

CONFIRMATION

dated 27 October 2004

From: **HSBC BANK PLC**
8 Canada Square
London E14 5HQ

To: **PARAGON MORTGAGES (NO.8) 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 A1b Agreement
Paragon Mortgages (No.8) PLC**

Party A Reference Number: **415380ML**

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 A1b 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.

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

Party A:	HSBC Bank plc
Party B:	Paragon Mortgages (No.8) PLC.
Trade Date:	20 October 2004.
Effective Date:	27 October 2004.
Termination Date:	The earlier of (a) the Interest Payment Date falling in April 2035 and (b) the date on which the Relevant Notes are redeemed or repaid in full.
Interest Payment Date:	Each Interest Payment Date.
Business Day:	London, 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 one Business Day prior to the relevant Interest Payment Date.
Exchange Rate:	EUR 1.00: GBP 0.69696969697.
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, EUR 330,000,000 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-Telorate
Designated Maturity:	three months; except for the initial Calculation Period which shall be the linear interpolation of five months and six months.
Spread A for the Calculation Periods up to and including the Calculation Period ending on but excluding the Interest Payment Date in October 2010:	0.1100% per annum.
Spread A for the Calculation Periods from and including the Calculation Period beginning on (and including) the Interest Payment Date in October 2010 up to and including the Calculation Period ending on	0.2200% per annum.

but excluding the Termination Date:

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, GBP 230,000,000 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 which shall be the linear interpolation of five months and six months.

Spread B for the Calculation Periods up to and including the Calculation Period ending on but excluding the Interest Payment Date in October 2010: [REDACTED] per annum.

Spread B for the Calculation Periods from and including the Calculation Period beginning on (and including) the Interest Payment Date in October 2010 up to and including the Calculation Period ending on but excluding the Termination Date: [REDACTED] 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.

Initial Exchange

Initial Exchange Date: Effective Date.

Party A Initial Exchange Amount: GBP 230,000,000.

Party B Initial Exchange Amount: EUR 330,000,000.

Interim Exchange

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:

Party B Interim Exchange Amount:

The EUR Amortisation Amount.

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

Final Exchange

Final Exchange Date:

Party A Final Exchange Amount:

Party B Final Exchange Amount:

Termination Date.

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

The Party B Currency Amount.

Account Details

Payments to Party A:

Account for Payments in EUR:

HSBC Bank PLC, London
SWIFT: MIDLGB22
Account No.: 87511552

Account for Payments in GBP:

HSBC Bank PLC, London
CHAPS Sort Code 40-53-71
SWIFT: MIDLGB22
Account No.: 35575058

Payments to Party B:

Account for Payments in EUR:

To: Citibank, N.A. London - CITIGB2L
SWIFT: CITIGB2L
A/C: 8378339
Ref: GATS+[PM8 XS0203410500]

Account for Payments in GBP:

National Westminster Bank Plc
Sort Code: 55-50-15
for further credit to:
Account name: Paragon Mortgages (No.8) PLC
Account number: 58540784

Offices:

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


Yours faithfully,

Signed for and behalf of:

on:

by:

HSBC Bank plc
27 October 2004


By 
Authorized signatory

Name ANGELA CALUSET

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

Signed for and behalf of:
on:
by:

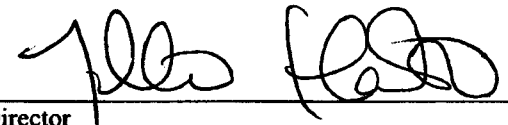
Paragon Mortgages (No.8) PLC
27 October 2004

By 

Director
Name Adem Mehmet

Signed for and behalf of:
on:
acting by:

Citicorp Trustee Company Limited
27 October 2004

By 

Director
Name David Mages

CONFIRMATION

dated 27 October 2004

From: **HSBC BANK PLC**
8 Canada Square
London E14 5HQ

To: **PARAGON MORTGAGES (NO.8) 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.8) PLC

Party A Reference Number: **415381ML**

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.

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

Party A: **HSBC Bank plc**

Party B:	Paragon Mortgages (No.8) PLC.
Trade Date:	20 October 2004.
Effective Date:	27 October 2004.
Termination Date:	The earlier of (a) the Interest Payment Date falling in April 2035 and (b) the date on which the Relevant Notes are redeemed or repaid in full.
Interest Payment Date:	Each Interest Payment Date.
Business Day:	London, 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 one Business Day prior to the relevant Interest Payment Date.
Exchange Rate:	EUR 1.00: GBP 0.69536423841.
Party A Currency:	EUR
<i>Floating Payments</i>	
Floating Amounts for Party A:	
Floating Rate Payer:	Party A.
Party A Currency Amount:	As at any Party A Payment Date, EUR 453,000,000 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 which shall be the linear interpolation of five months and six months.
Spread A for the Calculation Periods up to and including the Calculation Period ending on but excluding the Interest Payment Date in October 2010:	0.1800% per annum.
Spread A for the Calculation Periods from and including the Calculation Period beginning on (and including) the Interest Payment Date in October 2010 up to and including the Calculation Period ending on but excluding the Termination Date:	0.3600% 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, GBP 315,000,000 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 which shall be the linear interpolation of five months and six months.
Spread B for the Calculation Periods up to and including the Calculation Period ending on but excluding the Interest Payment Date in October 2010:	██████████ per annum.
Spread B for the Calculation Periods from and including the Calculation Period beginning on (and including) the Interest Payment Date in October 2010 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 315,000,000.
Party B Initial Exchange Amount:	EUR 453,000,000.
<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 into GBP at the Exchange Rate.

