority over any subsequent claims, encumbrances and attachments, in respect of the relevant property. All the original deeds are stored by the notary and are registered with the Land Registry.

Servicing

All mortgage loans are administered and serviced by ABN AMRO and through the mid offices by ABN AMRO Hypotheken Groep, the back office (Stater Nederland B.V.) and several dedicated departments within ABN AMRO and ABN AMRO Hypotheken Groep. Duties include issuing statements, payments processing, and the early stages of delinquency collections.

Payment Processing

The mortgage administration system generates customer statements and monitors monthly payments. Approximately 99% of all payments are received by direct debit, a fully automated collection from the customer's account regardless of whether it is domiciled with ABN AMRO or held at another institution. The remaining 1 % of accounts use self payments in which the customer must initiate a formal payment request to transfer funds to the mortgage payment account. The term of payment is monthly in arrears.

Arrears Management

Arrears management is performed via an automated process executed through a specialised department, ABN AMRO F&S Credit Services. It runs for up to a maximum of four months before hand-over to the special servicer.

Every month, 5 days after the due date, the system checks whether the payment is received. If not, the delinquency process starts. Every month a reminder is generated and sent to the customer. If an arrangement is made with the customer it is recorded and monitored. In addition to the generated reminder letters, ABN AMRO F&S Credit Services may contact delinquent customers to reach arrangements. Foreclosure procedures will commence after a delinquency period of about four months. This process is handled by Solveon Incasso B.V., a 100% subsidiary of ABN AMRO.

Special Servicing

Solveon Incasso B.V.

The Defaulted Loan Servicer has the intention to appoint Solveon Incasso B.V. as its sub-agent to provide certain of the Defaulted Loan Services. Solveon Incasso B.V. effects the settlement and collection of unpaid debts to ABN AMRO. Solveon Incasso B.V. is as of the date of this Base Prospectus a 100 per cent. subsidiary of ABN AMRO. Solveon Incasso B.V. processes delinquent loans for ABN AMRO's consumer and small business operations in the Netherlands, including the mortgage business. In doing so, Solveon aims to minimise the losses incurred by the bank while maintaining a good commercial relationship with the customer. Solveon Incasso B.V.'s operating philosophy combines standardisation (guidelines and fixed processes and procedures), efficiency (use of IT and outsourcing), and specialisation to conduct its business.

Hand-over to the special servicer Solveon Incasso B.V. from the branch network takes place between 90-120 days from the moment on which payment under the relevant Mortgage Loan are due but remain unpaid. This hand-over process follows arrears management. Solveon Incasso B.V. summons the client within one week. Within one month past this summoning ("*aanmaning*") the mortgage is claimed. The property is put to auction by the notary one month after the claim. The finalising of the auction happens between 3 to 6 months after summoning, followed by receipt of the auction proceeds within 6 weeks.

In over 50 per cent. of the files Solveon Incasso B.V. agrees a settlement with the client in the beginning of the process. If a settlement is not possible Solveon Incasso B.V. claims the mortgage and aims at a private sale. If the client doesn't co-operate the notary is instructed to put the property to auction. The greater part is still sold privately; 80% of the instructions to the notary are cancelled.

The whole process normally takes less than one year.

Mortgage Loan Underwriting and Servicing by other Sellers

The Sellers other than ABN AMRO ('**ABN AMRO Hypotheken Groep Sellers**') can be divided into three categories and for each category there is a separate servicer (each a "**Third Party Servicer**"):

1. Stater acts as Third Party Servicer in relation to: ABN AMRO Hypotheken Groep (performing under its trade name Florius, formerly known as Bouwfonds Hypotheken), MoneYou and WoonNexxt;
2. REAAL Levensverzekeringen N.V. acts as Third Party Servicer in relation to Combi Hypotheken and Combi-Voordeel Hypotheken (together also referred to as '**Combi**'); and
3. MNF Bank acts as Third Party Servicer in relation to MNF Bank and Albank.

The mortgage loan origination, underwriting, valuation procedure, arrears management and foreclosure process are, in principle, similar for all ABN AMRO Hypotheken Groep Sellers, as further described below, except that, as indicated above, there are three separate Third Party Servicers.

Origination

The ABN AMRO Hypotheken Groep Sellers use three primary distribution channels:

1. Independent intermediaries: Given the prominent role independent mortgage brokers play in the Dutch residential mortgage market and the marginal costs of this channel of distribution, ABN AMRO Hypotheken Groep Sellers have chosen to sell their products primarily through mortgage brokers. ABN AMRO Hypotheken Groep Sellers work intensively with over 2,500 independent mortgage brokers, who can provide clients with detailed advice on mortgage and insurance products.
2. Insurance companies and bigger distribution partners: like MNF Bank, WoonNexxt Hypotheken develops mortgages in collaboration with insurance companies, and bigger distribution partners (such as franchise organizations). These mortgages are marketed by the partners under their own name.
3. Internet: MoneYou's website (www.moneyou.nl) enables clients to directly request a quotation and take out a mortgage. A mortgage advisor can assist them with telephone or face-to-face support.

MNF Bank develops mortgages in collaboration with insurance companies and other bigger distribution partners. These mortgages are marketed by the partners under their own name.

ABN AMRO Hypotheken Groep has introduced an automated lending decision management system ("**SAFE**"). SAFE provides rule bases and risk models to regulate the underwriting process. In addition, it acts to accelerate the processing time of decisions on a mortgage loan application. It includes the ability to tailor rules to the lender's risk and reward expectations and business policies by means of a credit scoring model.

SHS (STATER Hypotheek System or "**SHS**") automatically collects information about the applicant from the BKR. After the application data have been entered into SHS, the application is evaluated by SAFE, which is part of SHS. SHS automatically assesses whether the application complies with the underwriting criteria. In case of violation of the underwriting criteria SAFE generates a STOP-rule. If there is a STOP-rule, a mortgage loan proposal cannot be sent out to the client. The relevant ABN AMRO Hypotheken Groep Seller will be contacted to decide whether or not the STOP-rule may be overruled. A STOP-rule relating to NHG-criteria cannot be overruled. Authorisation levels are the same for all Third Party Servicers. If the mortgage loan is accepted, the relevant ABN AMRO Hypotheken Groep Seller can offer the applicant a mortgage loan proposal. The proposal is sent out through the intermediary. Once the applicant accepts the proposal, the relevant ABN AMRO Hypotheken Groep Seller collects the signed proposal and all the other necessary mortgage loan documents, which will be reviewed (such as evidence of income, the sales contract, appraisal report, insurance application, if applicable). After completing the mortgage loan file and final acceptance thereof, the mortgage loan file is scanned onto HYARCHIS, (mortgage archive system), which is connected to SHS. The mortgage loan file is then available online. In addition, after the final acceptance of the mortgage loan, information for the notary is automatically generated and sent out to the notary.

MNF Bank servicing specifics:

MNF Bank does not use mortgage advisers for sourcing mortgages. Account initiation is through the trusted brokers of the business partners. These business partners can be insurance companies or the bigger distribution partners (as franchise organizations). They use their own application programme or they use HAP or ORKA, the expert systems of MNF Bank. MNF Bank does not use the Colleague system. Instead, it uses the recently introduced credit score model called SAFE, which was built in 2004 by ABN AMRO Hypotheken Groep.

MNF Bank specializes in tailor-made mortgage products. MNF Bank agrees with each of the business partners which mid office activities will be performed by the business partner and which of those activities will be performed by MNF Bank. The mid office of MNF Bank uses ORKA for new mortgage applications and Atvance for current mortgage administration.

REAAL servicing specifics:

ABN AMRO Hypotheken Groep and SNS REAAL Levensverzekeringen N.V. ("**SNS REAAL**") have developed the Combi mortgage. Combi Hypotheken B.V. and Combi Voordeel Hypotheken B.V. each provides the money for the loan and are affiliates of ABN AMRO Hypotheken Groep. ABN AMRO Hypotheken Groep therefore sets mortgage lending criteria. SNS REAAL performs the complete processing of the application and servicing. For the mortgage administration SNS REAAL uses its own system. For the application phase, SNS REAAL uses the HOP system, which is maintained by itself. For the administration phase, it uses the FACTOS system, which is maintained by Ordina and which system is derived from the Atvance system (the system of MNF Bank).

Underwriting

The Lending Criteria for mortgage loans for all ABN AMRO Hypotheken Groep Sellers are set by ABN AMRO Hypotheken Groep. Such Lending Criteria typically include the following:

- Credit bureau information: all so called A-codes (negative credit checks) from the BKR will automatically lead to the application being declined. Under certain conditions and in case of a high Colleague evaluation score, it is possible to accept A-codes. Number-codes from the BKR will always lead to a decline of the application.
- 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.
- LTFV as at the time of origination.
- Loan purpose, property type: only owner occupied properties are allowed.
- Additional requirements for self employed borrowers:
 - (i) three years of accounts and tax papers; and
 - (ii) maximum of 100% of Foreclosure Value (except for professions which require a university degree, e.g. lawyers, doctors, actuaries, auditors, etc.; in which case a maximum of 125% of Foreclosure Value is applicable).
- Valuation report: an original valuation report may not be older than one year and must comply with specific requirements (see further below).

Property Valuation Procedures

Under the currently prevailing criteria, properties require a valuation prior to the final approval of the mortgage request, which, in respect of each of the Sellers other than ABN AMRO, means that the Mortgaged Asset concerned was valued by an independent qualified valuer of surveyor except, (i) in respect of Mortgage Loans if the principal amount of the relevant Mortgage Loan together with the aggregate principal outstanding amount of all other Mortgage Receivables secured on the same Mortgaged Asset did not exceed 87,5% of the foreclosure value of the Mortgaged Asset (calculated on the basis of an assessment by the Dutch tax authorities on the basis of the WOZ, whereby the foreclosure value is assumed to be equal to 70% of such assessment), (ii) in respect of Further Advances if the principal amount of the Further Advances together with the aggregate principal outstanding amount of all other Mortgage Receivables secured on the same Mortgaged Asset did not exceed 100% of the foreclosure value of the Mortgaged Asset (calculated on the basis of an assessment by the Dutch tax authorities on the basis of the WOZ, whereby the foreclosure value is assumed to be equal to 80% of such assessment), (iii) if the property was to be built yet and formed part of a building project or was to be built by a contractor and not by the Borrower, (iv) in respect of Mortgage Loans if a valuation report by an independent qualified valuer which is not older than one year was available

and (v) in respect of Further Advances if a valuation report by an independent qualified valuer which is not older than 1,5 year was available.

Acceptance and Pre-Funding Controls

The intermediaries and mid office have read-only access to the administration systems SHS, Atvance and Factos (the central mortgage administration). Upon acceptance of a mortgage by a borrower the mid offices check the information against the customer file and give their final approval. The borrower then receives a concept of the mortgage deed and is able to check the mortgage conditions. The money together with the definite terms of the mortgage deed are sent to the civil law notary. The civil law notary can only deliver the money to the borrower after the mortgage deed is duly signed.

Insurance

The borrower is required to take out an insurance in respect of the Property against risk of fire and other accidental damage for the full restitution of the value thereof. Most well established insurance companies in The Netherlands are accepted. In addition, after the final acceptance of the mortgage loan, information for the notary is automatically generated and sent out to the notary.

Security

Each mortgage loan is secured in general by a first priority right of mortgage in the form of a notarial deed, which is duly registered with the Property Register at the Land Registry ("*Kadaster*"). When a mortgage deed is first presented for registration an entry to this effect is made to the Property Register. This entry establishes priority over any subsequent claims, encumbrances and attachments, in respect of the relevant property. All the original deeds are stored by the notary and are registered with the Land Registry.

Servicing

Payment Processing

The payments services are separated into three key activities which are performed by the different Third Party Servicers:

- Deeds and Payments: handling notarial deeds and managing outgoing payments, including managing of deposits;
- Loan management: register mortgage loan modifications and providing information to borrowers on their mortgage loans and insurance policies; and
- Debtor management: collections, arrears management, default management.

Arrears management

At the end of a closed entry period (i.e. the end of each month), the system detects and keeps track of arrears. Reminder letters are prepared for each mortgage loan in arrears. These letters are automatically generated by the system and sent to the borrower. If a borrower misses a payment, a reminder letter is automatically sent during, in principle, the second to third week in the month following the missing payment date. The reminder letter includes a specification of the arrears and of the penalty interest charged. A borrower will receive a maximum of three reminder letters during three consecutive months of non-payments. With every successive reminder letter, the contents of the letter will become more severe.

Special Servicing

Default procedures

In the event the total amount of arrears after two missing payments is higher then or equal to EUR 25, the borrower will be placed on the 'active treatment' list. Also, every borrower with arrears of three months or more is placed on the 'active treatment'-list. Once the borrower has been given 'active treatment' status, the reminder letter procedure is stopped and is replaced by a procedure in which monthly arrears statements will be sent to the borrower and also a letter in which it is announced that a bailiff will be asked to handle the matter if no payment is received.

A credit check at the BKR is carried out by the debtors department once the borrower has been given 'active treatment' status. The outcome of the credit check will indicate whether or not the borrower is experiencing difficulties making other payments on consumer loans or other debt instruments. Once a borrower has arrears for four consecutive months, the BKR will be notified and the arrears on the mortgage will be registered in the borrowers record at the BKR. In case a borrower made a proposal for a payment settlement in order to catch up the amounts in arrears, this proposal will be assessed by the debtors department of the relevant ABN AMRO Hypotheken Groep Seller. In case the proposal is accepted, this payment settlement will be monitored automatically. In case the borrower did not respond to the letter in which it is announced that a bailiff will handle the matter if no payment is received, or does not comply with the payment settlement, a bailiff will in effect be asked by the debtors department to handle the matter further in the name of the relevant ABN AMRO Hypotheken Groep Seller. The bailiff will contact the borrower and will summon the borrower to pay the amounts in arrears within a certain period of time. The bailiff will furthermore give notice to the borrower that the relevant ABN AMRO Hypotheken Groep Seller will exercise its mortgage right if the borrower fails to make the requested payments in time. If that is the case, the borrower can choose to sell the mortgaged property through a private sale. The relevant ABN AMRO Hypotheken Groep Seller generally may accept a private sale if (i) revenues from such private sale are expected to cover the outstanding debt in full, or (ii) it is estimated that the costs of the foreclosure procedure will result in a lower recovery value than a private sale of the property by the borrower himself. If the relevant ABN AMRO Hypotheken Groep Seller accepts a private sale, the debtors department monitors whether the property is sold within six months. If the property is not sold within such period a forced sale by way of public auction is pursued by the debtors department in the name of the relevant ABN AMRO Hypotheken Groep Seller.

