

PM12

(A1)

CONFIRMATION

Dated 14 July 2006

From: **BARCLAYS BANK PLC**

5, The North Colonnade
Canary Wharf
London E14 4BB

Trade ID: 1289416B

To: **PARAGON MORTGAGES (NO.12) PLC**

St. Catherine's Court
Herbert Road
Solihull
West Midlands B91 3QE

Attention: The Company Secretary

CITICORP TRUSTEE COMPANY LIMITED

Citigroup Centre, 14th Floor
Canada Square
Canary Wharf
London E14 5LB

Attention: Agency & Trust

Dear Sirs

**Currency Swap A1 Agreement
Paragon Mortgages (No.12) PLC**

The purpose of this letter is to confirm the terms and conditions of the swap transactions entered into between us on the Trade Date specified below (the "**Swap Transactions**"). This letter constitutes a "Confirmation" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us and both of you in connection with the Class A1 Notes (the "**Relevant Notes**") on the date of this Confirmation as amended and supplemented from time to time (the "**Agreement**").

The definitions and provisions contained in the 2000 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation shall prevail. Any terms not otherwise defined herein or in the Definitions shall have the meanings given to them in the Agreement, in the Conditions (as defined in the Deed of Charge) and in the Relevant Documents (as defined in Condition 3).

This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in, incorporated in, or incorporated by reference to, the Agreement shall govern this Confirmation except as expressly modified below.

For the avoidance of doubt, the amount of any payment obligations in respect of the Swap Transactions will be determined subject to the provisions of Part 5(l) of the schedule to the Agreement.



The terms of the particular Swap Transactions to which this Confirmation relates are as follows:

Party A:	Barclays Bank plc
Party B:	Paragon Mortgages (No.12) PLC.
Trade Date:	14 July 2006
Effective Date:	20 July 2006
Termination Date:	The earlier of (a) the Interest Payment Date falling in May 2038; (b) the date on which the Relevant Notes are redeemed or repaid in full; and (c) the date on which the Relevant Notes are transferred to the Conditional A1 Note Purchaser (as defined in the Conditions) in accordance with Condition 5(i) (<i>A1 Note Mandatory Transfer Arrangements</i>)
Interest Payment Date:	Fifteenth day of each month, commencing on 15 August 2006 up to and including the Termination Date, adjusted in accordance with the Following Business Day Convention
Business Day:	London, New York and TARGET Settlement Day
USD Amortisation Amount:	In respect of an Interest Payment Date, the amount (in USD) to be applied in repayment of the principal amount of the Relevant Notes on such Interest Payment Date as notified to the Calculation Agent by the Administrator at least two Business Days prior to the relevant Interest Payment Date.
Exchange Rate:	GBP 1.00: USD 1.84
Party A Currency:	USD

Floating Payments

Floating Amounts for Party A:

Floating Rate Payer:	Party A.
Party A Currency Amount:	As at any Party A Payment Date, USD1,500,000,000.00 minus the aggregate of each Party A Interim Exchange Amount made prior to such date as determined by the Administrator.
Party A Payment Dates:	Fifteenth day of each month, commencing on 15 August 2006 up to and including the Termination Date, adjusted in accordance with the Following Business Day Convention.
Floating Rate Option:	USD-LIBOR-BBA
Designated Maturity:	one month; except for the initial Calculation Period in respect of which linear interpolation shall be applicable. Linear interpolation shall be applied by reference to the two week and one month rates.
Spread A for each Calculation Period up to and including the Calculation Period ending on but excluding the Interest Payment Date in May 2007:	-0.02% per annum.
Spread A for the Calculation Periods from and including the Calculation Period beginning on (and including) the Interest Payment Date in May 2007, up to and including the Calculation Period ending on but excluding the Termination Date:	The Reset Margin
Party A Floating Rate Day Count Fraction:	Actual/360
Reset Dates:	The first day of each Calculation Period.
Floating Amounts for Party B:	
Floating Rate Payer:	Party B.
Party B Currency Amount:	As at any Party B Payment Date, GBP815,217,391.30 minus the aggregate of each Party B Interim Exchange Amount made prior to

	such date.
Party B Payment Dates:	15 February, 15 May, 15 August and 15 November of each year, adjusted in accordance with the Following Business Day Convention, commencing in November 2006
Floating Rate Option:	GBP-LIBOR-BBA.
Designated Maturity:	three months; except for the initial Calculation Period in respect of which linear interpolation shall be applicable. Linear interpolation shall be applied by reference to the three month and four month rates.
Spread B for the Calculation Periods up to and including the Calculation Period ending on but excluding the Interest Payment Date in January 2007:	 per annum.
Spread B for the Calculation Periods from and including the Calculation Period beginning on (and including) the Interest Payment Date in January 2007 up to and including the Calculation Period ending on but excluding the Termination Date:	
Party B Floating Rate Day Count Fraction:	Actual/365 (Fixed)
Reset Dates:	The first day of each Calculation Period.
Calculation Agent:	Party A.
<i>Initial Exchange</i>	
Initial Exchange Date:	Effective Date.
Party A Initial Exchange Amount:	GBP 815,217,391.30
Party B Initial Exchange Amount:	USD 1,500,000,000.00
<i>Interim Exchange</i>	
Interim Exchange Date:	Each Interest Payment Date on which the USD Amortisation Amount is to be applied in or towards repayment of the principal amount of the Relevant Notes (as advised to Party A by the

Administrator).

