

Holmes Financing No 10 plc, Holmes Master Issuer 2006-1,
Holmes Master Issuer 2007-1, Holmes Master Issuer 2007-2,
Holmes Master Issuer 2007-3, Holmes Master Issuer 2008-1, Holmes Master Issuer 2008-2.
Periodic Report re Holmes Trustees Limited, Holmes Funding 1 Limited and Holmes Funding 2 Limited
For Period 10 August 2010 to 08 September 2010

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Mortgage Asset Analysis

Analysis of Mortgage Trust Movements

	Current Period		
	Number	£000's	
Brought Forward	508,473	52,661,737	
Replenishment	0	0	
Repurchased	(3,545)	(469,677)	
Redemptions	(4,291)	(535,255)	
Losses	(47)	(1,735)	
Capitalised Interest	0	2,436	(* see below)
Other Movements	0	0	
Carried Forward	500,590	51,657,506	

* Capitalised interest refers to interest due met from amounts standing to the credit of overpayment facilities on flexible loans

	Cumulative		
	Number	£000's	
Brought Forward	115,191	6,399,214	
Replenishment	2,001,135	192,813,577	
Repurchased	(696,675)	(64,417,062)	
Redemptions	(917,428)	(83,421,145)	
Losses	(1,633)	(52,124)	
Capitalised Interest	0	335,046	(* see above)
Other Movements	0	0	
Carried Forward	500,590	51,657,506	

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Holmes Master Issuer 2007-1, Holmes Master Issuer 2007-2,
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Periodic Report re Holmes Trustees Limited, Holmes Funding 1 Limited and Holmes Funding 2 Limited
For Period 10 August 2010 to 08 September 2010

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Prepayment Rates (** see below)

	Trust Payment Rate (CPR) - Redemptions	Annualised Trust Payment Rate (CPR)
1 Month	1.02%	11.54%
3 Month	3.09%	11.81%
12 Month	11.62%	11.62%

	Trust Payment Rate (CPR) - Repurchases	Annualised Trust Payment Rate (CPR)
1 Month	0.89%	9.10%
3 Month	2.46%	8.61%
12 Month	11.05%	11.05%

	Trust Payment Rate (CPR) - Redemptions and Repurchases	Annualised Trust Payment Rate (CPR)
1 Month	1.91%	20.64%
3 Month	5.55%	20.42%
12 Month	22.66%	22.66%

** These rates have been calculated as per the method defined in the prospectus.

Asset Profiles

Weighted Average Seasoning	49.73	Months	
Weighted Average Loan size	£103,193.24		
Weighted Average LTV	68.27%	*** (see below)	
Weighted Average Indexed LTV (Halifax HPI) *	63.10%		Original Loan and Indexed Original Valuation 67.12%
Weighted Average Indexed LTV (Nationwide HPI) *	63.90%		Original Loan and Indexed Original Valuation 65.61%
Weighted Average Remaining Term	16.89	Years	

Product Type Analysis

	£000's	%
Variable Rate	19,758,996	38.25%
Fixed Rate	17,057,308	33.02%
Tracker Rate	14,841,201	28.73%
	51,657,506	100.00%

As at 08 September 2010 approximately 18.05% of the loans were flexible loans

* These figures have been calculated on a new and improved valuation basis as per the Special Schedule issued along with the February, 2009 report. The latest AVM update was run in Q2 2010.

Holmes Financing No 10 plc, Holmes Master Issuer 2006-1,
Holmes Master Issuer 2007-1, Holmes Master Issuer 2007-2,
Holmes Master Issuer 2007-3, Holmes Master Issuer 2008-1, Holmes Master Issuer 2008-2.
Periodic Report re Holmes Trustees Limited, Holmes Funding 1 Limited and Holmes Funding 2 Limited
For Period 10 August 2010 to 08 September 2010

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<u>Repayment Method Analysis</u>	£000's	%
Endowment	3,094,285	5.99%
Interest Only	23,560,988	45.61%
Repayment	25,002,233	48.40%
	51,657,506	100.00%

As at 08 September 2010 approximately 36.45% of the loans were written under Santander's policy of non-income verification

<u>Loan Purpose Analysis</u>	£000's	%
Purchase	25,756,432	49.86%
Remortgage	25,901,074	50.14%
	51,657,506	100.00%

Mortgage Standard Variable Rate

<u>Effective Date</u>	<u>Rate</u>
01 April 2009	4.24%
01 February 2009	4.69%
01 January 2009	4.94%
01 December 2008	5.44%

