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Under no circumstances shall this offering circular constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. This offering circular may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

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## OFFERING CIRCULAR DATED 25 APRIL 2005

### **E-MAC NL 2005-NHG II B.V.**

(incorporated with limited liability in the Netherlands)

#### **Euro 600,000,000 Senior Class A Mortgage-Backed Notes 2005 due 2038, issue price 100 per cent.**

#### **GMAC RFC Nederland B.V.**

as Seller and MPT Provider

Application has been made to list the euro 600,000,000 Senior Class A Mortgage-Backed Notes 2005 due 2038 (the '**Senior Class A Notes**'). In addition the Issuer will issue the euro 4,200,000 Subordinated Class B Notes 2005 due 2038 (the '**Subordinated Class B Notes**') and together with the Senior Class A Notes, the '**Notes**'). The Senior Class A Notes will be listed on Euronext Amsterdam. The Notes are expected to be issued on 27 April 2005. This Offering Circular constitutes a prospectus for the purposes of the listing and issuing rules of Euronext Amsterdam N.V.

The Notes will carry floating rates of interest, payable quarterly in arrear on each Quarterly Payment Date. Up to (but excluding) the First Put Date the respective rates of interest will be three months Euribor plus, for the Senior Class A Notes a margin of 0.095 per cent. per annum. On the First Put Date, the margin for each Class of Notes will be reset in accordance with the Conditions of the Notes.

Each Senior Class A Noteholder has the right to exercise the Put Option on the First Put Date and each Put Date thereafter by giving a Put Notice during the relevant Put Notice Period. The Senior Class A Notes in respect of which the Put Option is exercised will be redeemed at their Principal Amount Outstanding subject to and in accordance with the Conditions of the Notes. Any Senior Class A Notes in respect of which the Put Option is not exercised will nevertheless be redeemed on such Put Date if Moody's does not confirm the then current rating assigned to the Senior Class A Notes. In case the withholding or deduction of taxes, duties, assessments or charges is required by law in respect of payments of principal and/or interest on the Notes, such withholding or deduction will be made without an obligation of the Issuer to pay any additional amount to the Noteholders.

The Notes will mature on the Quarterly Payment Date falling in April 2038. On the Quarterly Payment Date falling in July 2005 and each Quarterly Payment Date thereafter, the Senior Class A Notes will be subject to mandatory partial redemption in the circumstances set out in, and subject to and in accordance with, the Conditions of the Notes. If on any Quarterly Payment Date the aggregate Principal Amount Outstanding of the Senior Class A Notes is not more than 10 per cent. of the Principal Amount Outstanding of the Senior Class A Notes on the Closing Date, the Issuer will have the option to redeem all of the Senior Class A Notes in whole but not in part at their Principal Amount Outstanding, subject to and in accordance with the Conditions of the Notes. In addition each Senior Class A Noteholder has the right to exercise the Regulatory Put Option. As of the First Put Date the Subordinated Class B Notes will be subject to mandatory partial redemption in the circumstances set out in, subject to and in accordance with the Condition of the Notes 6. In case the Clean-Up Call Option or the Regulatory Put Option in respect of all Senior Class A Notes is exercised, the Subordinated Class B Notes will become subject to mandatory redemption.

It is a condition precedent to issuance that the Senior Class A Notes, on issue, be assigned an Aaa rating by Moody's. This security rating does not address the timely or ultimate payment of the Subordinated Extension Interest Part or of payments due to be made by the Issuer under the Put Option on a Put Date. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. This Offering Circular and the information contained herein are subject to completion or amendment (which may be material) without notice. Under no circumstances shall this Offering Circular constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

**For a discussion of some of the risks associated with an investment in the Notes, see *Special Considerations* herein.**

The Notes will be indirectly secured by a pledge over the NHG Mortgage Receivables, the Beneficiary Rights, the balance on the Seller Collection Account, the Quion Collection Account and a pledge over other assets of the Issuer. The right to payment of interest and principal on the Subordinated Class B Notes will be subordinated and may be limited as further described herein.

The Notes of each Class will be initially represented by Temporary Global Notes in bearer form, without coupons, which are expected to be deposited with a common depository for Euroclear and Clearstream, Luxembourg on or about the Closing Date. Interests in each Temporary Global Note will be exchangeable for interests in a Permanent Global Note of the relevant Class, without coupons, not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interests in each Permanent Global Note will, in certain limited circumstances, be exchangeable for Notes in definitive bearer form as described in the Conditions of the Notes.

The Notes will be solely the obligations of the Issuer. The Notes will not be the obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting, including, without limitation, the Secured Parties, the Manager, the Extension Margin Agent, the Listing Agent, the Security Trustee, any sub-agents of the MPT Provider, the Originators or any other person in whatever capacity acting. No liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes will be accepted by the Secured Parties, the Manager, the Extension Margin Agent, the Listing Agent, the Security Trustee, any sub-agents of the MPT Provider, the Originators or any other person in whatever capacity. None of the Secured Parties, the Manager, the Extension Margin Agent, the Listing Agent and the Security Trustee, any sub-agent of the MPT Provider and the Originators will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances described herein).

Capitalised terms used in this Offering Circular, unless otherwise indicated, have the meanings as set out in Annex A to this Offering Circular.

**Arranger, Manager and Sole Bookrunner**

**Citigroup**

## IMPORTANT INFORMATION

Only the Issuer is responsible for the information contained in this Offering Circular other than the information referred to in the following three paragraphs. To the best of its knowledge and belief the information, except for the information for which the Seller, Quion Hypotheekbemiddeling or STATER are responsible, contained in this Offering Circular is in accordance with the facts and there are no other facts, the omission of which would, in the context of the issue of the Notes, make any statements herein, whether of fact or opinion, misleading in any material respect. The Issuer accepts responsibility accordingly.

The Seller is responsible solely for the information contained in the following sections of this Offering Circular: *Overview of the Netherlands Residential Mortgage Market, GMAC RFC Nederland B.V., Description of the Mortgage Loans, NHG Guarantee Programme, Mortgage Loan Underwriting and Origination and Administration of the NHG Mortgage Receivables* and not for information contained in any other section and consequently, the Seller does not assume any liability in respect of the information contained in any section other than the sections *Overview of the Netherlands Residential Mortgage Market, GMAC RFC Nederland B.V., Description of the Mortgage Loans, Mortgage Loan Underwriting and Origination and Administration of the NHG Mortgage Receivables*. To the best of its knowledge and belief the information, contained in the sections referred to in this paragraph, is in accordance with the facts and there are no other facts, the omission of which would, in the context of the issue of the Notes, make any statements herein, whether of fact or opinion, misleading in any material respect. The Seller accepts responsibility accordingly.

Quion Hypotheekbemiddeling is responsible solely for the information contained in the section *Quion Hypotheekbemiddeling B.V.* and not for information contained in any other section and consequently, Quion Hypotheekbemiddeling does not assume any liability in respect of the information contained in any section other than the section *Quion Hypotheekbemiddeling B.V.*

STATER is responsible solely for the information contained in the section *STATER Nederland B.V.* and not for information contained in any other section and consequently, STATER does not assume any liability in respect of the information contained in any section other than the section *STATER Nederland B.V.*

This Offering Circular is to be read in conjunction with the articles of association of the Issuer which are deemed to be incorporated herein by reference (see *General Information*). Consequently, this Offering Circular will be read and construed on the basis that such document is incorporated in and forms part of this Offering Circular.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Manager.

Neither this Offering Circular nor any part hereof constitutes an offer or an invitation to sell or a solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this document and the offering of the Notes in certain jurisdictions may be restricted by law.

Persons into whose possession this Offering Circular (or any part hereof) comes are required to inform themselves about, and to observe, any such restrictions. A fuller description of the restrictions on offers, sales and deliveries of the Notes and on the distribution of this Offering Circular is set out in *Purchase and Sale*. No one is authorised to give any information or to make any representation concerning the issue of the Notes other than those contained in this Offering Circular in accordance with applicable laws and regulations.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs of the Issuer and its own appraisal of the creditworthiness of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Manager to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular at any time nor any sale made in connection with the offering of the Notes shall imply that the information contained herein is correct at any time subsequent to the date of this Offering Circular. The Issuer and the Seller have no obligation

to update this Offering Circular, except when required by the listing and issuing rules of Euronext Amsterdam.

The Manager and the Seller expressly do not undertake to review the financial conditions or affairs of the Issuer during the life of the Notes. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase, hold or sell any Notes during the life of the Notes.

The Notes have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is unlawful.

The Notes have not been and will not be registered under the US Securities Act of 1933, as amended (the '**Securities Act**'), and include Notes in bearer form that are subject to US tax law requirements. Subject to certain exceptions, including offers or sales to certain persons in offshore transactions in reliance on Regulation S under the Securities Act, the Notes may not be offered, sold or delivered within the United States or to US persons.

In connection with the issue of the Notes, Citigroup (the '**Stabilising Manager**') (or any duly appointed person acting for the Stabilising Manager) may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time. Such stabilising shall be in compliance with all applicable laws and regulations. In accordance with the rules of Euronext Amsterdam, such stabilising will in any event be discontinued within 30 days after the Closing Date. Stabilisation transactions conducted on Euronext Amsterdam must be conducted on behalf of the Stabilising Manager, by a member of Euronext Amsterdam and must be conducted in accordance with all applicable laws and regulations of Euronext Amsterdam and Article 32 (and Annex 6) of the Further Regulation on Market Conduct Supervision of the Securities Trade 2002 ("*Nadere Regeling Gedragtoezicht Effectenverkeer 2002*") as amended.

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## SUMMARY

The following is a summary of the principal features of the issue of the Notes. This summary should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information presented elsewhere in this Offering Circular.

### PARTIES:

Issuer:	E-MAC NL 2005-NHG II B.V., incorporated under the laws of the Netherlands as a private company with limited liability (“ <i>besloten vennootschap met beperkte aansprakelijkheid</i> ”).
Seller:	GMAC RFC Nederland B.V., incorporated under the laws of the Netherlands as a private company with limited liability (“ <i>besloten vennootschap met beperkte aansprakelijkheid</i> ”). GMAC RFC Nederland B.V. is a wholly owned subsidiary of Residential Funding Corporation and an indirect wholly owned subsidiary of General Motors Acceptance Corporation (See <i>GMAC RFC Nederland B.V.</i> ).
Originators:	GMAC RFC Nederland and Quion 20 B.V., incorporated under the laws of the Netherlands as a private company with limited liability (“ <i>besloten vennootschap met beperkte aansprakelijkheid</i> ”).
Issuer Administrator:	GMAC RFC Nederland.
MPT Provider:	GMAC RFC Nederland. The MPT Provider will appoint (i) STATER Nederland B.V., incorporated under the laws of the Netherlands as a private company with limited liability (“ <i>besloten vennootschap met beperkte aansprakelijkheid</i> ”), as its sub-agent to provide certain of the MPT Services (excluding the Defaulted Loan Services) in respect of the GMAC Mortgage Loans and (ii) Quion Hypotheekbemiddeling B.V., incorporated under the laws of the Netherlands as a private company with limited liability (“ <i>besloten vennootschap met beperkte aansprakelijkheid</i> ”) as its sub-agent to provide certain of the MPT Services (including the Defaulted Loan Services) in respect of the Quion Mortgage Loans. (See <i>Issuer Services Agreement</i> ).
Security Trustee:	Stichting Security Trustee E-MAC NL 2005 NHG II, established under the laws of the Netherlands as a foundation (“ <i>stichting</i> ”).
Stichting Holding:	Stichting E-MAC NL Holding, established under the laws of the Netherlands as a foundation (“ <i>stichting</i> ”). The entire issued share capital of the Issuer is owned by Stichting Holding.
Directors:	ATC Management B.V., the sole director of the Issuer, Amsterdamsch Trustee’s Kantoor B.V., the sole director of the Security Trustee and ATC Management B.V., the sole director of Stichting Holding. The Directors belong to the same group of companies.
Liquidity Facility Provider:	Citibank, N.A., acting through its London Branch.
Swap Counterparty:	Citibank, N.A., acting through its London Branch.
Savings Insurance Companies:	DBV, Universal and Allianz, each incorporated under the laws of the Netherlands as a public company (“ <i>naamloze vennootschap</i> ”).
Further Advance Participant:	GMAC RFC Nederland.
GIC Provider:	N.V. Bank Nederlandse Gemeenten, established under the laws of the Netherlands as a public company (“ <i>naamloze vennootschap</i> ”).
Principal Paying Agent:	Citibank, N.A., acting through its London Branch.
Paying Agent:	Citibank International Plc.
Reference Agent:	Citibank, N.A., acting through its London Branch.
Listing Agent:	Citigroup Global Markets Limited.
Extension Margin Agent:	Citigroup Global Markets Limited.

## THE NOTES:

Notes:	The Notes will be issued by the Issuer on the Closing Date.
Issue Price:	The issue prices of the Senior Class A Notes will be 100 per cent.
Denomination:	The Notes will be issued in denominations of euro 100,000 each.
Status and Ranking:	The Notes of each Class rank <i>pari passu</i> without any preference or priority among Notes of the same Class. In accordance with the Conditions of the Notes and the Trust Deed payments of principal and interest on the Subordinated Class B Notes are subordinated to, <i>inter alia</i> , payment of principal and interest on the Senior Class A Notes. See further <i>Terms and Conditions of the Notes</i> .
Interest:	<p>Interest on the Notes is payable by reference to a Floating Rate Interest Period and will be payable quarterly on each Quarterly Payment Date in arrear in euro in respect of the Principal Amount Outstanding of the Notes on the first day of such Floating Rate Interest Period. Each successive Floating Rate Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Floating Rate Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date falling in July 2005. The interest will be calculated on the basis of the actual days elapsed in the Floating Rate Interest Period divided by 360 days.</p> <p>Interest on the Senior Class A Notes for each Floating Rate Interest Period from the Closing Date until the First Put Date will accrue, at an annual rate equal to the sum of Euribor for three months deposits in euro (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Euribor for two and three months deposits in euro, rounded, if necessary, to the 5th decimal place with 0.000005 being rounded upwards) as offered on or about 11.00 a.m. (Central European time) on the day that is two Business Days preceding the first day of each Floating Rate Interest Period plus the Initial Margin.</p> <p>As of the First Put Date, interest on the Senior Class A Notes will be equal to the sum of Euribor for three months deposits plus the Extension Margin (see <i>Determination of Extension Margin</i>). From the First Put Date, the Subordinated Extension Interest Part will be subordinated to certain other payment obligations of the Issuer as set forth in the Interest Priority of Payments.</p>
Put Option:	<p>Each Senior Class A Noteholder has the right to exercise the Put Option on each Put Date, by giving a Put Notice to the Issuer and the Paying Agent during the relevant Put Notice Period.</p> <p>As long as the Senior Class A Notes are represented by a Global Note or are in definitive form and held through Euroclear or Clearstream, Luxembourg, the Senior Class A Noteholders must, in order to exercise the Put Option in respect of a Senior Class A Note, deliver to the Issuer and the Paying Agent a Put Notice within the relevant Put Notice Period, in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given, on the Senior Class A Noteholder's instruction, by Euroclear or Clearstream, Luxembourg or any common depositary acting for them to the Issuer and the Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, at the same time present or procure the presentation of the relevant Global Note(s) to the Paying Agent for notification accordingly.</p> <p>If the relevant Senior Class A Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, the Senior Class A Noteholder must, in order to exercise the Put Option, deliver within the relevant Put Notice Period, a Put Notice at the specified office of the Issuer and the</p>

Paying Agent at any time during normal business hours of the Issuer and the Paying Agent, specifying a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under Condition of the Notes 6 accompanied by the relevant Senior Class A Note or evidence satisfactory to the Issuer that the relevant Senior Class A Note will, following delivery of the Put Notice, be held to its order or under its control.

**With respect to the First Put Date**, the following is applicable:

On the Quarterly Payment Date prior to the First Put Date, the Issuer will make the following notifications: the Senior Class A Noteholders will be notified by an advertisement in the English language in the Euronext Amsterdam Daily Official List ("*Officiële Prijscourant*") and in at least one daily newspaper of wide circulation in the Netherlands. In addition, the common depository will be notified for communication to the relevant accountholders holding interests in the Global Notes representing such Senior Class A Notes and to Euronext Amsterdam (hereinafter referred to as the '**Notifications**').

The Notifications will announce the upcoming First Put Date and that any Senior Class A Notes in respect of which the Put Option is exercised will be redeemed in full, subject to Condition of the Notes 9, on such First Put Date.

Twenty days before the First Put Date, Notifications will be made which set out (a) the Extension Margin; (b) the right to exercise the Put Option; (c) the assumed remaining average life of the Senior Class A Notes; and (d) the requirement to give a Put Notice no later than by close of business on the eleventh day prior to the First Put Date (unless such day is not a business day, in which case the immediately preceding business day).

The Senior Class A Notes in respect of which the Put Option is not exercised, will not be redeemed on the First Put Date. The Senior Class A Notes in respect of which the Put Option is exercised will be redeemed in full, subject to Condition of the Notes 9, on the First Put Date.

Five days before the First Put Date, the Issuer will make the Notifications setting out which Senior Class A Notes will be redeemed in full, subject to Condition of the Notes 9, and the confirmation of Moody's of the then current rating assigned to the Senior Class A Notes as of the First Put Date after taking into account the redemption of the Senior Class A Notes in respect of which the Put Option has been exercised. In case Moody's is not able to confirm such rating assigned to the Senior Class A Notes, all Senior Class A Notes will be redeemed in full, subject to Condition of the Notes 9, on the First Put Date.

Any Put Notice given by any Senior Class A Noteholders shall be irrevocable, except where prior to the First Put Date an Event of Default (as described in Condition of the Notes 10) shall have occurred and be continuing in which event such Senior Class A Noteholder, at its option, may elect, by giving notice to the Issuer and the Paying Agent, to withdraw the Put Notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition of the Notes 10.

On the First Put Date, the Senior Class A Notes in respect of which the Put Option has been exercised will be redeemed in full, subject to Condition of the Notes 9, using the proceeds from the Servicing Advance.



**With respect to each Put Date after the First Put Date**, the following is applicable:

Twenty days before each Put Date, Notifications will be made which set out (a) the right to exercise the Put Option and (b) the requirement to give a Put Notice no later than by close of business on the eleventh day prior to such Put Date (unless such day is not a business day, in which case the immediately preceding business day):

The Senior Class A Notes in respect of which the Put Option is not exercised, will not be redeemed on the Put Date. The Senior Class A Notes in respect of which the Put Option is exercised will be redeemed in full, subject to Condition of the Notes 9, on the relevant Put Date.

Five days before the relevant Put Date, the Issuer will make the Notifications setting out which Senior Class A Notes will be redeemed in full, subject to Condition of the Notes 9, and the confirmation of Moody's of the then current rating assigned to the Senior Class A Notes as of such Put Date after taking into account the redemption of the Senior Class A Notes in respect of which the Put Option has been exercised. In case Moody's is not able to confirm such rating assigned to the Senior Class A Notes, all Senior Class A Notes will be redeemed in full, subject to Condition of the Notes 9, on the relevant Put Date.

Any Put Notice given by a holder of any Senior Class A Note shall be irrevocable, except where prior to the relevant Put Date an Event of Default (as described in Condition of the Notes 10) shall have occurred and be continuing in which event such Senior Class A Noteholder, at its option, may elect, by giving notice to the Issuer and the Paying Agent, to withdraw the Put Notice given pursuant to this paragraph and instead to declare such Senior Class A Note forthwith due and payable pursuant to Condition of the Notes 10.

On the relevant Put Date, the Senior Class A Notes in respect of which the Put Option has been exercised will be redeemed in full, subject to Condition of the Notes 9, using the proceeds from the Servicing Advance.

**With respect to any Put Date**, the following is applicable:

If the Issuer does not receive sufficient amounts from the MPT Provider (or another party) in the form of the Servicing Advance to fully redeem the Senior Class A Notes on any Put Date on which the Put Option has been exercised, principal payments on the Senior Class A Notes in respect of which the Put Option has been exercised will be materially adversely affected on such dates. It will not constitute an Event of Default under the Conditions of the Notes if the Issuer does not redeem on the relevant Put Date the Senior Class A Notes in respect of which the Put Option has been exercised. In such case on each Put Date and thereafter payments on the Notes will be made in accordance with Conditions of the Notes 4, 6 and 9 as if the Put Option had not been exercised.

It should be noted that the Subordinated Class B Noteholders do not have the right to exercise the Put Option. Upon the Senior Class A Notes having been redeemed, the Reserve Account Target Level will become zero and, consequently, the Subordinated B Notes will be redeemed in accordance with Condition of the Notes 6(f).

Servicing Advance:

The MPT Provider will undertake in the Issuer Services Agreement to grant the Issuer a Servicing Advance up to an amount equal to the aggregate Principal Amount Outstanding of the Senior Class A Notes, less the Principal Deficiency, if any, to enable the Issuer on a Put Date or a Regulatory Put Date, as the case may be, to redeem the Senior Class A Notes in respect of which the Put Option or the Regulatory Put Option is exercised or all Senior Class A Notes if the then current rating assigned

to the Senior Class A Notes is not confirmed by Moody's as of the relevant Put Date (see *Special Considerations*). The Issuer will give the MPT Provider (or any other party providing the Servicing Advance) the right (to be exercised at its option and in its sole discretion) to acquire the Excess NHG Mortgage Receivables or NHG Mortgage Receivables at a price equal to their Outstanding Principal Amounts, plus accrued but unpaid interest up to the relevant Quarterly Payment Date. At the request of the relevant Hedging Counterparty, the Issuer will stipulate as a condition for the sale of the Excess NHG Mortgage Receivables that the relevant part of the relevant Hedging Agreement will be novated to the purchaser of the Excess NHG Mortgage Receivables. The proceeds of such sale will be applied towards the repayment of the Servicing Advance by way of set off.

Determination of  
Extension Margin:

The Extension Margin applicable as of the First Put Date in respect of the Senior Class A Notes will be set as follows:

The Extension Margin Agent will select a panel of five of the then leading European securitisation underwriters. Such underwriters will be requested by the Extension Margin Agent to give quotes for the Extension Margin based on the following assumptions:

- (a) no Senior Class A Noteholder exercises its Put Option;
- (b) no Senior Class A Noteholder exercises its Regulatory Put Option;
- (c) the Senior Class A Notes will have a remaining assumed average life (on a 30/360 basis) based on a conditional prepayment rate of 7 per cent. applied to the then outstanding NHG Mortgage Receivables;
- (d) the interest rate applicable to a Mortgage Loan will not change on an interest reset date;
- (e) the NHG Mortgage Receivables are not prepaid on an interest reset date (other than what is effected by the assumed CPR rate);
- (f) no delinquencies and no defaults in respect of the NHG Mortgage Receivables will occur;
- (g) the Conditions of the Notes remain the same;
- (h) the Clean-Up Call Option will be exercised; and
- (i) the then current rating assigned to the Senior Class A Notes will be confirmed on the First Put Date by Moody's.

The Extension Margin will be equal to the arithmetic mean (rounded, if necessary, to the nearest basis point) of such five quotes of such underwriters as determined by the Extension Margin Agent. The Extension Margin shall be notified to the Noteholders on the 20th day prior to the First Put Date in accordance with Condition of the Notes 6(e)(iv)(b).

After the determination of the Extension Margin as of the First Put Date the Extension Margin will not be changed.

Clean-Up Call Option:

If on any Quarterly Payment Date the aggregate Principal Amount Outstanding of the Senior Class A Notes is not more than ten (10) per cent. of the aggregate Principal Amount Outstanding of the Senior Class A Notes on the Closing Date, the Issuer may (but is not obliged to) exercise the Clean-Up Call Option. The Seller has undertaken in the Mortgage Receivables Purchase Agreement to repurchase and accept re-assignment of the then outstanding NHG Mortgage Receivables from the Issuer at their respective Outstanding Principal Amounts, plus accrued but unpaid interest, in the event the Issuer exercises the Clean-Up Call Option.

Regulatory Put Option:	<p>On a Regulatory Put Date each Senior Class A Noteholder has the option to offer any Senior Class A Notes held by it to the Issuer for redemption upon the occurrence of a Regulatory Change and after the confirmation of Moody's of the then current rating assigned to the Senior Class A Notes as of such Regulatory Put Date after taking into account the redemption of the Senior Class A Notes in respect of which the Regulatory Put Option has been exercised.</p> <p>On a Regulatory Put Date, the Senior Class A Notes in respect of which the Regulatory Put Option has been exercised, will be redeemed in full, in accordance with Condition of the Notes 9 by using the proceeds of the Servicing Advance.</p> <p>In case Moody's is not able to confirm such rating assigned to the Senior Class A Notes, all Senior Class A Notes will be redeemed in full, subject to Condition of the Notes 9, on the relevant Regulatory Put Date.</p>
Average Life:	<p>The estimated average life (on a 30/360 basis) of the Notes from the Closing Date up to the First Put Date based on the assumptions that (a) the Closing Date is 27 April 2005; (b) there will be a conditional prepayment rate ('CPR') of 7 per cent; (c) the interest rate applicable to a Mortgage Loan will not change on an interest reset date; (d) the NHG Mortgage Receivables will not be prepaid on an interest reset date (other than what is effected by the assumed CPR rate); (e) no delinquencies and no defaults in respect of the NHG Mortgage Receivables will occur; (f) no Senior Class A Noteholder exercises its Regulatory Put Option and (g) the New NHG Mortgage Receivables to be purchased during the Pre-funding Period will meet the assumptions set forth in Annex B hereto, will be 6.74 years for the Senior Class A Notes.</p> <p>The expected amortisation profile of the Senior Class A Notes (based on the assumptions stated above) is set out in Annex B hereto.</p>
Final Maturity Date:	<p>Unless previously redeemed, the Issuer will, subject to the Conditions of the Notes, redeem the Notes at their respective Principal Amount Outstanding on the Final Maturity Date.</p>
Mandatory Redemption:	<p>On the Quarterly Payment Date falling in July 2005 and each Quarterly Payment Date thereafter, provided that the Security Trustee has not given an Enforcement Notice to the Issuer in accordance with Condition of the Notes 10, the Issuer will be obliged to apply the Notes Redemption Available Amount to redeem in whole or in part the Senior Class A Notes at their respective Principal Amount Outstanding.</p> <p>The Subordinated Class B Notes will be subject to mandatory (partial) redemption in the limited circumstances as described in the Conditions of the Notes 6(f) on the earlier of (a) the First Put Date and each Put Date thereafter, (b) the Quarterly Payment Date on which the Clean-Up Call Option is exercised and (c) the Quarterly Payment Date on which the Regulatory Put Option is exercised.</p> <p>For the amount available for redemption of the Subordinated Class B Notes on such Quarterly Payment Dates, reference is made to <i>Credit-Structure</i> under <i>Reserve Account</i> and <i>Terms and Conditions of the Notes 6(f)</i>.</p>
Method of Payment:	<p>For so long as the Notes are represented by a Global Note, payments of principal and interest will be made by giro transfer in euro to a common depositary for Euroclear and Clearstream, Luxembourg for the credit of the respective accounts of the Noteholders.</p>
Withholding tax:	<p>All payments of, or in respect of, principal of and interest on the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax, unless the withholding or</p>

deduction of such taxes, duties, assessments or charges is required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders and will have no obligation to pay any additional amounts to such Noteholders. In particular, but without limitation, no additional amounts will be payable in respect of any Note or Coupon presented for payment where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings that was adopted on 3 June 2003 or any law implementing or complying with, or introduced in order to conform to, such directive. See further paragraph *European Union Directive on taxation of savings*.