Party A Interim Exchange Amount: The USD Amortisation Amount.

Party B Interim Exchange Amount: In respect of any Interim Exchange Date, an amount in GBP equal to the Party A Interim Exchange Amount converted in GBP at the Exchange Rate.

Final Exchange

Final Exchange Date: Termination Date.

Party A Final Exchange Amount: A USD amount equal to the Party B Final Exchange Amount converted into USD at the Exchange Rate.

Party B Final Exchange Amount: The Party B Currency Amount.

Account Details

Payments to Party A:

Account for Payments in USD: Federal Reserve Bank of New York, New York
ABA No. 026-0025-74
Account: Barclays Bank PLC, New York
Fav.: Barclays Swaps & Options Group, New York
Account No.: 050-01922-8

Account for Payments in GBP: Barclays Bank PLC, 54 Lombard Street, London
CHAPS Sort Code 20-00-00
SWIFT: BARCGB22
Account: Barclays Swaps
Account No.: 152021

Payments to Party B:

Account for Payments in USD Citibank N.A., New York
SWIFT: CITIUS33
For Citibank N.A., London
SWIFT: CITIGB2L
Account No.: 10990765
Ref: XS0261644941/Paragon Mortgages (No.12) PLC

Account for Payments in GBP Royal Bank of Scotland plc
CBO London
Sort Code: 16-04-00
Account number: 98191021
Reference: Loans Administration

Paragon Second Funding

National Westminster Bank plc
Sort Code: 50-55-10
Account Number: 56215835
Favour: Paragon Second Funding Limited
Transaction account

Offices: The Office of Party A for each of the Transactions evidenced by this Confirmation is London.

Yours faithfully,

Signed for and on behalf of: **Barclays Bank plc**

on July 2006

By: _____

Name

Confirmed as of the date indicated at the start of this Confirmation:

Signed for and on behalf of: **Paragon Mortgages (No.12) PLC**

on July 2006

By: _____

Name

Signed for and on behalf of: **Citicorp Trustee Company Limited**

on July 2006

By:  _____

Name

Paragon Second Funding

National Westminster Bank plc
Sort Code: 50-55-10
Account Number: 56215835
Favour: Paragon Second Funding Limited
Transaction account

Offices: The Office of Party A for each of the Transactions evidenced by this Confirmation is London.

Yours faithfully,

Signed for and on behalf of:

Barclays Bank plc

on July 2006

By: 

Name

Confirmed as of the date indicated at the start of this Confirmation:

Signed for and on behalf of:

Paragon Mortgages (No.12) PLC

on July 2006

By: _____

Name

Signed for and on behalf of:

Citicorp Trustee Company Limited

on July 2006

By: _____

Name

Paragon Second Funding

National Westminster Bank plc
Sort Code: 50-55-10
Account Number: 56215835
Favour: Paragon Second Funding Limited
Transaction account

Offices: The Office of Party A for each of the Transactions evidenced by this Confirmation is London.

Yours faithfully,

Signed for and on behalf of: Barclays Bank plc

on July 2006

By: _____

Name

Confirmed as of the date indicated at the start of this Confirmation:

Signed for and on behalf of: Paragon Mortgages (No.12) PLC

on 18 July 2006

By: 

Name Stephen Bowcott
As Attorney

Signed for and on behalf of: Citicorp Trustee Company Limited

on July 2006

By: _____

Name

17M12

A2B

CONFIRMATION

Dated 14 July 2006

From: **BARCLAYS BANK PLC**

5, The North Colonnade
Canary Wharf
London E14 4BB

Trade ID: 1289418B

To: **PARAGON MORTGAGES (NO.12) PLC**

St. Catherine's Court
Herbert Road
Solihull
West Midlands B91 3QE

Attention: The Company Secretary

CITICORP TRUSTEE COMPANY LIMITED

Citigroup Centre, 14th Floor
Canada Square
Canary Wharf
London E14 5LB

Attention: Agency & Trust

Dear Sirs

Currency Swap A2b Agreement
Paragon Mortgages (No.12) PLC

The purpose of this letter is to confirm the terms and conditions of the swap transactions entered into between us on the Trade Date specified below (the "**Swap Transactions**"). This letter constitutes a "Confirmation" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us and both of you in connection with the Class A2b Notes (the "**Relevant Notes**") on the date of this Confirmation as amended and supplemented from time to time (the "**Agreement**").