Foreclosure procedures (ABN AMRO Hypotheken Groep acts as Third Party Servicer for all ABN AMRO Hypotheken Groep Sellers for this aspect)

An essential right for the lender is to publicly sell the mortgaged property if the borrower fails to fulfil its obligations. The relevant ABN AMRO Hypotheken Groep Seller does not need to obtain an 'executorial title' (*executoriale titel*) granting permission prior to the sale. If the proceeds from selling the mortgaged property do not fully cover the claims, the relevant ABN AMRO Hypotheken Groep Seller may sell any assets encumbered with the related security. However, before the relevant ABN AMRO Hypotheken Groep Seller is entitled to exercise its rights, the borrower has to be notified in writing that he is in default and he must also be given reasonable time to comply with the claims.

All Third Party Servicers use the same defaults and foreclosure procedures.

FORM OF THE NOTES

Each Compartment and Class of Notes will (unless otherwise indicated in the applicable Final Terms and/or Supplemental Prospectus) be initially represented by a Temporary Global Note (or, if so specified in the applicable Final Terms and/or Supplemental Prospectus, 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 Term be delivered on or prior to the original Issue Date of the Compartment to a common safekeeper (the "**Common Safekeeper**") for Euroclear and Clearstream, Luxembourg; or
- (ii) if the Global Notes are not intended to be issued in NGN form be delivered on or prior to the Issue Date of the Compartment to (i) a common depository (the "**Common Depository**") on behalf of Euroclear and Clearstream, Luxembourg or (ii) Euroclear Netherlands or (iii) a depository for any other agreed clearing system.

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 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 date (the '**Exchange Date**') which is not less than 40 days nor more than 90 days after the date on which the Temporary Global Note is issued, 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 ('**Definitive Notes**')(as indicated in the applicable Final Terms and/or Supplemental Prospectus) 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 Definitive Notes issued in partial exchange for such Permanent Global Note) in part in accordance with the applicable Trust Deed and Conditions, for security printed Notes in definitive form. An '**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. 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 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 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, Notes in definitive form, 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.

[Date]

European Mortgage Securities VII 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 the Notes]

the 'Notes'

under the €35,000,000,000

Residential Mortgage Backed Secured Debt Issuance Programme

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 27 March 2009 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 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: | European Mortgage Securities VII 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) Senior Class A1 Notes: []
- (ii) Senior Class A2 Notes: []
- (c) Mezzanine Class B Notes: []
- (d) Mezzanine Class C Notes: []
- (e) Mezzanine Class D Notes: []
- (f) Junior Class E Notes: []
- (g) Subordinated Class F Notes: []
5. Issue Price:
- (a) Senior Class A Notes:
- (i) Senior Class A1 Notes: [] per cent.
- (ii) Senior Class A2 Notes: [] per cent.
- (b) Mezzanine Class B Notes: [] per cent.
- (c) Mezzanine Class C Notes: [] per cent.
- (d) Mezzanine Class D Notes: [] per cent.
- (e) Junior Class E Notes: [] per cent.
- (f) Subordinated Class F Notes: [] per cent.
6. Denominations: [minimum € 50.000]
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 [specify month and year]
9. Interest Basis: [Fixed Rate Notes]
[Floating Rate Notes, Euribor plus margin specified below]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

10. Fixed Rate Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Fixed Rate prior to the first Optional Redemption Date: [payable annually]
(If payable other than annually, consider amending Condition [Interest])
- (i) Senior Class A1 Notes: [] per cent. per annum
- (ii) Senior Class A2 Notes: [] per cent. per annum
- (iii) Mezzanine Class B Notes: [] per cent. per annum
- (iv) Mezzanine Class C Notes: [] per cent. per annum
- (v) Mezzanine Class D Notes: [] per cent. per annum
- (vi) Junior Class E Notes: [] per cent. per annum
- (vii) Subordinated Class F Notes: [] per cent. per annum
- (b) As of the first Optional Redemption Date the Fixed Rate Notes will switch to Floating Rate Notes
- (c) Annual Payment Date: [[] in each year up to and including the first Optional Redemption Date]/[specify other] (NB: This will need to be amended in the case of long or short coupons)
- (d) Interest Period Date: []
- (e) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
11. Floating Rate Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Interest Margin prior to the first Optional Redemption Date:
- (i) Senior Class A1 Notes: [] per cent. per annum
- (ii) Senior Class A2 Notes: [] per cent. per annum
- (iii) Mezzanine Class B Notes: [] per cent. per annum
- (iv) Mezzanine Class C Notes: [] per cent. per annum
- (v) Mezzanine Class D Notes: [] per cent. per annum
- (vi) Junior Class E Notes: [] per cent. per annum
- (vii) Subordinated Class F Notes: [] per cent. per annum
- (b) Interest Margin after the first Optional Redemption Date:
- (i) Senior Class A1 Notes: [] per cent. per annum
- (ii) Senior Class A2 Notes: [] per cent. per annum
- (iii) Mezzanine Class B Notes: [] per cent. per annum
- (iv) Mezzanine Class C Notes: [] per cent. per annum
- (v) Mezzanine Class D Notes: [] per cent. per annum
- (vi) Junior Class E Notes: [] per cent. per annum
- (vii) Subordinated Class F Notes: [] per cent. per annum
- (c) Quarterly Payment Date(s): 20th 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 20th day)]
- (d) First interest payment date [first Quarterly Payment Date falling in []/other]
- (e) Specified Period(s): []
- (f) Other terms relating to the method of calculating interest for Floating Rate Notes: [None/Give details]

PROVISIONS RELATING TO REDEMPTION

12. First Optional Redemption Date: Quarterly Payment Date [or Annual Payment Date] falling in [*specify month and year*]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

13. New Global Note [Yes. The fact that the Notes are issued in New Global Note form 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 /No]
14. Form of Notes: [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]
15. Exchange Date: [Not Applicable/date]
16. 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)
17. 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

18. (a) If syndicated, names of Dealers: [Not Applicable/*give names*]
- (b) If not syndicated, name of Dealer: [ABN AMRO/*give name*]

- (c) Stabilising [Manager] (if any): [Not Applicable/ABN AMRO Bank N.V., London branch/Notes Purchaser]
- (d) Notes Purchaser [Not Applicable/*give names*]
19. Whether TEFRA D or TEFRA C rules [TEFRA D/TEFRA C/TEFRA not applicable]
 applicable or TEFRA rules not applicable:
20. 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 € 35,000,000,000 Residential Mortgage Backed Secured Debt Issuance Programme of European Mortgage Securities VII 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:	[Euronext Amsterdam/other (<i>specify</i>)/None]
(ii) Admission to trading:	[Application has been made for the Notes to be admitted to trading on [Euronext Amsterdam by NYSE Euronext] with effect from [].] [Not Applicable.]
(iii) Estimate of total expenses related to admission to trading:	[]

2. RATINGS	
<p>Ratings:</p>	<p>Upon issue the Notes will be assigned the following ratings:</p> <p>[Moody's: Senior Class A Notes: Aaa</p> <p> Mezzanine Class B Notes: []/None</p> <p> Mezzanine Class C Notes: []/None</p> <p> Mezzanine Class D Notes: []/None]</p> <p> Junior Class E Notes: []/None]</p> <p> Subordinated Class F Notes: []/None]</p> <p>[Fitch: Senior Class A Notes: AAA</p> <p> Mezzanine Class B Notes: []/None</p> <p> Mezzanine Class C Notes: []/None</p> <p> Mezzanine Class D Notes: []/None]</p> <p> Junior Class E Notes: []/None]</p> <p> Subordinated Class F Notes: []/None]</p> <p>[[Other]:[]]</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 Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the 'AFM') [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] [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

[]

(See ["Use of Proceeds"] paragraph in the Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

(ii) Estimated net proceeds:

[]

(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.)

6. OPERATIONAL INFORMATION

(i) ISIN Code:

(a) Senior Class A Notes:

(i) Senior Class A1 Notes:

[1]

(ii) Senior Class A2 Notes:

[1]

(b) Mezzanine Class B Notes:

[]

(c) Mezzanine Class C Notes:

[1]

(d) Mezzanine Class D Notes:

[1]

(e) Junior Class E Notes

[1]

(d) Subordinated Class F Notes:

[1]

(ii) Common Code:

(a) Senior Class A Notes:

(i) Senior Class A1 Notes:

[1]

(ii) Senior Class A2 Notes:

[]

(b) Mezzanine Class B Notes:

[1]

(c) Mezzanine Class C Notes:

[1]

(d) Mezzanine Class D Notes:

[1]

(e) Junior Class E Notes	[]
(d) Subordinated Class F Notes:	[]
(iii) Any clearing system(s) the relevant identification number(s):	[Euroclear and Clearstream, Luxembourg] [Euroclear Netherlands] [Not Applicable/ <i>give name(s) and number(s)</i>]
(iv) Common Depositary:	[Not Applicable/ <i>give name</i>]
(v) Common Safekeeper:	[Not Applicable/ <i>give name</i>]
(vi) Delivery:	Delivery [against/free of] payment
(vii) Names and addresses of additional Paying Agent(s) (if any):	[]

FURTHER INFORMATION FOR POOL [] AND COMPARTMENT []

A. DETAILS OF THE MORTGAGE RECEIVABLES:

21. Seller(s): [*insert names relevant Seller(s)*]
22. Initial Purchase Price: Euro []
23. Construction Amounts: Euro []
24. Additional Representations and Warranties: [Not Applicable/[]]
25. Change to Representations and Warranties: [Not Applicable/[]]
26. Eligibility Criteria A: [Not Applicable/[]]
27. Eligibility Criteria A, item (m): []
28. Eligibility Criteria B: [Not Applicable/[]]
29. Eligibility Criteria C: [Not Applicable/[]]
30. Changes to Eligibility Criteria: [Not Applicable/[]]
31. Additional Further Advance Criteria: [Not Applicable/[]]
32. Additional Substitution Criteria: [Not Applicable/[]]
33. Substitution Criteria: [Not Applicable/[]]

- | | | |
|-----|---|--|
| 34. | Maximum LTV Percentage: | [Not Applicable/[]] |
| 35. | Maximum Outstanding Principal Amount: | Euro [] |
| 36. | Cumulative Realised Losses Percentage: | [] |
| 37. | Maximum LTV-Ratio: | [] per cent. |
| 38. | Arrears Percentage: | [] per cent. of the aggregate Outstanding
Principal Amount of Pool [] |
| 39. | Portfolio Cut-Off Date: | [] 20[] |
| 40. | First Mortgage Calculation Period | Commencing on (and including) [] 20[] and
ending on (and including) [] 20[] |
| 41. | Maximum Legal Maturity of the Mortgage
Loans | [] 20[] |

B. CREDIT STRUCTURE:

- | | | |
|-----|---|-------------------------|
| 42. | GIC Account Number: | [] |
| 43. | Reserve Account Number: | [Not Applicable/[]] |
| 44. | Reserve Account Target Level: | [Not Applicable/[]] |
| 45. | Drawings under Reserve Account may be made to meet: | [Not Applicable/[]] |
| 46. | Liquidity Facility Maximum Amount: | Euro [] |
| 47. | Drawings under Liquidity Facility may be made to meet: | [Not Applicable/[]] |
| 48. | Excess Margin: | [] per cent. per annum |
| 49. | Amendment Interest Priority of Payments: | [Not Applicable/[]] |
| 50. | Amendment Priority of Payments in respect of Principal: | [Not Applicable/[]] |
| 51. | Amendment Priority of Payments upon Enforcement: | [Not Applicable/[]] |
| 52. | Amendment Notes Interest Available Amount: | [Not Applicable/[]] |
| 53. | Amendment Notes Redemption Available Amount: | [Not Applicable/[]] |
| 54. | Amendment Principal Available Amount: | [Not Applicable/[]] |
| 55. | Eligible Investments (other than Mortgage Receivables): | [Not Applicable/[]] |

C. OTHER

- | | | |
|-----|---|----------------------|
| 56. | Other type of Mortgage Loans: | [Not Applicable/[]] |
| 57. | Changes to Conditions: | [Not Applicable/[]] |
| 58. | Other Seller, GIC Provider, Swap Counterparty, Liquidity Facility Provider, Paying Agent, Reference Agent, MPT Provider, Issuer Administrator, Defaulted Loan Servicer: | [Not Applicable/[]] |
| 59. | Other changes: | [Not Applicable/[]] |

PART C

INFORMATION ON THE POOL OF MORTGAGE RECEIVABLES AND, IF APPLICABLE, THE PROVISIONAL POOL OF MORTGAGE RECEIVABLES TO BE SOLD TO THE ISSUER ON OR ABOUT THE ISSUE DATE IN RELATION TO THIS ISSUE OF NOTES

The Mortgage Receivables to be sold and assigned to the Issuer on the Issue Date represent the rights (whether actual or contingent) of [each of the] Seller[s] against any Borrower under or in connection with the Relevant Mortgage Loans (the '**Final Portfolio**') selected by agreement between the Seller[s] and the Issuer in accordance with the criteria set forth in the Mortgage Receivables Purchase Agreement.

[The Mortgage Loans in the Final Portfolio will be taken from a provisional pool of mortgage loans (the '**Provisional Pool**') that have been selected in accordance with the criteria set forth in the Mortgage Receivables Purchase Agreement.]

The numerical information set out below relates to the [Provisional] [Final] Pool which was selected as of [●]. [Therefore, the information set out below in relation to the Provisional Pool may not necessarily correspond to that of the Mortgage Receivables actually sold on the Issue Date.]