Redemption for tax reasons:

In the event of certain tax changes affecting any Class(es) of Notes, including in the event that the Issuer is or will be obliged to make any withholding or deduction from payments in respect of the Notes (although the Issuer will not have any obligation to pay additional amounts in respect of any such withholding or deduction), the Issuer may (but is not obliged to) redeem all (but not some only) of the Notes at their respective Principal Amount Outstanding together with accrued but unpaid interest thereon up to but excluding the date of such redemption, subject to and in accordance with the Conditions of the Notes. No Class of Notes may be redeemed under such circumstances unless the other Classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time.

Use of proceeds:

The Issuer will use part of the net proceeds from the issue of the Senior Class A Notes less the Pre-funded Amount to pay to the Seller part of the Initial Purchase Price for the NHG Mortgage Receivables pursuant to the provisions of the Mortgage Receivables Purchase Agreement (see *Mortgage Receivables Purchase Agreement* and *Use of Proceeds*). However, the Construction Amount will be withheld by the Issuer and be deposited on the Construction Account (see *Mortgage Receivables Purchase Agreement*).

The net proceeds from the issue of the Subordinated Class B Notes will be deposited in the Reserve Account.

The Pre-funded Amount will be deposited in the Pre-funding Account and will be available for the purchase of New NHG Mortgage Receivables on any Pre-funding Purchase Date during the Pre-funding Period (see *Purchase of New NHG Mortgage Receivables*).

#### **NHG MORTGAGE RECEIVABLES:**

NHG Mortgage Receivables:

Under the Mortgage Receivables Purchase Agreement, the Issuer will purchase and accept on the Closing Date from the Seller the assignment of the NHG Mortgage Receivables as of the Cut-Off Date, which NHG Mortgage Receivables have the characteristics described in *Description of the Mortgage Loans* and which result from Mortgage Loans originated by either the Seller or Quion 20.

NHG Guarantees:

Each Mortgage Loan will have the benefit of a NHG Guarantee. See further *Description of Mortgage Loans* and *NHG Guarantee Programme*.

Purchase of New Mortgage Receivables:

The Mortgage Receivables Purchase Agreement will provide that the Issuer will on each Pre-funding Purchase Date or Mortgage Payment Date, as the case may be, apply the Purchase Available Amount to purchase from the Seller New NHG Mortgage Receivables subject to the fulfillment of certain conditions and to the extent offered by the Seller. Such conditions include, *inter alia*, the requirement that the New NHG Mortgage Receivables (a) meet the criteria set forth in the Mortgage

Receivables Purchase Agreement and (b) are encumbered with a first ranking right of pledge in favour of the Security Trustee (see *Mortgage Receivables Purchase Agreement*).

Pre-funded Amount:

The Pre-funded Amount comprises of euro 423,354,281 from the net proceeds of the Senior Class A Notes. The Issuer will apply the Pre-funded Amount towards the purchase of New NHG Mortgage Receivables on any Pre-funding Purchase Date during the Pre-funding Period. If upon expiration of the Pre-funding Period any part of the Pre-funded Amount remains, such amount will form part of the Notes Redemption Available Amount and will be used for redemption of the Senior Class A Notes in accordance with the Conditions of the Notes on the Quarterly Payment Date falling in April 2006.

Repurchase of Mortgage Receivables:

Under the Mortgage Receivables Purchase Agreement, the Seller will *inter alia* be obliged to repurchase and accept re-assignment of a NHG Mortgage Receivable on the Mortgage Payment Date immediately following:

- (i) the expiration of the relevant remedy period, if any, in case any of the representations and warranties given by the Seller (a) in respect of such NHG Mortgage Receivable or its related Mortgage Loan, including the representation and warranty that the relevant NHG Mortgage Receivable or its related Mortgage Loan meets the Mortgage Loans Criteria on the Closing Date or (b) in respect of a New NHG Mortgage Receivable or its related Mortgage Loan or a Further Advance Receivable or its related Further Advance, including the representation and warranty that the New NHG Mortgage Receivable or its related Mortgage Loan or the Further Advance Receivable or its related Further Advance, meets the Mortgage Loans Criteria on the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date, is untrue or incorrect in any material respect; or
- (ii) an amendment of the terms of the relevant Mortgage Loan upon the request of a Borrower and in accordance with the Mortgage Conditions and the then current underwriting criteria as a result of which such Mortgage Loan no longer meets the Mortgage Loans Criteria or which, as a result, changes the maturity date of the loan, the interest rate (other than as a result of an interest reset) or monthly payment amount (other than as a result of an interest reset); or
- (iii) the failure by the Borrower to pay the first interest instalment under a Mortgage Loan or a Further Advance; or
- (iv) date on which the Seller and, but in respect of Quion Mortgage Loans only, Quion 20 has obtained any Other Claim(s) vis-à-vis any Borrower; or
- (v) the date on which an Originator agrees with a Borrower to grant a Further Advance and the Further Advance Receivable is not purchased by the Issuer; or
- (vi) the date on which the Mortgage Loan no longer has the benefit of the NHG Guarantee (without taking into account any Further Advances as such Further Advance Receivables are subject to the Further Advance Participation); or
- (vii) the date on which, following a formal request for payment under the NHG Guarantee has been made and Stichting Waarborgfonds Eigen Woningen refuses to pay the full amount so requested; or
- (viii) the date on which the MPT Provider receives notice from a regulatory agency, the Seller, a Borrower or any other party indicating that it has failed to comply with its undertaking in the

Issuer Servicing Agreement to administer the relevant Mortgage Loans, including the foreclosure thereof, in accordance with the terms and conditions (“*voorwaarden en normen*”) of Stichting Waarborgfonds Eigen Woning; or

- (ix) the date on which after foreclosure the Net Proceeds (excluding the amount to be received under the NHG Guarantee) are not sufficient to repay the Mortgage Receivable in full and the Seller or the MPT Provider decides not to make a claim under the NHG Guarantee.

In case of a repurchase of NHG Mortgage Receivables, the Seller shall repurchase and accept re-assignment of the NHG Mortgage Receivable for a price equal to the relevant Outstanding Principal Amount, increased with accrued but unpaid interest thereon up to the relevant Mortgage Payment Date.

The Seller may, at its option and its sole discretion, repurchase and accept re-assignment of any Delinquent NHG Mortgage Receivable on the Mortgage Payment Dates falling in the Quarterly Calculation Period immediately following the Quarterly Calculation Period in which the relevant NHG Mortgage Receivable has become a Delinquent NHG Mortgage Receivable. For the avoidance of doubt, after such period, a Delinquent NHG Mortgage Receivable may not be repurchased by the Seller.

Mortgage Loans:

The NHG Mortgage Receivables to be sold by the Seller pursuant to the Mortgage Receivables Purchase Agreement will result from loans secured by a first-ranking mortgage right or, in case of Mortgage Loans secured on the same mortgaged property, a first-ranking and sequential lower ranking mortgage rights on the relevant Mortgaged Assets. If a Mortgage Loan consists of one or more loan parts (“*leningdelen*”), the Seller will sell and assign and the Issuer will purchase and accept assignment of all, but not some, loan parts of such Mortgage Loan at the Closing Date. See further *Description of the Mortgage Loans*.

All NHG Mortgage Receivables meet or, in case of the New NHG Mortgage Receivables, such New NHG Mortgage Receivables will meet the relevant criteria set forth in the Mortgage Receivables Purchase Agreement and, will be selected prior to or on the Closing Date or, in case of New NHG Mortgage Receivables, the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date (see *Mortgage Receivables Purchase Agreement*).

Annuity Mortgage Loans:

A portion of the Mortgage Loans (or parts thereof) will be in the form of Annuity Mortgage Loans (“*annuïteiten hypotheken*”). Under the Annuity Mortgage Loan, the Borrower pays a constant total monthly payment, made up of an initially high and subsequently decreasing interest portion and an initially low and subsequently increasing principal portion, and calculated in such a manner that the Mortgage Loan will be fully redeemed at the end of its term.

Interest-only Mortgage Loans:

A portion of the Mortgage Loans (or parts thereof) will be in the form of Interest-only Mortgage Loans (“*aflossingsvrije hypotheken*”). Under the Interest-only Mortgage Loan no principal towards redemption is paid until maturity.

Investment Mortgage Loans:

A portion of the Mortgage Loans (or parts thereof) will be in the form of Investment Mortgage Loans (“*beleggingshypotheken*”). Under an Investment Mortgage Loan the Borrower does not pay any principal towards redemption prior to maturity, but undertakes to invest, either on an instalment basis or up front, an agreed minimum amount in certain investment funds.

It is the intention that the Investment Mortgage Loans will be fully or partially repaid by means of the proceeds of these investments. The redemption value of the investments and return on investments are not guaranteed. The Seller has the benefit of a right of pledge over the rights under these investments as security for repayment of the Investment Mortgage Loan. See *Special Considerations* and *Description of the Mortgage Loans*.

Life Mortgage Loans: A portion of the Mortgage Loans (or parts thereof) will be in the form of Life Mortgage Loans ("*levenhypotheke*"), which have the benefit of Life Insurance Policies, taken out by Borrowers with the Life Insurance Companies. Under a Life Mortgage Loan, no principal towards redemption is paid until maturity. Life Insurance Policies are offered by the Life Insurance Companies in several alternatives. The Quion Mortgage Loans will not include any Life Mortgage Loans with a Savings Alternative. See *Special Considerations* and *Description of the Mortgage Loans*.

Failure by the Borrower to pay the premium under the Life Insurance Policy will result in that Borrower's Life Mortgage Loan becoming due and payable.

Linear Mortgage Loans: A portion of the Mortgage Loans (or parts thereof) will be in the form of Linear Mortgage Loans ("*lineaire hypotheke*"). Under a Linear Mortgage Loan, the Borrower redeems a fixed amount on each instalment, such that at maturity the entire loan will be redeemed and under which the Borrower's payment obligation decreases with each payment as interest owed under the Linear Mortgage Loan declines over time.

Savings Mortgage Loans: A portion of the GMAC Mortgage Loans will be in the form of Savings Mortgage Loans ("*spaarhypotheke*"), which have the benefit of Savings Insurance Policies, taken out by the Borrowers with any of the Savings Insurance Companies. The Quion Mortgage Loans will not include any Savings Mortgage Loans.

Under a Savings Mortgage Loan the Borrower does not pay principal towards redemption prior to maturity. Instead, the Borrower/insured pays a Savings Premium. The Savings Premium is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Insurance Policy due by the Savings Insurance Company to the relevant Borrower is equal to the principal amount due by the Borrower to the Seller at maturity of the Savings Mortgage Loan. The Savings Insurance Companies will agree to use the amount of the Savings Premium (and the interest received on the Savings Participation) to acquire a Savings Participation in the relevant Savings NHG Mortgage Receivable (see *Savings Sub-Participation Agreement*).

GMAC Mortgage Loans: 45.8 per cent. of the aggregate Outstanding Principal Amount result from Mortgage Loans which have been originated by the Seller. The GMAC Mortgage Loans selected prior to the Closing Date and purchased from time to time, shall consist of:

- (a) Annuity Mortgage Loans;
- (b) Interest-only Mortgage Loans;
- (c) Investment Mortgage Loans;
- (d) Life Mortgage Loans (with a Unit-Linked Alternative or a Savings Alternative or a combination thereof); and
- (e) Savings Mortgage Loans.

For a description of GMAC Mortgage Loans, see *Description of the Mortgage Loans*.

Quion Mortgage Loans: 54.2 per cent. of the aggregate Outstanding Principal Amount result from Mortgage Loans which have been originated by Quion 20. The Quion Mortgage Loans selected prior to the Closing Date and purchased from time to time, shall consist of:

- (a) Annuity Mortgage Loans;
- (b) Interest-only Mortgage Loans;
- (c) Investment Mortgage Loans;
- (d) Life Mortgage Loans (without the possibility of a Savings Alternative); and
- (e) Linear Mortgage Loans.

For a description of Quion Mortgage Loans, see *Description of the Mortgage Loans*.

Savings Sub-Participation Agreement: On the Closing Date, the Issuer will enter into the Savings Sub-Participation Agreement with the Savings Insurance Companies under which each of the Savings Insurance Companies will acquire participations in the relevant Savings NHG Mortgage Receivables and/or Life NHG Mortgage Receivables with a Savings Element (if any) equal to the Savings Premia paid by the relevant Borrower to the Savings Insurance Company in respect of a Savings Insurance Policy and/or Life Insurance Policy with the Savings Alternative with interest accrued on such Savings Premia.

Under the Savings Sub-Participation Agreement the Savings Insurance Companies will undertake to pay to the Issuer all amounts received as Savings Premium on the Savings Insurance Policies and the Life Insurance Policies with the Savings Alternative. In return, the Savings Insurance Companies are entitled to receive the Savings Participation Redemption Available Amount from the Issuer as far as it relates to the relevant Savings Participation acquired by it. The Issuer will apply all amounts received from the Savings Insurance Companies towards redemption of the Notes. See *Credit Structure*.

The amount of each Savings Participation with respect to a Savings Mortgage Loan and/or Life Mortgage Loan with a Savings Element, consists of the initial participation at the Closing Date or, in case of the purchase of a New NHG Mortgage Receivable to which a Savings Insurance Policy and/or Life Insurance Policy with a Savings Alternative is connected, on the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date (which is equal to the sum of all amounts paid up to the first day of the month wherein the Closing Date or the Pre-funding Purchase Date or, as the case may be, the Mortgage Payment Date falls, to the Savings Insurance Companies as Savings Premium plus accrued interest) increased on a monthly basis with the sum of (i) the Savings Premium received by the Savings Insurance Companies and paid to the Issuer and (ii) a *pro rata* part, corresponding to the Savings Participation in the relevant Savings NHG Mortgage Receivable and/or Life NHG Mortgage Receivable with a Savings Element, of the interest due by the Borrower and received by the Issuer in respect of such Savings NHG Mortgage Receivable and/or Life NHG Mortgage Receivable with a Savings Element. See *Sub-Participation Agreements*.

Pledges over Insurance Policies and Investment Accounts relating to Investment Mortgage Loans: The Seller has or, in respect of the Quion Mortgage Loans, will on the Closing Date have the benefit of pledges over the Borrowers' rights under the Investment Accounts and the Insurance Policies. In addition, the Seller will assign any of its rights as beneficiary under the Insurance Policies to the Issuer. The effectiveness of the pledge, the rights as beneficiary and the benefit thereof to the Issuer and the Security Trustee are discussed in *Special Considerations – Insurance Policies and Investment Mortgage Loans*.



Interest under the Mortgage Loans:	The majority of the Mortgage Loans carry a fixed rate of interest for a certain pre-agreed interest period (" <i>rente vastperiode</i> "). At the end of an interest period, the interest rate will be reset, unless the Borrower redeems the Mortgage Loan. In general, fixed rate reset terms (x) in respect of GMAC Mortgage Loans can be set for periods of 1, 5, 6, 7, 10, 15 and 20 years and (y) in respect of Quion Mortgage Loans for periods of 5, 6, 7, 10, 15 and 20 years. In addition, the Mortgage Loans may carry a variable interest rate which is changeable (x) in respect of GMAC Mortgage Loans on a monthly basis and (y) in respect of Quion Mortgage Loans on a quarterly basis.
Further Advances:	If and to the extent any of the Originators agrees with a Borrower to grant a Further Advance under a Mortgage Loan and the Issuer purchases and accepts assignment of the Further Advance Receivable from the Seller (after the Seller, in case of Quion Mortgage Loans only, has acquired such Further Advance Receivable), then the Seller shall participate in the relevant NHG Mortgage Receivable for an amount equal to the Further Advance pursuant to and in accordance with the Further Advance Sub-Participation Agreement (see <i>Further Advance Sub-Participation Agreement</i> ). The consideration for such participation will be equal to and set off against the Issuer's obligation to pay the Initial Purchase Price in respect of the Further Advance Receivable. If the Issuer does not purchase and accept assignment of a Further Advance Receivable, the Seller will repurchase the relevant NHG Mortgage Receivable on the immediately succeeding Mortgage Payment Date (see <i>Summary – Repurchase of NHG Mortgage Receivables</i> above).
Further Advance Sub-Participation Agreement:	On the Closing Date, the Issuer will enter into the Further Advance Sub-Participation Agreement with the Further Advance Participant under which the Further Advance Participant undertakes to acquire participations in the Further Advance Receivables (if any). The amount of a Further Advance Participation will be equal to the amount of the relevant Further Advance. Such Further Advance Participation entitles the Further Advance Participant to receive the Further Advance Participation Redemption Available Amount from the Issuer. The Further Advance Receivable may or may not have the benefit of a NHG Guarantee. The Further Advance Participation Redemption Available Amount consists of the amount received by the Issuer in respect of the Mortgage Receivable (including for the avoidance of doubt the Further Advance Receivable) and remaining after applying such amount to redemption of the NHG Mortgage Receivable, excluding the Further Advance Receivable.
Construction Amounts:	Pursuant to the Mortgage Conditions, the Borrowers have the right to request that a part of the Mortgage Loan will be withheld and will be applied towards construction of or improvements to the mortgaged property. Such Construction Amount will only be paid to the Borrower in case certain conditions are met. The aggregate amount of the Construction Amounts as of the Cut-Off Date was euro 5,778,538. The Issuer and the Seller will agree in the Mortgage Receivables Purchase Agreement that the Issuer will be entitled to withhold from the Initial Purchase Price an amount equal to the aggregate Construction Amounts as of the Cut-Off Date. The same applies for Construction Amounts relating to New NHG Mortgage Receivables or Further Advance Receivables. Such amounts will be deposited in the Construction Account. On each Quarterly Payment Date the Issuer will release from the Construction Account such part of the Initial Purchase Price which equals the amount by which the Construction Amounts have been reduced during the preceding Quarterly Calculation Period and pay such amount to the Seller.

Pursuant to the NHG Conditions, after the building activities or renovation activities have been finalised, any remaining Construction Amounts will either (i) be paid out by the Seller to the relevant Borrower and consequently the remaining part of the Initial Purchase Price will be paid by the Issuer to the Seller or (ii) if the Construction Amount exceeds euro 2,500, such Construction Amount will be set-off against the relevant Mortgage Loan up to the amount of the Construction Amount, in which case the Issuer shall have no further obligation towards the Seller to pay the remaining part of the Initial Purchase Price and any balance standing to the credit of the Construction Account will be used for redemption of the Notes in accordance with the Conditions of the Notes.

Security for the Notes:

The Notes will be secured (a) by a first ranking right of pledge by the Issuer to the Security Trustee over (i) the NHG Mortgage Receivables, including all rights ancillary thereto and (ii) the Beneficiary Rights; and (b) by a first ranking right of pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Hedging Agreements, the Issuer Services Agreement, the Liquidity Facility Agreement, the GIC, the Savings Sub-Participation Agreement, the Further Advance Sub-Participation Agreement and in respect of the Transaction Accounts.

Furthermore, the Seller shall grant a first ranking right of pledge on the balance standing to the credit of the GMAC Collection Account in favour of the Issuer and the Previous Transactions SPVs jointly, which shall be repledged to the Security Trustee and the Previous Transactions Security Trustees jointly under the condition that future issuers (and any security trustees) in securitisation transactions and future vehicles in conduit transactions or similar transactions (and any security trustees relating thereto) initiated by the Seller will also have the benefit of such right of pledge. Such right of pledge will be notified to ABN AMRO, the bank where the Seller Collection Account is maintained.

In addition, Quion 20 shall also grant a first ranking right of pledge on the balance standing to the credit of the Quion Collection Account in favour of the Issuer; which shall be repledged to the Security Trustee. Such right of pledge will be notified to ABN AMRO, the bank where the Quion Collection Account is maintained.

See *Special Considerations – Seller Account Pledge and Quion Account Pledge and Description of Security*.

The amount payable to the Noteholders and the other Secured Parties will be limited to the amounts available for such purpose to the Security Trustee which, broadly, will consist of amounts recovered by the Security Trustee on the NHG Mortgage Receivables and amounts received by the Security Trustee as creditor under the Mortgage Receivables Purchase Agreement, the Trust Deed and the Parallel Debt Agreement. Payments to the Secured Parties will be made in accordance with the Priority of Payments upon Enforcement, except for payments to the Savings Insurance Companies and the Further Advance Participant, which will be made in accordance with the Trust Deed. See further *Special Considerations* and for a more detailed description see *Description of Security* below.

Parallel Debt Agreement:

On the Closing Date, the Issuer and the Security Trustee will – among others – enter into the Parallel Debt Agreement for the benefit of the Secured Parties under which the Issuer shall, by way of parallel debt, undertake to pay to the Security Trustee amounts equal to the amounts due by it to the Secured Parties, in order to create a claim of the Security Trustee thereunder which can be validly secured by the rights of pledge created by the Pledge Agreements.

## CASH FLOW STRUCTURE:

- Liquidity Facility: On the Closing Date, the Issuer, the Security Trustee and the Liquidity Facility Provider will enter into a Liquidity Facility Agreement with a maximum term of 364 days under which the Issuer will be entitled to make drawings in order to meet certain shortfalls in its available revenue receipts.
- GIC: The Issuer, the Security Trustee and the GIC Provider will enter into the GIC, under which the GIC Provider will agree to pay guaranteed rates of interest determined by reference to (i) Euribor minus 20 basis points, on the balance standing from time to time to the credit of the Construction Account, the Reserve Account and the Collection Account and (ii) Euribor, on the balance standing from time to time to the credit of the Pre-funded Account.
- Collection Account: The Issuer will maintain with the GIC Provider the Collection Account to which, *inter alia*, all amounts of interest, prepayment penalties and principal and other collections received under the NHG Mortgage Receivables will be transferred by the Seller (or any other person on behalf of the Seller) in accordance with the Mortgage Receivables Purchase Agreement or, as the case may be, the MPT Provider in accordance with the Issuer Services Agreement.
- Payments may be made from the Collection Account other than on a Quarterly Payment Date only to satisfy (i) amounts due to third parties (other than pursuant to the Relevant Documents) and payable in connection with the Issuer's business; (ii) amounts due under the Savings Sub-Participation Agreement and the Further Advance Sub-Participation Agreement; (iii) the Initial Purchase Price of Further Advance Receivables and/or New NHG Mortgage Receivables; (iv) the difference between the Scheduled Amount and the Actual Amount, if any; and (v) the repayments of any Liquidity Facility Stand-by Loan in accordance with the Liquidity Facility Agreement.
- Pre-funded Account: The Issuer will maintain with the GIC Provider the Pre-funded Account to which on the Closing Date the Pre-funded Amount will be credited. The Pre-funded Account will be debited during the Pre-funding Period for payments to the Seller of the Initial Purchase Price in respect of New Receivables. Upon the expiration of the Pre-funding Period, any remaining amount will be transferred to the Collection Account and applied towards redemption of the Senior Class A Notes on the immediately succeeding Quarterly Payment Date.
- Construction Account: The Issuer will maintain with the GIC Provider the Construction Account to which on the Closing Date an amount corresponding to the aggregate Construction Amounts will be credited. The Construction Account will be debited for (i) payments by the Issuer to the Seller upon Construction Amounts being paid out by the relevant Originator to or on behalf of the Borrowers; and (ii) for transfer to the Collection Account in case the Issuer has no obligation to pay any such part of the Initial Purchase Price to the Seller (as described in *Construction Amounts* above).
- Reserve Account: The net proceeds of the Subordinated Class B Notes will be credited to the Reserve Account maintained with the GIC Provider. The purpose of the Reserve Account will be to enable the Issuer to meet its payment obligations under items (a) up to and including (g) of the Interest Priority of Payments in the event of a shortfall of the Notes Interest Available Amount on a Quarterly Calculation Date. If and to the extent that the Notes Interest Available Amount on any Quarterly Calculation Date exceeds the amounts required to meet items (a) up to and including (g) of the Interest Priority of Payments, such excess amount will be used to

deposit in or, as the case may be, replenish the Reserve Account, by crediting such amount to the Reserve Account up to the Reserve Account Target Level.

The Reserve Account Target Level means, on any Quarterly Calculation Date, an amount equal to:

- (i) 0.70 per cent. of the aggregate Principal Amount Outstanding of the Senior Class A Notes at the Closing Date, or
- (ii) zero, if on the immediately succeeding Quarterly Payment Date the Senior Class A Notes will be redeemed in full.

For the amounts to be drawn from the Reserve Account which shall be available for redemption of the Subordinated Class B Notes on any Put Date, reference is made to *Credit Structure – Reserve Account and Terms and Conditions of the Notes 6(f)*.

Seller Collection Account: All payments made by the Borrowers in respect of the GMAC Mortgage Loans will be paid into the Seller Collection Account. On the first business day of each month, the Scheduled Amount relating to the GMAC NHG Mortgage Receivables will be paid into the Collection Account. On each Mortgage Payment Date, the difference between the Scheduled Amount and the Actual Amount relating to the GMAC NHG Mortgage Receivables will be paid by the Seller to the Issuer, or as the case may be, by the Issuer to the Seller. See *Credit Structure*.

Quion Collection Account: All payments made by the Borrowers in respect of the Quion Mortgage Loans will be paid into the Quion Collection Account. On the second business day of each month, the Scheduled Amount relating to the Quion NHG Mortgage Receivables will be paid into the Collection Account. On each Mortgage Payment Date, the difference between the Scheduled Amount and the Actual Amount relating to the Quion NHG Mortgage Receivables is paid by the Seller to the Issuer, or as the case may be, by the Issuer to the Seller. See *Credit Structure*.

