

# MOODY'S

## INVESTORS SERVICE

### **Announcement: Moodys: No rating impact on notes issued by Paragon Mortgages (No. 13) PLC following the purchase of the A1 notes by the conditional purchaser**

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Global Credit Research - 09 Dec 2015

London, 09 December 2015 -- Moody's Investors Service announced today that the ratings of the notes issued by Paragon Mortgages (No. 13) PLC remain unaffected by the purchase of the Class A1 notes by the A1 Note Conditional Purchaser.

On 15 July 2015, the A1 Note Conditional Purchaser (The Royal Bank of Scotland plc, A3/P-2) purchased the Class A1 notes but the notes remain outstanding. As a result of the purchase, the Class A1 notes reverted to 3-month GBP LIBOR plus the margin payable on the Class A2a Notes in that period (0.24%, the "maximum reset margin") and will pay interest quarterly. In addition, the currency swap for the Class A1 notes terminated and all principal monies and interest due in respect of the Class A1 Notes are made in GBP. Also see Moody's Pre-sale Report

([http://www.moodys.com/viewresearchdoc.aspx?docid=PBS\\_SF83588](http://www.moodys.com/viewresearchdoc.aspx?docid=PBS_SF83588)) for a description of the conditional notes purchase. The above described changes to the notes were based on the documents as of deal closing.

Moody's believes that the changes following the purchase of the Class A1 notes are rating neutral to the notes issued by Paragon Mortgages (No. 13) PLC.

The short-term rating of the Class A1 notes (P-2) addressed the promise of receiving the principal amount and all the accrued interests at the "A1 Note Mandatory Transfer Date" which occurred on 15 July 2015. Moody's has been informed that this promise has been fulfilled. Therefore the short-term rating is withdrawn.

The principal methodology used in these ratings was "Moody's Approach to Rating RMBS Using the MILAN Framework" published in January 2015. Please see the Credit Policy page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

Moody's will continue monitoring the ratings. Any change in the ratings will be publicly disseminated by Moody's through appropriate media.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moodys.com](http://www.moodys.com) for the most updated credit rating action information and rating history.

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