Geographic Analysis

<u>Region</u>	<u>Number</u>	<u>£000's</u>	<u>%</u>
East Anglia	18,278	1,716,587	3.32%
East Midlands	26,993	2,332,588	4.52%
Greater London	86,259	12,011,964	23.25%
North	20,104	1,446,106	2.80%
North West	58,777	4,780,298	9.25%
Scotland	30,322	2,232,377	4.32%
South East	131,242	15,796,676	30.58%
South West	40,905	4,205,952	8.14%
Wales	24,052	1,896,411	3.67%
West Midlands	31,176	2,692,870	5.21%
Yorkshire and Humberside	32,011	2,505,859	4.85%
Unknown	471	39,818	0.08%
Total	500,590	51,657,506	100.00%

Holmes Financing No 10 plc, Holmes Master Issuer 2006-1,
Holmes Master Issuer 2007-1, Holmes Master Issuer 2007-2,
Holmes Master Issuer 2007-3, Holmes Master Issuer 2008-1, Holmes Master Issuer 2008-2.
Periodic Report re Holmes Trustees Limited, Holmes Funding 1 Limited and Holmes Funding 2 Limited
For Period 10 August 2010 to 08 September 2010

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Original LTV Bands

Range	Number	£000's	%	Average Seasoning
0.00 - 25.00	40,470	1,397,705	2.71%	51.19
25.01 - 50.00	119,802	7,984,797	15.46%	53.98
50.01 - 75.00	195,262	22,553,042	43.66%	47.76
75.01 - 80.00	25,504	3,476,435	6.73%	49.21
80.01 - 85.00	43,716	6,626,571	12.83%	44.27
85.01 - 90.00	51,723	7,524,691	14.57%	48.43
90.01 - 95.00	24,113	2,094,265	4.05%	76.56
Total	500,590	51,657,506	100.00%	49.73

*** The balance is the current outstanding balance on the account including accrued interest. The LTV is that at origination and excludes any capitalised high loan to value fees, valuation fees or booking fees.

Arrears

Band	Number	Principal	Overdue	%
Current	480,907	49,253,588	4,070	95.43%
1.00 - 1.99 months	9,452	1,150,538	7,253	2.23%
2.00 - 2.99 months	3,336	396,546	4,895	0.77%
3.00 - 3.99 months	1,934	229,339	3,959	0.44%
4.00 - 4.99 months	1,168	140,648	3,035	0.27%
5.00 - 5.99 months	805	94,514	2,484	0.18%
6.00 - 11.99 months	1,945	232,640	8,697	0.45%
12 months and over	770	81,750	5,968	0.16%
Properties in Possession	273	35,162	2,420	0.07%
Total	500,590	51,614,725	42,781	100.00%

Definition of Arrears

This arrears multiplier is calculated as the arrears amount (which is the difference between the expected monthly repayments and the amount that has actually been paid, i.e. a total of under and/or over payments) divided by the monthly amount repayable. It is recalculated every time the arrears amount changes, i.e. on the date when a payment is due.

Holmes Financing No 10 plc, Holmes Master Issuer 2006-1,
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Holmes Master Issuer 2007-3, Holmes Master Issuer 2008-1, Holmes Master Issuer 2008-2.
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Movement in Shares of Trust

	Funding 1	Funding 2	Seller
	£000's	£000's	£000's
Balance Brought Forward	7,977,122	26,856,312	17,828,303
Replenishment of Assets	0	0	0
Acquisition by Funding	0	0	0
Distribution of Principal Receipts	(1,001,757)	0	(3,175)
Allocation of Losses	(263)	(886)	(586)
Share of Capitalised Interest	369	1,243	824
Payment Re Capitalised Interest	(369)	(1,243)	1,612
Balance Carried Forward	6,975,102	26,855,426	17,826,978

Carried Forward Percentage	13.50259%	51.98746%	34.50995%
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Minimum Seller Share	3,323,204	6.43%
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Cash Accumulation Ledger

	Funding 1	Funding 2
	£000's	£000's
Brought Forward	1,030,895	2,518
Additional Amounts Accumulated	1,002,020	886
Payment of Notes	0	0
Carried Forward	2,032,915	3,404

Target Balance	3,293,575	-	payable on 15th October 2010
	-	-	
	-	-	
	-	-	
	3,293,575	0	

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Excess Spread *

	Funding 1	Funding 2
Quarter to 15/7/2010	1.1084%	0.9851%
Quarter to 15/4/2010	1.0319%	0.9799%
Quarter to 15/1/2010	0.8056%	0.7652%
Quarter to 15/10/2009	0.7393%	0.8447%

*In order to more accurately show the credit support available to note holders in Holmes, excess spread is now reported as all excess revenue at and under the payments of start-up loans in the Funding pre-enforcement revenue priority of payments. The previous measure was an amount net of payments that in reality were subordinated to revenue that investors could use if ever required.