(Please see the tables on the following pages)

General Portfolio Characteristics

Outstanding Principal balance (before savings) (EUR)	[]
Maximum Loan (EUR)	[]
Minimum Loan (EUR)	[]
Weighted Average Seasoning	[]
Weighted Average Outstanding Principal balance minus Savings to Foreclosure Value (%)	[]
Weighted Average Original Loan to Foreclosure Value (%)	[]
Weighted Average Outstanding Principal balance to Foreclosure Value	[]
Weighted Average Outstanding Principal balance minus Savings to Foreclosure Value Index	[]
Weighted Average Original Loan to Foreclosure Value Index (5)	[]
Weighted Average Outstanding Principal balance to Foreclosure Value Index (%)	[]
Weighted Average Coupon (%)	[]
Number of Loan Parts	[]
Number of Borrower	[]
Average Balance by Borrower (EUR)	[]
Maximum Borrower Exposure (EUR)	[]
Minimum Borrower Exposure (EUR)	[]

Mortgage type	Principal Amount Outstanding	Principal %	Loan Parts	Loan Parts %
Annuity	[]	[]	[]	[]
Hybrid	[]	[]	[]	[]
Interest Only	[]	[]	[]	[]
Investment	[]	[]	[]	[]
Life	[]	[]	[]	[]
Linear	[]	[]	[]	[]
Savings	[]	[]	[]	[]
Total	[]	[]	[]	[]

Interest Rate	Principal Amount Outstanding	Principal %	Loan Parts	Loan Parts %
< 2.5	[]	[]	[]	[]
>= 2.5 < 3.5	[]	[]	[]	[]
>= 3.5 < 4.5	[]	[]	[]	[]
>= 4.5 < 5.5	[]	[]	[]	[]
>= 5.5 < 6.5	[]	[]	[]	[]
>= 6.5 < 7.5	[]	[]	[]	[]
>= 7.5 < 8.5	[]	[]	[]	[]
>= 8.5	[]	[]	[]	[]
Total	[]	[]	[]	[]

Interest Reset Date	Principal Amount Outstanding	Principal %	Loan Parts	Loan Parts %
0 <= 12	[]	[]	[]	[]
> 12 <= 24	[]	[]	[]	[]
> 24 <= 36	[]	[]	[]	[]
> 36 <= 48	[]	[]	[]	[]
> 48 <= 60	[]	[]	[]	[]
> 60 <= 72	[]	[]	[]	[]
> 72 <= 84	[]	[]	[]	[]
> 84 <= 96	[]	[]	[]	[]
> 96 <= 108	[]	[]	[]	[]
> 108 <= 120	[]	[]	[]	[]
> 120	[]	[]	[]	[]
Total	[]	[]	[]	[]

Payment Frequency	Principal Amount Outstanding	Principal %	Loan Parts	Loan Parts %
Monthly	[]	[]	[]	[]
Total	[]	[]	[]	[]

Region	Principal Amount Outstanding	Principal %	Loans	Loans %
Zipcode to be allocated*	[]	[]	[]	[]
Drenthe	[]	[]	[]	[]
Flevoland	[]	[]	[]	[]
Friesland	[]	[]	[]	[]
Gelderland	[]	[]	[]	[]
Groningen	[]	[]	[]	[]
Limburg	[]	[]	[]	[]
Noord-Brabant	[]	[]	[]	[]
Noord-Holland	[]	[]	[]	[]
Overijssel	[]	[]	[]	[]
Utrecht	[]	[]	[]	[]
Zeeland	[]	[]	[]	[]
Zuid-Holland	[]	[]	[]	[]
Total	[]	[]	[]	[]

* Some Mortgage Loans have been provided with respect to property under construction to which no zipcode has been assigned. Therefore, the province cannot be determined.

Outstanding Balance (on a borrower basis)	Principal Amount Outstanding	Principal %	Loans Borrowers	Loans %
< 50000	[]	[]	[]	[]
>= 50,000 < 100,000	[]	[]	[]	[]
>= 100,000 < 150,000	[]	[]	[]	[]
>= 150,000 < 200,000	[]	[]	[]	[]
>= 200,000 < 250,000	[]	[]	[]	[]
>= 250,000 < 300,000	[]	[]	[]	[]
>= 300,000 < 400,000	[]	[]	[]	[]
>= 400,000 < 500,000	[]	[]	[]	[]
>= 500,000 < 600,000	[]	[]	[]	[]
>= 600,000 < 700,000	[]	[]	[]	[]
>= 700,000 < 800,000	[]	[]	[]	[]
>= 800,000 < 900,000	[]	[]	[]	[]
>= 900,000 < 1,000,000	[]	[]	[]	[]
>= 1,000,000 < 1,250,000	[]	[]	[]	[]
>= 1,250,000 < 1,500,000	[]	[]	[]	[]
>= 1,500,000	[]	[]	[]	[]
Total	[]	[]	[]	[]

Property Type	Principal Amount Outstanding	Principal %	Loans	Loans %
Residential (Flat/Appartment)	[]	[]	[]	[]
Residential (Flat/Appartment with Garage)	[]	[]	[]	[]
Residential (House)	[]	[]	[]	[]
Residential (Flat/Appartment with Parking Place)	[]	[]	[]	[]
Residential (House with Garage)	[]	[]	[]	[]
Others	[]	[]	[]	[]
Total	[]	[]	[]	[]

Current LTFV	Principal Amount Outstanding	Principal %	Loans	Loans %
<= 25%	[]	[]	[]	[]
> 25% <= 50%	[]	[]	[]	[]
> 50% <= 60%	[]	[]	[]	[]
> 60% <= 70%	[]	[]	[]	[]
> 70% <= 80%	[]	[]	[]	[]
> 80% <= 90%	[]	[]	[]	[]
> 90% <= 100%	[]	[]	[]	[]
> 100% <= 110%	[]	[]	[]	[]
> 110% <= 120%	[]	[]	[]	[]
> 120% <= 125%	[]	[]	[]	[]
> 125%	[]	[]	[]	[]

Total	[]	[]	[]	[]
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Seasoning	Principal Amount Outstanding	Principal %	Loan Parts	Loan Parts %
<12	[]	[]	[]	[]
>= 12 < 24	[]	[]	[]	[]
>= 24 < 36	[]	[]	[]	[]
>= 36 < 48	[]	[]	[]	[]
>= 48 < 60	[]	[]	[]	[]
>= 60 < 72	[]	[]	[]	[]
>= 72 < 84	[]	[]	[]	[]
>= 84 < 96	[]	[]	[]	[]
>= 96 < 108	[]	[]	[]	[]
>= 108 < 120	[]	[]	[]	[]
>= 120	[]	[]	[]	[]
Total	[]	[]	[]	[]

Range Outstanding Construction Deposits	Principal Amount Outstanding	Loans	Deposit Outstanding
< 5000	[]	[]	[]
>= 5,000 < 10,000	[]	[]	[]
>= 10,000 < 20,000	[]	[]	[]
>= 20,000 < 30,000	[]	[]	[]
>= 30,000 < 40,000	[]	[]	[]
>= 40,000 < 50,000	[]	[]	[]
>= 50,000 < 70,000	[]	[]	[]
>= 70,000 < 90,000	[]	[]	[]
>= 90,000 < 110,000	[]	[]	[]
>= 110,000 < 150,000	[]	[]	[]
>= 150,000 < 200,000	[]	[]	[]
>= 200,000 < 300,000	[]	[]	[]
>= 300,000 < 400,000	[]	[]	[]
>= 400,000 < 500,000	[]	[]	[]
>= 500,000 < 600,000	[]	[]	[]
Total	[]	[]	[]

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**'). The following Conditions 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.

The Notes will be issued in the following Classes: Senior Class A1 Notes (the '**Senior Class A1 Notes**'), Senior Class A2 Notes (the '**Senior Class A2 Notes**' and together with the Senior Class A1 Notes, the '**Senior Class A Notes**'), Mezzanine Class B Notes (the '**Mezzanine Class B Notes**'), Mezzanine Class C Notes (the '**Mezzanine Class C Notes**'), Mezzanine Class D Notes (the '**Mezzanine Class D Notes**'), Junior Class E Notes (the '**Junior Class E Notes**') and Subordinated Class F Notes (the '**Subordinated Class F Notes**' and together with the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes, the '**Notes**').

The Notes are issued by European Mortgage Securities VII B.V. (the '**Issuer**') in Compartments only under the € 35,000,000,000 Residential Mortgage Backed Secured Debt Insurance Notes Programme (the '**Programme**') pursuant to the relevant Trust Deed (as defined below). The Conditions apply to the relevant Compartment 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 Specified Denomination, (ii) Definitive Notes 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 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 as amended from time to time between the Issuer, the Security Trustee and ABN AMRO Bank N.V. as paying agent (the '**Paying Agent**') and as reference agent (the '**Reference Agent**'), (iii) a mortgage payment transactions and issuer services agreement (the '**Issuer Services Agreement**') dated the Programme Closing Date as amended from time to time between the Issuer, the Security Trustee and ABN AMRO Bank N.V. as pool servicer (the '**MPT Provider**'), as the issuer administrator (the '**Issuer Administrator**') and as the defaulted loan servicer (the '**Defaulted Loan Servicer**'), (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 as amended from time to time between the Issuer and the Security Trustee (the '**Trustee Receivables Pledge Agreement**') and (vi) a pledge agreement dated the Programme Closing Date as amended from

time to time between the Issuer, the Security Trustee and others (the "**Trustee Assets Pledge Agreement**") and together with the Trustee Receivables Pledge Agreement hereafter referred to as 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, dated the Programme Closing Date as amended from time to time (the '**Programme Agreement**') and signed by the Issuer, the Security Trustee and certain other parties. Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions 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. If the terms or definitions in the Master Definitions Schedule would conflict with terms or definitions used herein, the terms and definitions of these Conditions shall prevail. As used herein, '**Class**' means either the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes or the Subordinated Class F 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 Terms and Conditions 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 Final Terms 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 Paying Agent and the present office of the Security Trustee, being at the date hereof Claude Debussylaan 42, 1082 MD 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 50,000. Under Netherlands law, the valid transfer of Notes requires, *inter alia*, delivery ("*levering*") thereof. The Issuer, the Security Trustee and the Paying Agent 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 Conditions 4, 6 and 9 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 Mezzanine 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 Mezzanine 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 Mezzanine Class C Notes, (iv) payments of principal and interest on the Junior 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 Mezzanine Class C Notes and the Mezzanine Class D Notes and (v) payments of principal and interest on the Subordinated Class F Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes.

- (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 under or in connection with (i) the Mortgage Receivables Purchase Agreement, (ii) the Issuer Services Agreement, (iii) the Floating Rate GIC (excluding any rights in respect of the GIC Account and the Reserve Account which relate to a specific Compartment ('**Transaction Accounts**')), (iv) the Programme Agreement and (v) the Intercreditor Agreement (to the extent that such rights cannot be attributed to a specific Compartment and Pool) and (b) a 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, (iii) the Swap Agreement of the relevant Compartment and (iv) the Intercreditor Agreement, if any, (to the extent relating to a specific Compartment and Pool). 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."
- (d) The Noteholders will not have recourse on the assets of the Issuer other than described in Condition 2 (c).
- (e) The Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F 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 Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes. The Mezzanine Class B Notes will rank in priority to Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes. The Mezzanine Class C Notes will rank in priority to the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes. The Mezzanine Class D Notes will rank in priority to the Junior Class E Notes and the Subordinated Class F Notes. The Junior Class E Notes will rank in priority to the Subordinated Class F 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 Mezzanine Class C Noteholders, the Mezzanine Class D Noteholders, the Junior Class E Noteholders and the Subordinated Class F 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 Senior Class A Noteholders, if, in the Security Trustee's opinion, there is a conflict between the interests of the Senior Class A Noteholders on one hand and the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders, the Mezzanine Class D Noteholders, the Junior Class E Noteholders and the Subordinated Class F Noteholders on the other hand and, if no Senior Class A Notes are outstanding, to have regard only to the interests of the Mezzanine Class B Noteholders, if, in the Security Trustee's opinion, there is a conflict between the interests of the Mezzanine Class B Noteholders on the one hand and the Mezzanine Class C Noteholders, the Mezzanine Class D Noteholders, the Junior Class E Noteholders and the Subordinated Class F Noteholders on the other hand and, if no Senior Class A Notes and Mezzanine Class B Notes are outstanding, to have regard only to the interests of the Mezzanine Class C Noteholders, if, in the Security Trustee's opinion, there is a conflict between the interests of the Mezzanine Class C Noteholders on the one hand and the Mezzanine Class D Noteholders, the Junior Class E Noteholders and the Subordinated Class F Noteholders on the other hand and, if no Senior Class A Notes, Mezzanine Class B Notes and Mezzanine Class C Notes are outstanding, to have regard only to the interests of the Mezzanine Class D Noteholders, if, in the Security Trustee's opinion, there is a conflict between the interests of the Junior Class D Noteholders on the one hand and the Junior Class E Noteholders and the Subordinated Class F Noteholders on the other hand and, if no Senior Class A Notes, Mezzanine Class B Notes, Mezzanine Class C Notes and Mezzanine Class D Notes are outstanding, to have regard only to the interests of the Junior Class E Noteholders, if, in the Security Trustee's opinion, there is a conflict between the interests of the Junior Class E Noteholders on the one hand and the

Subordinated Class F Noteholders 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.

- (f) 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 Compartments 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 (e) 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 Agency Agreement, the Management Agreements, the Programme Agreement, to the extent these agreements are applicable to the relevant Compartment and Pool, the relevant Parallel Debt Agreement, the relevant Swap Agreement, 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 and the relevant Trust Deed and the addenda to these agreements (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 Trustee, in its reasonable opinion, does not expect that the then current ratings of the Notes assigned by Moody's will be adversely affected and, in respect of NHG Compartments, Fitch has confirmed that no downgrading of the then current ratings of the Notes of the relevant Compartment will occur as a result of the issuance of such Notes:

- (a) carry out any business other than as described in the Base Prospectus dated 27 March 2009 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 Transaction Accounts for all Compartments or accounts to which collateral under the Swap Agreements is transferred, unless all rights in relation to such account will have been pledged to the Security Trustee as provided in Condition 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 Final Terms will set out which Classes of Notes will be Fixed Rate Notes and which Classes of Notes will be Floating Rate Notes. Each Compartment shall have at least one Class of Floating Rate Notes, and, if applicable, any Senior Class A1 Notes will be Floating Rate Notes.

(l) *Fixed Rate Notes*

If Fixed Rate Notes is specified in the Final Terms the following applies (unless indicated otherwise in the Final Terms) for as long as the relevant Notes of a Compartment are Fixed Rate Notes:

(a) *Period of Accrual*

The Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition 6(c)) 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 Paying Agent to the holder thereof (in accordance with Condition 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 Optional Redemption 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, 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 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 Optional Redemption Date*

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

(d) *Interest following the first Optional Redemption Date*

If on the first Optional Redemption Date the 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, plus a margin as specified in the Final Terms as calculated in accordance with Condition 4 II.

