

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 09 September 2010 to 08 October 2010

All values are in thousands of pounds sterling unless otherwise stated

Mortgage Asset Analysis

Analysis of Mortgage Trust Movements

	Current Period	
	Number	£000's
Brought Forward	500,590	51,657,506
Replenishment	0	0
Repurchased	(358,231)	(37,164,226)
Redemptions	(4,694)	(443,171)
Losses	(40)	(1,177)
Capitalised Interest	0	2,318 (* see below)
Other Movements	0	0
Carried Forward	137,625	14,051,250

* 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	(1,054,906)	(101,581,288)
Redemptions	(922,122)	(83,864,316)
Losses	(1,673)	(53,301)
Capitalised Interest	0	337,364 (* see above)
Other Movements	0	0
Carried Forward	137,625	14,051,250

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 09 September 2010 to 08 October 2010

All values are in thousands of pounds sterling unless otherwise stated

Prepayment Rates (** see below)

	Trust Payment Rate (CPR) - Redemptions	Annualised Trust Payment Rate (CPR)
1 Month	0.86%	9.82%
3 Month	2.99%	11.44%
12 Month	11.24%	11.24%

	Trust Payment Rate (CPR) - Repurchases	Annualised Trust Payment Rate (CPR)
1 Month ***	3.17%	29.15%
3 Month ***	4.69%	15.94%
12 Month ***	12.68%	12.68%

	Trust Payment Rate (CPR) - Redemptions and Repurchases	Annualised Trust Payment Rate (CPR)
1 Month ***	4.03%	38.97%
3 Month ***	7.69%	27.38%
12 Month ***	23.92%	23.92%

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

*** These rates do not include the Repurchase of loans executed as part of the Holmes Trust re-structure.

Asset Profiles

Weighted Average Seasoning	50.89	Months	
Weighted Average Loan size	£102,098.09		
Weighted Average LTV	68.18%	*** (see below)	
Weighted Average Indexed LTV (Halifax HPI) *	63.60%		Original Loan and Indexed Original Valuation 70.05%
Weighted Average Indexed LTV (Nationwide HPI) *	62.70%		Original Loan and Indexed Original Valuation 66.01%
Weighted Average Remaining Term	16.95	Years	

Product Type Analysis

	£000's	%
Variable Rate	5,371,793	38.23%
Fixed Rate	4,646,748	33.07%
Tracker Rate	4,032,709	28.70%
	14,051,250	100.00%

As at 08 October 2010 approximately 18.55% 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 09 September 2010 to 08 October 2010

All values are in thousands of pounds sterling unless otherwise stated

Repayment Method Analysis

	£000's	%
Endowment	848,696	6.04%
Interest Only	6,396,129	45.52%
Repayment	6,806,426	48.44%
	14,051,250	100.00%

As at 08 October 2010 approximately 36.39% of the loans were written under Santander's policy of non-income verification

Loan Purpose Analysis

	£000's	%
Purchase	5,897,327	41.97%
Remortgage	8,153,923	58.03%
	14,051,250	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

Region	Number	£000's	%
East Anglia	5,562	515,723	3.67%
East Midlands	6,042	525,014	3.74%
Greater London	28,139	3,874,129	27.57%
North	5,363	387,320	2.76%
North West	16,887	1,364,807	9.71%
Scotland	8,487	619,052	4.41%
South East	31,506	3,660,696	26.05%
South West	11,567	1,178,370	8.39%
Wales	6,071	477,856	3.40%
West Midlands	8,702	741,741	5.28%
Yorkshire and Humberside	9,294	706,433	5.03%
Unknown	5	108	0.00%
Total	137,625	14,051,250	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 09 September 2010 to 08 October 2010

All values are in thousands of pounds sterling unless otherwise stated

Original LTV Bands

Range	Number	£000's	%	Average Seasoning
0.00 - 25.00	11,315	380,999	2.71%	53.60
25.01 - 50.00	33,332	2,196,044	15.63%	55.34
50.01 - 75.00	53,514	6,136,959	43.68%	48.93
75.01 - 80.00	6,958	950,107	6.76%	50.17
80.01 - 85.00	11,952	1,795,871	12.78%	45.20
85.01 - 90.00	13,944	2,024,973	14.41%	49.31
90.01 - 95.00	6,610	566,297	4.03%	77.92
Total	137,625	14,051,250	100.00%	50.89