The definitions and provisions contained in the 2000 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation shall prevail. Any terms not otherwise defined herein or in the Definitions shall have the meanings given to them in the Agreement, in the Conditions (as defined in the Deed of Charge) and in the Relevant Documents (as defined in Condition 3).

This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in, incorporated in, or incorporated by reference to, the Agreement shall govern this Confirmation except as expressly modified below.

For the avoidance of doubt, the amount of any payment obligations in respect of the Swap Transactions will be determined subject to the provisions of Part 5(l) of the schedule to the Agreement.

The terms of the particular Swap Transactions to which this Confirmation relates are as follows:

Party A:	Barclays Bank plc
Party B:	Paragon Mortgages (No.12) PLC.
Trade Date:	14 July 2006
Effective Date:	20 July 2006
Termination Date:	The earlier of (a) the Interest Payment Date falling in May 2038; and (b) the date on which the Relevant Notes are redeemed or repaid in full
Interest Payment Date:	Each Interest Payment Date in respect of the Relevant Notes
Business Day:	London, New York and TARGET Settlement Day
EUR Amortisation Amount:	In respect of an Interest Payment Date, the amount (in EUR) to be applied in repayment of the principal amount of the Relevant Notes on such Interest Payment Date as notified to the Calculation Agent by the Administrator at least two Business Days prior to the relevant Interest Payment Date.
Exchange Rate:	GBP 1.00: EUR 1.45
Party A Currency:	EUR

Floating Payments

Floating Amounts for Party A:

Floating Rate Payer:	Party A.
Party A Currency Amount:	As at any Party A Payment Date, EUR245,000,000.00 minus the aggregate of each Party A Interim Exchange Amount made prior to such date as determined by the Administrator.

Party A Payment Dates:	Each Interest Payment Date in respect of the Relevant Notes
Floating Rate Option:	EUR-EURIBOR-Telerate
Designated Maturity:	three months; except for the initial Calculation Period in respect of which linear interpolation shall be applicable. Linear interpolation shall be applied by reference to the three month and four month rates.
Spread A for each Calculation Period up to and including the Calculation Period ending on but excluding the Interest Payment Date in August 2011:	0.12% per annum.
Spread A for the Calculation Periods from and including the Calculation Period beginning on (and including) the Interest Payment Date in August 2011, up to and including the Calculation Period ending on but excluding the Termination Date:	0.24% per annum
Party A Floating Rate Day Count Fraction:	Actual/360
Reset Dates:	The first day of each Calculation Period.
Floating Amounts for Party B:	
Floating Rate Payer:	Party B.
Party B Currency Amount:	As at any Party B Payment Date, GBP168,965,517.24 minus the aggregate of each Party B Interim Exchange Amount made prior to such date.
Party B Payment Dates:	Each Interest Payment Date in respect of the Relevant Notes.
Floating Rate Option:	GBP-LIBOR-BBA.
Designated Maturity:	three months; except for the initial Calculation Period in respect of which linear interpolation shall be applicable. Linear interpolation shall be applied by reference to the three month and four

	month rates.
Spread B for the Calculation Periods up to and including the Calculation Period ending on but excluding the Interest Payment Date in August 2011:	██████████ per annum.
Spread B for the Calculation Periods from and including the Calculation Period beginning on (and including) the Interest Payment Date in August 2011 up to and including the Calculation Period ending on but excluding the Termination Date:	██████████ per annum
Party B Floating Rate Day Count Fraction:	Actual/365 (Fixed)
Reset Dates:	The first day of each Calculation Period.
Calculation Agent:	Party A.
<i>Initial Exchange</i>	
Initial Exchange Date:	Effective Date.
Party A Initial Exchange Amount:	GBP 168,965,517.24
Party B Initial Exchange Amount:	EUR 245,000,000.00
<i>Interim Exchange</i>	
Interim Exchange Date:	Each Interest Payment Date on which the EUR Amortisation Amount is to be applied in or towards repayment of the principal amount of the Relevant Notes (as advised to Party A by the Administrator).
Party A Interim Exchange Amount:	The EUR Amortisation Amount.
Party B Interim Exchange Amount:	In respect of any Interim Exchange Date, an amount in GBP equal to the Party A Interim Exchange Amount converted in GBP at the Exchange Rate.
<i>Final Exchange</i>	
Final Exchange Date:	Termination Date.

Party A Final Exchange Amount: A EUR amount equal to the Party B Final Exchange Amount converted into EUR at the Exchange Rate.

Party B Final Exchange Amount: The Party B Currency Amount.