Funding 1 Reserve Funds

	First Reserve	Second Reserve	Third Reserve	Funding Reserve
Balance as at 15/7/2010	£400,000,000.00	£0.00	£0.00	£0.00
Required Amount as at 15/7/2010	£400,000,000.00	£0.00	£0.00	£0.00
Percentage of Notes	4.44%	0.00%	0.00%	0.00%
Percentage of Funding Share	5.73%	0.00%	0.00%	0.00%

Funding 2 Reserve Funds

	First Reserve	Second Reserve	Third Reserve	Funding Reserve
Balance as at 15/7/2010	£1,000,000,000.00	£0.00	£0.00	£0.00
Required Amount as at 15/7/2010	£1,000,000,000.00	£0.00	£0.00	£0.00
Percentage of Notes	3.72%	0.00%	0.00%	0.00%
Percentage of Funding Share	3.72%	0.00%	0.00%	0.00%

Notes Outstanding

	Funding 1		Funding 2	
	£000's	Enhancement	£000's	Enhancement
AAA Notes Outstanding	8,658,876	8.31%	24,757,830	11.55%
AA Notes Outstanding	125,397	6.92%	944,000	8.03%
A Notes Outstanding	84,049	5.99%	247,000	7.11%
BBB Notes Outstanding	139,185	4.44%	720,000	4.43%
BB Notes Outstanding	0	4.44%	190,000	3.72%
Total	9,007,507		26,858,830	

Holmes Financing No 10 plc, Holmes Master Issuer 2006-1,
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Periodic Report re Holmes Trustees Limited, Holmes Funding 1 Limited and Holmes Funding 2 Limited
For Period 10 August 2010 to 08 September 2010

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Properties in Possession

Stock

	Current Period	
	Number	£000's
Brought Forward	294	41,350
Repossessed in Period	53	8,225
Sold in Period	(74)	(11,993)
Carried Forward	273	37,582

	Cumulative	
	Number	£000's
Repossessed to date	3,997	458,564
Sold to date	(3,724)	(420,982)
Carried Forward	273	37,582

Repossession Sales Information

Average time Possession to Sale	110 Days
Average arrears at time of Sale	£7,646

Trigger Events

There has been no debit to the AAA Principal Deficiency Ledger
The Seller has not suffered an Insolvency Event
The Seller is still the Servicer
The Outstanding Principal balance falls below £50bn for two consecutive distribution dates.

Contact Details

If you have any queries regarding this report please contact the Securitisation Team via

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Holmes Financing No 10 plc, Holmes Master Issuer 2006-1,
Holmes Master Issuer 2007-1, Holmes Master Issuer 2007-2,
Holmes Master Issuer 2007-3, Holmes Master Issuer 2008-1, Holmes Master Issuer 2008-2.
Periodic Report re Holmes Trustees Limited, Holmes Funding 1 Limited and Holmes Funding 2 Limited
For Period 10 August 2010 to 08 September 2010