*** 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	132,102	13,364,864	1,142	95.20%
1.00 - 1.99 months	2,661	331,569	2,075	2.36%
2.00 - 2.99 months	934	113,673	1,354	0.81%
3.00 - 3.99 months	521	62,913	1,092	0.45%
4.00 - 4.99 months	317	34,996	785	0.25%
5.00 - 5.99 months	233	28,510	730	0.20%
6.00 - 11.99 months	534	64,774	2,433	0.46%
12 months and over	241	27,515	2,097	0.20%
Properties in Possession	82	10,027	701	0.07%
Total	137,625	14,038,841	12,409	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,
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 09 September 2010 to 08 October 2010

All values are in thousands of pounds sterling unless otherwise stated

Movement in Shares of Trust

	Funding 1	Funding 2	Seller
	£000's	£000's	£000's
Balance Brought Forward	6,975,102	26,855,426	17,826,978
Replenishment of Assets	0	0	0
Acquisition by Funding	0	0	0
Distribution of Principal Receipts	(1,261,178)	(26,854,814)	(9,491,405)
Allocation of Losses	(159)	(612)	(406)
Share of Capitalised Interest	313	1,206	799
Payment Re Capitalised Interest	(313)	(1,206)	1,519
Balance Carried Forward	5,713,765	0	8,337,485

Carried Forward Percentage	40.66375%	0.00000%	59.33625%
----------------------------	-----------	----------	-----------

Minimum Seller Share	910,199	6.48%
----------------------	---------	-------

Cash Accumulation Ledger

	Funding 1	Funding 2
	£000's	£000's
Brought Forward	2,032,915	3,404
Additional Amounts Accumulated	1,261,337	26,855,426
Payment of Notes	0	(26,858,830)
Carried Forward	3,294,252	0

Target Balance	3,293,575	-	payable on 15th October 2010
	-	26,858,830	payable on 8th October 2010
	-	-	
	-	-	
	3,293,575	26,858,830	

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 09 September 2010 to 08 October 2010

All values are in thousands of pounds sterling unless otherwise stated

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	7.00%	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	8,658,876	8.31%	0	0.00%
AA Notes Outstanding	125,397	6.92%	0	0.00%
A Notes Outstanding	84,049	5.99%	0	0.00%
BBB Notes Outstanding	139,185	4.44%	0	0.00%
BB Notes Outstanding	0	4.44%	0	0.00%
Total	9,007,507		0	

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 09 September 2010 to 08 October 2010

All values are in thousands of pounds sterling unless otherwise stated

Properties in Possession

Stock

	Current Period	
	Number	£000's
Brought Forward	273	37,582
Repossessed in Period	39	5,286
Repurchased in Period	(184)	(26,385)
Sold in Period	(46)	(5,755)
Carried Forward	82	10,728

	Cumulative	
	Number	£000's
Repossessed to date	4,036	463,850
Repurchased to date	(184)	(26,385)
Sold to date	(3,770)	(426,737)
Carried Forward	82	10,728

Repossession Sales Information

Average time Possession to Sale	110 Days
Average arrears at time of Sale	£7,641

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

Telephone : +44 (0)20 7756 6165

Facsimilie : +44 (0)20 7756 5862

Email : MBF@santander.co.uk

Or, visit our website at www.holmesreporting.com

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 09 September 2010 to 08 October 2010

All values are in thousands of pounds sterling unless otherwise stated

<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%

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 09 September 2010 to 08 October 2010

All values are in thousands of pounds sterling unless otherwise stated

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	-	-	-	-	-	-	-	-	-

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 09 September 2010 to 08 October 2010