Account Details

Payments to Party A:

Account for Payments in EUR: Barclays Bank PLC, London
SWIFT: BARCGB22
Account: Barclays Bank PLC, London
Account No.: 78659111

Account for Payments in GBP: Barclays Bank PLC, 54 Lombard Street, London
CHAPS Sort Code 20-00-00
SWIFT: BARCGB22
Account: Barclays Swaps
Account No.: 152021

Payments to Party B:

Account for Payments in EUR To: Citibank N.A., London - CITIGB2L
SWIFT: CITIGB2L
A/C: 8378339
Ref: XS0261646565/Paragon Mortgages (No.12) PLC

Account for Payments in GBP Royal Bank of Scotland plc
CBO London
Sort Code: 16-04-00
Account number: 98191021
Reference: Loans Administration
Paragon Second Funding

National Westminster Bank plc
Sort Code: 50-55-10
Account Number: 56215835
Favour: Paragon Second Funding Limited
Transaction account

Offices: The Office of Party A for each of the Transactions evidenced by this Confirmation is London.

Yours faithfully,

Signed for and on behalf of:

Barclays Bank plc

on July 2006

By: _____

Name

Confirmed as of the date indicated at the start of this Confirmation:

Signed for and on behalf of:

Paragon Mortgages (No.12) PLC

on July 2006

By: _____

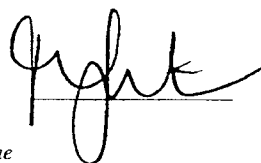
Name

Signed for and on behalf of:

Citicorp Trustee Company Limited

on July 2006

By:



Name

Signed for and on behalf of:

Barclays Bank plc

on July 2006

By:



Name

Confirmed as of the date indicated at the start of this Confirmation:

Signed for and on behalf of:

Paragon Mortgages (No.12) PLC

on July 2006

By:

Name

Signed for and on behalf of:

Citicorp Trustee Company Limited

on July 2006

By:

Name

Party A Payment Dates:	Each Interest Payment Date in respect of the Relevant Notes
Floating Rate Option:	EUR-EURIBOR-Telerate
Designated Maturity:	three months; except for the initial Calculation Period in respect of which linear interpolation shall be applicable. Linear interpolation shall be applied by reference to the three month and four month rates.
Spread A for each Calculation Period up to and including the Calculation Period ending on but excluding the Interest Payment Date in August 2011:	0.46% per annum.
Spread A for the Calculation Periods from and including the Calculation Period beginning on (and including) the Interest Payment Date in August 2011, up to and including the Calculation Period ending on but excluding the Termination Date:	0.92% per annum
Party A Floating Rate Day Count Fraction:	Actual/360
Reset Dates:	The first day of each Calculation Period.
Floating Amounts for Party B:	
Floating Rate Payer:	Party B.
Party B Currency Amount:	As at any Party B Payment Date, GBP73,103,448.28 minus the aggregate of each Party B Interim Exchange Amount made prior to such date.
Party B Payment Dates:	Each Interest Payment Date in respect of the Relevant Notes.
Floating Rate Option:	GBP-LIBOR-BBA.
Designated Maturity:	three months; except for the initial Calculation Period in respect of which linear interpolation shall be applicable. Linear interpolation shall be applied by reference to the three month and four

	month rates.
Spread B for the Calculation Periods up to and including the Calculation Period ending on but excluding the Interest Payment Date in August 2011:	██████████ per annum.
Spread B for the Calculation Periods from and including the Calculation Period beginning on (and including) the Interest Payment Date in August 2011 up to and including the Calculation Period ending on but excluding the Termination Date:	██████████ per annum
Party B Floating Rate Day Count Fraction:	Actual/365 (Fixed)
Reset Dates:	The first day of each Calculation Period.
Calculation Agent:	Party A.
<i>Initial Exchange</i>	
Initial Exchange Date:	Effective Date.
Party A Initial Exchange Amount:	GBP 73,103,448.28
Party B Initial Exchange Amount:	EUR 106,000,000.00
<i>Interim Exchange</i>	
Interim Exchange Date:	Each Interest Payment Date on which the EUR Amortisation Amount is to be applied in or towards repayment of the principal amount of the Relevant Notes (as advised to Party A by the Administrator).
Party A Interim Exchange Amount:	The EUR Amortisation Amount.
Party B Interim Exchange Amount:	In respect of any Interim Exchange Date, an amount in GBP equal to the Party A Interim Exchange Amount converted in GBP at the Exchange Rate.
<i>Final Exchange</i>	
Final Exchange Date:	Termination Date.

Party A Final Exchange Amount: A EUR amount equal to the Party B Final Exchange Amount converted into EUR at the Exchange Rate.

Party B Final Exchange Amount: The Party B Currency Amount.

