

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.  
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**Mortgage Asset Analysis**

Analysis of Mortgage Trust Movements

	Current Period	
	Number	£000's
Brought Forward	137,625	14,051,250
Replenishment	0	0
Repurchased	(1,010)	(126,814)
Redemptions	(1,663)	(137,741)
Losses	(28)	(1,115)
Capitalised Interest	0	1,373 (* see below )
Other Movements	0	0
Carried Forward	134,924	13,786,953

\* 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	(1,055,916)	(101,708,102)
Redemptions	(923,785)	(84,002,057)
Losses	(1,701)	(54,416)
Capitalised Interest	0	338,737 (* see above )
Other Movements	0	0
Carried Forward	134,924	13,786,953

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Prepayment Rates ( \*\* see below )

	Trust Payment Rate (CPR) - Redemptions	Annualised Trust Payment Rate (CPR)
1 Month	0.98%	11.15%
3 Month	2.83%	10.84%
12 Month	11.13%	11.13%

	Trust Payment Rate (CPR) - Repurchases	Annualised Trust Payment Rate (CPR)
1 Month ***	0.90%	9.25%
3 Month ***	4.81%	16.38%
12 Month ***	12.33%	12.33%

	Trust Payment Rate (CPR) - Redemptions and Repurchases	Annualised Trust Payment Rate (CPR)
1 Month ***	1.88%	20.39%
3 Month ***	7.64%	27.22%
12 Month ***	23.46%	23.46%

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

\*\*\* These rates do not include the Repurchase of loans executed on 7th October, 2010 as part of the Holmes Trust re-structure.

Asset Profiles

Weighted Average Seasoning	51.89	Months	
Weighted Average Loan size	£102,183.10		
Weighted Average LTV	68.25%	*** (see below)	
Weighted Average Indexed LTV (Halifax HPI) *	62.40%		Original Loan and Indexed Original Valuation 70.06%
Weighted Average Indexed LTV (Nationwide HPI) *	63.20%		Original Loan and Indexed Original Valuation 67.05%
Weighted Average Remaining Term	16.88	Years	

Product Type Analysis

	£000's	%
Variable Rate	5,341,066	38.74%
Fixed Rate	4,519,363	32.78%
Tracker Rate	3,926,524	28.48%
	13,786,953	100.00%

As at 08 November 2010 approximately 18.79% 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 Q3 2010.

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<u>Repayment Method Analysis</u>	£000's	%
Endowment	834,111	6.05%
Interest Only	6,288,229	45.61%
Repayment	6,664,613	48.34%
	13,786,953	100.00%

As at 08 November 2010 approximately 36.27% of the loans were written under Santander's policy of non-income verification

<u>Loan Purpose Analysis</u>	£000's	%
Purchase	5,789,142	41.99%
Remortgage	7,997,811	58.01%
	13,786,953	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	5,459	505,053	3.66%
East Midlands	5,944	525,434	3.74%
Greater London	27,681	3,803,232	27.59%
North	5,289	380,948	2.76%
North West	16,648	1,340,591	9.72%
Scotland	8,287	606,544	4.40%
South East	30,598	3,589,019	26.03%
South West	11,348	1,154,966	8.38%
Wales	5,954	469,069	3.40%
West Midlands	8,566	729,232	5.29%
Yorkshire and Humberside	9,145	692,774	5.02%
Unknown	5	91	0.00%
<b>Total</b>	<b>134,924</b>	<b>13,786,953</b>	<b>100.00%</b>

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Original LTV Bands

Range	Number	£000's	%	Average Seasoning
0.00 - 25.00	11,053	371,874	2.70%	54.55
25.01 - 50.00	32,630	2,149,886	15.59%	56.30
50.01 - 75.00	52,320	5,991,968	43.46%	50.02
75.01 - 80.00	6,835	936,157	6.79%	51.07
80.01 - 85.00	11,791	1,773,579	12.86%	46.11
85.01 - 90.00	13,756	2,003,295	14.53%	50.20
90.01 - 95.00	6,539	560,194	4.06%	78.89
Total	134,924	13,786,953	100.00%	51.89

\*\*\* 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	129,611	13,139,771	1,109	95.39%
1.00 - 1.99 months	2,547	308,839	1,972	2.24%
2.00 - 2.99 months	846	100,492	1,255	0.73%
3.00 - 3.99 months	540	64,829	1,114	0.47%
4.00 - 4.99 months	315	36,352	785	0.26%
5.00 - 5.99 months	223	24,902	676	0.18%
6.00 - 11.99 months	523	63,142	2,352	0.46%
12 months and over	247	27,733	2,150	0.20%
Properties in Possession	72	8,860	620	0.06%
Total	134,924	13,774,920	12,033	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.