Hedging Agreements: The majority of the Mortgage Loans will carry fixed rates of interest and others will carry floating rates of interest while the Notes will carry floating rates of interest. The Issuer will enter into one or more Hedging Agreements in order to hedge against interest rate exposure arising from its floating rate payment obligations under the Notes. Under the Swap Agreement, the Issuer agrees to pay to the Swap Counterparty an amount calculated by reference to a specified fixed swap rate multiplied by the Notional Amount, in respect of each Floating Rate Interest Period. The Swap Counterparty will in respect of the same Floating Rate Interest Period pay to the Issuer an amount calculated by reference to Euribor, with a designated maturity of 3 months, multiplied by the Notional Amount. If the amortisation rate of the Notional Amount varies from the expected rate of amortisation, a Notional Adjustment Payment may be due to or from the Issuer on the next Quarterly Payment Date. If the amount of the Prepayment Penalties received by the Issuer on any Quarterly Payment Date is less than the aggregate Notional Adjustment Payment due but unpaid by the Issuer to the Swap Counterparty, the difference will form part of the Swap Subordinated Amount to be paid under item (j) of the Interest Priority of Payments. The Mortgage Loans carrying a variable rate of interest will not be hedged.

On each Quarterly Payment Date, the Issuer will enter into a Reset Swap Agreement to hedge against potential interest rate exposure arising from Reset NHG Mortgage Receivables on which the rate of interest has been reset in the Quarterly Calculation Period preceding such Quarterly Payment Date. If the amortisation rate of the Notional Amount varies from the expected rate of amortisation, a Notional Adjustment Payment may be due to or from the Issuer on the next Quarterly Payment Date. If the amount of the Prepayment Penalties received by the Issuer on any

Quarterly Payment Date is less than the aggregate Notional Adjustment Payment due but unpaid by the Issuer to the Swap Counterparty or Hedging Counterparty, the difference will form part of the Swap Subordinated Amount to be paid under item (j) of the Interest Priority of Payments.

Each Hedging Counterparty will agree that the fixed swap rate to be paid by the Issuer in respect of a Reset Swap Agreement will be such that an excess spread of 0.35 per cent. (or, as the case may be, 0.20 per cent. after the First Put Date) of the aggregate Outstanding Principal Amount of the relevant Reset NHG Mortgage Receivables will remain after payment of the applicable part of items (a), (b), (c), (d), (e) and (f) of the Priority of Payments in respect of interest on the first Quarterly Payment Date after the effective date of such Reset Swap Agreement. There is no guarantee that on any Quarterly Payment Date thereafter, the excess spread will be 0.35 per cent. (or, as the case may be, 0.20 per cent. after the Put Date). The Swap Counterparty will on the Closing Date agree to enter into one or more Reset Swap Agreements.

The Swap Counterparty has the right on any Put Date to reprice the Hedging Agreements to which it is a party, but such right may only be exercised once (and not on multiple Put Dates). If such repricing results in an increase in the fixed swap rates of more than 0.15 per cent., the excess will form part of the Swap Subordinated Amount.

Furthermore, in the event that on any Quarterly Payment Date there is more than one Hedging Counterparty and the Issuer has insufficient funds available to it to satisfy its obligations in respect of all amounts due under each of the Hedging Agreements, the available amount (if any) shall be paid *pro rata* to the amounts due to each Hedging Counterparty. To the extent that any amount other than a Swap Subordinated Amount is not paid to a Hedging Counterparty on a Quarterly Payment Date, then failure to pay such shortfall constitutes a "Failure to Pay" under the relevant Hedging Agreement which shall entitle that Hedging Counterparty to terminate the relevant Hedging Agreement. To the extent that any Swap Subordinated Amount is not paid to a Hedging Counterparty on a Quarterly Payment Date, then such shortfall shall be paid by the Issuer to the relevant Hedging Counterparty on the next Quarterly Payment Date, together with interest from the Quarterly Payment Date on which it was due at the default rate agreed in the relevant Hedging Agreement.

Finally, the Issuer, the MPT Provider and each Hedging Counterparty will, subject to certain conditions, enter into a novation agreement with respect to the Hedging Agreements upon (i) the redemption in full of all Classes of Notes and (ii) the purchase and acceptance of the assignment of Excess NHG Mortgage Receivables by the MPT Provider (or another party).

**OTHER:**

Issuer Services Agreement:

Under the Issuer Services Agreement (i) the MPT Provider will agree to provide certain services as agreed in the Issuer Services Agreement in relation to the NHG Mortgage Receivables on a day-to-day basis, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the NHG Mortgage Receivables, (ii) the MPT Provider will agree to the implementation of arrears procedures including, if applicable, the enforcement of Mortgaged Assets and the Borrower Pledges and (iii) the Issuer Administrator will agree to provide certain administration, calculation and cash management services to the Issuer on a day- to-day basis, including, without limitation, all calculations to be made in respect of the Notes pursuant to the Conditions of the Notes. The MPT Provider will sub

Quion NHG Mortgage Receivables Purchase Agreement:	contract STATER to provide certain services in respect of the GMAC Mortgage Loans. The MPT Provider will sub contract Quion Hypotheekbemiddeling to provide certain services in respect of the Quion Mortgage Loans. See further <i>Issuer Services Agreement</i> .
Management Agreements:	Pursuant to the Quion Mortgage Receivables Purchase Agreement Quion 20 will (i) on the Closing Date sell and assign the Quion NHG Mortgage Receivables to the Seller, immediately prior to the assignment of the NHG Mortgage Receivables by the Seller to the Issuer and (ii) on any Pre-funding Purchase Date or, as the case may be, Mortgage Payment Date sell and assign the Quion New NHG Mortgage Receivables and/or the Quion Further Advance Receivables to the Seller immediately prior to the assignment of the Quion New NHG Mortgage Receivables and/or the Quion Further Advance Receivables by the Seller to the Issuer.
Listing:	Each of the Issuer, Stichting Holding and the Security Trustee will enter into a Management Agreement with the relevant Director, whereupon the relevant Director will undertake to act as director of the Issuer, Stichting Holding or the Security Trustee, respectively, and to perform certain services in connection therewith.
Rating:	Application has been made for the Senior Class A Notes to be listed on Euronext Amsterdam. The Subordinated Class B Notes will not be listed. It is a condition precedent to issuance that the Senior Class A Notes, on issue, will be assigned an Aaa rating by Moody's. The rating of the Senior Class A Notes do not take into account the (timely) payment of the Subordinated Extension Interest Part. It is a condition that, as of the relevant Put Date, Moody's confirms the then current rating assigned to the Senior Class A Notes. In the absence of such confirmations, the Notes will be redeemed in full subject to Condition of the Notes 9.
Clearing:	Euroclear and Clearstream, Luxembourg.
Governing Law:	The Notes will be governed by and construed in accordance with the laws of the Netherlands.
Risk Weighting:	The Issuer has been advised that, based on the relevant criteria set out in the Credit System Supervision Manual (" <i>Handboek Wtk</i> "), in particular section 29(6) and section 30 of Annex 3, 4011b3 Solvency Regulation on Securitisation (" <i>Regeling inzake solvabiliteit bij securitisatie</i> ") thereof, the risk weighting applicable to the Senior Class A Notes held by credit institutions regulated by the Dutch Central Bank (" <i>De Nederlandsche Bank</i> ") should be zero (0) per cent. Formal statements as to risk weighting in respect of securitisation exposures can, however, only be obtained from the Dutch Central Bank.

## SPECIAL CONSIDERATIONS

*The following is a summary of certain aspects of the issue of the Notes of which prospective Noteholders should be aware. It is not intended to be exhaustive, and prospective Noteholders should read the detailed information set out elsewhere in this Offering Circular.*

### **Liabilities under the Notes**

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting, including, without limitation, the Originators, the MPT Provider (and/or any of its sub-agents), the Issuer Administrator, the Manager, the Liquidity Facility Provider, the Insurance Companies, the GIC Provider, the Swap Counterparty, any Hedging Counterparty, the Paying Agent, the Principal Paying Agent, the Extension Margin Agent, the Reference Agent, the Further Advance Participant, the Directors, the Listing Agent or the Security Trustee. Furthermore, none of the Originators, the MPT Provider (and/or any of its sub-agents), the Issuer Administrator, the Manager, the Liquidity Facility Provider, the Insurance Companies, the GIC Provider, the Swap Counterparty, any Hedging Counterparty, the Paying Agent, the Principal Paying Agent, the Extension Margin Agent, the Reference Agent, the Further Advance Participant, the Directors, the Listing Agent, the Security Trustee or any other entity or person acting in whatever capacity will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes.

### **Ability to meet payment obligations**

The ability of the Issuer to meet its obligations to pay principal of and interest on the Notes in full will be dependent on the receipt by it of funds under the NHG Mortgage Receivables, the proceeds resulting from the repurchase and re-assignment by the Seller of any NHG Mortgage Receivables as provided in the Mortgage Receivables Purchase Agreement, the receipt by it of payments under the Hedging Agreements and the Sub-Participation Agreements and the receipt by it of interest in respect of the balances standing to the credit of the Transaction Accounts (other than the Construction Account). See further *Credit Structure*. In addition, the Issuer will have available to it the balances standing to the credit of the Reserve Account and the amount available to be drawn under the Liquidity Facility for certain of its payment obligations. Finally, the Issuer will have available a Servicing Advance, which will enable the Issuer to redeem the Senior Class A Notes on a Put Date.

By acquiring the Notes, each Noteholder shall be deemed to have knowledge of, to accept and to be bound by the Conditions. The Issuer, the Principal Paying Agent and the Paying Agent will not have any responsibility for the proper performance by Euroclear and/or Clearstream, Luxembourg or its participants of their obligations under their respective rules, operating procedures and calculation methods.

### **Parallel debt**

Under Netherlands law it is uncertain whether a security right can be validly created in favour of a party which is not the creditor of the claim which the security right purports to secure. Consequently, in order to secure the valid creation of the pledges in favour of the Security Trustee, the Issuer has in the Parallel Debt Agreement, as a separate and independent obligation, by way of parallel debt, undertaken to pay to the Security Trustee amounts equal to the amounts due by it to the Secured Parties under or in connection with the Relevant Documents to which the Issuer and such Secured Parties are a party. The Issuer has been advised that such a parallel debt creates a claim of the Security Trustee thereunder which can be validly secured by a right of pledge such as the rights of pledge created by the Pledge Agreements.

### **Transfer of Legal Title to NHG Mortgage Receivables**

As of 1 October 2004, under Netherlands law, assignment of the legal title of rights and receivables, such as the NHG Mortgage Receivables, can be effectuated by means of a notarial deed or a registered deed of assignment, without notification of the assignment to the debtors being required.

#### *Transfer by Quion 20 to the Seller*

On (i) the Closing Date, Quion 20 will sell and assign the Quion NHG Mortgage Receivables to the Seller immediately prior to the assignment of the NHG Mortgage Receivables by the Seller to the Issuer and (ii) on any Pre-funding Purchase Date or, as the case may be, Mortgage Payment Date Quion 20 will sell and assign the Quion New NHG Mortgage Receivables and/or the Quion Further Advance Receivables to the Seller immediately prior to the assignment of the Quion New NHG Mortgage Receivables and/or the Quion Further Advance Receivables by the Seller to the Issuer. The Quion NHG Mortgage Receivables will be transferred by Quion 20 to the Seller by means of a notarial deed of assignment immediately prior to the assignment of the NHG Mortgage Receivables by the Seller to the Issuer on the Closing Date. The Seller will in the Quion Mortgage Receivables Purchase Agreement provide that such transfer of legal title by Quion 20 to the Seller will not be notified to the relevant Borrowers, except if any of the Quion Notification Events occurs. The Issuer will be granted a power of attorney by Quion 20 and the Seller to notify the relevant Borrowers of the assignment of the Quion NHG Mortgage Receivables to the Seller upon the occurrence of a Quion Notification Event.

Until notification of the transfer of legal title has been made to the Borrowers, the Borrowers under the Quion NHG Mortgage Receivables can only validly make payments (“*bevrijdend betalen*”) to Quion 20. The Seller has undertaken in the Mortgage Receivables Purchase Agreement to pay to the Issuer on a monthly basis an amount equal to the amounts received by Quion 20 in respect of the Quion NHG Mortgage Receivables. However, receipt of such amounts by the Issuer is subject to the Seller actually making such payments.

#### *Transfer by the Seller to the Issuer*

Immediately after having obtained legal title in respect of the Quion NHG Mortgage Receivables, the legal title of the NHG Mortgage Receivables will be transferred by the Seller to the Issuer by means of a notarial deed of assignment. The Mortgage Receivables Purchase Agreement will provide that such transfer of legal title will not be notified by the Seller or, as the case may be, the Issuer to the Borrowers, except if any of the Assignment Notification Events occurs.

Until notification of the transfer of legal title by the Seller to the Issuer of the NHG Mortgage Receivables the Borrowers under the NHG Mortgage Receivables can only validly make payments (“*bevrijdend betalen*”) to the relevant Originator or, if the Borrowers are notified of the assignment by Quion 20 to the Seller, the Seller. The Seller has undertaken in the Mortgage Receivables Purchase Agreement to pay onwards to the Issuer an amount equal to the amounts received in respect of the NHG Mortgage Receivables. However, receipt of such amounts by the Issuer is subject to the Seller actually making such payments.

Payments made by Borrowers to an Originator prior to notification but after bankruptcy or suspension of payments in respect of such Originator having been declared will be part of the relevant Originator’s bankruptcy estate. However, the Issuer will have a non-preferred estate claim (“*concurrente boedelschuld*”) in respect of any such amounts, which means that the Issuer has the right to receive such amounts by preference after deduction of the general bankruptcy costs of the relevant Originator (“*algemene faillissementskosten*”).

### **Security Rights**

The NHG Mortgage Receivables sold and assigned to the Issuer will be secured by Bank Mortgages or, as the case may be, Credit Mortgages. The comments set out below on Bank Mortgages apply *mutatis mutandis* to Credit Mortgages.

Under Netherlands law it is uncertain whether, in the event of assignment of a receivable secured by a Bank Mortgage, the Bank Mortgage will follow such receivable. Based upon case law, certain Netherlands legal commentators assume that a Bank Mortgage will only follow the receivable which it secures, if the relationship between the bank and the Borrower has been terminated in such a manner that following the transfer, the bank cannot create or obtain new receivables against the Borrower. However, based on the same case law, in recent legal literature the view has been defended that a Bank Mortgage will (partially) follow the receivable as an ancillary right upon assignment, unless the intention of the mortgagee and mortgagor was to create a mortgage as a personal right (“*persoonlijk recht*”) which was granted only for the benefit of that particular mortgage. The substance of the contract, such as the wording of the relevant mortgage deed constitutes *prima facie* evidence of such intentions, although it is not



inconceivable that evidence to the contrary is brought forward. The above applies *mutatis mutandis* to the Borrower Pledges securing the NHG Mortgage Receivables.

The Seller will represent that (i) with respect to each GMAC Mortgage Loan, the relevant mortgage deed and (ii) with respect to each Quion Mortgage Loan, the Quion General Conditions (which are incorporated by reference in the mortgage deed) provided that, if a NHG Mortgage Receivable is pledged or assigned to a third party, the Bank Mortgage or Credit Mortgage and Borrower Pledge will follow, *pro rata*, the NHG Mortgage Receivable that is assigned or pledged. Each such provision is a clear indication of the intentions of the parties in respect of assignment or pledge of the NHG Mortgage Receivable. The Issuer has been advised that, provided that there are no additional circumstances which would result in the mortgage deed being interpreted in a different manner, the inclusion of such a provision, whether or not by reference, will result in the Bank Mortgage or Credit Mortgage and Borrower Pledge following the NHG Mortgage Receivable as an ancillary right upon assignment or pledge of such NHG Mortgage Receivable. However, there is no case law explicitly supporting this analysis.

Furthermore, if the Issuer does not have the benefit of the Mortgage, it also will not be entitled to claim under any NHG Guarantee.

If the Mortgage and Borrower Pledge have (partially) followed the NHG Mortgage Receivables upon their assignment, the Mortgage and Borrower Pledge would probably be co-held by the Issuer, the Seller and, in respect of Quion NHG Mortgage Receivables only, Quion 20 and would secure both the NHG Mortgage Receivables held by the Issuer (or the Security Trustee, as pledgee) and the Other Claims against the relevant Borrowers held by the Seller and, but in respect of Quion NHG Mortgage Receivables only, Quion 20. If the Mortgage and Borrower Pledge are co-held by both the Issuer or the Security Trustee and the Seller and, in respect of Quion NHG Mortgage Receivables only, Quion 20, the rules applicable to co-ownership ('*gemeenschap*') apply. The Netherlands Civil Code provides for various mandatory rules which apply to such co-owned rights. In the Mortgage Receivables Purchase Agreement, the Seller, the Issuer and the Security Trustee will agree that the Issuer and/or the Security Trustee (as applicable) will manage and administer such co-held rights. In the Quion Mortgage Receivables Purchase Agreement, Quion 20 and the Seller (as its assignee) will agree to the same arrangements in favour of the Issuer and the Security Trustee which shall be accepted by way of third-party stipulation.

It is uncertain whether the foreclosure of the Mortgage and Borrower Pledge will be considered as day-to-day management, and, consequently the consent of the relevant Originators' bankruptcy trustee (in case of bankruptcy) or administrator (in case of suspension of payments) may be required for such foreclosure. The relevant Originator will agree with the Issuer and/or the Security Trustee (as applicable) that in case of foreclosure the share ('*aandeef*') in each co-held Mortgage and Borrower Pledge of the Security Trustee and/or the Issuer will be equal to the Outstanding Principal Amount, increased with interest and costs, if any, and the shares of Quion 20 and the Seller in respect of Quion Mortgage Loans or the Seller in respect of GMAC Mortgage Loans will be equal to the Net Proceeds less the relevant Outstanding Principal Amount, increased with interest and costs, if any. It is uncertain whether this arrangement will be enforceable in case of suspension of payments or bankruptcy of either Quion 20 or the Seller. In this respect it is agreed that in case of a breach by any of the Originators of its obligations under these agreements or if any of such agreement is dissolved, void, nullified or ineffective for any reason in respect of Quion 20 and the Seller in respect of the Quion Mortgage Loans or the Seller in respect of the GMAC Mortgage Loans, Quion 20 or the Seller, as the case may be, will compensate the Issuer and/or the Security Trustee (as applicable) forthwith for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee (as applicable) incurs as a result thereof. Receipt of such amount by the Issuer and/or the Security Trustee is subject to the ability of either Quion 20 and the Seller in respect of Quion NHG Mortgage Receivables and the Seller in respect of GMAC NHG Mortgage Receivables to actually make such payments. In addition, in case of suspension of payments or bankruptcy of Quion 20 and the Seller in respect of Quion NHG Mortgage Receivables or the Seller in respect of GMAC NHG Mortgage Receivables, the Issuer and/or the Security Trustee would only have a concurrent claim ('*concurrente boedelordering*') in respect of such amount.

In view hereof, the Seller will undertake in the Mortgage Receivables Purchase Agreement that, until the Notes have been redeemed in accordance with the Conditions and the Issuer has no further obligation under any of the other Relevant Documents, it shall not grant or acquire any

Other Claim against a Borrower, other than a Further Advance, provided that if it agrees to grant such a Further Advance to a Borrower, the relevant Further Advance Receivable will be either purchased by the Issuer or the relevant NHG Mortgage Receivables will be repurchased by the Seller. In addition, Quion 20 will undertake in favour of the Issuer and the Security Trustee which shall be accepted by way of a third-party stipulation that until the Notes have been redeemed in accordance with the Conditions and the Issuer has no further obligation under any of the Relevant Documents, it shall not grant or acquire any Other Claim against a Borrower, other than a Further Advance, provided that if it agrees to grant such a Further Advance to a Borrower, either (i) the relevant Quion NHG Mortgage Receivable is repurchased by the Seller or (ii) the Further Advance Receivable is purchased by the Seller and subsequently sold and assigned by the Seller to the Issuer.

## **Set-off**

### *In respect of Quion NHG Mortgage Receivables*

Prior to notification to the relevant Borrowers of the assignment of the Quion NHG Mortgage Receivables by Quion 20 to the Seller, each such Borrower will, subject to the Netherlands legal requirements for set-off being met, be entitled to set off amounts due by Quion 20 to him (if any) with amounts he owes in respect of the Quion NHG Mortgage Receivables. After notification to a Borrower of the assignment of the Quion NHG Mortgage Receivables by Quion 20 to the Seller and, but prior to the notification of the assignment thereof by the Seller to the Issuer, the Borrower will also have such set-off rights vis-à-vis the Seller, provided that such legal requirements for set-off are met and further provided that (i) the counterclaim of the Borrower results from the same legal relationship as the relevant NHG Mortgage Receivable or (ii) the counterclaim of the Borrower against Quion 20 has been originated and become due prior to notification to the relevant Borrower of the assignment of the NHG Mortgage Receivables to the Seller, such as counterclaims resulting from a current account relationship and, depending on the circumstances, counterclaims resulting from a deposit made by the Borrower.

Upon execution of the notarial deed of assignment in respect of the Quion NHG Mortgage Receivables, Quion 20 will no longer have the right to set-off any amounts owed by Quion 20 to a Borrower against such NHG Mortgage Receivable. In addition to this paragraph, the following paragraphs apply also to Quion NHG Mortgage Receivables.

### *In respect of all NHG Mortgage Receivables*

Prior to notification to the Borrowers of the assignment of the NHG Mortgage Receivables to the Issuer and in respect of the Quion NHG Mortgage Receivables, after notification of the assignment to the Seller, each Borrower will, subject to the Netherlands legal requirements for set-off being met, be entitled to set off amounts due by the Seller to him (if any) with amounts he owes in respect of the NHG Mortgage Receivables. After notification to a Borrower of the assignment of the NHG Mortgage Receivables to the Issuer, the Borrower will also have such set-off rights vis-à-vis the Issuer, provided that such legal requirements for set-off are met and further provided that (i) the counterclaim of the Borrower results from the same legal relationship as the relevant NHG Mortgage Receivable or (ii) the counterclaim of the Borrower against the Seller has been originated and become due prior to notification to the relevant Borrower of the assignment of the NHG Mortgage Receivables to the Issuer, such as counterclaims resulting from a current account relationship and, depending on the circumstances, counterclaims resulting from a deposit made by the Borrower.

The Mortgage Conditions specifically provide that a Borrower may not set-off his rights against repayment obligations vis-à-vis the relevant Originator. Although this clause is intended as a waiver by the Borrowers of their set-off rights vis-à-vis the Originator under Netherlands law, it is uncertain whether such waiver will be valid. Should such waiver be invalid, the foregoing applies *mutatis mutandis*.

The Mortgage Receivables Purchase Agreement provides that if a Borrower sets off amounts due to him by the relevant Originator against the relevant NHG Mortgage Receivable and, as a consequence thereof, the Issuer does not receive the amount which it is entitled to receive in respect of such NHG Mortgage Receivable, the Seller will pay to the Issuer an amount equal to the difference between the amount which the Issuer would have received in respect of the relevant NHG Mortgage Receivable if no set-off had taken place and the amount actually received by the Issuer in respect of such NHG Mortgage Receivable.

For specific set-off issues relating to Savings Mortgage Loans and Life Mortgage Loans, reference is made to *Insurance Policies*, and for set-off issues relating to Investment Mortgage Loans, reference is made to *Investment Mortgage Loans*.

Upon registration of the deed of assignment of the NHG Mortgage Receivables, the Seller will no longer have the right to set-off any amounts owed by the Seller to a Borrower against such NHG Mortgage Receivable.

### **Insurance Policies**

The Life Mortgage Loans have the benefit of Life Insurance Policies. The Investment Mortgage Loans, the Annuity Mortgage Loans and the Interest-only Mortgage Loans may have the benefit of Risk Insurance Policies. The Savings Mortgage Loans have the benefit of Savings Insurance Policies. Certain legal issues relating to the effects of the assignment of (i) the Life Mortgage Loans, (ii) any Investment Mortgage Loans, Annuity Mortgage Loans or Interest-only Mortgage Loans which have the benefit of Risk Insurance Policies and (iii) the Savings Mortgage Loans on the Insurance Policies are set out in this section. Investors should be aware that (i) the Issuer may not benefit from the Insurance Policies and/or (ii) the Issuer may not be able to recover any amounts from the Borrower in case the relevant Insurance Company defaults in its obligations as further described in this section. As a consequence, the Issuer may not have a claim on the Borrower. In such case, the rights of the Security Trustee will be similarly affected.

#### *Pledge*

In respect of the Borrower Insurance Pledge, the Issuer has been advised that it is probable that the right to receive payment, including the surrender value ("*afkoopsom*"), under the Insurance Policies will be regarded by a Netherlands court as a future right. The pledge of a future right under Netherlands law is not effective if the pledgor is declared bankrupt or is granted a suspension of payments, prior to the moment such right comes into existence. This means that it is uncertain whether such Borrower Insurance Pledge will be effective. Since the Borrower Insurance Pledge secures the same liabilities as the Bank Mortgages, the observations on transfer of the Mortgage and Borrower Pledge made in *Security Rights* above apply equally to such right of pledge.