Account Details

Payments to Party A:

Account for Payments in EUR: Barclays Bank PLC, London
SWIFT: BARCGB22
Account: Barclays Bank PLC, London
Account No.: 78659111

Account for Payments in GBP: Barclays Bank PLC, 54 Lombard Street, London
CHAPS Sort Code 20-00-00
SWIFT: BARCGB22
Account: Barclays Swaps
Account No.: 152021

Payments to Party B:

Account for Payments in EUR To: Citibank N.A., London - CITIGB2L
SWIFT: CITIGB2L
A/C: 8378339
Ref: XS0261650674/Paragon Mortgages (No.12) PLC

Account for Payments in GBP Royal Bank of Scotland plc
CBO London
Sort Code: 16-04-00
Account number: 98191021
Reference: Loans Administration
Paragon Second Funding

National Westminster Bank plc
Sort Code: 50-55-10
Account Number: 56215835
Favour: Paragon Second Funding Limited
Transaction account

Offices: The Office of Party A for each of the Transactions evidenced by this Confirmation is London.

Yours faithfully,

Signed for and on behalf of:

Barclays Bank plc

on July 2006

By: _____

Name

Confirmed as of the date indicated at the start of this Confirmation:

Signed for and on behalf of:

Paragon Mortgages (No.12) PLC

on July 2006

By: _____

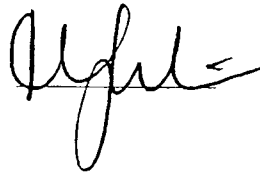
Name

Signed for and on behalf of:

Citicorp Trustee Company Limited

on July 2006

By:



Name

Signed for and on behalf of:

Barclays Bank plc

on July 2006

By:

C.ell

Name

Confirmed as of the date indicated at the start of this Confirmation:

Signed for and on behalf of:

Paragon Mortgages (No.12) PLC

on July 2006

By:

Name

Signed for and on behalf of:

Citicorp Trustee Company Limited

on July 2006

By:

Name

Signed for and on behalf of:

Barclays Bank plc

on July 2006

By: _____

Name

Confirmed as of the date indicated at the start of this Confirmation:

Signed for and on behalf of:

Paragon Mortgages (No.12) PLC

on 18 July 2006

By:  _____

Name

Stephen Bowcott
As Attorney

Signed for and on behalf of:

Citicorp Trustee Company Limited

on July 2006

By: _____

Name

PM 12

B1b

CONFIRMATION

Dated 14 July 2006

From: **BARCLAYS BANK PLC**

5. The North Colonnade
Canary Wharf
London E14 4BB

Trade ID: 1289443B

To: **PARAGON MORTGAGES (NO.12) PLC**

St. Catherine's Court
Herbert Road
Solihull
West Midlands B91 3QE

Attention: The Company Secretary

CITICORP TRUSTEE COMPANY LIMITED

Citigroup Centre, 14th Floor
Canada Square
Canary Wharf
London E14 5LB

Attention: Agency & Trust

Dear Sirs

**Currency Swap B1b Agreement
Paragon Mortgages (No.12) PLC**

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For the avoidance of doubt, the amount of any payment obligations in respect of the Swap Transactions will be determined subject to the provisions of Part 5(1) of the schedule to the Agreement.

The terms of the particular Swap Transactions to which this Confirmation relates are as follows:

Party A:	Barclays Bank plc
Party B:	Paragon Mortgages (No.12) PLC.
Trade Date:	14 July 2006
Effective Date:	20 July 2006
Termination Date:	The earlier of (a) the Interest Payment Date falling in May 2038; and (b) the date on which the Relevant Notes are redeemed or repaid in full
Interest Payment Date:	Each Interest Payment Date in respect of the Relevant Notes
Business Day:	London, New York and TARGET Settlement Day
EUR Amortisation Amount:	In respect of an Interest Payment Date, the amount (in EUR) to be applied in repayment of the principal amount of the Relevant Notes on such Interest Payment Date as notified to the Calculation Agent by the Administrator at least two Business Days prior to the relevant Interest Payment Date.
Exchange Rate:	GBP 1.00: EUR 1.45
Party A Currency:	EUR

Floating Payments

Floating Amounts for Party A:

Floating Rate Payer:	Party A.
Party A Currency Amount:	As at any Party A Payment Date, EUR126,000,000.00 minus the aggregate of each Party A Interim Exchange Amount made prior to such date as determined by the Administrator.

Party A Payment Dates:	Each Interest Payment Date in respect of the Relevant Notes
Floating Rate Option:	EUR-EURIBOR-Telerate
Designated Maturity:	three months; except for the initial Calculation Period in respect of which linear interpolation shall be applicable. Linear interpolation shall be applied by reference to the three month and four month rates.
Spread A for each Calculation Period up to and including the Calculation Period ending on but excluding the Interest Payment Date in August 2011:	0.24% per annum.
Spread A for the Calculation Periods from and including the Calculation Period beginning on (and including) the Interest Payment Date in August 2011, up to and including the Calculation Period ending on but excluding the Termination Date:	0.48% per annum
Party A Floating Rate Day Count Fraction:	Actual/360
Reset Dates:	The first day of each Calculation Period.
Floating Amounts for Party B:	
Floating Rate Payer:	Party B.
Party B Currency Amount:	As at any Party B Payment Date, GBP86,896,551.72 minus the aggregate of each Party B Interim Exchange Amount made prior to such date.
Party B Payment Dates:	Each Interest Payment Date in respect of the Relevant Notes.
Floating Rate Option:	GBP-LIBOR-BBA.
Designated Maturity:	three months; except for the initial Calculation Period in respect of which linear interpolation shall be applicable. Linear interpolation shall be applied by reference to the three month and four