(II) *Floating Rate Notes*

If Floating Rate Notes is specified in the Final Terms or, in the case of Fixed Rate Notes, from the date such Fixed Rate Notes will switch to Floating Rate Notes, the following applies (unless indicated otherwise in the Final Terms):

(a) *Period of Accrual*

The Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition 6(c)) 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 Paying Agent to the holder thereof (in accordance with Condition 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 each day on which banks are open for business in Amsterdam, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system ('**TARGET 2**') (or its predecessor) 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 20th 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 up to the first Optional Redemption Date*

Up to (but excluding) the first Optional Redemption 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 following the first Optional Redemption Date*

If on the first Optional Redemption Date any Class of Notes 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, plus a margin as specified in the applicable Final Terms.

(e) *Euribor*

For the purpose of Conditions 4(c) and (d) 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 euros (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Euribor for the relevant months deposit in euros, 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 Reuters Screen EURIBOR01, (or, if not available, any other display page on any screen service maintained by any registered information vendor (including, without limitation, the Reuter 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 euro 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 shall 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 euro deposits as determined in accordance with this paragraph (e), 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.

(f) *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 4I (d) and 4II (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.

(g) *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 relevant Quarterly Payment Date applicable to each relevant Class of Notes to be notified to the Issuer, the Security Trustee, the Paying Agent, the Issuer Administrator, Euronext Amsterdam N.V. and to the holders of such Class of Notes by an advertisement in the English language in the Euronext Daily Official List ("*Officiële Prijscourant*") of Euronext Amsterdam N.V. The Floating Interest Amount and relevant 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.

(h) *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 (f) 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 (f) above, and each such determination or calculation shall be final and binding on all parties.

(i) *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 13. If any person shall 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 shall 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 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 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 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 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 the Paying Agent and of its offices are set out below.

- (d) The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent 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, for as long as the Notes are listed on Euronext Amsterdam by NYSE Euronext shall be located in the Netherlands. Notice of any termination or appointment of a Paying Agent and of any changes in the specified offices of the Paying Agent will be given to the Noteholders in accordance with Condition 13.

6. Redemption and purchase

(a) *Final redemption*

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

(b) *Mandatory redemption*

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer shall be obliged to apply the Notes Redemption Available Amount, to redeem (or partially redeem) on each Quarterly Payment Date up to (but excluding) the first Optional Redemption Date the Senior Class A1 Notes until fully redeemed.

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer shall be obliged to apply the Notes Redemption Available Amount, to redeem (or partially redeem) on the first Optional Redemption Date and on each Quarterly Payment Date thereafter the Notes at their respective Principal Amount Outstanding on a *pro rata* basis, in the following order (a) firstly, *pari passu*, the Senior Class A1 Notes and the Senior Class A2 until fully redeemed, (b) secondly, the Mezzanine Class B Notes until fully redeemed, (c) thirdly, the Mezzanine Class C Notes until fully redeemed, (d) fourthly, the Mezzanine Class D Notes until fully redeemed, (e) fifthly, the Junior Class E Notes until fully redeemed and (f) finally, the Subordinated Class F Notes (and *pro rata* within the relevant Class of Notes) until fully redeemed.

The principal amount so redeemable in respect of each Note (each a '**Principal Redemption Amount**') on the relevant Quarterly Payment Date, shall be the Notes Redemption Available Amount on the Quarterly Calculation Date relating to that Quarterly Payment Date divided by the number of Notes of the relevant Class subject to such redemption (rounded down to the nearest euro), provided always that 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.

(c) *Definitions*

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

The '**Principal Amount Outstanding**' on any relevant Quarterly Payment Date or Annual Payment Date, as the case may be, of any Note shall be the principal amount of such Note upon issue less the aggregate amount of all relevant Principal Redemption Amounts in respect of such Note that have become due and payable prior to such Quarterly Payment Date, provided that for the purpose of Conditions 4, 6 and 10 all relevant Principal Redemption Amounts that have become due and not been paid shall not be so deducted.

'**Notes Redemption Available Amount**' shall mean, on any Quarterly Calculation Date, the aggregate amount received by the Issuer during the immediately preceding Quarterly Calculation Period:

- (i) as repayment and prepayment of principal under the relevant Pool of Mortgage Receivables;
- (ii) as Net Proceeds on any Mortgage Receivable of the relevant Pool, to the extent such proceeds relate to principal;
- (iii) as amounts received in connection with a repurchase of the 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 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 relevant Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal;
- (v) as amount to be credited to the relevant Principal Deficiency Ledger on the immediately succeeding relevant Quarterly Payment Date;
- (vi) any part of the relevant Notes Redemption Available Amount calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards redemption of the Notes on the immediately preceding relevant Quarterly Payment Date;
- (vii) as Pre-Closing Proceeds to the extent such proceeds relate to principal of the relevant Pool;
- (viii) as amounts debited from the Construction Ledger in accordance with the Mortgage Receivables Purchase Agreement;
- (ix) the Reserved Amount on the last day of preceding Quarterly Calculation Period;
- (x) as amounts received in connection with a NHG Guarantee or Municipality Guarantee to the extent such amounts relate to principal; and
- (xi) any other amounts as set forth as such in the relevant Final Terms;

less on such Quarterly Calculation Date, the sum of:

- (xii) any amount applied to the purchase of the relevant Substitute Mortgage Receivables on such Quarterly Payment Date (the '**Substitution Amount**'); and
- (xiii) any amount applied to the purchase of the relevant Further Advance Receivables on such Quarterly Payment Date (the '**Further Advance Amount**'); and
- (xiv) any amount reserved and/or withheld for the purchase of Substitute Mortgage Receivables in the succeeding Quarterly Calculation Periods (the '**Reserved Amount**'); and

'Net Proceeds' shall mean (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 life insurance and building insurance, (d) the NHG Guarantee or Municipality 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;

'Quarterly Calculation Date' means, in relation to a Quarterly Payment Date or Annual Payment Date, as the case may be, the 5th business day prior to such Quarterly Payment Date or Annual Payment Date, as the case may be;

'Quarterly Calculation Period' means, in relation to a Quarterly Calculation Date, the three successive Mortgage Calculation Periods immediately preceding such Quarterly Calculation Date; and

'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 the same calendar month, except for the first Mortgage Calculation Period which will commence (and include) and end on the dates indicated in the Final Terms.

(d) *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 following the relevant Quarterly Payment Date. 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 Paying Agent, the Reference Agent, Euroclear, if applicable, Clearstream, Luxembourg, if applicable, Euroclear Netherlands, if applicable, the other agreed clearing system, if applicable, Euronext Amsterdam N.V. and to the holders of Notes as long as the Notes are listed on Euronext Amsterdam N.V. by NYSE Euronext by an advertisement in the English language in the Euronext Daily Official List ("*Officiële Prijscourant*") of Euronext Amsterdam N.V. 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 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.

(e) *Optional Redemption*

Unless previously redeemed in full, the Issuer may at its option on the Quarterly Payment Date specified in the Final Terms and on each Quarterly Payment Date thereafter (each an **'Optional Redemption Date'**) redeem all of the Notes of such Compartment, but not some only, at their Principal Amount Outstanding on such date. The Issuer will consult with the relevant Seller(s) in respect of exercising the option to redeem the Notes.

The Issuer shall notify the exercise of such option by giving not more than 60 nor less than 30 days notice to the Noteholders and the Security Trustee prior to the relevant Quarterly Payment Date.

In case of a Mezzanine Class B Principal Shortfall (as defined in Condition 9(b)), a Mezzanine Class C Principal Shortfall (as defined in Condition 9(b)), a Mezzanine Class D Principal Shortfall (as defined in Condition 9(b)), a Junior Class E Principal Shortfall (as defined in Condition 9(b)) or a Subordinated Class F Principal Shortfall (as defined in Condition 9(b)) would remain after the sale of the Mortgage Receivables, the Issuer may only redeem all of the Notes of such Compartment, but not some only, at their Principal Amount Outstanding less such Mezzanine Class B Principal Shortfall, Mezzanine Class C Principal Shortfall, Mezzanine Class D Principal Shortfall, Junior Class E Principal Shortfall or Subordinated Class F Principal Shortfall, as applicable, on the relevant Quarterly Payment Date, provided that the Security Trustee has confirmed to the Issuer that it is in the interest of the Noteholders (in such determination the Security Trustee may not take into account any increase of the margin after the first Optional Redemption Date in respect on such Notes) to partially redeem the Mezzanine Class B Notes or the Mezzanine Class C Notes or the

Mezzanine Class D Notes or the Junior Class E Notes or the Subordinated Class F Notes respectively, at their Principal Amount Outstanding less such Mezzanine Class B Principal Shortfall, or Mezzanine Class C Principal Shortfall or Mezzanine Class D Principal Shortfall or Junior Class E Principal Shortfall or Subordinated Class F Principal Shortfall, as the case may be as provided in Condition 9(b), on such date. Should the Security Trustee decide that is not in the interest of such Noteholders, such Notes may not be redeemed under this Clause 6 (e) on such date.

(f) *Redemption for tax reasons*

The Notes may be redeemed at the option of the Issuer, in whole, but not in part, at their Principal Amount Outstanding, subject to Condition 9(b), on any Quarterly Payment Date at their Principal Amount Outstanding, if, immediately prior to giving such notice, the Issuer has satisfied the Security Trustee that:

- (a) the Issuer is or will be obliged to make any withholding or deduction for, or on account of, any taxes, duties, or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any charge in, or amendment to, the application of the laws for regulations of the Netherlands (including any guidelines issued by the tax authorities) or any other jurisdiction or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the relevant Issue Date and such obligation cannot be avoided by the Issuer acting reasonable measures available to it; and
- (b) the Issuer will have sufficient funds available on the Quarterly Calculation Date immediately preceding such Quarterly Payment Date to discharge all amounts of principal and interest due in respect of the Notes and any amounts required to be paid in priority or *pari passu* with each Class of Notes in accordance with the Trust Deed.

The Issuer shall notify the exercise of such option by giving not more than 60 nor less than 30 days notice to the Noteholders and the Security Trustee prior to the relevant Quarterly Payment Date.

No Class of Notes may be redeemed under such circumstances unless all Classes of Notes of such Compartment (or such of them as are then outstanding) are also redeemed in full at the same time.

(g) *Purchases*

The Issuer may at any time purchase Notes at any price in the open market or otherwise. Such Notes may, at the option of the Issuer be held, re-issued or resold at their Principal Amount Outstanding together with accrued interest thereon up to and including the date of redemption subject to and in accordance with the Conditions.

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 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 Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes shall be payable in accordance with the provisions of Conditions 4 and 6, subject to the terms of this Condition.

In the event that on any relevant 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 on the next Quarterly Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Quarterly Payment Date to the holders of the Mezzanine Class B Notes. In the event of a shortfall, the Issuer shall credit the Mezzanine Class B Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on the Mezzanine Class B Notes, on any relevant Quarterly Payment Date, in accordance with this Condition falls short of the aggregate amount of interest payable on the Mezzanine Class B Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Mezzanine Class B Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Mezzanine Class B Note on the next succeeding Quarterly Payment Date.

In the event that on any relevant 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 C Notes on the next Quarterly Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Quarterly Payment Date to the holders of the Mezzanine Class C Notes. In the event of a shortfall, the Issuer shall credit the Mezzanine Class C Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on the Mezzanine Class C Notes, on any relevant Quarterly Payment Date, in accordance with this Condition falls short of the aggregate amount of interest payable on the Mezzanine Class C Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Mezzanine Class C Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Mezzanine Class C Note on the next succeeding Quarterly Payment Date.

In the event that on any relevant 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 D Notes on the next Quarterly Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Quarterly Payment Date to the holders of the Mezzanine Class D Notes. In the event of a shortfall, the Issuer shall credit the Mezzanine Class D Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on the Mezzanine Class D Notes, on any relevant Quarterly Payment Date, in accordance with this Condition falls short of the aggregate amount of interest payable on the Mezzanine Class D Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Mezzanine Class D Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Mezzanine Class D Note on the next succeeding Quarterly Payment Date.

In the event that on any relevant Quarterly Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Junior Class E Notes on the next Quarterly Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Quarterly Payment Date to the holders of the Junior Class E Notes. In the event of a shortfall, the Issuer shall credit the Junior Class E Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on the Junior Class E Notes, on any relevant Quarterly Payment Date, in

accordance with this Condition falls short of the aggregate amount of interest payable on the Junior Class E Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Junior Class E Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Junior Class E Note on the next succeeding Quarterly Payment Date.

In the event that on any relevant Quarterly Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Subordinated Class F Notes on the next Quarterly Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Quarterly Payment Date to the holders of the Subordinated Class F Notes. In the event of a shortfall, the Issuer shall credit the Subordinated Class F Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on the Subordinated Class F Notes, on any relevant Quarterly Payment Date, in accordance with this Condition falls short of the aggregate amount of interest payable on the Subordinated Class F Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Subordinated Class F Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Subordinated Class F Note on the next succeeding Quarterly Payment Date.

(b) *Principal*

Until the date on which the Principal Amount Outstanding of the Senior Class A Notes is reduced to zero, the Mezzanine Class B Noteholders will not be entitled to any repayment of principal in respect of the Mezzanine Class B Notes. If, on any Quarterly Payment Date, there is a balance on the Class B Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Mezzanine Class B Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less the Mezzanine Class B Shortfall on such Quarterly Payment Date. The **'Mezzanine Class B Principal Shortfall'** shall mean an amount equal to the quotient of the balance on the Class B Principal Deficiency Ledger divided by the number of Mezzanine Class B Notes outstanding on such Quarterly Payment Date. The Mezzanine Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Mezzanine Class B Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there are no balances standing to the credit of the Transaction Accounts of the relevant Compartment and the Issuer has no further rights under or in connection with any of the Relevant Documents.

Until the date on which the Principal Amount Outstanding of the Senior Class A Notes and the Mezzanine Class B Notes is reduced to zero, the Mezzanine Class C Noteholders will not be entitled to any repayment of principal in respect of the Mezzanine Class C Notes. If, on any Quarterly Payment Date, there is a balance on the Class C Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Mezzanine Class C Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less the amount of the balance on the Class C Principal Deficiency Ledger on such Quarterly Payment Date, divided by the number of Mezzanine Class C Notes then outstanding. The **'Mezzanine Class C Principal Shortfall'** shall mean an amount equal to the quotient of the balance on the Class C Principal Deficiency Ledger, divided by the number of Mezzanine Class C Notes outstanding on such Quarterly Payment Date. The Mezzanine Class C Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Mezzanine Class C Notes after the date on which the Issuer no longer holds any Mortgage Receivables of the related Pool and there are no balances standing to the credit of the Transaction Accounts of the relevant Compartment and the Issuer has no further rights under or in connection with any of the Relevant Documents.

