

### **Paragon Mortgages (No.8) PLC ("PM8") : Determination Event for January 2010**

PM8 hit a Determination Event in October 2009 i.e. the later of five years from the Closing Date (October 2004) and when the deal halved in value, so PM8 is in a position to start paying down the Class B Notes on the next Interest Payment Date, 15<sup>th</sup> January 2010. As PM8 passes the criteria (the Principal Deficiency Ledger has been fully replenished and the greater than 3 months arrears are less than 7.5%) for paying down the Class B Notes, the PM8 Available Redemption Funds have been applied to the Class A and Class B Notes on 15<sup>th</sup> January 2010. The ratios from the Terms and Conditions of the Notes in the PM8 Offering Circular (page 68) have been brought in line such that PM8 ends up with 80% of the total Notes relating to the Class A Notes and 20% of the total Notes relating to the Class B Notes.