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<u>Notes</u>	<u>Deal</u>	<u>Rating (S&P/Moody's/Fitch)</u>	<u>Outstanding</u>	<u>Reference Rate</u>	<u>Margin</u>
Series 4 Class A1	Holmes Financing No. 10	AAA/Aaa/AAA	\$1,440,000,000	0.52594%	0.08%
Series 4 Class A2	Holmes Financing No. 10	AAA/Aaa/AAA	£750,000,000	0.73359%	0.09%
Series 3 Class A1	Holmes Master Issuer 2006-1	AAA/Aaa/AAA	\$900,000,000	0.52594%	0.08%
Series 3 Class A2	Holmes Master Issuer 2006-1	AAA/Aaa/AAA	€ 670,000,000	0.83500%	0.10%
Series 3 Class A3	Holmes Master Issuer 2006-1	AAA/Aaa/AAA	£700,000,000	0.73359%	0.10%
Series 3 Class B2	Holmes Master Issuer 2006-1	AA/Aa3/AA	€ 37,500,000	0.83500%	0.15%
Series 3 Class B3	Holmes Master Issuer 2006-1	AA/Aa3/AA	£20,000,000	0.73359%	0.15%
Series 3 Class M2	Holmes Master Issuer 2006-1	A/A2/A	€ 35,500,000	0.83500%	0.22%
Series 3 Class M3	Holmes Master Issuer 2006-1	A/A2/A	£12,000,000	0.73359%	0.22%
Series 3 Class C2	Holmes Master Issuer 2006-1	BBB/Baa2/BBB	€ 61,500,000	0.83500%	0.42%
Series 3 Class C3	Holmes Master Issuer 2006-1	BBB/Baa2/BBB	£12,500,000	0.73359%	0.42%
Series 3 Class A1	Holmes Master Issuer 2007-1	AAA/Aaa/AAA	\$1,600,000,000	0.52594%	0.08%
Series 3 Class A2	Holmes Master Issuer 2007-1	AAA/Aaa/AAA	€ 1,500,000,000	0.83500%	0.10%
Series 3 Class A3	Holmes Master Issuer 2007-1	AAA/Aaa/AAA	£800,000,000	0.73359%	0.10%
Series 3 Class B2	Holmes Master Issuer 2007-1	AA/Aa3/AA	€ 46,700,000	0.83500%	0.14%
Series 3 Class B3	Holmes Master Issuer 2007-1	AA/Aa3/AA	£48,000,000	0.73359%	0.14%
Series 3 Class M2	Holmes Master Issuer 2007-1	A/A2/A	€ 28,000,000	0.83500%	0.22%
Series 3 Class M3	Holmes Master Issuer 2007-1	A/A2/A	£28,800,000	0.73359%	0.22%
Series 3 Class C2	Holmes Master Issuer 2007-1	BBB/Baa2/BBB	€ 86,900,000	0.83500%	0.42%
Series 3 Class C3	Holmes Master Issuer 2007-1	BBB/Baa2/BBB	£25,500,000	0.73359%	0.42%
Series 4 Class A	Holmes Master Issuer 2007-1	AAA/Aaa/AAA	\$1,000,000,000	0.52594%	0.10%
Series 3 Class A1	Holmes Master Issuer 2007-2	AAA/Aaa/AAA	\$1,250,000,000	0.52594%	0.08%
Series 3 Class A2	Holmes Master Issuer 2007-2	AAA/Aaa/AAA	€ 1,300,000,000	0.83500%	0.09%
Series 3 Class A3	Holmes Master Issuer 2007-2	AAA/Aaa/AAA	£450,000,000	0.73359%	0.09%
Series 4 Class A1	Holmes Master Issuer 2007-2	AAA/Aaa/AAA	\$750,000,000	0.52594%	0.10%
Series 1 Class A1	Holmes Master Issuer 2007-3	AAA/Aaa/AAA	€ 3,854,466,000	1.35800%	0.10%
Series 1 Class A2	Holmes Master Issuer 2007-3	AAA/Aaa/AAA	€ 3,114,720,000	1.24700%	0.11%
Series 1 Class A3	Holmes Master Issuer 2007-3	AAA/Aaa/AAA	€ 2,491,776,000	1.23600%	0.12%
Series 1 Class B	Holmes Master Issuer 2007-3	AA/Aa3/AA	£124,000,000	0.73359%	1.00%
Series 1 Class M	Holmes Master Issuer 2007-3	A/A2/A	£127,000,000	0.73359%	1.60%
Series 1 Class C	Holmes Master Issuer 2007-3	BBB/Baa2/BBB	£250,000,000	0.73359%	2.25%
Series 1 Class A1	Holmes Master Issuer 2008-1	AAA/Aaa/AAA	€ 2,257,200,000	1.23600%	0.12%
Series 1 Class A2	Holmes Master Issuer 2008-1	AAA/Aaa/AAA	€ 4,514,400,000	1.22600%	0.12%
Series 1 Class A3	Holmes Master Issuer 2008-1	AAA/Aaa/AAA	€ 1,003,200,000	1.35800%	0.12%
Series 1 Class A4	Holmes Master Issuer 2008-1	AAA/Aaa/AAA	€ 1,630,200,000	1.24700%	0.12%
Series 1 Class B	Holmes Master Issuer 2008-1	AA/Aa3/AA	£370,000,000	0.73359%	1.00%
Series 1 Class M	Holmes Master Issuer 2008-1	A/A2/A	£120,000,000	0.73359%	1.60%
Series 1 Class C	Holmes Master Issuer 2008-1	BBB/Baa2/BBB	£250,000,000	0.73359%	2.25%
Series 1 Class A2	Holmes Master Issuer 2008-2	AAA/Aaa/AAA	£7,000,000,000	0.73359%	0.10%
Series 1 Class A3	Holmes Master Issuer 2008-2	AAA/Aaa/AAA	\$5,425,000,000	0.52594%	0.52%
Series 1 Class B	Holmes Master Issuer 2008-2	AA/Aa3/AA	£450,000,000	0.73359%	0.40%
Series 1 Class C	Holmes Master Issuer 2008-2	BBB/Baa2/BBB	£220,000,000	0.73359%	0.70%
Series 1 Class D	Holmes Master Issuer 2008-2	BB/Ba2/BB	£190,000,000	0.73359%	0.90%