#### *Appointment of Beneficiary*

The Mortgage Conditions provide that the relevant Originator (to the extent required irrevocably authorised by the relevant Borrower) has appointed itself (and, to the extent required, the Borrower has appointed the relevant Originator) as beneficiary under the Insurance Policies, except that in certain cases another beneficiary will rank ahead of the relevant Originator, provided that the Borrower Insurance Proceeds Instruction is given to the relevant Insurance Company. It is uncertain whether the Beneficiary Rights of the Originators will follow the NHG Mortgage Receivables upon assignment thereof (in case of Quion NHG Mortgage Receivables, first to the Seller and subsequently) to the Issuer. Therefore, the Issuer will accept the assignment of the Beneficiary Rights, to the extent necessary and possible, from the Seller (which has acquired such rights from Quion 20, in case of Quion NHG Mortgage Receivables). In addition, the Issuer will grant a first-ranking disclosed right of pledge over the Beneficiary Rights to the Security Trustee. For the situation where the assignment of the Beneficiary Rights is not effective and no Borrower Insurance Proceeds Instruction exists, the Issuer will enter into the Beneficiary Waiver Agreement under which the Seller in respect of all NHG Mortgage Receivables, subject to the condition precedent of the occurrence of a Notification Event and Quion 20 in respect of the Quion NHG Mortgage Receivables only, subject to the conditions precedent of the occurrence of a Notification Event or a Quion Notification Event, waives or, as the case may be, undertakes to waive its rights as beneficiary under the Savings Insurance Policies and Life Insurance Policies with a Savings Element with the Savings Insurance Companies and appoints or, as the case may be, undertakes to appoint (i) the Issuer as beneficiary subject to the dissolving condition ("*ontbindende voorwaarde*") of the occurrence of a Trustee I Notification Event relating to the Issuer and (ii) the Security Trustee as beneficiary under the condition precedent ("*opschortende voorwaarde*") of the occurrence of a Trustee I Notification Event relating to the Issuer. It is, however, uncertain whether such waiver and appointment will be effective. In view hereof and in respect of Life Insurance Policies or Risk Insurance Policies with any of the Life Insurance Companies, the Seller in respect of all NHG Mortgage Receivables and Quion 20, in respect of the Quion NHG Mortgage Receivables only, will undertake to use its best efforts, following a

Notification Event to obtain the cooperation from all relevant parties (including the Life Insurance Companies) to (a) waive its rights as beneficiary and (b) appoint (i) the Issuer subject to the dissolving condition of a Trustee I Notification Event relating to the Issuer and (ii) the Security Trustee under the condition precedent of the occurrence of a Trustee I Notification Event relating to the Issuer as first beneficiary under the Insurance Policies. For the situation that a Borrower Insurance Proceeds Instruction exists, the Seller and the Savings Insurance Companies will in the Beneficiary Waiver Agreement undertake to use their best efforts, following a Notification Event to obtain the cooperation of all relevant parties to change the payment instruction in favour of (i) the Issuer subject to the dissolving condition of a Trustee I Notification Event relating to the Issuer and (ii) the Security Trustee under the condition precedent of the occurrence of a Trustee I Notification Event relating to the Issuer. It is uncertain whether such cooperation will be forthcoming.

If the Issuer or the Security Trustee, as the case may be, will not have been validly appointed as beneficiary under the Insurance Policies and the assignment and/or pledge and the waiver of the Beneficiary Rights are not effective, any proceeds under the Insurance Policies will be payable to the relevant Originator or to another beneficiary, instead of the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the relevant Originator, the Seller will be obliged to pay the amount received to the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the relevant Originator and the Seller does not pay the amount received to the Issuer or the Security Trustee, as the case may be, e.g. in the case of bankruptcy of the Seller, or if the proceeds are paid to another beneficiary instead of the Issuer or the Security Trustee, as the case may be, this may result in the amount paid under the Insurance Policies not being applied in reduction of the NHG Mortgage Receivable. This may lead to the Borrower invoking defences against the Issuer or the Security Trustee, as the case may be, for the amounts so received by the relevant Originator as further discussed under *Set-off or Defences*, which may adversely affect payments on the Notes.

#### *Insolvency of Insurance Companies*

If any of the Insurance Companies is no longer able to meet its obligations under the Insurance Policies, e.g. in case it is declared bankrupt or has become subject to emergency regulations, this could result in the amounts payable under the Insurance Policies either not, or only partly, being available for application in reduction of the relevant NHG Mortgage Receivables. This may lead to the Borrowers trying to invoke set-off rights and defences as further discussed under *Set-off or Defences*.

#### *Set-off or Defences in case of default under Insurance Policies*

If the amounts payable under the Insurance Policy are not applied in reduction of the NHG Mortgage Receivable (see *Appointment of Beneficiary* and *Insolvency of Insurance Companies*), the Borrower may try to invoke a right of set-off of the amount due under the NHG Mortgage Receivable with amounts payable under or in connection with the Insurance Policy.

As set out in *Set-off* above, the Mortgage Conditions provide for a waiver by the Borrowers of their set-off rights. It is, however, uncertain whether such waiver is effective. If the waiver is not effective, the Borrowers will need to comply with the applicable legal requirements in order to invoke a right of set-off. One of these requirements is that the Borrower should have a claim, which corresponds to his debt to the same counterparty. In case of the Mortgage Loans, the Insurance Policies are contracts between the relevant Insurance Company and the Borrowers on the one hand and the NHG Mortgage Receivables are claims of the Seller on the relevant Borrower on the other hand. Therefore, in order to invoke a right of set-off the Borrowers would have to establish that the Seller and the Insurance Companies should be regarded as one legal entity or, based upon interpretation of case law, that possibly set-off is allowed, even if the Seller and the relevant Insurance Company are not considered as one legal entity, since the relevant Insurance Policy and the relevant Mortgage Loan are to be regarded as one interrelated relationship.

Furthermore, the Borrowers must have a counterclaim. If the relevant Insurance Company is declared bankrupt or subject to emergency regulations, the Borrower will have the right to unilaterally terminate the Insurance Policy and to receive a surrender value ("*afkoopsom*"). These rights are subject to the Borrower Insurance Pledge and, therefore, it may be argued that the Borrower will on this basis not be entitled to invoke a right of set-off for the surrender value. However, apart from the right to terminate the Insurance Policies, the Borrowers are also likely to

have the right to rescind the Insurance Policies and to claim restitution of premiums paid and/or supplementary damages. It is uncertain whether such claim is subject to the Borrower Insurance Pledge. If not, the Borrower Insurance Pledge would not obstruct a right of set-off with such claim by Borrowers.

Finally, set-off vis-à-vis the Issuer after notification of the assignment would be subject to the additional requirements for set-off being met (see *Set-Off*). In the case of Savings Mortgage Loans and Life Mortgage Loans with the possibility of a Savings Element, such requirements are likely to be met, since the Savings Mortgage Loans and Life Mortgage Loans with the possibility of a Savings Element and the Savings Insurance Policies and the Life Insurance Policies with the possibility of a Savings Alternative are likely to be regarded as one and the same relationship, but in the case of Life Mortgage Loans (other than Life Mortgage Loans with the possibility of a Savings Element), this is unlikely. The fact that the NHG Mortgage Receivable is assigned to the Issuer is not likely to interfere with such a set-off (see *Set-off*).

Even if the Borrowers cannot invoke a right of set-off, they may invoke defences vis-à-vis the Seller, the Issuer and/or the Security Trustee, as the case may be. The Borrowers could, *inter alia*, argue that (notwithstanding the waiver of set-off) it was the intention of the parties involved, or that the Borrowers could rightfully interpret the mortgage documentation and the promotional materials in such a manner, that the Mortgage Loan and the relevant Insurance Policy are to be regarded as one interrelated legal relationship and could, on this basis, claim a right of annulment or dissolution of the NHG Mortgage Receivable or, alternatively, claim that the NHG Mortgage Receivable would be (fully or partially) repaid by means of the proceeds of the Insurance Policy and that, failing such proceeds being so applied, the Borrower is not obliged to repay the (corresponding) part of the NHG Mortgage Receivable. On the basis of similar reasoning, Borrowers could also argue that the Mortgage Loans and the Insurance Policy were entered into as a result of “error” (“*dwaling*”) or that it would be contrary to principles of reasonableness and fairness (“*redelijkheid en billijkheid*”) for the Borrower to be obliged to repay the Mortgage Loan to the extent that he has failed to receive the proceeds of the Insurance Policy.

With respect to the Quion NHG Mortgage Receivables, it should be noted that in addition to the above, Borrowers of Quion NHG Mortgage Receivables have a right to set-off vis-à-vis the Seller (and subsequently the Issuer and the Security Trustee) claims of the relevant Borrower on Quion 20 with the relevant Quion NHG Mortgage Receivable after notification of the assignment by Quion 20 to the Seller, provided that the additional requirements for set-off are met (see *Set-off*).

#### *Set-off or defences regarding GMAC Mortgage Loans with a Life Insurance Policy, other than Life Mortgage Loans with the possibility of a Savings Element*

In respect of GMAC Mortgage Loans where the Borrowers have taken out a Life Insurance Policies with any of the Life Insurance Companies in case the Borrower/insured will not be able to recover their claims under such policies, the Issuer has been advised that in respect of the risk of such set-off or defences being successful taking into account the preceding paragraphs and in view of the factual circumstances involved, *inter alia*, that all Borrowers are consumers and the fact that a default by the Borrower under the Life Insurance Policy results in a default under the Life Mortgage Loan, the possibility cannot be disregarded (“*de mogelijkheid kan niet worden uitgesloten*”) that the courts will honour set-off or defences of Borrowers if, in the case of bankruptcy or emergency regulations of the relevant Life Insurance Company, the Borrowers cannot recover their claims under their Life Insurance Policies.

#### *Set-off or defences regarding Quion Mortgage Loans with a Life Insurance Policy*

In respect of Quion Mortgage Loans where the Borrowers have taken out Life Insurance Policies with any of the Life Insurance Companies, other than Falcon, Erasmus or GENERALI, the Issuer has been advised that it is unlikely that a court would honour set-off or defences of the Borrowers, as described above, taking into account that the Seller has represented that with respect to the Quion Mortgage Loans, other than Quion Mortgage Loans associated with a Life Insurance Policy with Falcon, Erasmus or GENERALI, (i) there is no connection, whether from a legal or a commercial point of view, between the Quion Mortgage Loan and the relevant Life Insurance Policy other than the relevant Borrower Insurance Pledge and the relevant Life Beneficiary Rights, (ii) the Quion Mortgage Loans and the Life Insurance Policies are not marketed as one product or under one name and (iii) the Borrowers are free to choose the relevant Life Insurance Company.

With respect to the Quion Mortgage Loans associated with a Life Insurance Policy entered into with Falcon, Erasmus or GENERALI, the Issuer has been informed that such Life Mortgage Loans have been marketed in the relevant brochures under the name of the relevant Life Insurance Company as one product with the associated Life Insurance Policy, under the name of and by the relevant Insurance Company on behalf of Quion 20 (which is not a group company of any of the relevant Life Insurance Companies). In respect of these Quion Mortgage Loans only, the Issuer has been advised that, given the closer commercial connection, the possibility can certainly not be disregarded ("*de mogelijkheid kan zeker niet worden uitgesloten*") that in the event that the Borrowers cannot recover their claims under these Life Insurance Policies from the relevant Life Insurance Companies, the courts will honour set-off or defences invoked by Borrowers, as described above.

#### *Set-off or defences regarding Savings Mortgage Loans and Life Mortgage Loans with the possibility of a Savings Element*

In respect of Savings Mortgage Loans and Life Mortgage Loans with the possibility of a Savings Element in case the Borrower/insured will not be able to recover their claims under such policies, the Issuer has been advised that the risk that such a set-off or defence would be successful is greater than in case of the Life Mortgage Loans (other than Life Mortgage Loans with the possibility of a Savings Element) in view of, *inter alia*, the close connection between the Savings Mortgage Loans and Life Mortgage Loans with the possibility of a Savings Element and the Savings Insurance Policy and the Life Insurance Policy with the possibility of a Savings Alternative and, therefore, constitutes a considerable risk ("*een aanmerkelijk risico*").

The Savings Sub-Participation Agreement will provide that in case of set-off or defences by Borrowers, including but not limited to a right of set-off or defence based upon a default in the performance by the relevant Savings Insurance Company of its obligations under the relevant Savings Insurance Policy or Life Insurance Policy with a Savings Alternative where, as a consequence thereof, the Issuer will not have received any amount due and outstanding, the relevant Savings Participation of the relevant Savings Insurance Company will be reduced by an amount equal to the amount which the Issuer has failed to receive as a result of such set-off or defence. The amount of the Savings Participation is equal to the amount of Savings Premia received by the Issuer plus the accrued yield on such amount (see *Sub-Participation Agreements*), provided that each Savings Insurance Company will have paid all Savings Premia received from the relevant Borrowers to the Issuer. Therefore, normally the Issuer would not suffer any damages if the Borrower would invoke any such right of set-off or defence, if and to the extent that the amount for which the Borrower would invoke set-off or defences does not exceed the amount of the Savings Participation. The amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the Savings Participation. The Sub-Participation Agreement does not apply to Life Mortgage Loans to which a Life Insurance Policy with the Unit-Linked Alternative is connected.

#### **Proposed legislation on the provision of financial services**

A bill is currently pending before the Netherlands Parliament in which it is proposed to subject financial services providers, including offerers, servicers and brokers of financial products such as mortgage loans, to licensing requirements and continuous conduct supervision by the Netherlands Authority for the Financial Markets ("AFM"). It is expected that the bill will come into force as the Act on the Provision of Financial Services ("*Wet financiële dienstverlening*" or "Wfd") in the fourth quarter of 2005.

If the bill is enacted in its current form, the Seller and Quion 20 will be required to apply with the AFM for a licence to act as an offerer of mortgage loans. The AFM will grant a licence if it is satisfied that the Seller or Quion 20, as applicable, is reliable (in terms of management), has the necessary expertise (management and employees) as well as a reliable administrative organisation and an adequate system of internal controls and that it provides financial security, such as professional liability insurance, for the services it provides (each a "Financial Services Provider Requirement"). In addition, according to the current draft of the bill, a person who becomes the legal owner of mortgage receivables would be required to have a licence as of the moment legal title was transferred to it, unless the 'servicer' of the mortgage receivables is authorised under the Wfd. Although discussions are pending between the Minister of Finance and market parties to provide some sort of exemption for special purpose vehicles in securitisation

transactions, it cannot be certain that the Issuer would (continue to) be exempt from the Financial Services Provider Requirement or similar requirements.

### **Long lease**

The mortgage rights securing the Mortgage Loans may be vested on a long lease (“*erfpacht*”).

A long lease will, *inter alia*, end as a result of expiration of the long lease term (in case of lease for a fixed period), or termination of the long lease by the leaseholder or the landowner. The landowner can terminate the long lease in the event the leaseholder has not paid the remuneration due for a period exceeding two consecutive years or seriously breaches other obligations under the long lease. In case the long lease ends, the landowner will have the obligation to compensate the leaseholder. In such event the Mortgage will, by operation of law, be replaced by a right of pledge on the claim of the (former) leaseholder on the landowner for such compensation. The amount of the compensation will, *inter alia*, be determined by the conditions of the long lease and may be less than the market value of the long lease.

When underwriting a Mortgage Loan to be secured by a mortgage right on a long lease, each of the Originators takes into consideration the conditions, including the term, of the long lease. The acceptance conditions used by each of the Originators provide that in such event the Mortgage Loan shall have a maturity that is shorter than the term of the long lease. In case of GMAC Mortgage Loans the term of the long lease should be at least 15 years. The general terms and conditions of the Mortgage Loans provide that the Mortgage Loan becomes immediately due and payable in the event that, *inter alia*, (i) the leaseholder materially breaches or ceases to perform its payment obligation under the long lease, or (ii) the long lease is terminated, or (iii) if the leaseholder in any other manner breaches the conditions of the long lease. In respect of the Quion NHG Mortgage Receivables, the maximum term for Mortgage Loans secured by a Mortgage over a long lease is the lesser of 30 years and the remaining term of the long lease, provided that the term of the long lease is at least 50 per cent. of the mortgage loan term.

### **Investment Mortgage Loans**

Under the Investment Mortgage Loans the Borrower does not pay principal prior to maturity of the Mortgage Loan. Instead the Borrower undertakes to invest agreed amounts in certain investment funds. Certain issues relating to Risk Insurance Policies entered into in connection with Investment Mortgage Loans are discussed in *Insurance Policies* above. See further *Description of the Mortgage Loans*.

#### *Investment Accounts in respect of GMAC Mortgage Loans*

The investments in investment funds are effected by the Borrowers paying certain agreed amounts to Stichting Allianz Nederland Beleggersrekeningen and/or Holland Beleggingsgroep B.V. and/or Stichting Optimix Beleggersgiro and/or Administratiekantoor Interland B.V., which are applied to acquire participations (“*deelnemingsrechten*”) in certain selected investment undertakings in accordance with the instructions of the Borrower. The investment funds are managed by Allianz, Optimix N.V., Holland Beleggingsgroep B.V., Insinger de Beaufort, IVM Vermogensbeheer B.V., Noord-Nederlands Effectenkantoor, Borghols Investment Management, Hansard Financial Services, Palladyne or Generali as the case may be. The participations that are purchased are credited to the Investment Accounts. It is intended that the NHG Mortgage Receivables will be fully or partially repaid with the proceeds of the investments. In this structure, the Borrowers have a claim on Stichting Allianz Nederland Beleggersrekeningen and/or Holland Beleggingsgroep B.V. and/or Stichting Optimix Beleggersgiro and/or Administratiekantoor Interland B.V., as the case may be, for the value of the investments. Should Stichting Allianz Nederland Beleggersrekeningen and/or Holland Beleggingsgroep B.V. and/or Stichting Optimix Beleggersgiro and/or Administratiekantoor Interland B.V., as the case may be, not be able to meet its obligations towards the Borrowers, this could lead to set-off or defences by Borrowers similar to those described under *Insurance Policies* above, except for the set-off or defences described in *Appointment of Beneficiary* in the event that the Seller is insolvent. In addition, the value of the investments may not be sufficient for the Borrower to fully redeem the related NHG Mortgage Receivable at its maturity.

### *Investment Accounts in respect of Quion Mortgage Loans*

Under the Investment Mortgage Loans the investments are made in a limited number of investment funds by the Borrowers paying certain agreed amounts to an entity administering such investment (a '*Beleggersgiro*') or a similar institution. The *Beleggersgiro* applies the funds to acquire participations in certain selected investment funds in accordance with the instructions of the Borrower. The participations that are purchased are credited to the investment accounts of the relevant Borrowers. It is the intention that the NHG Mortgage Receivables will be fully or partially repaid with the proceeds of the investments. In this structure the Borrowers have a claim on the relevant *Beleggersgiro* for the value of the investments. The Issuer has been advised that these are bankruptcy-remote entities. The purpose of a *Beleggersgiro* is to hold participations in investment funds for custody purposes and normally its obligations vis-à-vis holders of Investment Accounts should be equal to the value of the corresponding participations of the *Beleggersgiro* in the investment funds. Should the relevant *Beleggersgiro* or the relevant similar institution not be able to meet its obligations towards the Borrowers, this could lead to set-off or defences by Borrowers similar to those described under *Insurance Policies* above, except for the set-off or defences described in *Appointment of Beneficiary* in respect of the situation of Quion 20 and the Seller being insolvent.

### *Pledge*

The Seller has the benefit of a right of pledge on all rights of the Borrower in connection with the Investment Account which secures the same liabilities as the relevant Mortgage. The observations made above in relation to *Security Rights* apply equally here.

### **Reduced value of investments**

If the value of the investments made under the Investment Mortgage Loans has declined considerably, a Borrower may invoke set-off or defences against the Issuer arguing that he has not been properly informed of the risks involved in the investments. The merits of any such claim will, to a large extent, depend on the manner in which the Investment Mortgage Loans have been marketed and the promotional material provided to the Borrower. The above may also apply in case of a decline in value of investments made by the Life Insurance Companies in connection with the Life Insurance Policies with the Unit-Linked Alternative.

### **NHG Guarantee**

All Mortgage Loans will have the benefit of a "*Nationale Hypotheek Garantie*" ('**NHG Guarantee**'). Pursuant to the terms and conditions ("*voorwaarden en normen*") of the NHG Guarantee the "*Stichting Waarborgfonds Eigen Woningen*" ('**WEW**') is only obliged to pay any loss (in whole or in part) incurred by a lender after a private or a forced sale of the mortgaged property if such lender has complied with the terms and conditions of the NHG Guarantee. The Seller will on the Closing Date, or in respect of New NHG Mortgage Receivables, on the relevant Pre-funding Purchase Date represent and warrant that (i) each NHG Guarantee connected to a Mortgage Loan constitutes legal, valid and binding obligations of the WEW, enforceable in accordance with its terms, (ii) all terms and conditions applicable to the NHG Guarantee at the time of origination of the Mortgage Loan were complied with and (iii) the Seller is not aware of any reason why any claim under any NHG Guarantee should not be met in full and in a timely matter.

Furthermore, the terms and conditions of the NHG Guarantee in respect of each Mortgage Loan stipulate that the NHG Guarantee of the WEW will terminate upon expiry of a period of 30 years after the establishment of the NHG Guarantee in respect of each Mortgage Loan.

Finally, the terms and conditions stipulate that the NHG Guarantee (irrespective of the type of redemption of the mortgage loan) is reduced on a monthly basis by an amount which is equal to the amount of the monthly repayments plus interest as if the mortgage loan were to be repaid on a 30 year annuity basis. The actual redemption structure of a Mortgage Loan can be different (see *Description of the Mortgage Loans*). This may result in the Issuer not being able to fully recover any loss incurred with the WEW.

See *NHG Guarantee Programme* for a more detailed description of the NHG Guarantees.



## **Rating of the State of the Netherlands**

The rating of the Senior Class A Notes by Moody's takes into account the NHG Guarantee granted in connection with each of the Mortgage Loans. The NHG Guarantee is backed by the State of the Netherlands (see *NHG Guarantee Programme*) which is currently rated 'Aaa' by Moody's. In the event that the Netherlands State ceases to be rated 'Aaa' by Moody's, this will result in a review by Moody's of the Senior Class A Notes and could potentially result in a corresponding downgrade of the Senior Class A Notes.

## **Construction Amounts**

Pursuant to the Mortgage Conditions, the Borrowers have the right to request to withhold the Construction Amount to be paid out in the event that certain conditions are met. The aggregate amount of the Construction Amounts as per the Cut-Off Date is euro 5,778,538. The Issuer and the Seller will agree in the Mortgage Receivables Purchase Agreement that the Issuer will be entitled to withhold from the Initial Purchase Price an amount equal to such aggregate Construction Amounts. Such amount will be deposited in the Construction Account. On each Quarterly Payment Date the Issuer will release from the Construction Account such part of the Initial Purchase Price which equals the difference between the aggregate Construction Amounts and the balance standing to the credit of the Construction Account and pay such amount to the Seller.

Pursuant to the terms and conditions of the NHG Guarantee (the '**NHG Conditions**') Construction Amounts are paid out after the building activities or renovation activities have been finalised. Upon the expiry of such period the remaining Construction Amount (if such amount exceeds euro 2,500) will be set-off against the NHG Mortgage Receivable up to the amount of the Construction Amount, in which case the Issuer shall have no further obligation towards the Seller to pay the remaining part of the Initial Purchase Price, and consequently any remaining part of the Construction Ledger will be used for redemption of the Notes in accordance with the Conditions of the Notes. Pursuant to NHG Conditions, if such amount is less than euro 2,500, the Seller or Quion 20, as the case may be, has the right to pay out the remaining amount to the relevant Borrower. If an Assignment Notification Event has occurred, the Issuer will no longer be under the obligation to pay such remaining part of the Initial Purchase Price. The amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the Construction Amount.

### *Effectiveness of assignment of and pledge over the part of the NHG Mortgage Receivables relating to Construction Amounts*

Under Netherlands law the distinction between "existing" ("*bestaande*") receivables and "future" ("*toekomstige*") receivables is relevant. If receivables are regarded as future receivables, an assignment and/or pledge thereof will not be effective to the extent the receivable comes into existence after or on the date on which the assignor or, as the case may be, the pledgor has been declared bankrupt or granted a suspension of payments. If, however, receivables are to be considered as existing receivables, the assignment and pledge thereof are not affected by the bankruptcy or suspension of payments of the assignor/pledgor. The Issuer has been advised that based on case law and legal literature uncertainty remains whether on the basis of the applicable terms and conditions the part of the NHG Mortgage Receivables relating to the Construction Amounts are considered to be existing receivables. It could be argued that such part of the Mortgage Loan concerned comes into existence only when and to the extent the Construction Amount is paid out. If the part of the NHG Mortgage Receivable relating to the Construction Amount is regarded as a future receivable, the assignment and/or pledge of such part will not be effective if the Construction Amount is paid out on or after the date on which (a) in respect of the GMAC Mortgage Loans the Seller is declared bankrupt or granted suspension of payments and (b) in respect of the Quion NHG Mortgage Receivables, Quion 20 (if notification to the Borrowers of the assignment to the Seller has been made prior to such event) and the Seller is declared bankrupt or granted suspension of payments.

## **Seller Account Pledge**

Since the Previous Transactions SPVs (and/or the Previous Transactions Security Trustees, as the case may be) and the Issuer (and/or the Security Trustee, as the case may be) have a first ranking right of pledge on the amounts standing to the credit of the Seller Collection Account, the rules applicable to co-ownership ("*gemeenschap*") apply. The Netherlands Civil Code provides for

various mandatory rules applying to such co-owned rights. In principle co-owners are required to cooperate with regard to their co-owned goods, but according to section 3:168 of the Netherlands Civil Code it is possible for co-owners to make an arrangement for the management (“*beheer*”) of the co-owned goods by one or more of the co-owning parties.

The Previous Transactions SPVs, the Issuer, the Security Trustee and the Previous Transactions Security Trustees will further in the Seller Account Pledge Agreement agree that the Security Trustee and the Previous Transactions Security Trustees will manage (“*beheren*”) such co-held rights jointly. It is uncertain whether the foreclosure of the rights of pledge will constitute management for the purposes of section 3:168 of the Netherlands Civil Code and as a consequence the cooperation of the Previous Transactions SPVs and the Issuer may be required for such foreclosure to take place.

The Seller, the Issuer, the Security Trustee, the Previous Transactions SPVs and the Previous Transactions Security Trustees will further agree in the Seller Account Pledge Agreement that (i) the share (“*aandeel*”) in each co-held pledge right will be equal to the amounts collected from the respective pools of mortgage receivables purchased by the Issuer and the amounts collected from the NHG Mortgage Receivables, respectively, and (ii) in case of foreclosure of the right of pledge on the Seller Collection Account, the proceeds will be divided according to each share. It is uncertain whether this sharing arrangement is enforceable in the event that the Issuer, the Security Trustee, the Previous Transactions SPVs and the Previous Transactions Security Trustees should become insolvent. It is noted that the Seller’s insolvency would not affect this arrangement. In this respect it will be agreed that in case of a breach by a party of its obligations under the abovementioned agreements or if such agreement is dissolved, void, nullified or ineffective for any reason in respect of such party, such party shall compensate the other parties forthwith for any and all loss, costs, claim, damage and expense whatsoever which such party incurs as a result hereof.

It is a condition of this arrangement that future issuers (and security trustees) in securitisation transactions of the Seller will also have the benefit of such right of pledge.