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Movement in Shares of Trust

	Funding 1	Funding 2	Seller
	£000's	£000's	£000's
Balance Brought Forward	5,713,765	0	8,337,485
Replenishment of Assets	0	0	0
Acquisition by Funding	0	0	0
Distribution of Principal Receipts	(212,674)	0	(51,881)
Allocation of Losses	(454)	0	(661)
Share of Capitalised Interest	559	0	814
Payment Re Capitalised Interest	(559)	0	559
Balance Carried Forward	<u>5,500,637</u>	<u>0</u>	<u>8,286,316</u>

Carried Forward Percentage	39.89741%	0.00000%	60.10259%
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Minimum Seller Share	898,268	6.52%
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Cash Accumulation Ledger

	Funding 1	Funding 2
	£000's	£000's
Brought Forward	3,294,252	0
Additional Amounts Accumulated	213,128	0
Payment of Notes	(3,293,575)	0
Carried Forward	<u>213,805</u>	<u>0</u>

Target Balance	212,833	-	payable on 18th January, 2011
	-	-	
	-	-	
	<u>212,833</u>	<u>0</u>	

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Excess Spread \*

	Funding 1	Funding 2
Quarter to 15/10/2010	0.9587%	0.0132%
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%

\*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 15/10/2010	£400,000,000.00	£0.00	£0.00	£0.00
Required Amount as at 15/10/2010	£400,000,000.00	£0.00	£0.00	£0.00
Percentage of Notes	7.00%	0.00%	0.00%	0.00%
Percentage of Funding Share	7.27%	0.00%	0.00%	0.00%

Funding 2 Reserve Funds

	First Reserve	Second Reserve	Third Reserve	Funding Reserve
Balance as at 8/10/2010	£0.00	£0.00	£0.00	£0.00
Required Amount as at 8/10/2010	£0.00	£0.00	£0.00	£0.00
Percentage of Notes	0.00%	0.00%	0.00%	0.00%
Percentage of Funding Share	0.00%	0.00%	0.00%	0.00%

Notes Outstanding

	Funding 1		Funding 2	
	£000's	Enhancement	£000's	Enhancement
AAA Notes Outstanding	5,501,099	10.73%	0	0.00%
AA Notes Outstanding	79,942	9.33%	0	0.00%
A Notes Outstanding	47,952	8.49%	0	0.00%
BBB Notes Outstanding	84,939	7.00%	0	0.00%
BB Notes Outstanding	0	7.00%	0	0.00%
Total	5,713,932		0	

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Properties in Possession

Stock

	Current Period	
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Brought Forward	82	10,728
Repossessed in Period	18	3,288
Repurchased in Period	0	0
Sold in Period	(28)	(4,536)
Carried Forward	72	9,480

	Cumulative	
	Number	£000's
Repossessed to date	4,054	467,138
Repurchased to date	(184)	(26,385)
Sold to date	(3,798)	(431,273)
Carried Forward	72	9,480

Repossession Sales Information

Average time Possession to Sale	109 Days
Average arrears at time of Sale	£7,638

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

Contact Details

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

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Or, visit our website at [www.holmesreporting.com](http://www.holmesreporting.com)

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<u>Notes</u>	<u>Deal</u>	<u>Rating (S&amp;P/Moody's/Fitch)</u>	<u>Outstanding</u>	<u>Reference Rate</u>	<u>Margin</u>
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%



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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	-	-	-	-	6,758	7,500	11,400
10Q4	-	-	1,526	1,632	-	-	-	-	-

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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
10Q4	-	-	-	-	-	-	-	-	-
11Q1	-	-	-	-	-	-	-	-	-
11Q2	-	-	-	-	2,649	654	-	-	-
11Q3	-	-	-	-	-	654	-	-	-
11Q4	-	-	-	-	-	654	-	-	-
12Q1	-	-	-	-	-	-	-	-	-
12Q2	-	-	-	-	-	-	-	-	-
12Q3	-	-	-	-	-	377	-	-	-
12Q4	-	-	-	-	515	-	-	-	-
13Q1	-	-	-	-	-	-	-	-	-
13Q2	-	-	-	-	-	-	-	-	-
13Q3	-	-	-	-	-	-	-	-	-
13Q4	-	-	-	-	-	-	-	-	-
14Q1	-	-	-	-	-	-	-	-	-
14Q2	-	-	-	-	-	-	-	-	-
14Q3	-	-	-	-	-	-	-	-	-
14Q4	-	-	-	-	-	-	-	-	-
15Q1	-	-	-	-	-	-	-	-	-

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