Until the date on which the Principal Amount Outstanding of the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes is reduced to zero, the Mezzanine Class D Noteholders will not be

entitled to any repayment of principal in respect of the Mezzanine Class D Notes. If, on any Quarterly Payment Date, there is a balance on the Class D Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Mezzanine Class D Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less the amount of the balance on the Class D Principal Deficiency Ledger on such Quarterly Payment Date, divided by the number of Mezzanine Class D Notes then outstanding. The **'Mezzanine Class D Principal Shortfall'** shall mean an amount equal to the quotient of the balance on the Class D Principal Deficiency Ledger, divided by the number of Mezzanine Class D Notes outstanding on such Quarterly Payment Date. The Mezzanine Class D Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Mezzanine Class D Notes after 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 Transaction Accounts of the relevant Compartment and the Issuer has no further rights under or in connection with any of the Relevant Documents.

Until the date on which the Principal Amount Outstanding of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Mezzanine Class D Notes is reduced to zero, the Junior Class E Noteholders will not be entitled to any repayment of principal in respect of the Junior Class E Notes. If, on any Quarterly Payment Date, there is a balance on the Class E Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Junior Class E Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less the amount of the balance on the Class E Principal Deficiency Ledger on such Quarterly Payment Date, divided by the number of Junior Class E Notes then outstanding. The **'Junior Class E Principal Shortfall'** shall mean an amount equal to the quotient of the balance on the Class E Principal Deficiency Ledger, divided by the number of Junior Class E Notes outstanding on such Quarterly Payment Date. The Junior Class E Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Junior Class E Notes after 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 Transaction Accounts of the relevant Compartment and the Issuer has no further rights under or in connection with any of the Relevant Documents.

Until the date on which the Principal Amount Outstanding of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes is reduced to zero, the Subordinated Class F Noteholders will not be entitled to any repayment of principal in respect of the Subordinated Class F Notes. If, on any Quarterly Payment Date, there is a balance on the Class F Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Subordinated Class F Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less the amount of the balance on the Class F Principal Deficiency Ledger on such Quarterly Payment Date, divided by the number of Subordinated Class F Notes then outstanding. The **'Subordinated Class F Principal Shortfall'** shall mean an amount equal to the quotient of the balance on the Class F Principal Deficiency Ledger, divided by the number of Subordinated Class F Notes outstanding on such Quarterly Payment Date. The Subordinated Class F Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Subordinated Class F Notes after 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 Transaction Accounts of the relevant Compartment and the Issuer has no further rights under or in connection with any of the Relevant Documents.

(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; 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 liquidation 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 highest ranking 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 highest ranking Class of Notes outstanding, the Security Trustee shall not be required to have regard to the interests of the Noteholders of a lower ranking Class of Notes.

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 highest ranking 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 and the Security Trustee 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 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 4 and of the Issuer in Condition 6, all notices to the Noteholders will only be valid if published in at least one daily newspaper of wide circulation in the Netherlands, 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 Notes are listed on Euronext Amsterdam N.V. by NYSE Euronext, in the English language in the Euronext Official Daily List ("*Officiële Prijscourant*") of Euronext Amsterdam N.V.. 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 Mezzanine Class C Noteholders, the Mezzanine Class D Noteholders, the Junior Class E Noteholders and the Subordinated Class F 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 or any provisions of the Relevant Documents. Instead of at a general meeting, a resolution of the Noteholders of the relevant Class may be passed in writing - including by facsimile or email, or in the form of a message transmitted by any accepted means of communication and received or capable of being produced in writing - provided that all Noteholders with the right to vote have voted in favour.

(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 (a) such a Basic Terms Change is being proposed by the Issuer as a result of, or in order to avoid an Event of Default and (b) the Security Trustee has notified the Rating Agencies and the Security Trustee, in its reasonable opinion, does not expect that the then current ratings of the Notes assigned by Moody's will be adversely affected and, in respect of NHG Compartments, Fitch has confirmed that no downgrading of the then current ratings of the Notes of the relevant Compartment will occur as a result of such Basic Terms Change, then 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 two-thirds 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 not less than a two-third majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including the sanctioning of a Basic Terms Change shall be at least 75 per cent. of the amount of the Principal Amount Outstanding of the Notes of

the relevant Class and the majority required shall be 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 a two-thirds majority of the validly cast votes, except that for an Extraordinary Resolution including a sanctioning of a Basic Terms Change the majority required shall be 75 per cent. of the validly cast votes, regardless of the Principal Amount Outstanding of the Notes of the relevant Class then represented.

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 Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes or the Subordinated Class F 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 Mezzanine Class C Noteholders and/or the Mezzanine Class D Noteholders and/or the Junior Class E Noteholders and/or the Subordinated Class F 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 Mezzanine Class C Noteholders and/or, as the case may be, the Mezzanine Class D Noteholders and/or, as the case may be, the Junior Class E Noteholders or it is sanctioned by an Extraordinary Resolution of the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders, the Mezzanine Class D Noteholders or the Junior Class E 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 Mezzanine Class C Noteholders, the Mezzanine Class D Noteholders, the Junior Class E Noteholders and the Subordinated Class F Noteholders, irrespective of the effect on their interests.

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).

(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 Creditors 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 and (b) (i) the Security Trustee has notified the Rating Agencies and (ii) the Security Trustee, in its reasonable opinion, does not expect that the then current ratings of the Notes assigned by Moody's will be adversely affected and, in respect of NHG Compartments, Fitch has confirmed that no downgrading of the then current ratings of the Notes of the relevant Compartment will occur as a result of such modification, authorisation or waiver. For the avoidance of doubt, any such confirmation from Fitch 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 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 Mezzanine Class C Noteholders of each Compartment and the Mezzanine Class D Noteholders of each Compartment and the Junior Class E Noteholders of each Compartment and the Subordinated Class F 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.

- (f) 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 of the relevant Compartment will be applied by the Issuer to pay the Initial Purchase Price for the related Pool.

MORTGAGE RECEIVABLES PURCHASE AGREEMENT

Under the Mortgage Receivables Purchase Agreement the relevant Seller, or, as the case may be, the relevant Sellers may offer from time to time Pools of Mortgage Receivables, and, to the extent legally possible, the Beneficiary Rights relating thereto, to the Issuer and the Issuer shall accept such offer. The Issuer and the relevant Seller, or, as the case may be, each of the relevant Sellers shall sign a deed of sale, assignment and pledge (each 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 Borrowers 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 Mortgage Receivables of a Pool as of the relevant Portfolio Cut-Off Date.

Purchase Price

The purchase price for the Mortgage Receivables of each Pool shall consist of an initial purchase price (each an **'Initial Purchase Price'**), which shall be payable on the relevant Issue Date or, in respect of Further Advance Receivables or Substitute Mortgage Receivables of the relevant Pool, on the relevant Quarterly Payment Date and the sum of all relevant deferred purchase price instalments (in respect of each Pool each a **'Deferred Purchase Price Instalment'**). The relevant Initial Purchase Price, as specified in the applicable Final Terms, is equal to the aggregate Outstanding Principal Amount in respect of the Mortgage Receivables of the relevant Pool on the Portfolio Cut-Off Date of the relevant Pool and, in respect of any Further Advance Receivables or Substitute Mortgage Receivables on the first day of the month wherein the relevant Quarterly Payment Date falls. The **'Outstanding Principal Amount'** means, at any moment in time, the principal balance ("*hoofdsom*") in respect of a Mortgage Receivable resulting from a Mortgage Loan at such time and after the occurrence of a Realised Loss in respect of such Mortgage Receivable, zero. A part of the relevant Initial Purchase Price equal to the aggregate Construction Amounts of the relevant Pool as indicated in the Final Terms will be withheld by the Issuer and will be credited to the Construction Ledger.

The relevant Deferred Purchase Price shall be equal to the sum of all relevant Deferred Purchase Price Instalments and each relevant Deferred Purchase Price Instalment on any relevant Quarterly Payment Date will be equal to (A) prior to delivery of an Enforcement Notice in respect of the relevant Compartment, the positive difference, if any, between the relevant Notes Interest Available Amount as calculated on each Quarterly Calculation Date and the sum of all amounts payable by the Issuer as set forth in the relevant Interest Priority of Payments under (a) up to and including (p) or, as the case may be, (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 (n) (see *Credit Structure* above) on such date have been made.

Common Representations and warranties

Each relevant Seller will represent and warrant on the relevant Issue Date with respect to the Mortgage Receivables that it will sell and assign on such date (the **'Relevant Mortgage Receivables'**) and the Mortgage Loans to which such Mortgage Receivables relate (the **'Relevant Mortgage Loans'**), that, *inter alia*:

- (a) each of the Relevant Mortgage Receivables is duly and validly existing and is not subject to annulment or dissolution as a result of circumstances which have occurred prior to or on the Closing Date;
- (b) it has full right and title ("*titel*") to the Relevant Mortgage Receivables and no restrictions on the sale and assignment of the Relevant Mortgage Receivables are in effect and the Relevant Mortgage Receivables are capable of being assigned;

- (c) it has power ("*beschikkingsbevoegd*") to sell and assign the Relevant Mortgage Receivables;
- (d) the Relevant Mortgage Receivables are free and clear of any encumbrances and attachments ("*beslagen*") and no rights to acquire have been in favour of any third party with regard to the Relevant Mortgage Receivables;
- (e) each Relevant Mortgage Receivable is secured by a Mortgage on a Mortgaged Asset in the Netherlands and is governed by Netherlands law;
- (f) each Mortgaged Asset concerned was valued when application for a Mortgage Loan was made in accordance with the valuation procedures prevailing at the time of origination of the relevant Mortgage Loan;
- (g) each Relevant Mortgage Receivable and the Mortgage and the Borrower Pledge, if any, securing such receivable constitutes legal, valid, binding and enforceable obligations of the relevant Borrower;
- (h) the records maintained by or on behalf of the relevant Seller in respect of the Relevant Mortgage Loans are true and accurate in all material respects and contain all information and documentation that may be necessary or relevant in connection with the exercise by the Issuer of its rights and powers under the Relevant Mortgage Loans, the Relevant Mortgage Receivables and the security granted in connection therewith;
- (i) all Mortgages and Borrower Pledges granted to secure the Relevant Mortgage Receivables (i) constitute valid mortgage rights ("*hypotheekrechten*") and rights of pledge ("*pandrechten*"), respectively, on the Mortgaged Assets and the assets which are the subject of the Borrower Pledges respectively and, to the extent relating to the mortgage rights, entered into the appropriate public register, (ii) were vested for a principal sum which is at least equal to the principal sum of the Relevant Mortgage Loan when originated, increased with interest and costs, together up to an amount equal to 140 per cent. of the Outstanding Principal Amount in respect of the Relevant Mortgage Receivables;
- (j) each of the Relevant Mortgage Loans has been granted, and each of the Mortgages and Borrower Pledges has been vested, subject to the general loan and mortgage conditions ("*algemene voorwaarden en bepalingen woninghypotheek*"), and in the forms of the mortgage deeds ("*woninghypotheekakten*"), of which the most recent conditions and deed are attached to the Mortgage Receivables Purchase Agreement as respectively Schedule 4A and 4B or any additional applicable conditions from time to time;
- (k) the particulars of each Relevant Mortgage Receivable, as set forth in the list attached to the Deed of Sale, Assignment and Pledge to be signed at the relevant Issue Date are correct and complete in all material respects;
- (l) each of the Relevant Mortgage Loans and Relevant Mortgage Receivables meets the Relevant Eligibility Criteria;
- (m) each of the Relevant Mortgage Loans has been granted in accordance with all applicable legal requirements, the Code of Conduct on Mortgage Loans (as amended from time to time) ("*Gedragcode Hypothecaire Financieringen*") and met in all material respects the relevant Seller's standard underwriting criteria and procedures prevailing at that time and these underwriting criteria and procedures are in the form as may be expected from a reasonable lender of Netherlands residential mortgages; the current criteria and procedures of the relevant Seller are set forth in the relevant Mortgage Manual;
- (n) the relevant Seller has not been notified and is not aware of anything affecting such Seller's title to the Relevant Mortgage Receivables;
- (o) in the case of each of the Relevant Mortgage Receivables that has the benefit of an Insurance Policy, either (i) the relevant Seller has been validly appointed as beneficiary ("*begunstigde*") under such Insurance Policy, upon the terms of the Relevant Mortgage Loans and the relevant Insurance Policies, which has been notified to the Insurance Company or (ii) the relevant Insurance Company is irrevocable authorised to apply the insurance proceeds in satisfaction of the Relevant Mortgage Receivables;
- (p) the notarial mortgage deeds ("*minuut*") relating to the Mortgages are kept by a civil law notary in the Netherlands, while the loan files, which may include authentic copies of the notarial mortgage deeds, are kept by or on behalf of the relevant Seller;
- (q) to the best knowledge of the relevant Seller, the relevant Borrowers are not in any material breach of any provision of their Relevant Mortgage Loans;
- (r) each receivable under a mortgage loan ("*hypothecaire lening*") which is secured by the same Mortgage, or if applicable, the same and lower ranking Mortgages, on the same Mortgaged Asset is sold and assigned to the Issuer in the same Pool of Mortgage Loans;
- (s) each Mortgage Loan constitutes the entire loan granted to the relevant Borrower and not merely one or more loan parts ("*leningdelen*");

- (t) the mortgage conditions provide that all payments by the Borrower should be made without any deduction or set-off;
- (u) all Relevant Mortgage Receivables secured by a mortgage right on a long lease provide that the principal sum of the Relevant Mortgage Receivable, including interest, will become immediately due and payable if the long lease terminates, if the lease-holder materially breaches or ceases to perform his payment obligation under the long lease ("*canon*") or if the lease-holder in any other manner breaches the conditions of the long lease; and
- (v) with respect to each of the Relevant Hybrid Mortgage Receivables, Relevant Life Mortgage Receivables and the Relevant Savings Mortgage Receivables a Borrower Insurance Pledge has been entered into by the relevant Seller and the relevant Borrower substantially in the form of the document attached as Schedule 4 C to the Mortgage Receivables Purchase Agreement;
- (w) other than the aggregate Construction Amounts, the principal sum was in case of each of the Relevant Mortgage Loans fully disbursed to the relevant Borrower, whether or not through the relevant civil law notary and no amounts are held in deposit with respect to premia and interest payments ("*rente en premiedeposits*");
- (x) the aggregate Construction Amounts did not exceed the amount indicated in the relevant Final Terms on the Portfolio Cut-Off Date;
- (y) the aggregate Outstanding Principal Amount in respect of all Relevant Mortgage Receivables is equal to the amount indicated in the relevant Final Terms on the Portfolio Cut-Off Date;
- (z) in respect of Life Mortgage Loans originated by ABN AMRO, ABN AMRO Hypotheken Groep and Albank (i) the Life Mortgage Loans and the Life Insurance Policies have not been offered as one combined mortgage and life insurance product or under one name, (ii) the Borrowers are free to choose the relevant Life Insurance Company and (iii) the relevant Life Insurance Company is not a group company of the relevant Seller within the meaning of Section 2:24b NCC; and
- (aa) in respect of Investment Mortgage Loans, the securities are purchased by a bankruptcy remote securities giro ("*effectengiro*"), a bank or an investment firm ("*beleggingsonderneming*") for the account of the Borrowers and these securities are held in custody by an admitted institution of Euroclear Netherlands, if these securities qualify as securities as defined in the Dutch Securities Giro Transfer Act ("*Wet giraal effectenverkeer*") or, if they do not qualify as such, by a separate depository vehicle.