Final Exchange

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: HSBC Bank PLC, London
SWIFT: MIDLGB22
Account No.: 87511552

Account for Payments in GBP: HSBC Bank PLC, London
CHAPS Sort Code 40-53-71
SWIFT: MIDLGB22
Account No.: 35575058

Payments to Party B:

Account for Payments in EUR: To: Citibank, N.A. London - CITIGB2L
SWIFT: CITIGB2L
A/C: 8378339
Ref: GATS+[PM8 XS0203411144]


Account for Payments in GBP: National Westminster Bank Plc
Sort Code: 55-50-15
for further credit to:
Account name: Paragon Mortgages (No.8) PLC
Account number: 58540784

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

Yours faithfully,

Signed for and behalf of:
on:
by:

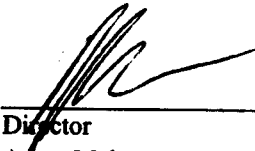
HSBC Bank plc
27 October 2004

By 
Authorized signatory
Name Anaela Caluok

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

Signed for and behalf of:
on:
by:


Paragon Mortgages (No.8) PLC
27 October 2004

By 

Director
Name Adem Mehmet

Signed for and behalf of:
on:
acting by:

Citicorp Trustee Company Limited
27 October 2004

By 

Director
Name David Morris

CONFIRMATION

dated 27 October 2004

From: **HSBC BANK PLC**
8 Canada Square
London E14 5HQ

To: **PARAGON MORTGAGES (NO.8) 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.8) PLC

Party A Reference Number: **415382ML**

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 B1b 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).

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Party A: **HSBC Bank plc**

Party B: Paragon Mortgages (No.8) PLC.

Trade Date: 20 October 2004.

Effective Date: 27 October 2004.

Termination Date: The earlier of (a) the Interest Payment Date falling in April 2044 and (b) the date on which the Relevant Notes are redeemed or repaid in full.

Interest Payment Date: Each Interest Payment Date.

Business Day: London, 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 one Business Day prior to the relevant Interest Payment Date.

Exchange Rate: EUR 1.00: GBP 0.7000000000.

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, EUR 50,000,000 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-Telorate

Designated Maturity: three months; except for the initial Calculation Period which shall be the linear interpolation of five months and six months.

Spread A for the Calculation Periods up to and including the Calculation Period ending on but excluding the Interest Payment Date in October 2010: 0.6000% per annum.

Spread A for the Calculation Periods from and including the Calculation Period beginning on (and including) the Interest Payment Date in October 2010 up to and including the Calculation Period ending on but excluding the Termination Date: 1.2000% 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, GBP 35,000,000 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 which shall be the linear interpolation of five months and six months.
Spread B for the Calculation Periods up to and including the Calculation Period ending on but excluding the Interest Payment Date in October 2010:	██████████ per annum.
Spread B for the Calculation Periods from and including the Calculation Period beginning on (and including) the Interest Payment Date in October 2010 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 35,000,000.
Party B Initial Exchange Amount:	EUR 50,000,000.
<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 into GBP at the Exchange Rate.

Final Exchange

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: HSBC Bank PLC, London
SWIFT: MIDLGB22
Account No.: 87511552

Account for Payments in GBP: HSBC Bank PLC, London
CHAPS Sort Code 40-53-71
SWIFT: MIDLGB22
Account No.: 35575058

Payments to Party B:

Account for Payments in EUR: To: Citibank, N.A. London - CITIGB2L
SWIFT: CITIGB2L
A/C: 8378339
Ref: GATS+[PM8 XS0203412548]


Account for Payments in GBP: National Westminster Bank Plc
Sort Code: 55-50-15
for further credit to:
Account name: Paragon Mortgages (No.8) PLC
Account number: 58540784

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

Yours faithfully,

Signed for and behalf of:
on:
by:

HSBC Bank plc
27 October 2004


By 

Authorised signatory
Name **ANGELA CALVERT**

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

Signed for and behalf of:
on:
by:

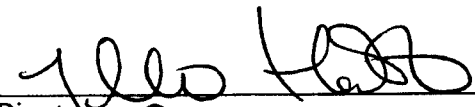
Paragon Mortgages (No.8) PLC
27 October 2004

By 

Director
Name Adem Mehmet

Signed for and behalf of:
on:
acting by:

Citicorp Trustee Company Limited
27 October 2004

By 

Director
Name David Marsden