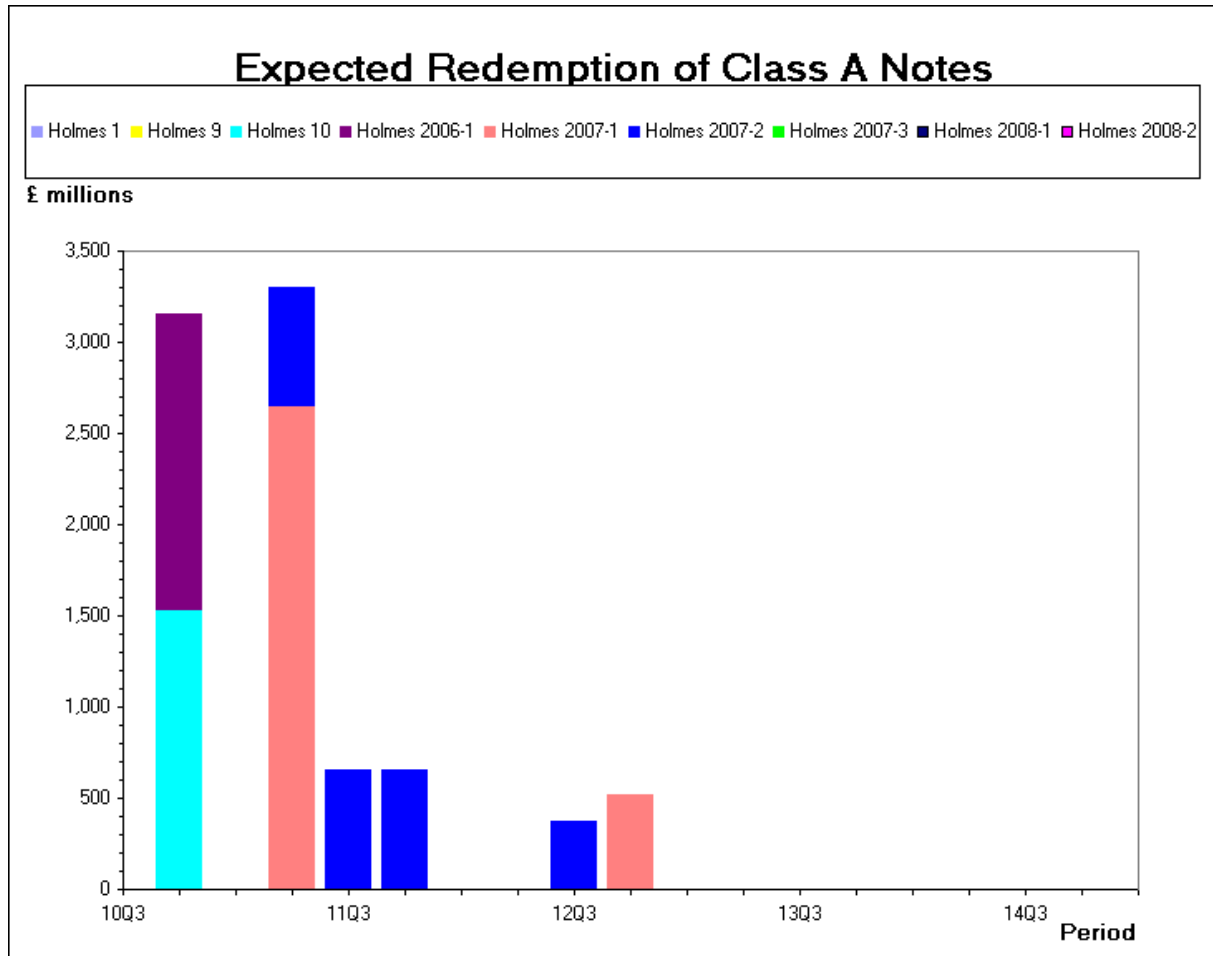
All values are in thousands of pounds sterling unless otherwise stated

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

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 09 September 2010 to 08 October 2010

All values are in thousands of pounds sterling unless otherwise stated



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 09 September 2010 to 08 October 2010

All values are in thousands of pounds sterling unless otherwise stated