### **Quion Account Pledge**

Quion 20 shall grant a first ranking right of pledge on the balance standing to the credit of the Quion Collection Account in favour of the Issuer which shall be repledged to the Security Trustee. Such right of pledge will be notified to ABN AMRO, the bank where the Quion Collection Account is maintained.

It is a condition of this arrangement that future issuers (and security trustees) in securitisation transactions of the Seller will also have the benefit of such right of pledge.

### **Foreclosure Value**

The appraisal Foreclosure Value (“*executiewaarde*”) is approximately 67 to 95 per cent. of the market value (“*vrije verkoopwaarde*”). There can be no assurance that, on enforcement, all amounts owing by a Borrower under a Mortgage Loan can be recovered from the proceeds of the foreclosure on the property which is subject to the Mortgage. Interest-only Mortgage Loans originated by the Seller may not exceed 90 per cent. of the appraisal Foreclosure Value; Interest-only Mortgage Loans originated by Quion 20 may not exceed an LTFV-ratio of 75 per cent. or, if the loan is less than the purchase price of the property, 90 per cent.

There can be no assurance that the foreclosure proceeds will exceed the relevant estimated Foreclosure Value of the property. If originated by the Seller, any part of the loan exceeding 75 per cent. of the Foreclosure Value must have a redemption policy, and if the Borrower is older than 45 years, a Risk Insurance Policy. If originated by Quion 20, no Risk Insurance Policy is required if the Mortgage Loan is less than the purchase price of the property at origination.

### **Prepayment Considerations**

The maturity of the Notes of each relevant Class will depend on, among other things, the amount and timing of payment of principal (including full and partial prepayments, foreclosure proceeds on enforcement of a NHG Mortgage Receivables, and repurchases by the Seller under the Mortgage Receivables Purchase Agreement and the consideration for granting a Savings Participation) on the NHG Mortgage Receivables. The average maturity of the Notes may be

adversely affected by a higher or lower than anticipated rate of prepayments on the NHG Mortgage Receivables.

The rate of prepayment of the Mortgage Loans cannot be predicted and is influenced by a wide variety of economic, social and other factors, including prevailing mortgage market interest rates, the availability of alternative financing, local and regional economic conditions and homeowner mobility. No guarantee can be given as to the level of prepayment that the Mortgage Loans may experience, and variation in the rate of prepayments of principal on the Mortgage Loans may affect each Class of Notes differently. The estimated average lives of each Class of Notes must therefore be viewed with considerable caution, and Noteholders should make their own assessment thereof.

### **Subordination of the Subordinated Class B Notes**

To the extent set forth in Conditions of the Notes 4, 6 and 9, the Subordinated Class B Notes are subordinated in right of payment to the Senior Class A Notes. With respect to the Subordinated Class B Notes, such subordination is designed to provide credit enhancement to the Senior Class A Notes.

If, upon default by the Borrowers and after exercise by the MPT Provider of all available remedies in respect of the applicable NHG Mortgage Receivables, the Issuer does not receive the full amount due from such Borrowers, Noteholders may receive by way of principal repayment on the Notes an amount less than the face amount of their Notes and the Issuer may be unable to pay in full interest due on the Notes, to the extent set forth in Condition of the Notes 9. On any Quarterly Payment Date, any such losses on the NHG Mortgage Receivables will be allocated as described in *Credit Structure*.

### **Limited Liquidity of the Notes**

There is not, at present, any active and liquid secondary market for the Notes. There can be no assurance that a secondary market for the Notes will develop or, if a secondary market does develop, that it will provide Noteholders with liquidity of investment or that it will continue for the life of the Notes. To date, no underwriter has indicated that they intend to establish a secondary market in the Notes.

### **Payments on the NHG Mortgage Receivables**

Payments on the NHG Mortgage Receivables are subject to credit, liquidity and interest rate risks and will generally vary in response to, among other things, market interest rates, general economic conditions, the financial standing of Borrowers and other similar factors. Other factors such as loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies and bankruptcy filings by Borrowers and could ultimately have an adverse impact on the ability of Borrowers to repay the NHG Mortgage Receivables.

### **Risks of Losses Associated with Declining Property Values**

The security for the Notes created under the Trustee Pledge Agreement I may be affected by, among other things, a decline in the value of the Mortgaged Assets. No assurance can be given that values of those properties have remained or will remain at the level at which they were on the date of origination of the related Mortgage Loans. A decline in value may result in losses to the Noteholders if such security is required to be enforced.

### **Liquidity Risk**

The ability of the Issuer to redeem all the Notes in full and to pay all amounts due to the Noteholders, including after the occurrence of an Event of Default, may depend upon whether the value of the NHG Mortgage Receivables is sufficient to redeem the Notes. There is not at present an active and liquid secondary market for loans with characteristics similar to the NHG Mortgage Receivables in the Netherlands. It may not, therefore, be possible for the Issuer or, as the case may be, the Security Trustee or a receiver to sell the NHG Mortgage Receivables on appropriate terms should such a course of action be required.

### **The Servicing Advance**

The MPT Provider will undertake in the Issuer Services Agreement to grant on a Put Date or a Regulatory Put Date a Servicing Advance equal to the aggregate Principal Amount Outstanding

of the Senior Class A Notes in respect of which a Put Option or a Regulatory Put Option has been exercised, less the proportionate balance on the Principal Deficiency Ledger, if any, to enable the Issuer to redeem the Senior Class A Notes on the relevant Put Date or the relevant Regulatory Put Date in accordance with the Conditions of the Notes, in particular Conditions of the Notes 6(e) and 6(h) respectively. Senior Class A Noteholders can exercise the Put Option or the Regulatory Put Option to effect redemption of the Senior Class A Notes on the relevant Put Date or the Relevant Regulatory Put Date. IF THE ISSUER DOES NOT RECEIVE SUFFICIENT PRINCIPAL IN THE FORM OF A SERVICING ADVANCE TO FULLY REDEEM THE SENIOR CLASS A NOTES IN RESPECT OF WHICH THE PUT OPTION OR THE REGULATORY PUT OPTION HAS BEEN EXERCISED ON A PUT DATE OR A REGULATORY PUT DATE, PRINCIPAL PAYMENTS ON SUCH SENIOR CLASS A NOTES WILL BE MATERIALLY ADVERSELY AFFECTED ON SUCH DATE. THIS DOES NOT CONSTITUTE AN EVENT OF DEFAULT UNDER THE CONDITIONS OF THE NOTES, IN SUCH CASE ON THE RELEVANT PUT DATE OR THE RELEVANT REGULATORY PUT DATE AND THEREAFTER PAYMENTS ON THE NOTES WILL BE MADE IN ACCORDANCE WITH THE CONDITIONS OF THE NOTES 4, 6 AND 9 AS IF THE PUT OPTION OR THE REGULATORY PUT OPTION HAD NOT BEEN EXERCISED.

### **No Gross-up for Taxes**

As provided in Condition of the Notes 7, if withholding of, or deduction for, or an account of any present or future taxes, duties or charges of whatsoever nature are imposed by or on behalf of the Netherlands or any other jurisdiction or any political subdivision or any authority therein or thereof having power to tax, the Issuer or the Paying Agent (as applicable) will make the required withholding or deduction of such taxes, duties or charges for the account of the Noteholders, as the case may be, and shall not be obliged to pay any additional amounts to the Noteholders.

### **Reliance on Third Parties**

Counterparties to the Issuer may not perform their obligations under the Relevant Documents, which may result in the Issuer not being able to meet its obligations. It should be noted that there is a risk that (a) GMAC RFC Nederland in its capacities as Seller (such as, *inter alia*, exercising its repurchase obligation), as MPT Provider (such as, *inter alia*, providing the Defaulted Loan Services (in respect of GMAC Loans only) and a Servicing Advance at a Put Date) and as Issuer Administrator will not meet its obligations vis-à-vis the Issuer; (b) STATER, as sub-agent of the MPT Provider will not perform the MPT Services (excluding the Defaulted Loan Services) in respect of the GMAC Mortgage Loans; (c) Quion Hypotheekbemiddeling, as sub-agent of the MPT Provider will not perform the MPT Services (including the Defaulted Loan Services) in respect of the Quion Mortgage Loans; (d) Citibank as Swap Counterparty will not meet its obligations vis-à-vis the Issuer; (e) Citibank as Principal Paying Agent, Reference Agent and Liquidity Facility Provider will not perform its obligations such capacities; (f) Citibank International as Paying Agent will not perform its obligations in under the Paying Agency Agreement; (g) BNG as GIC Provider will not perform its obligations under the GIC and (h) Amsterdamsch Trustee's Kantoor B.V. and ATC Management B.V. will not perform their obligations under the relevant Management Agreements.

### **Extension Margin and Subordinated Extension Interest Part**

It should be noted that there is no guarantee that the Extension Margin will be equal to or higher than the Initial Margin. The Subordinated Extension Interest Part will be subordinated in right of payment to other payment obligations of the Issuer as set forth in the Interest Priority of Payments under items (a) up to and including (j). Besides that, the positive difference between the balance standing to the credit of the Reserve Account and the Reserve Account Target Level will be available for redemption of the Subordinated Class B Notes on any Put Date and thereafter in or towards payment of the Deferred Purchase Price Instalment to the Seller and will not be available for payment of the Subordinated Extension Interest Part. There can be no assurance on the (timely) payment of the Subordinated Extension Interest Part. Non payment of the Subordinated Extension Interest Part will not result in an event of default under the Conditions of the Notes. Moreover, the rating of the Senior Class A Notes does not take into account the (timely) payment of the Subordinated Extension Interest Part.

## **Hedging Agreements**

The amount of revenue receipts that the Issuer receives will fluctuate according to the interest rates applicable to the Mortgage Loans. The Issuer will be subject to floating rate interest obligations under the Notes while the majority of the Mortgage Loans are subject to a fixed rate of interest subject to a reset.

To hedge the Issuer's exposure against the possible variance between the revenue it receives from the Mortgage Loans subject to a fixed rate of interest and the interest it pays under the Notes, the Issuer will enter into Hedging Agreements with Hedging Counterparties on the Closing Date and where necessary, each Quarterly Payment Date. See *Hedging Agreements* below. The Issuer's exposure against the possible variance between the revenue it receives from the Mortgage Loans subject to a variable rate of interest and the interest it pays under the Notes will not be hedged. In respect of Mortgage Loans subject to a variable interest rate, the Seller may at its discretion on each monthly interest reset date reset the interest rate. The Seller has covenanted to set the interest rate in accordance with its usual policy. It is the policy of the Seller to set the variable interest rate by reference to a margin over Euribor and interest rates prevailing in the Dutch residential mortgage market. The Seller's discretion is subject to general principles of reasonableness and fairness. There can be no assurance that the interest rate set in accordance with the Seller's policy will at all times be equal to or exceed the interest payable on the Notes.

The Issuer may be liable to pay an amount calculated by reference to the change in the mark to market value of the Hedging Agreement following any adjustment in the notional amount of the Hedging Agreement pursuant to the terms thereof. In addition, if a Hedging Agreement is terminated, the Issuer may be obliged to pay a termination payment to a Hedging Counterparty. The amount of any termination payment will be based on the market value of the terminated Hedging Agreement based on market quotations of the cost of entering into a transaction with the same terms and conditions that would have the effect of preserving the respective full payment obligations of the parties (or based upon loss in the event that no market quotation can be obtained). A Hedging Agreement may also be terminated if either the Issuer or the Hedging Counterparty becomes liable to withholding tax.

The Issuer cannot give any assurance that it will be able to enter into a replacement Hedging Agreement, or if one is entered into, that the credit rating of the replacement Hedging Counterparty will be sufficiently high to prevent a downgrading of the then current rating of the Senior Class A Notes by Moody's.

The funds which the Issuer has available to make payments on the Notes of any Class may be reduced if the Issuer is obliged to make a termination payment to a Hedging Counterparty or to pay any other additional amount as a result of the termination of a Hedging Agreement. Any termination payment due to a Hedging Counterparty, however, which arises due to (i) a default by that Hedging Counterparty under a Hedging Agreement or (ii) the failure of a Hedging Counterparty to comply with the requirements under the relevant Hedging Agreement following the loss of the Required Hedging Counterparty Rating, shall not rank in priority to payments due to any Noteholder (but, in relation to (ii) only, to the extent that any premium is received by the Issuer from a replacement Hedging Counterparty in relation to a transaction entered into to replace that Hedging Agreement, the Hedging Counterparty shall rank in priority to payments due to any Noteholder).

## **Reset NHG Mortgage Receivables**

The Mortgage Loans carry a fixed rate or a variable rate of interest. The fixed rate of interest is agreed for a period of up to 20 years from the date of origination, after which the interest rate will be reset for a different or identical time period as selected by the Borrower (see *Tables on page 55*). Until notification of the assignment of the NHG Mortgage Receivables to the Issuer has been made to the Borrowers, the Seller, whether by law or by proxy, has the right to set the interest rates. The Issuer has been advised that the right to reset the interest rate should probably be considered as an ancillary right. If this view is correct the interest reset rights will have passed to the Issuer upon assignment of the NHG Mortgage Receivables. However, the Issuer will in principle be bound by the relevant provisions of the Mortgage Conditions relating to the reset of interest rates. The Mortgage Conditions contain provisions relating to the interest rates and the interest periods to be offered to the Borrowers. According to the reset procedure, the Seller or, as the case may be, the assignee will set the interest rates. Pursuant to the Mortgage Conditions, if a Borrower does not accept the interest rate offered, the Borrower has the obligation to prepay

the NHG Mortgage Receivable in full on the date on which the interest rate of a Mortgage Loan is to be reset.

The Seller will undertake in the Mortgage Receivables Purchase Agreement to set the interest rates of Mortgage Loans as agent of the Issuer or, as the case may be, the Security Trustee in accordance with its then prevailing procedures. Each of the Security Trustee and the Issuer may terminate the appointment of the Seller as agent of the Issuer to determine and set the rates of interest at any time. The Issuer and the Swap Counterparty have agreed that in case (i) the senior unsecured, unsubordinated and unguaranteed debt obligations of General Motors Acceptance Corporation is lower than or is withdrawn in respect of any two of the following ratings: BB- or its equivalent by S&P or Ba3 or its equivalent by Moody's or BB- or its equivalent by Fitch or (ii) the Seller ceases to be a wholly owned indirect subsidiary of General Motors Acceptance Company and thereafter the rating assigned to the senior unsecured, unsubordinated and unguaranteed debt obligations of the Seller or the entity of which the Seller becomes a wholly owned (indirect) subsidiary is lower than or is withdrawn in respect of any of the following ratings; BB- or its equivalent by S&P or Ba3 or its equivalent by Moody's or BB- or its equivalent by Fitch then the Issuer will terminate the appointment of the Seller and will appoint the Swap Counterparty to determine and set the rates of interest in accordance with the Mortgage Conditions.

If on an interest reset date a Borrower does not accept the interest rate offered by Quion 20 in accordance with the conditions as set out in the Mortgage Receivables Purchase Agreement, as a consequence of which such Quion NHG Mortgage Receivable will be prepaid, the Issuer will sell and assign and Quion 20 will purchase and accept assignment of such Quion NHG Mortgage Receivable pursuant to the Quion Mortgage Receivables Purchase Agreement.

### **European Union Directive on the Taxation of Savings Income**

On 3 June 2003 the European Council of Economics and Finance Ministers adopted a Council Directive on the taxation of savings income in the form of interest payments (the '**Directive**'). The Directive will apply to interest payments (as defined in the Directive) made in one Member State to or for individual beneficial owners (as defined in the Directive) who are resident in another Member State and will require all Member States to adopt an information reporting system with regard to such payments. However, for a transitional period, Austria, Belgium, and Luxembourg will be permitted to operate a withholding tax system.

According to the Directive, Member States would have been required to apply its provisions from 1 January 2005 provided that certain European third countries and certain dependent or associated territories applied the equivalent or, as the case may be, the same measures from that date. However, by a decision dated 19 July 2004, the Council having decided that this condition would not be met, adopted a new date, 1 July 2005. This date is subject to the same conditions as the former date. The transitional period will commence on the same date.

Under the information reporting system, a Member State will automatically communicate to the beneficial owner's Member State of residence information regarding interest payments (including the identity and residence of the beneficial owner) made by paying agents (as defined in the Directive) established within the former Member State, without requiring reciprocity. Under the withholding tax system (for Austria, Belgium, and Luxembourg), a Member State will levy a withholding tax in respect of interest payments made by paying agents established within its territory at a rate of 15 per cent. during the first three years of the transitional period, 20 per cent. for the subsequent three years, and 35 per cent. thereafter. The transitional period will end, and those Member States permitted to levy a withholding tax will, instead, be required to implement an information reporting system if and when the European Community enters into certain agreements with certain third countries regarding information exchange with respect to interest payments.

Under the Directive, the term "paying agent" means, generally, the last intermediary in any given chain of intermediaries that pays interest directly to, or secures the payment of interest for the immediate benefit of, the beneficial owner; the term "interest" is defined broadly and would include interest relating to debt-claims of any kind, including income from bonds; and the term "beneficial owner" means any individual who receives an interest payment or any individual for whom an interest payment is secured, unless he or she provides evidence that it was not received or secured for his or her own benefit.

The Netherlands has adopted legislation provisionally implementing the substantive provisions of the Directive. These provisions are expected to come into force on 1 July 2005, provided the above-mentioned conditions under which Member States are required to apply the Directive are satisfied from that date. If and when the Directive is implemented as required by the Directive, an individual Holder of Notes who is resident in an EU Member State other than the Netherlands may become subject to the automatic supply of information to the Member State in which the individual is resident with regard to interest payments made by (or in certain cases, to) paying agents established in the Netherlands.

## CREDIT STRUCTURE

*The structure of the credit arrangements for the proposed issue of the Notes may be summarised as follows.*

### **Mortgage Loan Interest Rates**

The Mortgage Loans pay interest either on a fixed rate basis, subject to a reset from time to time, or a variable rate of interest. On the Cut-Off Date the weighted average interest rate of the Mortgage Loans was 4.15 per cent. Interest rates vary between individual Mortgage Loans. The range of interest rates is described further in *Description of the Mortgage Loans*.

### **Cash Collection Arrangements**

Payments by the Borrowers under the Mortgage Loans are due on the first day of each month, interest being payable in arrear. All payments made by the Borrowers in respect of the GMAC Mortgage Loans will be paid into the Seller Collection Account maintained with ABN AMRO and in respect of the Quion Mortgage Loans into the Quion Collection Account maintained with ABN AMRO. The amounts standing to the credit of the Seller Collection Account will be pledged to the Previous Transactions SPVs and the Issuer jointly and repledged to the Previous Transactions Security Trustees and the Security Trustee jointly under the condition that any future issuer(s) (and, as the case may be, any security trustee(s)) in securitisation transactions of the Seller also benefit from such right of pledge (see *Description of Security*). The Seller Collection Account and the Quion Collection Account will also be used for the collection of moneys paid in respect of mortgage loans other than the Mortgage Loans and in respect of other moneys belonging to the Seller or Quion 20, as the case may be.

On the first business day of each month the Seller (or STATER on its behalf) will transfer to the Collection Account the Scheduled Amount relating to the GMAC NHG Mortgage Receivables and on the second business day of each month the Seller (or Quion on its behalf) will transfer to the Collection Account the Scheduled Amount relating to the Quion NHG Mortgage Receivables. On each Mortgage Payment Date, the Seller will transfer (or procure that STATER and/or Quion will transfer on its behalf) the amount, if any, by which the Actual Amount exceeds the Scheduled Amount, increased with Prepayment Penalties received by the Seller, during the immediately preceding Mortgage Calculation Period, to the Collection Account. In case the Scheduled Amount exceeds the Actual Amount, the difference is paid by the Issuer to the Seller on the relevant Mortgage Payment Date.

### **Transaction Accounts**

The Issuer will maintain with the GIC Provider the Collection Account to which all amounts received (i) from the Seller in respect of the Mortgage Loans, (ii) from the Savings Insurance Companies under the Savings Sub-Participation Agreement and (iii) from the other parties to the Relevant Documents will be paid.

The Issuer Administrator will identify all amounts paid into the Collection Account by crediting such amounts to ledgers established for such purpose. Payments received on each Mortgage Payment Date in respect of the Mortgage Loans will be identified as principal or revenue receipts and credited to the Principal Ledger or the Revenue Ledger, as the case may be.

Payments may be made from the Collection Account other than on a Quarterly Payment Date only to satisfy (i) amounts due to third parties (other than pursuant to the Relevant Documents) and payable in connection with the Issuer's business; (ii) amounts due under the Savings Sub-Participation Agreement and the Further Advance Sub-Participation Agreement; (iii) the Initial Purchase Price of Further Advance Receivables and/or New NHG Mortgage Receivables, (iv) the difference between the Scheduled Amount and the Actual Amount, if any; and (v) the repayments of any Liquidity Facility Stand-by Loan in accordance with the Liquidity Facility Agreement.

If any collateral in the form of cash is provided by the Hedging Counterparty to the Issuer, the Issuer will be required to open a separate account in which such cash provided by the Hedging Counterparty will be held. If any collateral in the form of securities is provided, the Issuer will be required to open a custody account in which such securities provided by the Hedging Counterparty will be held. No payments or deliveries may be made in respect of such accounts



other than in relation to the provision of Collateral or the return of Excess Swap Collateral, unless pursuant to the termination of the Hedging Agreement, an amount is owed by the Hedging Counterparty to the Issuer, in which case, the collateral may be applied in accordance with the Trust Deed. Excess Swap Collateral means an amount equal to the value of any collateral transferred to the Issuer by a Hedging Counterparty under an ISDA Master Agreement in respect of a Hedging Agreement that is in excess of such Hedging Counterparty's liability to the Issuer thereunder (i) as at the date such Hedging Agreement is terminated or (ii) that is otherwise due to the Hedging Counterparty in accordance with the terms of such ISDA Agreement.

The Issuer will maintain with the GIC Provider the Pre-funded Account to which it will credit the Pre-funding Amount on the Closing Date. Payments may be made from the Pre-funded Account on a Pre-funding Purchase Date only to satisfy the Initial Purchase Price of New NHG Mortgage Receivables. Any remaining balance standing to the credit of the Pre-funded Account on the Quarterly Calculation Date falling in July 2005 will be transferred to the Collection Account and applied towards redemption of the Notes on the immediately succeeding Quarterly Payment Date.

The Issuer will maintain with the GIC Provider the Construction Account to which on the Closing Date an amount corresponding to the aggregate Construction Amounts will be credited. Payments may be made from the Construction Account on a Mortgage Payment Date only to satisfy payment by the Issuer to the Seller of (part of) the Initial Purchase Price as a result of the distribution of (part of) the Construction Amount by the relevant Originator to the Borrower. Besides this, the Construction Account will be debited with the amount of the Construction Amount which has been set off against the relevant NHG Mortgage Receivables as a result of which the Issuer has no further obligation to pay (such part of) the Initial Purchase Price. Such amount will be transferred to the Collection Account and applied towards redemption of the Notes on the immediately succeeding Quarterly Payment Date.

The Issuer will also maintain with the GIC Provider the Reserve Account (see below).

If at any time the short-term unsecured, unsubordinated and unguaranteed debt obligations of the GIC Provider are assigned a rating of less than Prime-1 by Moody's or such rating is withdrawn by Moody's, then the Issuer will within 30 days of reduction or withdrawal of such rating use its best endeavours to (i) find an alternative GIC Provider acceptable to Moody's and the Security Trustee or (ii) find any other solution acceptable to Moody's to maintain the then current rating assigned to the Senior Class A Notes.

## **I Priority of Payments prior to the Enforcement Date**

### **A Priority of Payments in respect of interest**

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated as at each Quarterly Calculation Date as being received or held during the Quarterly Calculation Period immediately preceding such Quarterly Calculation Date (items (i) up to and including (xi) being hereafter referred to as the '**Notes Interest Available Amount**')

- (i) as interest on the NHG Mortgage Receivables, less with respect to each (x) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element and (y) Further Advance an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (ii) as interest credited to the Transaction Accounts, excluding the Construction Account;
- (iii) as Prepayment Penalties;
- (iv) as Net Proceeds on any NHG Mortgage Receivables, to the extent such proceeds do not relate to principal, less with respect to each (x) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element an amount equal to the amount received multiplied by the relevant Participation Fraction and (y) Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount (of the NHG Mortgage Receivables, including the Further Advance Receivables) less the relevant Further Advance Participation;
- (v) as amounts to be drawn under the Liquidity Facility (other than Liquidity Facility Stand-by Drawings) on the immediately succeeding Quarterly Payment Date;

- (vi) as amounts to be drawn from the Reserve Account on the immediately succeeding Quarterly Payment Date (other than in connection with the redemption of the Subordinated Class B Notes in accordance with the provisions of the Trust Deed);
- (vii) as amounts to be received, whether or not by way of set-off, from the Hedging Counterparties under the Hedging Agreements on the immediately succeeding Quarterly Payment Date (excluding any collateral amounts transferred to the Issuer by the Hedging Counterparty in accordance with the terms of such Hedging Agreement);
- (viii) as amounts received in connection with a repurchase of NHG Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement or any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal, less with respect to each (x) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element an amount equal to the amount received multiplied by the relevant Participation Fraction and (y) Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount (of the NHG Mortgage Receivables, including the Further Advance Receivables) less the relevant Further Advance Participation;
- (ix) as amounts received in connection with a sale of NHG Mortgage Receivables pursuant to the Trust Deed or the Issuer Services Agreement to the extent such amounts do not relate to principal less with respect to each (y) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element, the relevant Further Advance Savings Participation an amount equal to the amount received multiplied by the relevant Participation Fraction and (z) Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount (of the NHG Mortgage Receivable, including the Further Advance Receivable) less the relevant Further Advance Participation;
- (x) as amounts received as post-foreclosure proceeds on the NHG Mortgage Receivables, less in respect of each Further Advance Receivable the amount exceeding an amount equal to the Outstanding Principal Amount (of the NHG Mortgage Receivable, including the Further Advance Receivable) less the relevant Further Advance Participation as calculated at the time the foreclosure procedures commenced; and
- (xi) as amounts standing to the credit of the Collection Account after all Senior Class A Notes have redeemed in full,

will, pursuant to the terms of the Trust Deed, be applied by the Issuer on the immediately succeeding Quarterly Payment Date in accordance with the following priority of payments (the '**Interest Priority of Payments**') (in each case only if and to the extent that payments of a higher order of priority have been made in full):

- (a) *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of the fees or other remuneration due and payable to the Directors in connection with the Management Agreements and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Relevant Documents;
- (b) *second*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of administration fees and expenses due and payable to the Issuer Administrator and the MPT Provider under the Issuer Services Agreement;
- (c) *third*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, (i) of any amounts due and payable to third parties under obligations incurred in the Issuer's business (other than under the Relevant Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax and the fees and expenses of Moody's, the Security Trustee and any legal advisor, auditor and accountants appointed by the Issuer or the Security Trustee, (ii) fees and expenses due to the Paying Agents and the Reference Agent under the provisions of the Paying Agency Agreement and (iii) fees and expenses due and payable to the GIC Provider under the provisions of the GIC;

- (d) *fourth*, (i) in or towards satisfaction of any amounts due and payable to the Liquidity Facility Provider under the Liquidity Facility, other than any Liquidity Facility Subordinated Amount, or (ii) following a Liquidity Facility Stand-by Drawing in or towards satisfaction of sums to be credited to the Liquidity Facility Stand-by Ledger;
- (e) *fifth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of amounts, if any, due or accrued but unpaid under the Hedging Agreements to the Swap Counterparty and to any other Hedging Counterparty, but excluding any Swap Subordinated Amount and, for the avoidance of doubt, excluding any amount relating to Excess Swap Collateral and any cash benefit of any Tax Credit;
- (f) *sixth*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Senior Class A Notes, excluding, after the First Put Date, the Subordinated Extension Interest Part relating to the Senior Class A Notes;
- (g) *seventh*, in or towards making good any shortfall reflected in the Principal Deficiency Ledger until the debit balance, if any, on the Principal Deficiency Ledger is reduced to zero;
- (h) *eighth*, in or towards satisfaction of any sums required to be deposited on the Reserve Account or, as the case may be, to replenish the Reserve Account up to the amount of the Reserve Account Target Level;
- (i) *ninth*, in or towards satisfaction of a Liquidity Facility Subordinated Amount due, if any, to the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement;
- (j) *tenth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, to the relevant Hedging Counterparties of any Swap Subordinated Amount due under the Hedging Agreements;
- (k) *eleventh*, after the First Put Date, in or towards satisfaction of interest due or interest accrued but unpaid on the Senior Class A Notes as Subordinated Extension Interest Part;
- (l) *twelfth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class B Notes;
- (m) *thirteenth*, (i) on the First Put Date and each Put Date thereafter and/or (ii) on the Quarterly Payment Date on which the Clean-Up Call Option or the Regulatory Put Option is exercised, in or towards satisfaction of principal amounts due under the Subordinated Class B Notes; and
- (n) *fourteenth*, in or towards satisfaction of a Deferred Purchase Price Instalment due and payable to the Seller.