Eligibility Criteria

- A. Each of the Mortgage Loans and Mortgage Receivables of each Pool will meet the following criteria on the relevant Issue Date:
 - (a) the Mortgage Loans are either:
 - (i) Hybrid Mortgage Loans ("*hybride hypotheek*");
 - (ii) Interest-only Mortgage Loans ("*aflossingsvrije hypotheek*");
 - (iii) Annuity Mortgage Loans ("*annuïteiten hypotheek*");
 - (iv) Linear Mortgage Loans ("*lineaire hypotheek*");
 - (v) Savings Mortgage Loans ("*spaarp hypotheek*") (only if originated by ABN AMRO);
 - (vi) Investment Mortgage Loans ("*beleggings hypotheek*");
 - (vii) Life Mortgage Loans ("*leven hypotheek*");
 - (viii) PensionExtra Mortgage Loans ("*pensioen extra hypotheek*");
 - (ix) Bank Savings Mortgage Loans ("*bank spaarp hypotheek*");
 - (x) Capital Growth Mortgage Loans ("*kapitaalgroei hypotheek*"); and
 - (xi) combinations of the above mentioned types of Mortgage Loans;
 - (b) the Mortgage Receivables can be easily identified on the relevant purchase date and on any day after the sale and/or assignment of such Mortgage Receivable;
 - (c) the Borrower is a resident of the Netherlands;
 - (d) each Mortgaged Asset is located in the Netherlands, is not the subject of residential letting and is occupied by the relevant Borrower, unless stated otherwise in the Final Terms;
 - (e) the full Outstanding Principal Amount of each Mortgage Loan was in case of each of the Mortgage Loans paid to the relevant Borrower, whether or not through the relevant civil law notary, except for Mortgage Loans with a Construction Amount;
 - (f) interest payments are scheduled to be made monthly, quarterly or semi-annually in arrear and principal payments are scheduled to be made monthly, where applicable;

- (g) the interest rate of each Mortgage Loan is (i) floating or (ii) fixed, subject to an interest reset from time to time;
 - (h) none of the Mortgage Loans is in arrears for more than one payment on the first day of the month in which the relevant Issue Date falls or, in case of a Further Advance Loan or a Substitution Mortgage Loan, the first day of the month in which the relevant Quarterly Payment Date falls;
 - (i) all of the Borrowers have made at least two consecutive monthly interest payments prior to the month in which the relevant Issue Date falls or, in case of a Further Advance Receivable or a Substitution Mortgage Receivable, the first day wherein the relevant Quarterly Payment Date falls;
 - (j) if the Outstanding Principal Amount in respect of a Mortgage Receivable, or all Mortgage Receivables secured on the same Mortgaged Asset, upon origination, exceeds (i) in case of Mortgage Receivables resulting from Mortgage Loans originated prior to 1 January 2007 by ABN AMRO, Albank and MNF Bank 90% of the foreclosure value of the Mortgaged Assets upon origination and (ii) in case of Mortgage Receivables resulting from Mortgage Loans originated after 1 January 2007 by ABN AMRO, Albank and MNF Bank 100% of the foreclosure value of the Mortgaged Assets upon origination, such Mortgage Receivable(s) has/have the benefit of a life insurance risk policy ("*overlijdensrisicoverzekering*"), which policy has been pledged to the relevant Seller and which pledge has been notified to the relevant insurer;
 - (k) each Hybrid Mortgage Receivable, Life Mortgage Receivable and Savings Mortgage Receivable is secured by a pledge of Hybrid Insurance Policy, Life Insurance Policy or the Saving Insurance Policy for at least that part by which it (i) in case of Hybrid Mortgage Receivables, Life Mortgage Receivables and Savings Mortgage Receivables resulting from Mortgage Loans originated by ABN AMRO, Albank and MNF Bank exceeds 100% of the foreclosure value of the relevant Mortgaged Asset and (ii) in case of Hybrid Mortgage Receivables, Life Mortgage Receivables and Savings Mortgage Receivables resulting from Mortgage Loans originated by ABN AMRO Hypotheken Groep, WoonNexxt, CombiVoordeel Hypotheken and Combi-Hypotheken exceeds 90% of the foreclosure value of the relevant Mortgaged Asset;
 - (l) the Borrower is not an employee of the relevant Seller or Sellers or any of its group companies, unless stated otherwise in the relevant Final Terms; and
 - (m) each Mortgage Receivable of the relevant Pool is secured by either of the Mortgage indicated as applicable in the relevant Final Terms as set out below:
 - (i) a first-ranking Mortgage;
 - (ii) in case of Mortgage Receivables secured on the same Mortgaged Assets, first and sequentially lower ranking Mortgage;
 - (iii) in case of Mortgage Receivables secured on the same Mortgaged Assets, first and lower ranking, but not necessarily sequentially lower ranking, Mortgage;
 - (iv) a second-ranking Mortgage;
 - (v) in case of Mortgage Receivables secured on the same Mortgaged Assets, second and sequentially lower ranking Mortgage;
 - (vi) in case of Mortgage Receivables secured on the same Mortgaged Assets, second and lower ranking, but not necessarily sequentially lower ranking, Mortgage.
- B. if stated in the relevant Final Terms and the Deed of Sale, Assignment and Pledge, the following criteria will also apply:
- (1) no Mortgage Receivable will have a legal maturity beyond the date specified in the relevant Final Terms;
 - (2) 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 a maximum LTV percentage set out in the relevant Final Terms (the '**Maximum LTV Percentage**') upon origination of the Mortgage Loan or Mortgage Loans, as the case may be;
 - (3) 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 Final Terms (the '**Maximum Outstanding Principal Amount** ');
 - (4) each Mortgage Loan has the benefit of an NHG Guarantee which NHG Guarantee (i) has been granted for the full Outstanding Principal Amount in respect of the relevant Mortgage Loan or a loan part at origination (ii) constitutes legal, valid and binding obligations of Stichting Waarborgfonds Eigen Woningen, enforceable in accordance with its 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 made in accordance with the requirements pertaining thereto under any NHG Guarantee in respect of any Mortgage Loan should not be met in full and in a timely manner; and

- (5) each Mortgage Loan has the benefit of a Municipality Guarantee which Municipality Guarantee (i) is granted for the full Outstanding Principal Amount in respect of the Relevant Mortgage Receivable, (ii) constitutes legal, valid and binding obligations of the relevant municipality, enforceable in accordance with their terms, (iii) all conditions set forth in any laws, rules or regulations applicable to the Municipality Guarantee have been fulfilled and (iv) the relevant Seller is not aware of any reason why any claim under any Municipality Guarantee in respect of any Relevant Mortgage Receivable should not be met in full and in a timely manner.

C. Additional criteria as set forth in the relevant Final Terms and Deed of Sale, Assignment and Pledge.

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

The same Relevant Eligibility Criteria apply to the Further Advance Receivables and Substitute Mortgage Receivables.

Repurchase

The relevant Seller shall be obliged to repurchase and accept re-assignment of a Mortgage Receivable:

- (a) if at any time after the Issue Date of any Pool any of the representations and warranties relating to the Relevant Mortgage Loans and the Relevant Mortgage Receivables proves to have been untrue or incorrect, and the relevant Seller has not within fourteen (14) days of receipt of written notice thereof from the Issuer or the Security Trustee remedied the matter, on the Mortgage Payment Date immediately following the expiration of the relevant remedy period without being remedied, or if such Mortgage Payment Date falls within fourteen (14) days of such relevant remedy period, on the second Mortgage Payment Date immediately following the expiration of the relevant remedy period without being remedied;
- (b) if the relevant Seller agrees with a Borrower to amend the terms of the Relevant Mortgage Loan as a result of which the Relevant Mortgage Loan no longer meets the Relevant Eligibility Criteria (as set out above) and the representations and warranties of the Mortgage Receivables Purchase Agreement (as set out above), on (i) the immediately following Mortgage Payment Date or (ii) if such Mortgage Payment Date referred to under (i) falls within fourteen (14) days of such date, the second Mortgage Payment Date following such date, provided that if such amendment is made as part of the enforcement procedures to be complied with upon a default by the Borrower under the Relevant Mortgage Loan or is otherwise made as part of a restructuring of renegotiation of the Relevant Mortgage Loan due to a deterioration of the credit quality of the Borrower of such Mortgage Loan the relevant Seller shall not repurchase the Relevant Mortgage Receivable;
- (c) if the relevant Seller agrees with a Borrower to grant a Further Advance under a Mortgage Loan and the relevant Further Advance Receivable is not purchased by the Issuer, on (i) the immediately following Mortgage Payment Date or (ii) if such Mortgage Payment Date referred to under (i) falls within fourteen (14) days of such date, the second Mortgage Payment Date following such date;
- (d) if (i) a NHG Mortgage Loan no longer has the benefit of a NHG Guarantee or (ii) a Municipality Guarantee Mortgage Loan no longer has the benefit of a Municipality Guarantee, as a result of an action taken or omitted to be taken by the relevant Seller, the MPT Provider or the Defaulted Loan Servicer on the Mortgage Payment Date immediately following the date on which the Relevant Mortgage Loan ceases to have the benefit of the NHG Guarantee or Municipality Guarantee, on (i) the immediately following Mortgage Payment Date or (ii) if such Mortgage Payment Date referred to under (i) falls within fourteen (14) days of such date, the second Mortgage Payment Date following such date.

The purchase price in case of a repurchase of Relevant Mortgage Receivables by the relevant Sellers in any of the events described above, will be equal to the Outstanding Principal Amount in respect of the Relevant Mortgage Receivable together with accrued due but unpaid interest up to the date of the purchase and assignment of the Relevant Mortgage Receivable and reasonable costs relating thereto (including any costs incurred by the Issuer in effecting and completing such purchase and assignment).

Clean-Up Call Option

On each Quarterly Payment Date each of the Sellers has the right to exercise the option (but not the obligation) to repurchase the Relevant Mortgage Receivables of a Pool if on the Quarterly Calculation Date immediately preceding such Quarterly Payment Date the aggregate Outstanding Principal Amount in respect of the Relevant Mortgage Receivables of such Pool is not more than 10 per cent. of the sum of the aggregate Outstanding Principal Amount in respect of the Relevant Mortgage Receivables of the corresponding Compartment on the relevant Issue Date (the 'Clean-Up Call Option').

The Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Relevant Mortgage Receivables to the relevant Seller, or any third party appointed by the relevant Seller or Sellers in its sole discretion in case of the exercise of the Clean-Up Call Option.

Notification Events

If:

- (a) a default is made by any Seller 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 Issue Document to which it is a party to the extent relating to the relevant Pool and such failure is not remedied within two (2) business days after notice thereof has been given by the Issuer or the Security Trustee to the relevant Seller or Sellers; or
- (b) any Seller fails duly to perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any other Relevant Issue Document to which it is a party to the extent relating to the relevant Compartment and Pool and if such failure capable of being remedied, such failure, is not remedied within two (2) 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 Sellers; or
- (c) any representation, warranty or statement made or deemed to be made by any Seller in the Mortgage Receivables Purchase Agreement, other than the representations and warranties made in respect of the Relevant Mortgage Loans and Relevant Mortgage Receivables (which the relevant Seller consequently repurchases), or under any of the other Relevant Issue Documents to which it is a party or if any notice or other document, certificate or statement delivered by it pursuant hereto proves to have been, and continues to be after the expiration of any applicable grace period provided for in any Relevant Issue Document, all to the extent relating to the relevant Pool, untrue or incorrect in any material respect; or
- (d) at any time it becomes unlawful for any Seller to perform all or a material part of its obligations hereunder or under any Relevant Issue Document to which it is a party, all to the extent relating to the relevant Pool; or
- (e) any Seller, has given materially incorrect information or not given material information which was essential for the Issuer and the Security Trustee in connection with the entering into this Agreement and/or any of the Relevant Issue Documents, all to the extent relating to the relevant Pool;
- (f) ABN AMRO 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*") involving ABN AMRO or any of its assets are placed under administration ("*onder bewind gesteld*"); or
- (g) ABN AMRO 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 emergency regulations ("*noodregeling*") as referred to in Chapter 3 of the Act on Financial Supervision ("*Wet op het financieel toezicht*") 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
- (h) the credit rating of ABN AMRO's long-term unsecured, unsubordinated and unguaranteed debt obligations by Moody's falls below Baa1 or, in respect of a NHG Compartment, by Fitch falls below BBB+ or any such rating is withdrawn;
- (i) any action is taken or an event occurs as a result of which ABN AMRO Holding N.V. is no longer liable pursuant to article 2:403 of the Dutch Civil Code for any claims against any of the relevant Seller(s) resulting from legal acts undertaken by the relevant Seller(s) and (i) the rating of the long-term unsecured, unsubordinated and unguaranteed debt obligations of the relevant Seller(s) or, as the case may be, of the legal entity which has issued a 403 declaration in respect of such relevant Seller(s), by Moody's falls below Baa1 or, in respect of a NHG Compartment, by Fitch is set or falls below BBB+ or (ii) the long-term unsecured, unsubordinated and

unguaranteed debt obligations of the relevant Seller(s) or, as the case may be, of the legal entity which has issued a 403 declaration in respect of such relevant Seller(s), have not been assigned a rating by Moody's or, in respect of a NHG Compartment, by Fitch,