	month rates.
Spread B for the Calculation Periods up to and including the Calculation Period ending on but excluding the Interest Payment Date in August 2011:	██████████ per annum.
Spread B for the Calculation Periods from and including the Calculation Period beginning on (and including) the Interest Payment Date in August 2011 up to and including the Calculation Period ending on but excluding the Termination Date:	██████████ per annum
Party B Floating Rate Day Count Fraction:	Actual/365 (Fixed)
Reset Dates:	The first day of each Calculation Period.
Calculation Agent:	Party A.
<i>Initial Exchange</i>	
Initial Exchange Date:	Effective Date.
Party A Initial Exchange Amount:	GBP 86,896,551.72
Party B Initial Exchange Amount:	EUR 126,000,000.00
<i>Interim Exchange</i>	
Interim Exchange Date:	Each Interest Payment Date on which the EUR Amortisation Amount is to be applied in or towards repayment of the principal amount of the Relevant Notes (as advised to Party A by the Administrator).
Party A Interim Exchange Amount:	The EUR Amortisation Amount.
Party B Interim Exchange Amount:	In respect of any Interim Exchange Date, an amount in GBP equal to the Party A Interim Exchange Amount converted in GBP at the Exchange Rate.
<i>Final Exchange</i>	
Final Exchange Date:	Termination Date.

Party A Final Exchange Amount: A EUR amount equal to the Party B Final Exchange Amount converted into EUR at the Exchange Rate.

Party B Final Exchange Amount: The Party B Currency Amount.

Account Details

Payments to Party A:

Account for Payments in EUR: Barclays Bank PLC, London
SWIFT: BARCGB22
Account: Barclays Bank PLC, London
Account No.: 78659111

Account for Payments in GBP: Barclays Bank PLC, 54 Lombard Street, London
CHAPS Sort Code 20-00-00
SWIFT: BARCGB22
Account: Barclays Swaps
Account No.: 152021

Payments to Party B:

Account for Payments in EUR To: Citibank N.A., London - CITIGB2L
SWIFT: CITIGB2L
A/C: 8378339
Ref: XS0261648850/Paragon Mortgages (No.12) PLC

Account for Payments in GBP Royal Bank of Scotland plc
CBO London
Sort Code: 16-04-00
Account number: 98191021
Reference: Loans Administration
Paragon Second Funding

National Westminster Bank plc
Sort Code: 50-55-10
Account Number: 56215835
Favour: Paragon Second Funding Limited
Transaction account

Offices: The Office of Party A for each of the Transactions evidenced by this Confirmation is London.

Yours faithfully,

Signed for and on behalf of:

Barclays Bank plc

on July 2006

By: _____

Name

Confirmed as of the date indicated at the start of this Confirmation:

Signed for and on behalf of:

Paragon Mortgages (No.12) PLC

on July 2006

By: _____

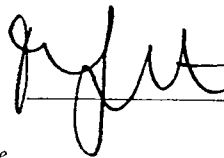
Name

Signed for and on behalf of:

Citicorp Trustee Company Limited

on July 2006

By:



Name

Signed for and on behalf of:

Barclays Bank plc

on July 2006

By:



Name

Confirmed as of the date indicated at the start of this Confirmation:

Signed for and on behalf of:

Paragon Mortgages (No.12) PLC

on July 2006

By:

Name

Signed for and on behalf of:

Citicorp Trustee Company Limited

on July 2006

By:

Name

Signed for and on behalf of:

Barclays Bank plc

on July 2006

By: _____


Name

Confirmed as of the date indicated at the start of this Confirmation:

Signed for and on behalf of:

Paragon Mortgages (No.12) PLC

on ... 18 ... July 2006

By:  _____

Name Stephen Bowcott
As Attorney

Signed for and on behalf of:

Citicorp Trustee Company Limited

on July 2006

By: _____

Name

11412

C1b

CONFIRMATION

Dated 14 July 2006

From: **BARCLAYS BANK PLC**

5, The North Colonnade
Canary Wharf
London E14 4BB

Trade ID: 1290880B

To: **PARAGON MORTGAGES (NO.12) PLC**

St. Catherine's Court
Herbert Road
Sofihull
West Midlands B91 3QE

Attention: The Company Secretary

CITICORP TRUSTEE COMPANY LIMITED

Citigroup Centre, 14th Floor
Canada Square
Canary Wharf
London E14 5LB

Attention: Agency & Trust

Dear Sirs

**Currency Swap C1b Agreement
Paragon Mortgages (No.12) PLC**

The purpose of this letter is to confirm the terms and conditions of the swap transactions entered into between us on the Trade Date specified below (the "**Swap Transactions**"). This letter constitutes a "Confirmation" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us and both of you in connection with the Class C1b Notes (the "**Relevant Notes**") on the date of this Confirmation as amended and supplemented from time to time (the "**Agreement**").