**B Priority of Payments in respect of principal**

The sum of the following amounts, calculated as at any Quarterly Calculation Date, as being received or held during the immediately preceding Quarterly Calculation Period (items (i) up to and including (xii) hereinafter referred to as the '**Notes Redemption Available Amount**')

- (i) as repayment and prepayment in full of principal under the NHG Mortgage Receivables, from any person (including any Insurance Company), whether by set-off or otherwise, but, for the avoidance of doubt, excluding Prepayment Penalties, if any, less, with respect to each (y) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount (of the NHG Mortgage Receivable, including the Further Advance Receivable) less the relevant Further Advance Participation;
- (ii) as Net Proceeds, to the extent such proceeds relate to principal less, with respect to each (y) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount (of the NHG Mortgage Receivable, including the Further Advance Receivable) less the relevant Further Advance Participation;

- (iii) as amounts received in connection with a repurchase of NHG Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each (y) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount (of the NHG Mortgage Receivable, including the Further Advance Receivable) less the relevant Further Advance Participation;
- (iv) as amounts received in connection with a sale of NHG Mortgage Receivables pursuant to the Trust Deed and the Issuer Services Agreement to the extent such amounts relate to principal less with respect to each (y) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount (of the NHG Mortgage Receivable, including the Further Advance Receivable) less the relevant Further Advance Participation;
- (v) as amounts of interest received to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date in accordance with the Issuer Services Agreement;
- (vi) as Monthly Savings Participation Increase pursuant to the Savings Sub-Participation Agreement;
- (vii) as partial prepayment in respect of NHG Mortgage Receivables from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding Prepayment Penalties, less, in respect of a Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount (of the NHG Mortgage Receivable, including the Further Advance Receivable) less the relevant Further Advance Participation;
- (viii) as amounts standing to the credit of the Pre-funded Account upon the expiry of the Pre-funding Period;
- (ix) as amounts received on the Collection Account from the credit of the Construction Account in accordance with the Mortgage Receivables Purchase Agreement;
- (x) as consideration for the Initial Participation pursuant to the Savings Sub-Participation Agreement and as consideration for the Further Advance Participation pursuant to the Further Advance Sub-Participation Agreement;
- (xi) any part of the Notes Redemption Available Amount calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards redemption of the Notes on the preceding Quarterly Payment Date; and
- (xii) as amounts received as the Servicing Advance on the relevant Put Date;

will be applied by the Issuer on the immediately succeeding Quarterly Payment Date (and in each case only if and to the extent that payments or provisions of a higher priority have been made in full) after the payment of the Initial Purchase Price of New NHG Mortgage Receivables and Further Advance Receivables to redeem the Senior Class A Notes.

## **II Priority of Payments after the Enforcement Date**

After the Enforcement Date, any amounts payable by the Security Trustee under the Trust Deed and the Parallel Debt Agreement (other than in respect of the Participations) will be paid to the Secured Parties (including the Noteholders, but excluding the Savings Insurance Companies and the Further Advance Participant) in accordance with the following Priority of Payments upon Enforcement (after deduction of costs incurred by the Security Trustee, which will include, *inter alia*, fees and expenses of Moody's and any legal advisor, auditor or accountant appointed by the Security Trustee) (and in each case only if and to the extent payments of a higher priority have been made in full):

- (a) *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of
  - (i) the fees or other remuneration due to the Directors, (ii) the fees and expenses and any other amount due to the Paying Agent and the Reference Agent incurred under the

provisions of the Paying Agency Agreement, (iii) the fees and expenses and any other amount due to the Issuer Administrator and the MPT Provider under the provisions of the Issuer Services Agreement and (iv) the fees and expenses due to the GIC Provider under the provisions of the GIC;

- (b) *second*, in or towards satisfaction of any sums due or sums accrued but unpaid under the Liquidity Facility Agreement, but excluding any Liquidity Facility Subordinated Amount;
- (c) *third*, in or towards satisfaction of amounts, if any, due or accrued but unpaid under the Hedging Agreements to the Swap Counterparty and to any other Hedging Counterparty, but excluding any Swap Subordinated Amount and, for the avoidance of doubt, excluding any amount relating to Excess Swap Collateral and any cash benefit of any Tax Credit;
- (d) *fourth*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Senior Class A Notes, excluding the Subordinated Extension Interest Part;
- (e) *fifth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Senior Class A Notes;
- (f) *sixth*, in or towards satisfaction of a Liquidity Facility Subordinated Amount due, if any, to the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement;
- (g) *seventh*, in or towards satisfaction of all Swap Subordinated Amounts due under the Hedging Agreements to the Swap Counterparty and to any other Hedging Counterparty;
- (h) *eighth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Senior Class A Notes as Subordinated Extension Interest Part;
- (i) *ninth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class B Notes;
- (j) *tenth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Subordinated Class B Notes;
- (k) *eleventh*, the repayment of the Servicing Advance under the Issuer Services Agreement; and
- (l) *twelfth*, in or towards satisfaction of the Deferred Purchase Price Instalment to the Seller.

### **Liquidity Facility**

On the Closing Date, the Issuer will enter into the Liquidity Facility Agreement with the Liquidity Facility Provider. The Issuer will be entitled on any Quarterly Payment Date (other than a Quarterly Payment Date if and to the extent that on such date the Notes are redeemed in full) to make drawings under the Liquidity Facility up to the Liquidity Maximum Amount. The Liquidity Facility Agreement is for a maximum term of 364 days. The commitment of the Liquidity Facility Provider is extendable at its option, beginning on the Quarterly Payment Date falling in January 2006. Any drawing under the Liquidity Facility by the Issuer will only be made on a Quarterly Payment Date if and to the extent that, after the application of amounts available in the Reserve Account and taking into account any drawing under the Liquidity Facility, there is a shortfall in the Notes Interest Available Amount to meet items (a) to (f) (inclusive) in the Interest Priority of Payments in full on that Quarterly Payment Date, provided that no drawing may be made to meet item (f) in the Interest Priority of Payments if there is a debit balance on the Principal Deficiency Ledger exceeding 60 per cent. of the aggregate Principal Amount Outstanding of the Senior Class A Notes. Other than for payments to the Liquidity Facility Provider in respect of any Liquidity Facility Subordinated Amounts, the Liquidity Facility Provider will rank in priority in point of payments and security to the Noteholders.

If, at any time, (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider are assigned a rating of less than Prime-1 by Moody's, or any such rating is withdrawn, and (ii) the Liquidity Facility is not renewed or replaced by the Issuer within 30 days of such downgrading or withdrawal to an alternative Liquidity Facility Provider, acceptable to Moody's and the Security Trustee, and (iii) any other solution acceptable

to Moody's is not found to maintain the then current rating of the Senior Class A Notes; the Issuer will be required forthwith to make a Liquidity Facility Stand-by Drawing and credit such amount to the Collection Account with a corresponding credit to the Liquidity Facility Stand-by Ledger. Amounts so credited to the Collection Account may be utilised by the Issuer in the same manner as if the Liquidity Facility had not been so drawn. A Liquidity Facility Stand-by Drawing shall also be made if the Liquidity Facility is not renewed following its commitment termination date.

### **Reserve Account**

The net proceeds of the issue of the Subordinated Class B Notes will be credited to the Reserve Account on the Closing Date.

Amounts credited to the Reserve Account will be available on any Quarterly Payment Date to meet items (a) to (g) inclusive of the Interest Priority of Payments.

If and to the extent that the Notes Interest Available Amount on any Quarterly Calculation Date exceeds the amounts required to meet items ranking higher than item (g) (inclusive) in the Interest Priority of Payments, the excess amount will be applied to deposit on the Reserve Account or, as the case may be, to replenish the Reserve Account, to the extent required until the balance standing to the credit of the Reserve Account equals the Reserve Account Target Level.

The Reserve Account Target Level will on any Quarterly Calculation Date be equal to:

- (i) 0.70 per cent. of the aggregate Principal Amount Outstanding of the Senior Class A Notes at the Closing Date, or
- (ii) zero, if on the immediately succeeding Quarterly Payment Date the Senior Class A Notes will be redeemed in full.

If and to the extent that the Notes Interest Available Amount (remaining after items (a) up to and including (g) have been met) on a Put Date exceeds the amounts required to meet items (h) and (l) of the Interest Priority of Payments, such excess will be deposited in the Reserve Account.

To the extent that the balance standing to the credit of the Reserve Account on a Put Date exceeds the Reserve Account Target Level and items (a) up to and including (g) of the Interest Priority of Payments have been made in full, such excess will be drawn from the Reserve Account on the relevant Put Date and shall be applied towards redemption of the Subordinated Class B Notes until fully repaid and shall thereafter be paid to the Seller as a Deferred Purchase Price Instalment.

### **Principal Deficiency Ledger**

A Principal Deficiency Ledger will be established by or on behalf of the Issuer in order to record any Principal Deficiency. An amount equal to the Principal Deficiency will be debited to the Principal Deficiency Ledger (such debit items being credited at item (g) of the Interest Priority of Payments, to the extent any part of the Notes Interest Available Amount is available for such purpose).

## OVERVIEW OF THE NETHERLANDS RESIDENTIAL MORTGAGE MARKET

The information provided under "Overview of the Netherlands Residential Mortgage Market" below has been derived from publicly available information on the Dutch mortgage industry.

### Market

One of the most important factors influencing the Dutch residential mortgage market is the fiscal policy of the Netherlands. In the Netherlands, interest on mortgage loans is tax deductible if the mortgage loan proceeds are used for the purchase or improvement of the first home. The mortgage interest is deductible for a period of 30 years. As a result of this tax treatment many borrowers choose to benefit fully from the tax deductibility and take out the maximum possible mortgage loan. This results in a relative high outstanding mortgage debt per capita.

### Lenders

Banks are the main mortgages lenders in the Netherlands, followed by insurers and other financial institutions such as pension funds and building funds. The top 12 lenders provide more than 90 per cent. of the mortgage loans. These mortgages are offered through branches, call centres, the internet and to an increasing extent via intermediaries.

### Mortgage products

In the Netherlands, the typical term of a mortgage loan is 30 years. It is very common that the mortgage loan consists of several mortgage parts, each of which has its own characteristics. Because of the fiscal treatment, mortgage loans with no redemption on the principal such as investment-based mortgages, savings mortgages and interest-only mortgages are most popular. Under these mortgages, no principal is repaid during the term of the contract. Instead, the Borrower makes payments in a savings account, endowment insurance or investment fund. Upon maturity the loan is repaid with the money in the savings account, the insurance contract or the investment fund respectively.

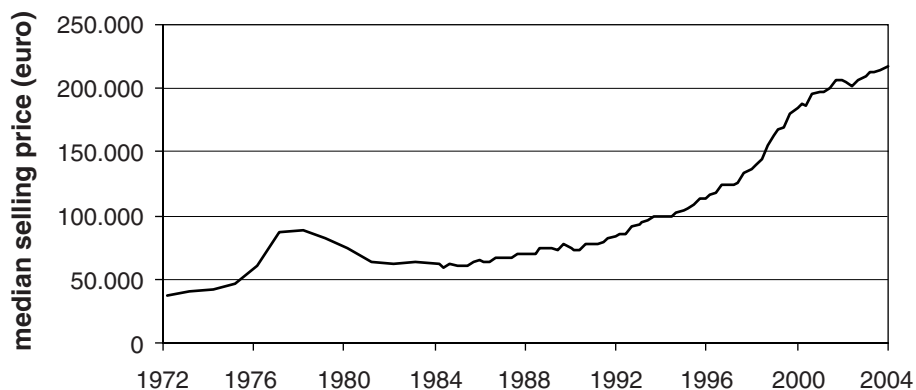
### Interest type

Although the 5- and 10-year fixed interest rates have been most popular, there is an increasing appetite for other types, such as short term fixed rates and variable rates. Some lenders also offer capped and collar type of interest rates.

### House price developments

Fiscal benefits, economic growth and demographic factors (decreasing number of persons per household) have caused an increasing demand for Dutch houses. Along with the declining interest rates in the past decade, this has resulted in a strong upward trend for Dutch house prices as is illustrated in the graph below. Although the average house price has increased less rapidly in the past two to three years compared to the years before, there is still a positive trend.

#### House Price Developments



Source: Dutch Association of Real Estate Agencies ("Nederlandse Vereniging van Makelaars")

### **Relatively low prepayment**

The prepayment level in the Netherlands has traditionally been low, mainly due to the fiscal policy and the high prepayment penalties. Prepayments have been in the area of 6 to 20 per cent. Borrowers are allowed to prepay between 10 to 20 per cent. free of penalty per year. In addition full prepayment without penalty can only be made at times of interest rate resetting, on sale of the property or in case of death of the borrower. Otherwise a penalty is calculated as the net present value of the difference between the contract rate and the applicable market rate. Interest rates have decreased over the past decade, which has made it attractive for borrowers to refinance their mortgage loans. The increasing role of intermediaries also had a stimulating effect on prepayments.

### **Default losses have been relatively low**

Despite the relatively high loan-to-foreclosure value ratios, default losses have always been relatively low. During the decrease in house prices (1978-1982) losses peaked up to 30 basis points on an annual basis. In the following years losses have been negligibly low. Currently default losses are showing an upward trend due to a weakening economy during recent years and a slowdown in house price increases.

### **Bureau for credit registration (BKR)**

The Bureau for Credit Registration ("*Bureau Krediet Registratie*", or "BKR") was founded in 1965 by financial institutions to take care of central credit registration. At BKR almost all credit obligations of retail clients in the Netherlands are registered. Credits are registered as of origination until a period of five years after maturity. Before providing a mortgage loan, lenders are obligated to check the credit history of the borrower to limit the risks for the lender.



## **GMAC RFC NEDERLAND B.V.**

GMAC RFC Nederland B.V. is a private limited company ("*besloten vennootschap*") and was incorporated in the Netherlands on 23 November 2000. GMAC RFC Nederland was formed by Residential Funding Corporation, an indirect wholly owned subsidiary of General Motors Acceptance Corporation, a wholly owned subsidiary of General Motors Corporation. GMAC RFC Nederland's primary business is to originate mortgage loans to borrowers in the Netherlands through intermediaries and other financial institutions and to purchase and trade in mortgage receivables portfolios in the Netherlands.

GMAC RFC Nederland provides mortgage brokers with electronic access to the computerised resources of STATER, which utilises an application processing and an automated underwriting system to review mortgage applications for approval and to service mortgages (see *Mortgage Loan Underwriting and Origination and Administration of the NHG Mortgage Receivables*).

The registered office of GMAC RFC Nederland is at Prinses Margrietplantsoen 92, 2595 BR, The Hague, the Netherlands.

## DESCRIPTION OF THE MORTGAGE LOANS

### Types of Mortgage Loans

The GMAC Mortgage Loans will consist of Interest-only Mortgage Loans, Annuity Mortgage Loans, Life Mortgage Loans, Savings Mortgage Loans, Investment Mortgage Loans or combinations of these types of loans.

The Quion Mortgage Loans will consist of Interest-only Mortgage Loans, Annuity Mortgage Loans, Linear Mortgage Loans, Life Mortgage Loans (without a Savings Alternative), Investment Mortgage Loans or combinations of these types of loans.

The Savings Mortgage Loans and Life Mortgage Loans are, and the Interest-only Mortgage Loans, Linear Mortgage Loans and Annuity Mortgage Loans may be, connected to an Insurance Policy. Savings Mortgage Loans and Life Mortgage Loans are connected to a combined risk and capital insurance policy. Interest-only Mortgage Loans, Linear Mortgage Loans, Annuity Mortgage Loans and Investment Mortgage Loans are not connected to a combined risk and capital insurance policy. They may, however, be connected to a Risk Insurance Policy. See *Risk Insurance Policy*.

Pursuant to the relevant Mortgage Conditions, the NHG Mortgage Receivable becomes due and payable (“*opeisbaar*”) if the Borrower fails to perform in timely fashion its (payment) obligations under a connected Insurance Policy.

### Characteristics of the Mortgage Loans

The Mortgage Loans will have different repayment methods as described below. Prepayment of principal is possible, subject, in certain circumstances, to a penalty.

### Interest-only Mortgage Loans

Under the Interest-only Mortgage Loan, the Borrower is obliged to pay only interest during the term of such Mortgage Loan, so that the Borrower does not pay principal towards redemption of the relevant NHG Mortgage Receivable until maturity, when the entire principal amount is due.

Interest-only Mortgage Loans originated by the Seller and by Quion 20 may be granted up to an amount equal to 90 per cent. of the Foreclosure Value of the Mortgaged Asset at origination (in respect of Quion Mortgage Loans, only if such loan was less than the purchase price of the property purchased; otherwise a 75 per cent. limit applies). If originated by the Seller, such Mortgage Loan must have the benefit of a Risk Insurance Policy for that part of the Interest-only Mortgage Loan which is in excess of 75 per cent. of the Foreclosure Value of the Mortgaged Asset.

In the case of Quion Mortgage Loans, Interest-only Mortgage Loans combined with other mortgage types may be granted up to an amount equal to 75 per cent. of the Foreclosure Value of the Mortgaged Assets at origination.

### Annuity Mortgage Loans

Under the Annuity Mortgage Loan, the Borrower pays a constant total monthly payment, made up of an initially high and subsequently decreasing interest portion and an initially low and subsequently increasing principal portion, and calculated in such a manner that the NHG Mortgage Receivable will be fully redeemed at the end of its term.

### Linear Mortgage Loans

Under a Linear Mortgage Loan, the Borrower redeems a fixed amount on each instalment, such that at maturity the entire loan will be redeemed. The Borrower's payment obligation decreases with each payment as interest owed under the Linear Mortgage Loan declines over time.

### Investment Mortgage Loans, Savings Mortgage Loans and Life Mortgage Loans

#### *General*

Under the Investment Mortgage Loans, the Savings Mortgage Loans and the Life Mortgage Loans, no principal is scheduled to be repaid prior to maturity. Until maturity, the Borrower is only required to pay interest in connection with the mortgage loan. Prepayment of principal is possible in certain circumstances, subject to a penalty. Instead, moneys are invested in order to build up

capital, either under a combined risk and capital insurance policy (in the case of Savings Mortgage Loans and Life Mortgage Loans) or outside an insurance policy (in case of Investment Mortgage Loans), as further described below. In all cases, it is the intention but not the obligation of the relevant Borrower that the NHG Mortgage Receivable will be fully or partially repaid by means of the proceeds of the Insurance Policies or investments. See *Special Considerations* for a discussion regarding the pledges on the rights of the Borrower in respect of the Insurance Policies.

#### *Investment Mortgage Loans*

Under an Investment Mortgage Loan, instead of paying amounts towards redemption prior to maturity, the Borrower undertakes to invest, either on an instalment basis (for at least two instalments) or up front, an agreed minimum amount in certain investment funds. In respect of an Investment Mortgage Loan, the Borrower invests in investment funds managed, in the case of GMAC Mortgage Loans, by Allianz, Optimix N.V., Holland Beleggingsgroep B.V., Insinger de Beaufort, IVM Vermogensbeheer, Noord-Nederlands Effectenkantoor, Borghols Investment Management, Hansard Financial Services, Palladyne or Generali, as the case may be, and, in the case of Quion Mortgage Loans, by Insinger de Beaufort. The rights under these investments have been pledged to the Seller as security for repayment of the Investment Mortgage Loan. The redemption value of the investments is not guaranteed and the return on investments is not guaranteed.

Failure by the Borrower to pay the agreed amount under the Insurance Policies or towards purchases of units in investment funds would result in the NHG Mortgage Receivable becoming due and payable.

The Investment Mortgage Loans may (but are not required to) have the benefit of Risk Insurance Policies, taken out by the Borrowers thereof.

### **Savings Mortgage Loans and Life Mortgage Loans**

#### *General*

Savings Mortgage Loans and Life Mortgage Loans are connected to a combined risk and capital investment insurance policy. Instead of principal payments, the Borrower pays to the relevant Insurance Company a premium, either on an instalment basis or up front. The premium consists of a risk insurance element and a capital insurance element.

The risk insurance element of the premium is paid under the policy, in exchange for the undertaking of the Insurance Company to pay out an agreed amount upon the death of the insured, which may not always be the Borrower.

The capital insurance element of the premium is used by the Insurance Company to build up capital. It is the intention, but not the obligation of the Borrower, that the capital is applied towards redemption of the principal amount at maturity thereof.

The capital element of the premium paid by the Borrowers may be invested by the Insurance Company in (i) (parts of) the NHG Mortgage Receivables to which the relevant Insurance Policy relates, either directly or indirectly, by inter-positioning an investment fund for that purpose or (ii) indirectly, in certain other assets through investment funds or (iii) a combination of (i) and (ii).

Failure by the Borrower to pay the premium under the Life Insurance Policy would result in the NHG Mortgage Receivable becoming due and payable.

#### *Savings Mortgage Loans*

Under a Savings Mortgage Loan, the capital element of the premium is referred to as the Savings Premium. The Savings Premium is applied by the Savings Insurance Company to invest in the related Savings Mortgage Loan. The Savings Premium is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Insurance Policy due by the Savings Insurance Company to the relevant Borrower is equal to the principal amount due by the Borrower to the Seller at maturity of the Savings Mortgage Loan. The proceeds of these Savings Insurance Policies are applied towards principal redemption of the Savings NHG Mortgage Receivables.

The Savings Mortgage Loans will only be originated by the Seller.

### *Life Mortgage Loans originated by the Seller*

Life Insurance Policies are offered in several alternatives by the Life Insurance Companies. In the first alternative, the insured opts for a guaranteed amount to be received when the Life Insurance Policy pays out. The other two alternatives are the Savings Alternative and the Unit-Linked Alternative.

The Life Mortgage Loans originated by the Seller are sold under the name of Universal Life and are also referred to herein as Universal Life. In the case of a Universal Life product, the Borrower has a switch policy with Allianz or Universal, whereby the Borrower has the choice between (a) the Unit-Linked Alternative and (b) the Savings Alternative (the so-called “*Allianz Hypotheekrentefonds*” or “*Hypotheekrentefonds*”, respectively) or (c) a combination of option (a) and (b).

For a discussion of the participation in the Savings Alternative, see *Savings Sub-Participation Agreement*.

### *Life Mortgage Loans originated by Quion 20*

Under a Life Mortgage Loan originated by Quion 20, the Borrower has the choice between (i) a guaranteed amount to be received when the Life Insurance Policy pays out or (ii) the Unit-Linked Alternative.

### *Switches and Conversions*

Switching between the Savings Alternative and the Unit-Linked Alternative under Life Insurance Policies connected to Life Mortgage Loans originated by the Seller can be effectuated at the Borrower's option on the date the interest on the relevant NHG Mortgage Receivable is reset with the prior approval of the Seller and subject, in circumstances, to payment of a penalty.

### **Savings Sub-Participation Agreement**

On the Closing Date, the Issuer will enter into the Savings Sub-Participation Agreement with the Savings Insurance Companies under which, *inter alia*, each of the Savings Insurance Companies will acquire on the Closing Date the Initial Participation in respect of the Savings NHG Mortgage Receivables and Life NHG Mortgage Receivables with a Savings Element.

### **Interest Payments/Interest Rate Setting**

The majority of the Mortgage Loans carry a fixed rate of interest for a certain pre-agreed interest period (“*rentevastperiode*”). At the end of an interest period, the interest rate will be reset, unless the Borrower redeems the Mortgage Loan. In general, fixed rate reset terms (x) in respect of GMAC Mortgage Loans can be set for periods of 1, 5, 6, 7, 10, 15 and 20 years and (y) in respect of Quion Mortgage Loans can be set for periods of 5, 6, 7, 10, 15 and 20 years. In addition, the Mortgage Loans may carry a variable interest rate which is changeable (x) in respect of GMAC Mortgage Loans on a monthly basis and (y) in respect of Quion Mortgage Loans on a quarterly basis.