(each a "**Notification Event**"), then, unless an appropriate remedy is found within a period of ten (10) business days to the satisfaction of the Security Trustee and the Rating Agencies, except in the occurrence of the events mentioned under (f), (g) and (h) where no remedy possibility applies, the relevant Seller or Sellers shall (i) in the case of the events mentioned under (a), (b), (c), (d) and (e) forthwith notify the Borrowers of the relevant Pool, and any other relevant parties indicated by the Issuer and/or the Security Trustee of the assignment of the Mortgage Receivables of such Pool or, at its option, the Issuer shall be entitled to make such notifications itself, (ii) in the case of the events mentioned under (f), (g) and (h) forthwith notify the Borrowers of all Pools and any other relevant parties indicated by the Issuer and/or the Security Trustee of the assignment of the Mortgage Receivables of all Pools or, at its option, the Issuer shall be entitled to make such notifications itself, or (iii) in the case of an event mentioned under (i), in respect of all Pools forthwith notify the Borrowers under the Mortgage Loans originated by the relevant Seller(s) and any other relevant parties indicated by the Issuer and/or the Security Trustee of the assignment of the relevant Mortgage Receivables or, at its option, the Issuer shall be entitled to make such notifications itself,

In addition, in the Mortgage Receivables Purchase Agreement each of the Sellers shall notify the relevant Insurance Companies of the assignment of the relevant Beneficiary Rights and shall undertake to use its best efforts upon the occurrence of a relevant Notification Event to obtain the co-operation from the relevant Insurance Companies and all other parties (a) (i) to waive its rights as first beneficiary under the relevant Insurance Policies (to the extent such rights have not been waived), (ii) to appoint as first beneficiary under the relevant Insurance Policies (to the extent such appointment is not already effective) (x) the Issuer subject to the dissolving condition of the occurrence of a relevant Trustee Receivables Notification Event and (y) the Security Trustee under the condition precedent of the occurrence of a Trustee Receivables Notification Event and (b) with respect to Insurance Policies whereby the initial appointment of the first beneficiary has remained in force as a result of the instructions of such beneficiary to the Insurance Companies to make any payments under the relevant Insurance Policy to the relevant Seller, to convert the instruction given to the Insurance Companies to pay the insurance proceeds under the relevant Insurance Policy in favour of the relevant Seller towards repayment of the Relevant Mortgage Receivables into such instruction in favour of (x) the Issuer under the dissolving condition of the occurrence of a relevant Trustee Receivables Notification Event and (y) the Security Trustee under the condition precedent of the occurrence of a relevant Trustee Receivables Notification Event.

Further Advance Receivables

The Mortgage Receivables Purchase Agreement provides that on each Quarterly Payment Date in respect of each Pool, the Issuer will, provided that no Enforcement Notice has been served in accordance with Condition 10, use the relevant Principal Available Amount to purchase Further Advance Receivables from the relevant Seller, if and to the extent offered by such Seller. The purchase price payable by the Issuer as consideration for any Further Advance Receivables shall be equal to the aggregate Outstanding Principal Amount in respect of such Further Advance Receivables on the first day of the month wherein such Quarterly Payment Date falls, plus a portion of the Deferred Purchase Price attributable to such Further Advance Receivables.

The purchase by the Issuer of Further Advance Receivables 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 the Further Advance Receivables (the '**Further Advance Criteria**'), unless otherwise indicated in the relevant Final Terms:

- (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 Mortgage Loans, the Mortgage Receivables and the relevant Seller in the Mortgage Receivables Purchase Agreement with respect to the Further Advance Receivables sold;
- (b) no Notification Event relating to the relevant Compartment and Pool has occurred and is continuing;
- (c) there has been no failure by any 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) there is no debit balance on the Principal Deficiency Ledger of the relevant Compartment;
- (f) no drawing is made from the Reserve Account of the relevant Compartment and Pool on such Quarterly Payment Date, or if the relevant Reserve Account Target Level has been reached at any time prior to such Quarterly Payment Date, the Reserve Account is at the Reserve Account Target Level;
- (g) the weighted average of the LTV-ratio of all Mortgage Loans of a Pool, including the Further Advance Loans, does not exceed the maximum LTV-ratio set out in the relevant Final Terms (the '**Maximum LTV-ratio**') of the aggregate Outstanding Principal Amount in respect of all Mortgage Receivables of such Pool. The Issuer and each relevant Seller may agree to a higher LTV-ratio, provided that the Security Trustee, in its reasonable opinion, does not expect that the then current ratings of the Notes assigned by Moody's will be adversely affected and, in respect of NHG Compartments, Fitch has confirmed that no downgrading of the then current ratings of the Notes of the relevant Compartment will occur as a result thereof;
- (h) the cumulative Realised Losses on the Mortgage Receivables of the relevant Pool do not exceed the cumulative realised losses percentage set out in the relevant Final Terms (the '**Cumulative Realised Losses Percentage**') of the aggregate Outstanding Principal Amount in respect of all Mortgage Receivables of such Pool on the relevant Issue Date;
- (i) not more than the arrears percentage set out in the relevant Final Terms (the '**Arrears Percentage**') of the aggregate Outstanding Principal Amount of the relevant Pool is in arrears for a period exceeding 60 days;
- (j) the then current ratings of the Notes of the relevant Compartment will not adversely be affected as a result of such purchase; and
- (k) if applicable, any other Further Advance Criteria set out in the relevant Final Terms

Substitution

The Mortgage Receivables Purchase Agreement provides that on each Quarterly Payment Date in respect of each Pool, up to and including the Quarterly Payment Date immediately preceding the first Optional Redemption Date of the Compartment relating to such Pool, the Issuer will, provided that no Enforcement Notice has been served in accordance with Condition 10, use the relevant Principal Available Amount less, in respect of each Principal Available Amount, item (xiii) thereof (the '**Substitution Principal Available Amount**') to purchase Substitute Mortgage Receivables for such Pool from the relevant Seller or Sellers (which is a Seller or are Sellers in respect of such Pool), if and to the extent offered by such Seller or Sellers. The Issuer shall notify the Security Trustee prior to or on the relevant Quarterly Payment Date of which Pool such Substitute Mortgage Receivable will form part. The purchase price payable by the Issuer as consideration for any Substitute Mortgage Receivables shall be equal to the aggregate Outstanding Principal Amount in respect of such Substitute Mortgage Receivables on the first day of the month wherein such Quarterly Payment Date falls, plus a portion of the Deferred Purchase Price attributable to such Substitute Mortgage Receivables of such Pool.

The purchase by the Issuer of Substitute Mortgage Receivables 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 the Substitute Mortgage Receivables (the '**Substitution Criteria**'), unless otherwise indicated in the relevant Final Terms:

- (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 Mortgage Loans, the Mortgage Receivables and the relevant Seller in the Mortgage Receivables Purchase Agreement with respect to the Substitute Mortgage Receivables sold;
- (b) no Notification Event relating to the relevant Compartment and Pool has occurred and is continuing;
- (c) there has been no failure by any 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 Substitution Principal Available Amount of the relevant Pool is sufficient to pay the initial purchase price for the relevant Substitute Mortgage Receivables;
- (e) there is no debit balance on the Principal Deficiency Ledger of the relevant Compartment;

- (f) no drawing is made from the Reserve Account of the relevant Compartment and Pool on such Quarterly Payment Date, or if the relevant Reserve Account Target Level has been reached at any time prior to such Quarterly Payment Date, the Reserve Account is at the Reserve Account Target Level;
- (g) the aggregate Outstanding Principal Amount of all Interest-only Mortgage Loans, including the Substitute (Interest-only) Mortgage Loans, of the relevant Pool on such date does not exceed the aggregate Outstanding Principal Amount of all Interest-only Mortgage Loans of such Pool on the relevant Issue Date;
- (h) the aggregate Outstanding Principal Amount of all Savings Mortgage Loans, including the Substitute (Savings) Mortgage Loans, of the relevant Pool on such date does not exceed the aggregate Outstanding Principal Amount of all Savings Mortgage Loans of such Pool on the relevant Issue Date;
- (i) the weighted average of the LTV-ratio of all Mortgage Loans of a Pool, including the Substitute Mortgage Loans, does not exceed Maximum LTV-ratio of the aggregate Outstanding Principal Amount in respect of all Mortgage Receivables of such Pool. The Issuer and each relevant Seller may agree to a higher LTV-ratio, provided that the Security Trustee, in its reasonable opinion, does not expect that the then current ratings of the Notes assigned by Moody's will be adversely affected and, in respect of NHG Compartments, Fitch has confirmed that no downgrading of the then current ratings of the Notes of the relevant Compartment will occur as a result thereof;
- (j) the cumulative Realised Losses on the Mortgage Receivables of the relevant Pool do not exceed the Cumulative Realised Losses Percentage of the aggregate Outstanding Principal Amount in respect of all Mortgage Receivables of such Pool on the relevant Issue Date;
- (k) not more than the relevant Arrears Percentage of the aggregate Outstanding Principal Amount of the relevant Pool is in arrears for a period exceeding 60 days;
- (l) the then current ratings of the Notes of the relevant Compartment will not be adversely affected as a result of such substitution; and
- (m) if applicable, any other Substitution Criteria set out in the relevant Final Terms.

ISSUER SERVICES AGREEMENT

In the Issuer Services Agreement (i) the MPT Provider has agreed to provide mortgage payment transactions and the other services as agreed in the Issuer Services Agreement in relation to the Relevant Mortgage Loans on a day-to-day basis, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the Relevant Mortgage Loans and (ii) the Defaulted Loan Servicer has agreed to provide the implementation of arrears procedures including, if applicable, the enforcement of mortgages (see further *Mortgage Loan Underwriting and Mortgage Services*) and (iii) the Issuer Administrator has agreed to provide certain administration, calculation and cash management services for 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. The MPT Provider and the Defaulted Loan Servicer will be obliged to service the Relevant Mortgage Loans and the Relevant Mortgage Receivables with the same level of skill, care and diligence as mortgage loans in its own or, as the case may be, the Sellers' portfolios. The MPT Provider and the Defaulted Loan Servicer should have a licence as an intermediary ("*bemiddelaar*") or offeror ("*aanbieder*") of credits under the Act on Financial Supervision ("*Wet op het financieel toezicht*") in order to ensure that the Issuer benefits from the exemption under the Act on Financial Supervision to have a licence under the Act on Financial Supervision itself.

The Issuer Administrator has in the Issuer Services Agreement agreed to provide certain administration and calculation services to the Issuer, including (a) the direction of amounts received by each Seller to the relevant Transaction 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 or under the relevant Liquidity Facility, (c) all payments to be made by the Issuer under the relevant Swap Agreement, (d) all payments to be made by the Issuer under the Notes of the relevant Compartment in accordance with the Conditions, (e) the maintaining of all required ledgers in connection with the above and (f) all calculations to be made in connection with the Notes of the relevant or each Compartment pursuant to the Conditions.

Each of the MPT Provider, the Defaulted Loan Servicer and the Issuer Administrator may subcontract its obligations subject to and in accordance with the Issuer Services Agreement (without the consent of the Issuer and the Security Trustee or the approval of the Rating Agencies or any other party being required). Any such subcontracting will not relieve the MPT Provider, the Defaulted Loan Servicer or the Issuer Administrator from its responsibility to perform its obligations under the Issuer Services Agreement, although in the case of subcontracting, such services will be performed by a sub-agent.

Termination

The appointment of the MPT Provider and/or the Defaulted Loan Servicer and/or the Issuer Administrator under the Issuer Services Agreement may be terminated by the Security Trustee or the Issuer (with the consent of the Security Trustee) in certain circumstances, including (a) a default by the MPT Provider and/or the Defaulted Loan Servicer and/or the Issuer Administrator in the payment on the due date of any payment due and payable by it under the Issuer Services Agreement, (b) a default by the MPT Provider and/or the Defaulted Loan Servicer and/or the Issuer Administrator in the performance or observance of any of its other covenants and obligations under the Issuer Services Agreement, (c) the MPT Provider and/or the Defaulted Loan Servicer and/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 emergency regulations ("*noodregeling*") as referred to in Chapter 3 of the Act on Financial Supervision ("*Wet op het financieel toezicht*") or for any analogous insolvency proceedings under any applicable law or for bankruptcy or for the appointment of a receiver or a similar officer of its or any or all of its assets or (d) the MPT Provider and/or the Defaulted Loan Servicer and/or the Issuer Administrator no longer holds a licence as an intermediary ("*bemiddelaar*") or offeror ("*aanbieder*") of credits under the Act on Financial Supervision ("*Wet op het financieel toezicht*").

After termination of the appointment of the MPT Provider and/or the Defaulted Loan Servicer and/or the Issuer Administrator under the Issuer Services Agreement, the Security Trustee and the Issuer shall use their best efforts to appoint a substitute mpt provider and/or defaulted loan servicer and/or issuer administrator and such substitute mpt

provider and/or defaulted loan servicer 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 defaulted loan servicer and/or issuer administrator shall have the benefit of a fee at a level to be then determined. Any such substitute mpt provider and/or defaulted loan servicer is obliged to (i) have experience of administering mortgage loans and mortgages of residential property in the Netherlands and (ii) hold a licence as an intermediary ("*bemiddelaar*") or offeror ("*aanbieder*") of credits under the Act on Financial Supervision ("*Wet op het financieel toezicht*"). 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 Issuer Services Agreement may be terminated by the MPT Provider and/or the Defaulted Loan Servicer 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 Defaulted Loan Servicer 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 administrator shall be appointed, such appointment to be effective not later than the date of termination of the Issuer Services Agreement and the MPT Provider and/or the Defaulted Loan Servicer and/or the Issuer Administrator shall not be released from its obligations under the Issuer Services Agreement until such substitute mpt provider and/or defaulted loan servicer and/or issuer administrator has entered into such new agreement.

EUROPEAN MORTGAGE SECURITIES VII B.V.

European Mortgage Securities VII B.V. (the '**Issuer**') was incorporated with limited liability under the laws of the Netherlands on 23 September 2005 under number B.V. 1.336.379. 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 34233803.

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 Holding European Mortgage Securities VII.

Stichting Holding European Mortgage Securities VII is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 19 August 2005. The objects of Stichting Holding European Mortgage Securities VII 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 Holding European Mortgage Securities VII is ATC Management B.V.