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Holmes Master Issuer 2007-3, Holmes Master Issuer 2008-1, Holmes Master Issuer 2008-2.
Periodic Report re Holmes Trustees Limited, Holmes Funding 1 Limited and Holmes Funding 2 Limited
For Period 10 August 2010 to 08 September 2010

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Retired Class A Notes

Date Retired	Holmes 1	Holmes 9	Holmes 10	Holmes 2006-1	Holmes 2007-1	Holmes 2007-2	Holmes 2007-3	Holmes 2008-1	Holmes 2008-2
02Q3	-	-	-	-	-	-	-	-	-
02Q4	-	-	-	-	-	-	-	-	-
03Q1	-	-	-	-	-	-	-	-	-
03Q2	-	-	-	-	-	-	-	-	-
03Q3	600	-	-	-	-	-	-	-	-
03Q4	-	-	-	-	-	-	-	-	-
04Q1	-	-	-	-	-	-	-	-	-
04Q2	-	-	-	-	-	-	-	-	-
04Q3	-	-	-	-	-	-	-	-	-
04Q4	-	-	-	-	-	-	-	-	-
05Q1	-	-	-	-	-	-	-	-	-
05Q2	-	-	-	-	-	-	-	-	-
05Q3	650	-	-	-	-	-	-	-	-
05Q4	-	-	-	-	-	-	-	-	-
06Q1	-	-	-	-	-	-	-	-	-
06Q2	-	-	-	-	-	-	-	-	-
06Q3	-	-	-	-	-	-	-	-	-
06Q4	-	1,018	-	-	-	-	-	-	-
07Q1	-	-	-	-	-	-	-	-	-
07Q2	-	-	-	-	-	-	-	-	-
07Q3	575	-	679	-	-	-	-	-	-
07Q4	-	-	-	-	-	-	-	-	-
08Q1	-	-	-	-	771	-	-	-	-
08Q2	-	-	388	-	600	715	-	-	-
08Q3	-	-	388	-	-	715	-	-	-
08Q4	-	1,272	-	-	-	-	-	-	-
09Q1	-	-	-	-	-	-	-	-	-
09Q2	-	-	342	-	-	-	-	-	-
09Q3	-	-	342	397	-	-	-	-	-
09Q4	-	-	-	397	-	-	-	-	-
10Q1	-	453	-	-	386	-	-	-	600
10Q2	-	453	-	-	386	1,664	-	-	500
10Q3	250	600	-	-	-	-	-	-	900

Holmes Financing No 10 plc, Holmes Master Issuer 2006-1,
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For Period 10 August 2010 to 08 September 2010

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Outstanding Class A Notes

Expected Redemption	Holmes 1	Holmes 9	Holmes 10	Holmes 2006-1	Holmes 2007-1	Holmes 2007-2	Holmes 2007-3	Holmes 2008-1	Holmes 2008-2
10Q3	-	-	-	-	-	-	-	-	-
10Q4	-	-	1,526	1,632	-	-	-	-	-
11Q1	-	-	-	-	-	-	-	-	1,500
11Q2	-	-	-	-	2,649	654	-	-	-
11Q3	-	-	-	-	-	654	-	-	1,000
11Q4	-	-	-	-	-	654	-	-	900
12Q1	-	-	-	-	-	-	918	-	600
12Q2	-	-	-	-	-	-	918	-	600
12Q3	-	-	-	-	-	377	918	-	600
12Q4	-	-	-	-	515	-	-	-	600
13Q1	-	-	-	-	-	-	742	-	600
13Q2	-	-	-	-	-	-	742	-	600
13Q3	-	-	-	-	-	-	742	-	700
13Q4	-	-	-	-	-	-	-	-	1,300
14Q1	-	-	-	-	-	-	593	-	600
14Q2	-	-	-	-	-	-	593	-	600
14Q3	-	-	-	-	-	-	593	-	300
14Q4	-	-	-	-	-	-	-	7,500	-
15Q1	-	-	-	-	-	-	-	-	-

Holmes Financing No 10 plc, Holmes Master Issuer 2006-1,
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For Period 10 August 2010 to 08 September 2010

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