### **Valuation**

Properties relating to Mortgage Loans are required to be valued by an independent qualified appraiser or tax valuer before the loan application is made.

The Seller will represent that in respect of the NHG Mortgage Receivables at origination, each Mortgaged Asset was valued by an independent qualified surveyor or tax valuer not more than 12 months before application for a Mortgage Loan was made, except in the case of Mortgage Loans secured by a mortgage right on newly built properties. For new construction, no valuation is required if the property is built by professional builders. Instead, the financing is based on the stated development costs. The loan amount is kept in a construction deposit and is only released to the borrower or the construction company upon receipt of invoices.

In the following cases a construction report is required:

- The costs for crucial construction work due to maintenance deficiencies exceeds 10% of the purchase price (*‘onderhandse verkoopwaarde*);
- In case the condominium is from 1940 or older, unless the valuation report indicates that a total refurbishment has taken place after 1940.

## **Risk Insurance Policy**

A Borrower is required to take out a Risk Insurance Policy in respect of Annuity Mortgage Loans and Investment Mortgage Loans if and to the extent that (i) the Borrower has income that is needed for the mortgage application, (ii) the Outstanding Principal Amount exceeds an amount equal to 80 per cent. of the Purchase Value of the Mortgaged Asset. The Risk Insurance Policy should in that case cover at least the difference between 80 per cent. of the Purchase Value and the Outstanding Principal Amount. Borrowers may, but are not required, to take out a Risk Insurance Policy in respect of Interest-only Mortgage Loans as these loans do not exceed 50 per cent. of the Purchase Value.

## **Lending Criteria in respect of NHG Mortgage Loans**

### *Minimum and Maximum Amounts*

There is no minimum amount with NHG and no minimum amount for a component part of such Mortgage Loan part.

### *Creditworthiness and Debt-to-Income Ratio ("Woonquote")*

The process of verifying a prospective Borrower's creditworthiness is set up to determine whether the prospective Borrower has sufficient monthly income available to meet his payments on the requested mortgage loan as well as to support other financial obligations and monthly living expenses. A check on the income of a prospective Borrower who is an employee is generally conducted by requesting a recent employer's declaration of the borrower. In general, the gross debt to gross income ratio increases with the Borrower's income, with the percentage ranging generally between 27.7 per cent. for a salary up to euro 16,500 to 35.1 per cent. for a salary above euro 52,000 for Borrowers up to the age of 65 years. For Borrowers above the age of 65 the percentage ranging generally between 23.5 per cent. for a salary up to euro 16,500 to 46.4 per cent. for a salary above euro 50,000. In respect of a self-employed applicant, creditworthiness is checked by the Seller's underwriters generally on the basis of annual accounts, including auditors' reports, for the business over the past three years. A director or majority shareholder of a company (unless otherwise employed) is regarded as self-employed. The calculation of the 'woonquote' will be in respect of such Mortgage Loans, made as if the relevant Mortgage Loan is an annuity loan, no matter if the loan is an annuity loan or not.

### *National Credit Register (BKR)*

A credit check is conducted for every prospective Borrower with the BKR in Tiel, which also may include a foreign credit check. All financial commitments over the past five years that prospective Borrowers have entered into with financial institutions are recorded in this register.

### *Collateral*

With each application, the prospective Borrower must send either (i) an original appraisal or "valuation" report ("*taxatierapport*"), which is drawn up by an independent qualified appraiser "*taxateur*" who is registered in one of the approved registers ("*Stichting Vastgoed Cert, kamer wonen/MKB*" or "*Stichting Nederlands Register van Vastgoed Taxateurs (NRVT)*" or SCVM "*Stichting Certificering VBO Makelaars*"). For new construction, no valuation is required if the property is built by professional builders. Instead, the financing is based on the stated development costs. The loan amount is kept in a construction deposit and is only released to the Borrower or the construction company upon receipt of invoices.

### *Loan-to-Foreclosure Value Ratio*

If the relevant mortgage loan exceeds an amount equal to 50 per cent. of the Purchase Value of the mortgaged property, the Borrower may be required to take out a Risk Insurance Policy covering the difference between 50 per cent. of the Purchase Value and the principal amount of the mortgage loan. See *Risk Insurance Policy*. The LTFV-ratio of a mortgage is calculated on the Foreclosure Value ("*executiewaarde*"), which is the estimated value of the property at an auction, usually about 85 to 90 per cent. of the market value of the property. Appraisal reports containing the property valuations can only be provided by independent qualified appraisers who are approved by NHG and who must not be involved in the relevant transaction.

### *Other Lending Criteria*

Apart from the principal criteria already mentioned, the following criteria also apply to each mortgage loan: (i) mortgage loans are granted only to individuals, (ii) if there is more than one Borrower, there must be joint and several liability for the mortgage receivable and (iii) mortgage loans are only granted on the basis of owner occupancy. As to the procedure applied by the Seller in case of non-compliance by an applicant with any of the underwriting criteria, see *Mortgage Loan Underwriting and Origination* below.

### *Lending Criteria in respect of Quion Mortgage Loans*

These criteria are NHG rules, so they are the same for Quion as well as GMAC RFC.

### **Mortgage pool**

All of the Mortgage Loans met the relevant lending criteria set out above and the other Mortgage Loans Criteria set forth under *Mortgage Receivables Purchase Agreement* (see *Mortgage Loans Criteria*) as of the Cut-Off Date. All of the Mortgage Loans forming the mortgage pool were originated by the Seller or Quion 20 as applicable between February 2003 – March 2005. For a description of the representations and warranties given by the Seller with respect to the Mortgage Loans, see *Mortgage Receivables Purchase Agreement*.

GMAC RFC Nederland will be acting as MPT Provider in this transaction, but it has outsourced the MPT Services to STATER (in respect of the GMAC Mortgage Loans) and Quion Hypotheekbemiddeling (in respect of the Quion Mortgage Loans). See further "*Issuer Services Agreement*".

The numerical information set out below relates to the mortgage pool as of the Cut-Off Date. In each table the Weighted Average Coupon ('**WAC**') and the Weighted Average Maturity ('**WAM**') are specified.

KEY CHARACTERISTICS OF THE MORTGAGE POOL AS OF THE CUT-OFF DATE  
(ROUNDED DOWN TO THE NEAREST EURO OR PERCENTAGE)

## Pool Summary

	<b>GMAC</b>	<b>Quion 20</b>	<b>Total</b>
Loan balance	€80,924,396.63	€95,788,210.75	€176,712,607.38
Savings participations	€66,888.87	€0.00	€66,888.87
Net loan balance	€80,857,507.76	€95,788,210.75	€176,645,718.51

Construction deposits	€5,778,538.32
Number of borrowers	1,134
Number of loan parts	2,205

	<b>(Weighted) average</b>	<b>Minimum</b>	<b>Maximum</b>
Loan size borrower	€155,772.24	€30,000.00	€240,000.00
Loan part size	€80,111.44	€1,920.00	€228,891.00
Coupon	4.15%	2.90%	5.45%
Remaining maturity (months)	349.1	96.0	361.0
Remaining interest period (months)	90.3	1.0	241.0
Original interest period (months)	93.1	1.0	240.0
Seasoning (months)	3.1	0.0	24.1

## GMAC Mortgage Loans Summary

Construction deposits	€2,556,382.02
Number of borrowers	516
Number of loan parts	1,035

	<b>(Weighted) average</b>	<b>Minimum</b>	<b>Maximum</b>
Loan size borrower	€156,700.60	€30,000.00	€239,763.75
Loan part size	€78,123.20	€1,920.00	€223,000.00
Coupon	4.27%	2.95%	5.45%
Remaining maturity (months)	348.5	96.0	360.0
Remaining interest period (months)	96.1	1.0	241.0
Original interest period (months)	99.8	1.0	240.0
Seasoning (months)	3.7	0.2	24.1

## Quion 20 Mortgage Loans Summary

Construction deposits	€3,222,156.30
Number of borrowers	618
Number of loan parts	1,170

	<b>(Weighted) average</b>	<b>Minimum</b>	<b>Maximum</b>
Loan size borrower	€154,997.10	€50,000.00	€240,000.00
Loan part size	€81,870.27	€2,487.00	€228,891.00
Coupon	4.04%	2.90%	4.90%
Remaining maturity (months)	349.6	106	361.0
Remaining interest period (months)	85.3	1.0	240.0
Original interest period (months)	87.5	3.0	240.0
Seasoning (months)	2.6	0.0	5.7

## Pool Stratification Tables

### Mortgage Type

Mortgage Type	Amount (€)	Percentage of total	Number of loan parts	Percentage of total	Average loan parts (€)	WAC (%)	WAM (months)
Annuity	1,608,015	0.9%	33	1.5%	48,728	4.33	344.9
Investment account	715,989	0.4%	9	0.4%	79,554	4.40	341.4
Savings	8,006,575	4.5%	84	3.8%	95,316	4.73	350.9
Linear	49,861	0.0%	1	0.0%	49,861	4.15	359.0
Universal Life	26,629,720	15.1%	292	13.2%	91,198	4.24	341.6
Interest Only	69,617,644	39.4%	1,065	48.3%	65,369	4.13	355.3
Life	70,017,914	39.6%	721	32.7%	97,112	4.06	345.7
<b>Total</b>	<b>176,645,719</b>	<b>100.0%</b>	<b>2,205</b>	<b>100.0%</b>	<b>80,111</b>	<b>4.15</b>	<b>349.1</b>

### Interest Term

Interest Term	Amount (€)	Percentage of total	Number of loan parts	Percentage of total	Average loan parts (€)	WAC (%)	WAM (months)
Variable Rate Loans*	5,174,337	2.9%	64	2.9%	80,849	2.96	349.0
12	408,713	0.2%	9	0.4%	45,413	3.33	342.5
60	6,487,960	3.7%	86	3.9%	75,441	3.96	345.4
72	85,604,434	48.5%	1,057	47.9%	80,988	3.94	353.6
84	21,006,907	11.9%	262	11.9%	80,179	4.28	348.8
120	45,999,729	26.0%	576	26.1%	79,861	4.45	343.9
180	4,520,484	2.6%	57	2.6%	79,307	4.84	339.8
240	7,443,155	4.2%	94	4.3%	79,182	4.92	339.8
360	—	0.0%	—	0.0%	—	—	—
<b>Total</b>	<b>176,645,719</b>	<b>100.0%</b>	<b>2,205</b>	<b>100.0%</b>	<b>80,111</b>	<b>4.15</b>	<b>349.1</b>

(\*) Variable rate loans whose interest rates can be reset monthly or quarterly.

### Current Loan Coupon

Current Loan Coupon	Amount (€)	Percentage of total	Number of loan parts	Percentage of total	Average loan parts (€)	WAC (%)	WAM (months)
0.00% < x <= 3.00%	4,886,049	2.8%	60	2.7%	81,434	2.94	348.8
3.00% < x <= 3.25%	100,000	0.1%	3	0.1%	33,333	3.15	355.1
3.25% < x <= 3.50%	597,001	0.3%	10	0.5%	59,700	3.37	345.0
3.50% < x <= 3.75%	17,025,740	9.6%	217	9.8%	78,460	3.72	351.8
3.75% < x <= 4.00%	49,366,280	27.9%	603	27.3%	81,868	3.88	352.8
4.00% < x <= 4.25%	46,136,873	26.1%	581	26.3%	79,409	4.15	350.5
4.25% < x <= 4.50%	23,188,618	13.1%	287	13.0%	80,797	4.39	345.0
4.50% < x <= 4.75%	20,945,516	11.9%	274	12.4%	76,443	4.60	343.0
4.75% < x <= 5.00%	10,156,447	5.7%	118	5.4%	86,072	4.87	345.6
5.00% < x <= 5.25%	3,690,222	2.1%	44	2.0%	83,869	5.15	344.7
5.25% < x <= 5.50%	552,972	0.3%	8	0.4%	69,122	5.35	320.2
<b>Total</b>	<b>176,645,719</b>	<b>100.0%</b>	<b>2,205</b>	<b>100.0%</b>	<b>80,111</b>	<b>4.15</b>	<b>349.1</b>



## Interest Reset Date

Interest reset date	Amount (€)	Percentage of total	Number of loan parts	Percentage of total	Average loan parts (€)	WAC (%)	WAM (months)
Variable Rate Loans*	5,174,337	2.9%	64	2.9%	80,849	2.96	349.0
01-Mar-2005 – 01-Jan-2006	368,713	0.2%	8	0.4%	46,089	3.35	340.7
02-Jan-2006 – 01-Jan-2007	40,000	0.0%	1	0.0%	40,000	3.10	359.0
02-Jan-2007 – 01-Jan-2008	—	0.0%	—	0.0%	—	—	—
02-Jan-2008 – 01-Jan-2009	—	0.0%	—	0.0%	—	—	—
02-Jan-2009 – 01-Jan-2010	4,939,487	2.8%	66	3.0%	74,841	4.04	343.8
02-Jan-2010 – 01-Jan-2011	54,945,720	31.1%	693	31.4%	79,287	4.03	352.5
02-Jan-2011 – 01-Jan-2012	49,615,115	28.1%	604	27.4%	82,144	3.97	352.6
02-Jan-2012 – 01-Jan-2013	3,598,979	2.0%	42	1.9%	85,690	4.01	354.1
02-Jan-2013 – 01-Jan-2014	—	0.0%	—	0.0%	—	—	—
02-Jan-2014 – 01-Jan-2015	32,587,913	18.4%	403	18.3%	80,863	4.55	342.1
02-Jan-2015 – 01-Jan-2016	13,411,816	7.6%	173	7.8%	77,525	4.20	348.5
02-Jan-2016 – 01-Jan-2017	—	0.0%	—	0.0%	—	—	—
02-Jan-2017 – 01-Jan-2018	—	0.0%	—	0.0%	—	—	—
02-Jan-2018 – 01-Jan-2019	—	0.0%	—	0.0%	—	—	—
02-Jan-2019 – 01-Jan-2020	3,875,087	2.2%	49	2.2%	79,083	4.89	345.1
02-Jan-2020 – 01-Jan-2021	645,397	0.4%	8	0.4%	80,675	4.54	308.3
02-Jan-2021 – 01-Jan-2022	—	0.0%	—	0.0%	—	—	—
02-Jan-2022 – 01-Jan-2023	—	0.0%	—	0.0%	—	—	—
02-Jan-2023 – 01-Jan-2024	—	0.0%	—	0.0%	—	—	—
02-Jan-2024 – 01-Jan-2025	4,862,809	2.8%	60	2.7%	81,047	5.06	342.0
02-Jan-2025 – 01-Jan-2026	2,580,346	1.5%	34	1.5%	75,893	4.64	335.6
<b>Total</b>	<b>176,645,719</b>	<b>100.0%</b>	<b>2,205</b>	<b>100.0%</b>	<b>80,111</b>	<b>4.15</b>	<b>349.1</b>

(\*) Variable rate loans whose interest rates can be reset monthly or quarterly.

### Start Date

Start date	Amount (€)	Percentage of total	Number of loan parts	Percentage of total	Average loan parts (€)	WAC (%)	WAM (months)
01-Jan-2003 – 28-Feb-2003	77,000	0.0%	2	0.1%	38,500	4.70	336.0
01-Mar-2003 – 30-Apr-2003	—	0.0%	—	0.0%	—	—	—
01-May-2003 – 30-Jun-2003	—	0.0%	—	0.0%	—	—	—
01-Jul-2003 – 31-Aug-2003	—	0.0%	—	0.0%	—	—	—
01-Sep-2003 – 31-Oct-2003	123,000	0.1%	2	0.1%	61,500	4.50	344.0
01-Nov-2003 – 31-Dec-2003	808,905	0.5%	10	0.5%	80,891	4.50	345.6
01-Jan-2004 – 29-Feb-2004	200,000	0.1%	2	0.1%	100,000	3.90	348.0
01-Mar-2004 – 30-Apr-2004	679,756	0.4%	8	0.4%	84,970	4.76	349.9
01-May-2004 – 30-Jun-2004	5,274,695	3.0%	70	3.2%	75,353	4.53	343.3
01-Jul-2004 – 31-Aug-2004	8,319,875	4.7%	104	4.7%	79,999	4.61	341.7
01-Sep-2004 – 31-Oct-2004	33,421,012	18.9%	422	19.1%	79,197	4.37	348.2
01-Nov-2004 – 31-Dec-2004	70,651,966	40.0%	881	40.0%	80,195	4.14	348.9
01-Jan-2005 – 28-Feb-2005	54,324,061	30.8%	673	30.5%	80,719	3.92	351.5
01-Mar-2005 – 30-Apr-2005	2,765,449	1.6%	31	1.4%	89,208	3.84	352.4
<b>Total</b>	<b>176,645,719</b>	<b>100.0%</b>	<b>2,205</b>	<b>100.0%</b>	<b>80,111</b>	<b>4.15</b>	<b>349.1</b>

### Legal Maturity Date

Legal Maturity Date	Amount (€)	Percentage of total	Number of loan parts	Percentage of total	Average loan parts (€)	WAC (%)	WAM (months)
01-Feb-2005 – 31-Dec-2015	184,704	0.1%	5	0.2%	36,941	4.27	108.7
01-Jan-2016 – 31-Dec-2016	—	0.0%	—	0.0%	—	—	—
01-Jan-2017 – 31-Dec-2017	—	0.0%	—	0.0%	—	—	—
01-Jan-2018 – 31-Dec-2018	50,000	0.0%	1	0.0%	50,000	3.95	154.0
01-Jan-2019 – 31-Dec-2019	251,015	0.1%	4	0.2%	62,754	4.39	175.6
01-Jan-2020 – 31-Dec-2020	81,410	0.0%	2	0.1%	40,705	4.34	182.2
01-Jan-2021 – 31-Dec-2021	90,387	0.1%	2	0.1%	45,193	3.90	190.0
01-Jan-2022 – 31-Dec-2022	108,907	0.1%	2	0.1%	54,454	4.21	206.2
01-Jan-2023 – 31-Dec-2023	179,386	0.1%	2	0.1%	89,693	4.21	214.5
01-Jan-2024 – 31-Dec-2024	777,713	0.4%	12	0.5%	64,809	4.50	234.7
01-Jan-2025 – 31-Dec-2025	1,228,976	0.7%	14	0.6%	87,784	4.21	240.9
01-Jan-2026 – 31-Dec-2026	880,143	0.5%	12	0.5%	73,345	4.37	257.0
01-Jan-2027 – 31-Dec-2027	1,235,350	0.7%	19	0.9%	65,018	4.41	268.1
01-Jan-2028 – 31-Dec-2028	1,015,714	0.6%	12	0.5%	84,643	4.40	278.0
01-Jan-2029 – 31-Dec-2029	2,357,002	1.3%	36	1.6%	65,472	4.23	291.9
01-Jan-2030 – 31-Dec-2030	4,044,364	2.3%	50	2.3%	80,887	4.18	302.9
01-Jan-2031 – 31-Dec-2031	5,031,604	2.8%	55	2.5%	91,484	4.14	314.8
01-Jan-2032 – 31-Dec-2032	3,828,381	2.2%	42	1.9%	91,152	4.35	326.7
01-Jan-2033 – 31-Dec-2033	2,655,949	1.5%	31	1.4%	85,676	4.23	338.5
01-Jan-2034 – 31-Dec-2034	69,092,051	39.1%	863	39.1%	80,060	4.33	355.3
01-Jan-2035 – 31-Dec-2035	83,552,662	47.3%	1,041	47.2%	80,262	3.97	358.9
<b>Total</b>	<b>176,645,719</b>	<b>100.0%</b>	<b>2,205</b>	<b>100.0%</b>	<b>80,111</b>	<b>4.15</b>	<b>349.1</b>

## Province

Province	Amount (€)	Percentage of total	Number of borrowers	Percentage of total	Average loan size (€)	WAC (%)	WAM (months)
Groningen	7,383,584	4.2%	54	4.8%	136,733	4.17	351.6
Friesland	6,458,090	3.7%	49	4.3%	131,798	4.17	348.4
Drenthe	6,254,047	3.5%	44	3.9%	142,137	4.23	347.4
Overijssel	12,817,941	7.3%	83	7.3%	154,433	4.18	352.1
Gelderland	13,692,767	7.8%	84	7.4%	163,009	4.11	348.1
Zuid-Holland	55,156,429	31.2%	368	32.5%	149,882	4.11	350.1
Limburg	13,223,275	7.5%	85	7.5%	155,568	4.23	345.2
Noord-Holland	21,114,716	12.0%	123	10.8%	171,664	4.07	348.8
Utrecht	9,683,181	5.5%	57	5.0%	169,880	4.25	348.4
Noord-Brabant	19,837,037	11.2%	117	10.3%	169,547	4.15	349.1
Zeeland	3,630,974	2.1%	28	2.5%	129,678	4.23	347.9
Flevoland	4,573,091	2.6%	27	2.4%	169,374	4.11	350.0
Unspecified*	2,820,584	1.6%	15	1.3%	188,039	4.27	342.3
Total	176,645,719	100.0%	1,134	100.0%	155,772	4.15	349.1

(\*) All unspecified loans relate to newly constructed properties which have not been assigned a post code.

## Property Type

Property Type	Amount (€)	Percentage of total	Number of borrowers	Percentage of total	Average loan size (€)	WAC (%)	WAM (months)
Single family house	155,758,538	88.2%	977	86.2%	159,425	4.14	348.4
Condominium	20,467,974	11.6%	153	13.5%	133,778	4.17	354.1
Shop / house	143,300	0.1%	1	0.1%	143,300	4.14	357.0
MVE/MGE-property	275,907	0.2%	3	0.3%	91,969	4.53	355.1
Farm house	—	0.0%	—	0.0%	—	—	—
Total	176,645,719	100.0%	1,134	100.0%	155,772	4.15	349.1

### Aggregate Remaining Balance

Aggregate Net Balance (net balance)*	Amount (€)	Percentage of total	Number of borrowers	Percentage of total	Average loan size (€)	WAC (%)	WAM (months)
0 < x <= 25,000	—	0.0%	—	0.0%	—	—	—
25,000 < x <= 50,000	122,500	0.1%	3	0.3%	40,833	4.47	357.0
50,000 < x <= 75,000	1,327,348	0.8%	20	1.8%	66,367	4.29	338.2
75,000 < x <= 100,000	8,486,704	4.8%	93	8.2%	91,255	4.20	347.3
100,000 < x <= 125,000	20,441,067	11.6%	180	15.9%	113,561	4.15	346.6
125,000 < x <= 150,000	31,627,509	17.9%	229	20.2%	138,111	4.13	348.2
150,000 < x <= 175,000	35,935,445	20.3%	221	19.5%	162,604	4.15	349.4
175,000 < x <= 200,000	35,623,287	20.2%	190	16.8%	187,491	4.18	348.2
200,000 < x <= 225,000	29,937,778	16.9%	141	12.4%	212,325	4.18	352.7
225,000 < x <= 250,000	13,144,081	7.4%	57	5.0%	230,598	3.96	350.6
<b>Total</b>	<b>176,645,719</b>	<b>100.0%</b>	<b>1,134</b>	<b>100.0%</b>	<b>155,772</b>	<b>4.15</b>	<b>349.1</b>

(\*) Aggregate remaining balance (net balance) for a borrower equals the aggregate of all the outstanding loan balances for that borrower minus any savings value which is part of the Savings Sub-Participation Agreement.

### Construction Deposits

Construction Deposits	Amount (€)	Percentage of total	Number of borrowers	Percentage of total	Average loan size (€)	WAC (%)	WAM (months)
None	118,325,649	67.0%	767	67.6%	154,271	4.18	350.0
0 < x <= 500	1,930,096	1.1%	13	1.1%	148,469	4.05	346.1
500 < x <= 5,000	16,990,576	9.6%	109	9.6%	155,877	4.12	349.6
5,000 < x <= 10,000	14,720,312	8.3%	94	8.3%	156,599	4.09	348.7
10,000 < x <= 15,000	8,648,588	4.9%	56	4.9%	154,439	4.08	344.6
15,000 < x <= 20,000	4,549,863	2.6%	28	2.5%	162,495	4.15	339.6
20,000 < x <= 25,000	2,640,772	1.5%	16	1.4%	165,048	4.10	349.3
25,000 < x <= 30,000	1,387,565	0.8%	9	0.8%	154,174	3.98	350.3
30,000 < x <= 35,000	1,586,600	0.9%	10	0.9%	158,660	3.86	352.4
35,000 < x <= 40,000	555,600	0.3%	3	0.3%	185,200	4.14	342.2
40,000 < x <= 45,000	287,000	0.2%	2	0.2%	143,500	3.96	333.5
45,000 < x <= 50,000	428,898	0.2%	3	0.3%	142,966	3.99	351.9
50,000 < x <= 55,000	347,000	0.2%	2	0.2%	173,500	3.32	339.6
55,000 < x <= 60,000	178,000	0.1%	1	0.1%	178,000	3.95	359.0
60,000 < x <= 65,000	414,830	0.2%	3	0.3%	138,277	4.26	356.6
65,000 < x <= 70,000	411,817	0.2%	2	0.2%	205,909	4.20	358.0
70,000 < x <= 75,000	379,300	0.2%	2	0.2%	189,650	4.07	357.9
75,000 < x	2,863,251	1.6%	14	1.2%	204,518	4.13	339.1
<b>Total</b>	<b>176,645,719</b>	<b>100.0%</b>	<b>1,134</b>	<b>100.0%</b>	<b>155,772</b>	<b>4.15</b>	<b>349.1</b>

# NHG GUARANTEE PROGRAMME

## NHG Guarantee

In 1960, the Netherlands government introduced the 'municipal government participation scheme', an open ended scheme in which both the Dutch State and the municipalities guaranteed, according to a set of defined criteria, residential mortgage loans made by authorized lenders to eligible borrowers to purchase a primary family residence. The municipalities and the Dutch State shared the risk on a 50/50 basis. If a municipality was unable to meet its obligations under the municipality guarantee, the Dutch State would make an interest free loan to cover its obligations. The aim was to promote house ownership among the lower income groups.

Since 1 January 1995 "*Stichting Waarborgfonds Eigen Woningen*" (the "**WEW**"), a central privatized entity, is responsible for the administration and granting of the NHG Guarantee, under a set of uniform rules. The NHG Guarantee covers the outstanding principal, accrued unpaid interest and disposal costs. To the extent that the mortgage loan is partially redeemed either through scheduled repayments or prepayments, the NHG Guarantee is reduced accordingly.

