



Paragon Finance PLC

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Paragon Mortgages (No.7) PLC ("PM7") : Determination Event for August 2009

PM7 hit a Determination Event in May 2009 i.e. the later of five years from the Closing Date (May 2004) and when the deal halved in value, so PM7 is in a position to start paying down the Class B Notes on the next Interest Payment Date, 17th August 2009. The ratios in pages 17, 68 and 69 of the PM7 Offering Circular need to be brought back into line such that PM7 ends up with 79.96% of the total Notes relating to the Class A Notes and 20.04% of the total Notes relating to the Class B Notes. **All** of the PM7 Available Redemption Funds have been applied to the Class B Notes on 17th August 2009 in order to bring the ratios back in line, as far as possible. It is for this reason the Class A Pool Factors in respect of the August 2009 Interest Payment Date have remained unaltered.



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