Statement by managing director of the Issuer

Save for the activities related to its establishment and the securitisation transaction included in this Base Prospectus, since its incorporation there has been no material adverse change in the financial position or prospects of the Issuer and (i) no profits and losses have been made or incurred by the Issuer other than pursuant to the Relevant Documents (ii) it has not declared or paid any dividends nor made any distributions. There are no legal, arbitration or governmental proceedings which may have, or have had, significant effects 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 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, R. Posthumus, R. Rosenboom, R. Langelaar and A.R. van der Veen. 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 ATC Groep 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 the 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 Transaction Documents, the Agreement or the then current ratings assigned to the Notes issued under the Programme and outstanding. In addition, the Directors of the Issuer and the Stichting Holding agree in the relevant management agreement that it will not enter into any agreement in relation to the Issuer other than the Transaction Documents to

which it is a party, without the prior written consent of the Security Trustee, provided that the Security Trustee, in its reasonable opinion, does not expect that the then current ratings of the Notes assigned by Moody's will be adversely affected and, in respect of NHG Compartments, Fitch has confirmed that no downgrading of the then current ratings of the Notes of the relevant Compartment will occur.

The financial year of the Issuer coincides with the calendar year. The second financial period has ended on 31 December 2007. The financial statements of the Issuer over the first financial period (from 23 September 2005 through 31 December 2006) and the second financial period are incorporated by reference (See *Documents Incorporated By Reference*).

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, the MPT Provider and the Defaulted Loan Servicer 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 Agent 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;
- (v) to the Swap Counterparty under the relevant Swap 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.

The parties referred to in item (i) through (vii) together in respect of the relevant Compartment the '**Secured Parties**'. Each Parallel Debt constitutes separate and independent obligations of the Issuer and constitute the Security Trustee's own separate and independent claims ("*eigen en zelfstandige vorderingen*") to receive payment of the relevant Parallel Debt from the Issuer. Upon receipt by the Security Trustee of any amount in payment of the 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 and unconditionally 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. The amounts due to the relevant Secured Parties will, broadly, be equal to amounts recovered ("*verhaald*") by the Security Trustee on the relevant Pool of Mortgage Receivables and other relevant assets pledged to the Security Trustee under the Trustee Receivables Pledge Agreement, the Trustee Assets Pledge Agreement in the relevant Deeds of Sale, Assignment and Pledge and the Deed of Pledge of Assets.

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 under 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 (see further *Risk Factors* above) 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 Substitute Mortgage Receivables and any Beneficiary Rights relating thereto on the relevant Quarterly Payment 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 will not be notified to the Borrowers, except in case certain events relating to the Issuer occur, including the giving of an Enforcement Notice in respect of the relevant Compartment by the Security Trustee (the '**Trustee Receivables Notification Events**'). 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 pledge on the Beneficiary Rights will not be notified to the Insurance Company and will, therefore, also be a 'silent' right of pledge.

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 (excluding any rights in respect of the Transaction Accounts which relate to a specific Compartment), (iv) the Programme Agreement and (v) the Intercreditor Agreement, if any, (to the extent that such rights cannot be attributed to a specific Compartment and Pool). 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 of the relevant Compartment, (iii) the Swap Agreement of the relevant Compartment and (iv) the Intercreditor Agreement, if any, (to the extent relating to a specific Compartment and Pool). These rights of pledge will be notified to the relevant obligors and will, therefore be a "disclosed" right of pledge ("*openbaar pandrecht*")."

Upon the occurrence of a Trustee Notification Event and, consequently, notification to the Borrowers and the Insurance Companies and 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, for the sole purpose of enabling the Issuer to make payments in accordance with the relevant Priority of Payments, pay or procure the payment to the Issuer, whilst for that sole purpose terminating ("*opzeggen*") its right of pledge.

The security rights described above shall 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 Mezzanine Class C Noteholders of such Compartment, the Mezzanine Class D Noteholders of such Compartment, the Junior Class E Noteholders of such Compartment and the Subordinated Class F Noteholders of such Compartment, but, *inter alia*, amounts owing to Noteholders of a lower Class of Notes of such Compartment will rank in priority of payment after amounts owing to the relevant Noteholders of a higher Class of Notes (see *Credit Structure* above).

THE SECURITY TRUSTEE

Stichting Security Trustee European Mortgage Securities VII is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 23 August 2005. 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 parallel debt obligations 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 Security Trustee may, without the consent of the Noteholders and the other Secured Parties, agree to any modification of any of the provisions of the Relevant Documents which is of a formal, minor or technical nature or is made to correct a manifest error. In addition, the Security Trustee may, without the consent of the Noteholders and the other Secured Parties, (a) give its consent as provided for in the Relevant Documents or (b) agree to any other modification (except if prohibited in the Relevant Documents), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Relevant Documents which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, provided that, in respect of the Rated Notes, (i) the Security Trustee has notified the Rating Agencies and (ii) the Security Trustee, in its reasonable opinion, does not expect that the then current ratings of the Notes assigned by Moody's will be adversely affected and, in respect of NHG Compartments, Fitch has confirmed that no downgrading of the then current ratings of the Notes of the relevant Compartment will occur as a result of such consent, modification, authorisation or waiver. (See further *Terms and Conditions of the Notes*).

The sole director of the Security Trustee is ANT Trust & Corporate Services N.V., having its statutory seat and registered office in Amsterdam at Claude Debussylaan 24, 1082 MD in Amsterdam, the Netherlands. The managing directors of ANT Trust & Corporate Services N.V. are Mr. L.J.J.M. Lutz, Mr. A.C.M. Beerepoot and A.G.M. Nagelmaker.

NETHERLANDS TAXATION

The following summary describes the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of the Notes by entities as described in Section 2 and 3 of the Netherlands Corporate income tax act 1969. 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.

6. EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required, since 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg

may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent.. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from 1 July 2005, a number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information of transitorial withholding) 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 arrangements 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.

SUBSCRIPTION AND SALE

ABN AMRO Bank N.V., acting through its London Branch (the '**Dealer**') or, as the case may be, any of the relevant Seller(s) (in such capacity, the '**Notes Purchaser**'), has in the programme agreement dated 27 February 2006 (as amended and/or supplemented and/or restated from time to time, the '**Programme Agreement**') agreed (and each further Dealer appointed under the Programme will agree) with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes, as specified in the relevant Final Terms. Any such agreement will extend to those matters stated under Final Terms and *Terms and Conditions of the Notes* above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealer 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 directive 2003/71/EC (the '**Prospectus Directive**') (each a '**Relevant Member State**'), the Dealer or, as the case may be, the Notes Purchaser, 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.

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

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 ('*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

No action has or will be taken by them which would allow an offering (or a "*sollecitazione all'investimento*") of the Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations; and no application has been filed to obtain an authorisation from the *Commissione Nazionale per le Società e la Borsa* ("**Consob**") for the public offering of the Notes in the Republic of Italy ("*Italy*").

Accordingly, the Notes cannot be offered, sold or delivered in the Republic of Italy nor may any copy of this Prospectus or any other document relating to the Notes be distributed in Italy other than:

- (i) to professional investors (*investitori professionali*) as defined in article 30, second paragraph, of Legislative Decree No. 58 of 24 February 1998 (the "**Consolidated Financial Act**"), which refers to the definition of "*operatori qualificati*" as defined in Article 31, second paragraph, of CONSOB Regulation No. 11522 of 1 July, 1998, as subsequently amended; or
- (ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to article 100 of the Consolidated Financial Act and article 33, first paragraph, of Consob Regulation No. 11971 of 14 May, 1999.

Any offer, sale or delivery of the Notes to professional investors or distribution to the latter 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 financial intermediary enrolled in the special register provided for in Article 107 of the Consolidated Banking Act, to the extent duly authorised to engage in the placement and/or underwriting of financial instruments in the Republic of Italy in accordance with the relevant provisions of the Consolidated Financial Act;
- (b) 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

The Dealer or, as the case may be, the Notes Purchaser, 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.

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.

The Dealer or, as the case may be, the Notes Purchaser, will agree (and each further Dealer appointed under the Programme will agree) that (1) neither it, nor any of its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act) nor any person acting on its or their behalf have engaged or will engage in any directed selling efforts (as such term is defined in Regulation S) with respect to the Notes and that it will comply, and cause its affiliates and each person acting on its behalf to comply, with the offering restriction requirements of Rule 903 of Regulation S, (2) 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 (3) 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 dealer (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 or, as the case may be, the Notes Purchaser, 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

The Dealer or, as the case may be, the Notes Purchaser, 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 or, as the case may be, the Notes Purchaser, shall have any responsibility therefore.

Neither the Issuer nor the Dealer or, as the case may be, the Notes Purchaser, (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, the Dealer or, as the case may be, the Notes Purchaser, 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 and the issue of Notes under the Programme from time to time have been duly authorised by a resolution of the Board of Managing Directors of the Issuer (the '**Board**') dated 22 February 2006 and the increase of the aggregate nominal amount of the Programme from EUR 25,000,000,000 to EUR 35,000,000,000 has been duly authorised by a resolution of the Board dated 26 March 2009. 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 Euronext Amsterdam by NYSE Euronext 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 Euronext Amsterdam, will be delivered to Euronext Amsterdam and filed with the AFM 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. The auditors of the Issuer are Ernst & Young Accountants LLP (registered accountants), who have audited the financial statements of the Issuer over the first financial period starting 23 September 2005 through 31 December 2006 and the second financial period starting 1 January 2007 through 31 December 2007, without qualification, in accordance with Dutch law. The auditors of the Issuer have no material interest in the Issuer.

The financial statements of ABN AMRO Holding for the financial years ended 2005, 2006 and 2007 have been audited by Ernst & Young Accountants LLP, chartered accountants ('register accountants'). Ernst & Young Accountants LLP is located at Antonio Vivaldistraat 150, 1083 HP Amsterdam, The Netherlands. The individual auditors of Ernst & Young Accountants LLP are members of the Royal NIVRA (the '*Nederlands Instituut van registeraccountants*'), the Dutch accountants board. Ernst & Young Accountants LLP have no material interest in ABN AMRO Holding.

In the Annual General Meeting of shareholders on 11 April 2008, Ernst & Young Accountants LLP was dismissed as external auditor of ABN AMRO Holding. Deloitte Accountants B.V. was appointed as new external auditor. The financial statements of ABN AMRO Holding for the financial year ended 2008 have been audited by Deloitte Accountants B.V. The address of Deloitte Accountants B.V. is Orlyplein 10, P.O. Box 58110, 1040 HC Amsterdam, The Netherlands. The "registeraccountants" of Deloitte Accountants B.V. are members of the Royal NIVRA (the '*Nederlands Instituut van registeraccountants*'), the Dutch accountants board. Deloitte Accountants B.V. have no material interest in ABN AMRO Holding.

The reports of the auditors of ABN AMRO Holding and the Issuer are incorporated in the form and context in which they are incorporated, with the consent of the auditors who have authorised the contents of that part of the Base Prospectus and the Registration Document.

4. Copies of the following documents may be inspected at the specified offices of the Security Trustee and the Paying Agent during normal business hours during the life of this Prospectus:
 - (i) the Deed of Incorporation of the Issuer dated 23 September 2005;
 - (ii) the Mortgage Receivables Purchase Agreement;
 - (iii) any Deed of Sale, Assignment and Pledge;
 - (iv) the Agency Agreement;
 - (v) the Trust Deeds;
 - (vi) the Parallel Debt Agreements;
 - (vii) the Trustee Receivables Pledge Agreement;

- (viii) the Trustee Assets Pledge Agreement;
- (ix) any Deed of Pledge of Assets;
- (x) the Issuer Services Agreement;
- (xi) the Floating Rate GIC;
- (xii) the Swap Agreements;
- (xiii) the Liquidity Facility Agreements;
- (xiv) the articles of association of the Security Trustee;
- (xv) the Programme Agreement; and
- (xvi) any future Base Prospectuses, Supplemental Prospectuses, supplementary listing particulars, 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.

5. The audited annual financial statements of the Issuer prepared annually will be made available, free of charge, at the specified offices of the Paying Agent.
6. A free copy of the Prospectus will be available at the offices of the Issuer and the Paying Agent.
7. A free copy of the Issuer's articles of association dated 23 September 2005 will be available at the office of the Issuer.
8. 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.
9. 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.
10. The Issuer does not intend to make available any post-issuance information regarding any issue of Notes under the Programme.

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WoonNexxt

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REGISTERED OFFICES

ISSUER

European Mortgage Securities VII B.V.

Frederik Roeskestraat 123
1076 EE AMSTERDAM

SELLERS

ABN AMRO Bank N.V.

Foppingadreef 22
1102 BS Amsterdam
The Netherlands

ABN AMRO Hypotheken Groep B.V.

Ruimtevaart 24
3824 MX Amersfoort
The Netherlands

Albank B.V.

Barbizonlaan 1
2908 MA Capelle aan den IJssel
The Netherlands

MoneYou B.V.

Ruimtevaart 24
3824 MX Amersfoort
The Netherlands

Combi-Hypotheken B.V.

Ruimtevaart 24
3824 MX Amersfoort
The Netherlands

CombiVoordeel Hypotheken B.V.

Ruimtevaart 24
3824 MX Amersfoort
The Netherlands

WoonNexxt Hypotheken B.V.

Ruimtevaart 24
3824 MX Amersfoort
The Netherlands

MNF Bank N.V.

Barbizonlaan 1
2908 MA Capelle aan den IJssel
The Netherlands

MPT PROVIDER AND DEFAULTED LOAN SERVICER

ABN AMRO Bank N.V.

Foppingadreef 22
1102 BS Amsterdam

ISSUER ADMINISTRATOR

ABN AMRO Bank N.V.

Foppingadreef 22
1102 BS Amsterdam

SECURITY TRUSTEE

Stichting Security Trustee European Mortgage Securities VII

Clause Debussylaan 24
1082 MD AMSTERDAM

LEGAL AND TAX ADVISERS

NautaDutilh N.V.

Strawinskylaan 1999
1007 JC AMSTERDAM
The Netherlands

PAYING AGENT AND REFERENCE AGENT

ABN AMRO Bank N.V.

Kemelstede 2

4817 ST BREDA

AUDITORS

Ernst & Young Accountants LLP

Antonio Vivaldistraat 150
1083 HP AMSTERDAM

LISTING AGENT

ABN AMRO Bank N.V.

Gustav Mahlerlaan 10
1082 PP AMSTERDAM

DEALER AND ARRANGER

ABN AMRO Bank N.V., London Branch

250 Bishopsgate
London EC2M 4AA
England