The definitions and provisions contained in the 2000 ISDA Definitions as published by the International Swaps & Derivatives Association, Inc. (the "**Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation shall prevail. Any terms not otherwise defined herein or in the Definitions shall have the meanings given to them in the Agreement, in the Conditions (as defined in the Deed of Charge) and in the Relevant Documents (as defined in Condition 3).

This Confirmation supplements, forms part of, and is subject to, the Agreement. All provisions contained in, incorporated in, or incorporated by reference to, the Agreement shall govern this Confirmation except as expressly modified below.

For the avoidance of doubt, the amount of any payment obligations in respect of the Swap Transactions will be determined subject to the provisions of Part 5(l) of the schedule to the Agreement.

The terms of the particular Swap Transactions to which this Confirmation relates are as follows:

Party A:	Barclays Bank plc
Party B:	Paragon Mortgages (No.12) PLC.
Trade Date:	14 July 2006
Effective Date:	20 July 2006
Termination Date:	The earlier of (a) the Interest Payment Date falling in May 2038; and (b) the date on which the Relevant Notes are redeemed or repaid in full
Interest Payment Date:	Each Interest Payment Date in respect of the Relevant Notes
Business Day:	London, New York and TARGET Settlement Day
EUR Amortisation Amount:	In respect of an Interest Payment Date, the amount (in EUR) to be applied in repayment of the principal amount of the Relevant Notes on such Interest Payment Date as notified to the Calculation Agent by the Administrator at least two Business Days prior to the relevant Interest Payment Date.
Exchange Rate:	GBP 1.00: EUR 1.45
Party A Currency:	EUR

Floating Payments

Floating Amounts for Party A:

Floating Rate Payer:	Party A.
Party A Currency Amount:	As at any Party A Payment Date, EUR106,000,000.00 minus the aggregate of each Party A Interim Exchange Amount made prior to such date as determined by the Administrator.

Party A Payment Dates:	Each Interest Payment Date in respect of the Relevant Notes
Floating Rate Option:	USD-LIBOR-BBA
Designated Maturity:	three months; except for the initial Calculation Period in respect of which linear interpolation shall be applicable. Linear interpolation shall be applied by reference to the three month and four month rates.
Spread A for each Calculation Period up to and including the Calculation Period ending on but excluding the Interest Payment Date in August 2011:	0.11% per annum.
Spread A for the Calculation Periods from and including the Calculation Period beginning on (and including) the Interest Payment Date in August 2011, up to and including the Calculation Period ending on but excluding the Termination Date:	0.22% per annum
Party A Floating Rate Day Count Fraction:	Actual/360
Reset Dates:	The first day of each Calculation Period.
Floating Amounts for Party B:	
Floating Rate Payer:	Party B.
Party B Currency Amount:	As at any Party B Payment Date, GBP169,021,739.13 minus the aggregate of each Party B Interim Exchange Amount made prior to such date.
Party B Payment Dates:	Each Interest Payment Date in respect of the Relevant Notes.
Floating Rate Option:	GBP-LIBOR-BBA.
Designated Maturity:	three months; except for the initial Calculation Period in respect of which linear interpolation shall be applicable. Linear interpolation shall be applied by reference to the three month and four month

	rates.
Spread B for the Calculation Periods up to and including the Calculation Period ending on but excluding the Interest Payment Date in August 2011:	██████████ per annum.
Spread B for the Calculation Periods from and including the Calculation Period beginning on (and including) the Interest Payment Date in August 2011 up to and including the Calculation Period ending on but excluding the Termination Date:	██████████ per annum
Party B Floating Rate Day Count Fraction:	Actual/365 (Fixed)
Reset Dates:	The first day of each Calculation Period.
Calculation Agent:	Party A.
<i>Initial Exchange</i>	
Initial Exchange Date:	Effective Date.
Party A Initial Exchange Amount:	GBP 169,021,739.13
Party B Initial Exchange Amount:	USD 311,000,000.00
<i>Interim Exchange</i>	
Interim Exchange Date:	Each Interest Payment Date on which the USD Amortisation Amount is to be applied in or towards repayment of the principal amount of the Relevant Notes (as advised to Party A by the Administrator).
Party A Interim Exchange Amount:	The USD Amortisation Amount.
Party B Interim Exchange Amount:	In respect of any Interim Exchange Date, an amount in GBP equal to the Party A Interim Exchange Amount converted in GBP at the Exchange Rate.
<i>Final Exchange</i>	
Final Exchange Date:	Termination Date.
Party A Final Exchange Amount:	A USD amount equal to the Party B Final Exchange Amount converted into USD at the Exchange Rate.

Party B Final Exchange Amount: The Party B Currency Amount.

Account Details

⌘

Payments to Party A:

Account for Payments in USD: Federal Reserve Bank of New York, New York
ABA No.: 026-0025-74
Account: Barclays Bank PLC, New York
Fav.: Barclays Swaps & Options Group, New York
Account No.: 050-01922-8

Account for Payments in GBP: Barclays Bank PLC, 54 Lombard Street, London
CHAPS Sort Code 20-00-00
SWIFT: BARCGB22
Account: Barclays Swaps
Account No.: 152021

Payments to Party B:

Account for Payments in USD To: Citibank N.A., New York
SWIFT: CITIUS33
For: Citibank N.A., London
SWIFT: CITIGB2L
Account No.: 10990765
Ref: XS0261647027/Paragon Mortgages (No.12) PLC

Account for Payments in GBP Royal Bank of Scotland plc
CBO London
Sort Code: 16-04-00
Account number: 98191021
Reference: Loans Administration
Paragon Second Funding

National Westminster Bank plc
Sort Code: 50-55-10
Account Number: 56215835
Favour: Paragon Second Funding Limited
Transaction account

Offices: The Office of Party A for each of the Transactions
evidenced by this Confirmation is London.

Yours faithfully,

Signed for and on behalf of:

Barclays Bank plc

on July 2006

By: _____

Name

Confirmed as of the date indicated at the start of this Confirmation:

Signed for and on behalf of:

Paragon Mortgages (No.12) PLC

on July 2006

By: _____

Name

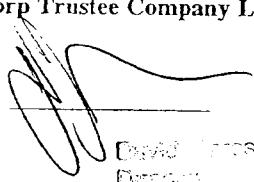
Signed for and on behalf of:

Citicorp Trustee Company Limited

on July 2006

By: _____

Name


David Jones
Director

Signed for and on behalf of:

Barclays Bank plc

on July 2006

By:



Name

Confirmed as of the date indicated at the start of this Confirmation:

Signed for and on behalf of:

Paragon Mortgages (No.12) PLC

on July 2006

By:

Name

Signed for and on behalf of:

Citicorp Trustee Company Limited

on July 2006

By:

Name

Signed for and on behalf of:

Barclays Bank plc

on July 2006

By: _____


Name

Confirmed as of the date indicated at the start of this Confirmation:

Signed for and on behalf of:

Paragon Mortgages (No.12) PLC

on ... 18 ... July 2006

By:  _____

Name Stephen Bowcott
As Attorney

Signed for and on behalf of:

Citicorp Trustee Company Limited

on July 2006

By: _____

Name

Signed for and on behalf of:

Barclays Bank plc

on July 2006

By: _____


Name

Confirmed as of the date indicated at the start of this Confirmation:

Signed for and on behalf of:

Paragon Mortgages (No.12) PLC

on...18... July 2006

By:  _____

Name

Stephen Bowcott
As Attorney

Signed for and on behalf of:

Citicorp Trustee Company Limited

on July 2006

By: _____

Name

PM12

A2c

CONFIRMATION

Dated 14 July 2006

From: **BARCLAYS BANK PLC**

5, The North Colonnade
Canary Wharf
London E14 4BB

Trade ID: 1289459B

To: **PARAGON MORTGAGES (NO.12) PLC**

St. Catherine's Court
Herbert Road
Solihull
West Midlands B91 3QE

Attention: The Company Secretary

CITICORP TRUSTEE COMPANY LIMITED

Citigroup Centre, 14th Floor
Canada Square
Canary Wharf
London E14 5LB

Attention: Agency & Trust

Dear Sirs

**Currency Swap A2c Agreement
Paragon Mortgages (No.12) PLC**

The purpose of this letter is to confirm the terms and conditions of the swap transactions entered into between us on the Trade Date specified below (the "**Swap Transactions**"). This letter constitutes a "Confirmation" as referred to in the 1992 ISDA Master Agreement (Multicurrency-Cross Border) entered into between us and both of you in connection with the Class A2c Notes (the "**Relevant Notes**") on the date of this Confirmation as amended and supplemented from time to time (the "**Agreement**").

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Interest Payment Date:	Each Interest Payment Date in respect of the Relevant Notes
Business Day:	London, New York and TARGET Settlement Day
USD Amortisation Amount:	In respect of an Interest Payment Date, the amount (in USD) to be applied in repayment of the principal amount of the Relevant Notes on such Interest Payment Date as notified to the Calculation Agent by the Administrator at least two Business Days prior to the relevant Interest Payment Date.
Exchange Rate:	GBP 1.00: USD 1.84
Party A Currency:	USD

Floating Payments

Floating Amounts for Party A:

Floating Rate Payer:	Party A.
Party A Currency Amount:	As at any Party A Payment Date, USD311,000,000.00 minus the aggregate of each Party A Interim Exchange Amount made prior to such date as determined by the Administrator.