In addition, irrespective of scheduled repayments or prepayments made on the mortgage loans, the NHG Guarantee is reduced on a monthly basis by an amount which is equal to the monthly payments (principal and interest) as if the mortgage loan were to be repaid on a thirty year annuity basis.

## Financing of the WEW

The WEW finances itself, *inter alia*, by a one-off charge to the borrower of 0.28 per cent. of the principal amount of the mortgage loan. Besides this, the NHG scheme provides for liquidity support to the WEW from the Dutch State and the participating municipalities. Should the WEW not be able to meet its obligations under guarantees issued, the Dutch State will provide subordinated interest free loans to the WEW of up to 50 per cent. of the difference between the WEW's own funds and a pre-determined average loss level. Municipalities participating in the NHG scheme will provide subordinated interest free loans to the WEW of the other 50 per cent. of the difference. Both the keep well agreement between the Dutch State and the WEW and the keep well agreements between the municipalities and the WEW contain general 'keep well' undertakings of the Dutch State and the municipalities to enable the WEW at all times (including in the event of bankruptcy ("*faillissement*"), suspension of payments ("*surseance van betaling*") or liquidation ("*ontbinding*") of the WEW) to meet its obligations under guarantees issued.

## Terms and conditions of the NHG Guarantee

Under the NHG scheme, the lender is responsible for ensuring that the guarantee application meets the NHG terms and conditions. If the application qualifies, various reports are produced that are used in the processing of the application, including the form that will eventually be signed by the relevant lender and forwarded to the NHG to register the mortgage and establish the guarantee. The WEW has, however, no obligation to pay any loss (in whole or in part) incurred by a lender after a private or a forced sale of the mortgaged property if such lender has not complied with the terms and conditions of the NHG Guarantee, which were applicable at the date of origination of the mortgage loan, unless such non-payment is unreasonable towards the lender.

The specific terms and conditions for the granting of NHG Guarantees, such as eligible income, purchasing or building costs etc., are set forth in published documents and the website of WEW, [www.nhg.nl](http://www.nhg.nl).

The NHG has specific rules for the level of credit risk that will be accepted. The credit worthiness of the applicant must be verified with the National Credit Register ("*Bureau Krediet Registratie*" or "**BKR**"), a central credit agency used by all financial institutions in the Netherlands. All financial commitments over the past five years that prospective borrowers have entered into with financial institutions are recorded in this register.

For a Borrower to qualify for a NHG Guarantee various conditions relating to valuation of the property must be met. In addition, the mortgage loan must be secured by a first ranking mortgage right (or a second ranking mortgage right in case of a further advance). Furthermore, the borrower is required to take out insurance in respect of the mortgaged property against risk of fire, flood and other accidental damage for the full restitution value thereof. The borrower is

also required to create a right of pledge in favour of the lender on the rights of the relevant borrower against the insurance company under the relevant life insurance policy (if any) connected to the mortgage loan or to create a right of pledge in favour of the lender on the proceeds of the investment funds. The terms and conditions also require a risk insurance policy which pays out upon the death of the borrower/insured for the period that the amount of the mortgage loan exceeds eighty (80) per cent. of the value of the property.

The mortgage conditions applicable to each mortgage loan should include certain provisions, among which the provision that any proceeds of foreclosure on the mortgage right and the right of pledge on the life insurance policy or the investment funds shall be applied firstly towards repayment of the mortgage loan guaranteed under the NHG scheme.

Furthermore, according to the terms and conditions interest-only mortgage loans are allowed, provided that the interest-only part does not exceed fifty (50) per cent. of the value of the property.

An NHG Guarantee can be issued up to a maximum of euro 240,000 (as of 1 January 2005).

### **Claiming under the NHG Guarantees**

When a borrower is in arrears with payments under the mortgage loan for a period of four months, the Seller informs the WEW in writing of the outstanding payments, including the guarantee number, borrower's name and address, information about the underlying security, the date of start of late payments and the total of outstanding payments. When the borrower is in arrears with payments under the mortgage loan for a period of seven or more monthly instalments, the WEW may approach the lender and/or the borrower to attempt to solve the problem and make the borrower aware of the consequences. If an agreement cannot be reached, the WEW reviews the situation with the lender to endeavour to generate the highest possible proceeds from the property. The situation is reviewed to see whether a private sale of the property, rather than a public auction, would generate proceeds sufficient to cover the outstanding mortgage loan. Permission of the WEW is required in case of a private sale. A forced sale of the mortgaged property is only allowed in case the borrower is in arrears with payments under the mortgage loan for a period of nine or more monthly instalments, unless the WEW has agreed that the forced sale may take place for other reasons or within a period of nine months.

Within two months of the private or forced sale of the property, the lender must make a formal request to the WEW for payment, using standard forms, which request must include all of the necessary documents relating to the original loan and the NHG Guarantee. After receipt of the claim and all the supporting details, WEW must make payment within two months. If the payment is late, provided the request is valid, WEW must pay interest for the late payment period.

In the event that a borrower fails to meet its obligation to repay the mortgage loan and no payment or no full payment is made to the lender under the NHG Guarantee by the WEW because of the lender's culpable negligence, the lender must act vis-à-vis the borrower as if the WEW were still guaranteeing the repayment of the mortgage loan during the remainder of the term of the mortgage loan. In addition, the lender is not entitled to recover any amounts due under the mortgage loan from the borrower in such case. This is only different if the borrower did not act in good faith with respect to his inability to repay the mortgage loan and has failed to render his full cooperation in trying to have the mortgage loan repaid to the lender to the extent possible.

## MORTGAGE LOAN UNDERWRITING AND ORIGINATION

### Underwriting in respect of Mortgage Loans

#### *Valuation*

Properties relating to mortgage loans are required to be valued by an independent qualified appraiser not more than 12 months before the application for such loan is made.

In the following cases a construction report is required:

- The costs for crucial construction work due to maintenance deficiencies exceeds 10% of the purchase price (*'onderhandse verkoopwaarde'*);
- In case the condominium is from 1940 or older, unless the valuation report indicates that a total refurbishment has taken place after 1940.

With each application, the prospective borrower must send an original appraisal or 'valuation' report (*"taxatierapport"*), which is drawn up by an independent qualified appraiser 'taxateur' who is registered in one of the approved registers ('Stichting VastgoedCert, kamer Wonen/MKB', 'Stichting Certificering VBO-Makelaars' (SCVM), or 'Stichting Nederlands Register van Vastgoed Taxateurs' (NRVT)).

For new construction, no valuation is required if the property is built by professional builders. In case the borrower executes the construction work the borrower needs to provide a valuation report from a professional builder. The loan amount is kept in a construction account deposit and is only released to the borrower or the construction company upon request and receipt of invoices.

Every appraisal report has to explicitly mention if there is any crucial construction work needed and if the estimated costs of these works exceed 10 per cent of the purchase price.

In the circumstance that the remodeling costs exceed the amount of EUR 2,500, the loan amount covering the remodeling costs will be kept in a construction account deposit and is only released to the borrower upon request and receipt of invoices.

The maximum appraisal value or purchase price to qualify for NHG are EUR 222,222 for newly built and EUR 214,286 for existing built.

#### *Income insurance policy*

A borrower is required to take out a life insurance policy (*'overlijdensrisicoverzekering'*) if the mortgage loan amount exceeds 80 per cent of the foreclosure value. This condition applies to all borrowers which income is needed to qualify as NHG loan.

#### *Lending criteria*

##### Minimum and maximum amounts

The minimum amount for a mortgage loan is equal to the minimum loan amount set by the lender. The maximum loans size for single family houses, condominiums and farmhouses is EUR 240,000. The maximum loan size for caravans and caravan stands are respectively EUR 60,000 and EUR 43,500.

##### *Creditworthiness and Debt-to-Income Ratio ('woonquote')*

The process of verifying a prospective borrower's creditworthiness is set up to determine whether the prospective borrower has sufficiently monthly income available to meet his payments on the requested mortgage loan as well as to support other financial obligations and monthly living expenses. A check on the income of a prospective borrower who is an employee is conducted by requesting a recent employer's declaration of the borrower, as well as the borrower's salary slip and bank statement to ensure that the information is corresponding. In general, the gross debt service to gross income ratio increases with the borrower's income. The percentages range generally from 27.7 per cent for a salary of EUR 16,500 to 35.1 per cent for a salary of EUR 52,000, depending on the applicable interest check rate (*'toetsrente'*). For applicants of 65 years and older the percentages range generally from 23.5 per cent for a salary of EUR 16,500 to 46.4 per cent for a salary of EUR 50,000.

Since July 2004 NHG adjusts the income available for debt service for the impact of the 'eigenwoningreserve'. The 'eigenwoningreserve' is a result of fiscal changes and decreases the level of interest on a mortgage loan that is tax deductible.

### *National Credit Register*

A credit check is conducted for every prospective borrower with the BKR in Tiel. If prospective borrowers have the Belgium, German, Austrian or Italian nationality or resident in on those countries a foreign credit check is conducted. All financial commitments over the past five years that prospective borrowers have entered into with financial institutions are recorded in this register.

### *Interest-only mortgage loans*

Interest-only mortgage loans may be granted up to an amount equal to 50 per cent of the property value.

Irrespective of the abovementioned description of the Mortgage Loan underwriting and servicing by the MPT Provider when underwriting and servicing the Mortgage Loans with a NHG Guarantee, the MPT Provider will comply with the terms and conditions ("*voorwaarden en normen*") of the WEW.



## **ADMINISTRATION OF THE MORTGAGE LOANS**

### **General**

All Mortgage Loans are administered and serviced by GMAC RFC Nederland in its capacity as the MPT Provider.

The MPT Provider will provide mortgage payment transactions and other services to and on behalf of the Issuer on a day-to-day basis in relation to the Mortgage Loans. The duties of the MPT Provider include the collection of payments of principal, interest and other amounts in respect of the Mortgage Loans and the implementation of arrears procedures including the enforcement of the Mortgages.

In accordance with the Issuer Services Agreement, the MPT Provider will appoint STATER as its sub-agent to carry out the activities described above in respect of the GMAC Mortgage Loans, except for the Defaulted Loan Services, which will be carried out by the MPT Provider, upon the terms and provisions of and in accordance with the Issuer Services Agreement and the sub-contract entered into between the MPT Provider and STATER pursuant to which STATER will accept this appointment and will commit itself, in favor of the Issuer, to carry out the activities subject to and on the terms provided in the Issuer Services Agreement and the sub-contract. The Issuer and the Security Trustee will consent to the appointment of STATER as sub-agent. In accordance with the Issuer Services Agreement, the MPT Provider will appoint Quion Hypotheekbemiddeling as its sub-agent to carry out the MPT Services and the Defaulted Loan Services in respect of the Quion Mortgage Loans subject to and in accordance with the terms of the sub-contract entered into between the MPT Provider and Quion Hypotheekbemiddeling. The Issuer and the Security Trustee will consent to the appointment of Quion Hypotheekbemiddeling as sub-agent.

*Set out below is a discussion of mortgage administration of the GMAC Mortgage Loans and the Quion Mortgage Loans, respectively.*

### **Mortgage Administration in respect of the GMAC Mortgage Loans**

#### *Collections*

All monthly payments of principal and interest on the GMAC Mortgage Loans are collected from Borrowers by direct debit. STATER is mandated by the MPT Provider to draw the monthly payments from the Borrower's bank account directly into the Seller Collection Account. SHS automatically collects the payments on the day before the last business day of each month. Payment information is monitored daily by personnel in STATER's arrears department.

#### *Arrears and foreclosure procedure*

If the loan is in arrears, the Special Servicing Department ('SSD') treats the arrears and follows the general arrears management procedure as well as the NHG procedure. In case the NHG procedure deviates from the regular arrears procedure, the NHG procedure prevails.

The arrears management system separately identifies loans that are four months in arrear. If the borrower has missed four monthly payments the servicer notifies the Guarantee Fund and the National Credit Register ('BKR').

At any time the debtor may request private sale or the SSD may consider forced private sale. In general when a borrower has missed less than seven monthly payments, the Guarantee Fund has to approve all (forced) private sales. NHG rules prescribe that the sale proceeds must at least be equal to the foreclosure value, based on recent appraisal report(s). If the sale proceeds do not exceed the NHG requirements, the general arrears management procedure will be continued.

If the borrower is more than seven monthly payments in arrear the lender is no longer required to obtain permission from the Guarantee Fund to enter into a (forced) private sale. In all cases the NHG is notified by the lender if the foreclosure procedure is started.

In the circumstance that the sale price does not exceed the foreclosure value the lender will enter into a payment arrangement that meets the strict conditions that were set by the SSD. The borrower needs to approve and sign the arrangement. The arrangement will be monitored on a monthly basis and within three months SSD will evaluate the payment arrangement. If the borrower fails to meet its obligations, the payment arrangement will be terminated.

*If the SSD can not get a payment agreement with the borrower or the borrower breaches the agreement, SSD will start the request for recovery procedure. The request for recovery has to be received by the Guarantee Fund within three months after completion of the foreclosure/private sale procedure. Also BKR will be notified about the request for recovery. Within two months after receipt of request for recovery the Guarantee Fund needs to (partly) approve or reject the request. In case of approval the Guarantee Fund will reimburse the lender for the remaining loss. The Guarantee Fund has the right to partly approve or reject the recovery request in case the loan has been originated outside the acceptance criteria and/or the lender has not serviced the loan in line with the rules set by the Guarantee Fund. In the circumstance of partial approval or rejection the lender has only a minor opportunity to recover its remaining loss. Only if the borrower has acted 'in bad faith' (i.e. no income deficiency or fraud) the borrower remains responsible for the remaining loss. In such a case SSD will continue the residual loss management flow.*

#### *Construction deposit*

When a loan with a home improvement construction deposit becomes delinquent, all construction amounts are frozen, meaning that payment from the construction deposit to the borrower is not allowed. Only upon repayment of all delinquent amounts will the construction amount be released.

#### *Foreclosure process*

GMAC RFC Nederland has the right to publicly sell (auction) the mortgaged property if the Borrower fails to fulfill its obligations and no other solutions are reached. GMAC RFC Nederland has, as a first ranking mortgagee, an "executorial title" which means that it does not have to obtain permission prior to foreclosure on the mortgaged property. If the proceeds from the sale (auction) of the mortgaged property do not fully cover GMAC RFC Nederland's claims, GMAC RFC Nederland may sell any pledged associated life insurance or investment deposit. However, Netherlands law requires that before a lender may foreclose on a Borrower's mortgaged property, the Borrower must be notified in writing that it is in default and it must also be given reasonable time to comply with the lender's claims.

In the case of a Borrower's bankruptcy, GMAC RFC Nederland may foreclose on the Borrower's Mortgaged Asset as if there was no bankruptcy. Nevertheless, the execution must take place within a reasonable time. Otherwise the bankruptcy trustee may take over execution measures. If this occurs, GMAC RFC Nederland will be obliged to contribute to the bankruptcy costs.

If GMAC RFC Nederland wants to sell the mortgaged property, it is required to notify the parties directly involved, including the Borrower as well as the person owning the asset (in the event that these are not the same parties). The notification must include the amount outstanding and the expenses incurred to date as well as the name of the civil notary responsible for the foreclosure sale.

GMAC RFC Nederland calculates the best method of maximizing the sale value of the mortgaged property. Based on the outcome of this calculation, GMAC RFC Nederland may decide that the property should be sold either in a private sale or by public auction. A private sale can, if the legal requirements are fulfilled, and often does, replace a public auction. When foreclosure notification is made by GMAC RFC Nederland, formal instructions are given to the civil notary where the property is located. The date of the sale will be set by the civil notary within, in principle, three weeks of this instruction and will usually be about six weeks after the decision to foreclose has been made (depending on the region and the number of other foreclosures currently being handled by the relevant district court).

The manner in which the proceeds from the sale are divided depends on whether there is only one mortgage holder or several. If there is only one mortgage holder, the proceeds will be passed on to the mortgage holder after deducting the costs of the execution. In the case of more than one mortgage holder, the division of the proceeds takes place according to the priority of the mortgages.

In general, it takes approximately two months to foreclose on a property once the decision to foreclose has been made. Throughout the foreclosure process, GMAC RFC Nederland follows guidelines set down by Netherlands law, the Code of Conduct of Mortgage Loans and the BKR.

### *Outstanding amounts*

If amounts are still outstanding after the foreclosure process or after the sale of the property has been completed, GMAC RFC Nederland continues to manage the remaining receivables. These amounts still have to be repaid by the Borrower, if possible, a settlement agreement will be entered into between the Borrower and GMAC RFC Nederland. In the event a Borrower does not comply with a settlement agreement or does not wish to cooperate with GMAC RFC Nederland on finding a solution to repay the unpaid amounts, other measures can be taken. These measures include the engagement of a bailiff and the appointment of an attorney to levy an attachment over the Borrower's salary as permitted by Netherlands law.

## **Mortgage Administration in respect of the Quion Mortgage Loans**

### *Collections*

Quion Hypotheekbemiddeling is authorised by each lender and Quion 20, who has been authorised by the Borrower, to draw the monthly payments from the Borrower's bank account directly into the respective lender's bank account. The computer system of Quion Hypotheekbemiddeling automatically collects the payments on first business day of each month. Payments information is monitored daily by the mortgage servicing department of Quion Hypotheekbemiddeling.

### *Arrears and Foreclosure Management*

Arrears and foreclosure management within Quion Hypotheekbemiddeling can be divided into two activities: 'automated arrears management' and 'active arrears and foreclosure management'. The first is part of the servicing process and is fully automated, the second is performed by the arrears and foreclosure management department.

As soon as a loan is delinquent, the HYPAS system will automatically note this in an arrears list for reporting purposes and subsequently HYPAS will generate letters to urge the borrower to pay (see below). As soon as a delinquency exceeds 60 days, the mortgage loan is transferred to the arrears and foreclosure management department for active arrears management. This department is dedicated to minimise losses and has nine specialists with a long experience in arrears management. Primarily, the goal of active arrears management is to make a payment arrangement with the Borrower. Only if such an arrangement is not possible or not properly fulfilled, the loan will be called. The arrears and foreclosure management department evaluates its experiences on a monthly basis. These experiences are used to improve the credit risk awareness in the origination department.

#### *i. Automated arrears management*

If a borrower does not pay the amount due within 14 days the automated arrears management generates the first dunning letter. If the borrower is still delinquent after 60 days, the file is transferred to active arrears management by the arrears and foreclosure management department. Within these 60 days four dunning letters are sent in accordance with the following table:

*Table 1 Dunning letters in the automated arrears management*

<b>Days</b>	<b>Action by Quion Hypotheekbemiddeling</b>
1-9	Arrears are noticed and reported
15	first dunning letter with a friendly tone. Borrower is granted seven days to pay the arrears.
30	second dunning letter reminding the borrower. Furthermore Quion Hypotheekbemiddeling serves notice upon the borrower. Borrower is granted seven days to pay the arrears.
45	third dunning letter with an urgent tone and a fine of five per cent. per month over the arrears. Borrower is granted seven days to pay the arrears.
60	The fourth letter notifies the borrower that his file is transferred to the arrears and foreclosure department. Borrower is granted seven days to pay the arrears.

#### *ii. Active arrears management*

After the borrower has been transferred to the arrears and foreclosure management department, the main goal will be to minimise losses for the lender. First, the department will try to make a payment arrangement. If the arrangement is not respected or cannot be made, the loan will be called. Foreclosure will only take place if the lender has given its written permission.

Table 2 *Active arrears management*

<b>Days</b>	<b>Action by Quion Hypotheekbemiddeling</b>
67	The borrower, or his employer, is called in order to make a payment arrangement.
75	fifth letter warning the borrower that the loan will be called and that the borrower will be registered at the BKR. In addition to the fine the, 'legal interest' (" <i>wettelijke rente</i> ") is charged. Borrower is granted seven days to pay the arrears.
90	Last chance for the borrower before the loan is called and the BKR registration is made. Borrower is granted seven days to pay the arrears.
105	The loan is called.
120	After the lender gives permission, the notary is instructed to sell the collateral.

*iii. Foreclosure management*

If there is a failure to comply with the agreed payment schemes, or if it is evident that there is no prospect of the premium arrears being paid in the near future, the mortgage loan will be declared immediately due. Prior to public sale of property, borrowers are urged to sell the property by means of private sale. Public sale is arranged only if there is no prospect of any acceptable resolution. Apart from public sale as a result of arrears of payment on mortgages, such sale may also result from attachment or bankruptcy of the borrowers. In the case of attachment or bankruptcy, the auction is ordered immediately. The lender has to give written permission before the arrears and foreclosure management department can begin the actual sale of the collateral. When the lender grants permission Quion Hypotheekbemiddeling will instruct a notary to organise an auction to sell the collateral.

In case the NHG procedure deviates from the regular arrears procedure, the NHG Procedure prevails.

If amounts are still outstanding after the sale of the property has been completed, a written request to the WEW is submitted by Quion Hypotheekbemiddeling, on behalf of Quion 20, for the recovery of the loss. After receiving a final decision of the WEW the services of Quion Hypotheekbemiddeling end.

*General*

Throughout the entire process Quion Hypotheekbemiddeling works in consultation with and upon instruction of the lender. Quion Hypotheekbemiddeling furthermore works in accordance with the '*Gedragcode Hypothecaire Financieringen*' (Code of conduct of mortgage lenders), the '*Stichting Bureau Krediet Registratie*' "BKR" (Dutch central credit bureau) and Dutch law.

## **STATER NEDERLAND B.V. AND QUION HYPOTHEEKBEMIDDELING B.V.**

### **STATER Nederland B.V.**

STATER Nederland B.V. is the leading independent, third party provider of mortgage payment transactions with regard to residential mortgages in the Netherlands. The activities are provided in a completely automated and paperless electronic format. STATER has pioneered the use of technology through its E-transactions concept for owners of residential mortgage loan portfolios and features capabilities to enhance, accelerate and facilitate securitisation transactions.

STATER started its activities on 1 January 1997. The combination of technology and experience in originating and providing activities consisting of mortgage payment transactions and ancillary activities with regard to residential mortgage loans in the Netherlands has led to a market share of more than 30 per cent.

STATER provides activities consisting of mortgage payment transactions and ancillary activities with regard to a total of EUR 69.2 billion and approximately 470,000 mortgage loans. STATER is a wholly owned subsidiary of STATER N.V., of which the shares are held for 60 per cent. by ABN AMRO Bank N.V. and for the remainder by (a subsidiary of) ABN AMRO Bouwfonds Nederlandse Gemeenten N.V.

STATER provides an origination system that includes automated underwriting, allowing loan funders to specify underwriting criteria for each loan pool. A credit-scoring model and a fraud detection system form part of automated underwriting.

In the securitisation process, STATER is able to identify specific loan pools based on underwriting criteria as instructed by its clients and provides the Issuer Administrator access to pool performance and information. Finally, STATER provides detailed investor reports regarding pool status on a consistent basis.

The STATER computer system, for which STATER also provides back-up facilities, is regularly updated and modified.

### **Quion Hypotheekbemiddeling**

Quion Hypotheekbemiddeling B.V., is a wholly-owned subsidiary of Quion Groep B.V. whose registered office is in Rotterdam. Quion Hypotheekbemiddeling is an independent mortgage servicer, which offers a full range of mortgage servicing activities to financial institutions. Its activities range from origination and monthly collections, to arrears and foreclosure management of the mortgage loan portfolios.

In 1993, Quion Hypotheekbemiddeling (then named Hypotrust) was founded to meet the demand by financial institutions for an efficient way to directly invest in the Dutch mortgage market. In Quion Hypotheekbemiddeling's generic funding model a group of different mortgage lenders offers identical mortgage products under standardised conditions. The mortgage lenders compete with each other on the interest rate offered to the borrower. Quion Hypotheekbemiddeling matches the borrower with the mortgage lender offering the lowest interest rate, acting as a mediator. The mortgage loans are distributed through a network of over 1,750 independent intermediaries and insurance companies.

Quion Hypotheekbemiddeling's IT systems and software are developed in-house and are easily adapted to new products and client's wishes. Quion Hypotheekbemiddeling identifies specific mortgage pools based on underwriting criteria and provides detailed portfolio data for investor reporting in securitisation transactions. To ensure servicer continuity, Quion Hypotheekbemiddeling has set up a mechanism to safeguard its software, giving the mortgage lenders the ability to obtain software licenses with respect to the software systems used by Quion Hypotheekbemiddeling (see further *'Mortgage Loan Underwriting and Processing Activities'*) including data in case Quion Hypotheekbemiddeling discontinues its operations. Quion Hypotheekbemiddeling employs a special fraud officer and has developed a fraud policy based on its extensive experience in the mortgage industry. Quion Hypotheekbemiddeling's pro-active approach to delinquencies minimises losses caused by delinquencies and fraud.

Quion Hypotheekbemiddeling presently services a portfolio exceeding euro 9 billion, representing about 5 per cent. of the third party servicer market in The Netherlands. Over the last 4 years the serviced portfolio has grown at about 30 per cent. per year on average. Continuing this growth rate, Quion Hypotheekbemiddeling expects the portfolio to exceed euro 12 billion in 2005, growing further to more than euro 16 billion in 2006.

## MORTGAGE RECEIVABLES PURCHASE AGREEMENT

Under the Mortgage Receivables Purchase Agreement the Issuer will purchase and, on the Closing Date, accept from the Seller the assignment of the NHG Mortgage Receivables by means of a deed of assignment which will be registered with the tax authorities, as a result of which legal title to the NHG Mortgage Receivables will be transferred to the Issuer. It is a condition of the Issuer for the purchase and acceptance of the assignment of the NHG Mortgage Receivables that any Beneficiary Rights, to the extent legally and contractually possible and required, are assigned to the Issuer together with such NHG Mortgage Receivables. The Seller has agreed to assign such Beneficiary Rights to the Issuer and the Issuer has agreed to accept such assignment. Following such assignment, the Issuer will be entitled to all proceeds in respect of the NHG Mortgage Receivables from (and including) the Cut-Off Date. The assignment of the NHG Mortgage Receivables from the Seller to the Issuer will not be notified to the Borrowers, except upon the occurrence of an Assignment Notification Event as further described below. Until such notification the Borrowers will only be entitled to validly make payments (“*bevrijdend betalen*”) to the Seller. The Seller (or a third party on its behalf) will pay to the Issuer on a monthly basis all proceeds received (whether by the Seller or by Quion 20) during the immediately preceding Mortgage Calculation Period in respect of the NHG Mortgage Receivables.

### Purchase Price

The purchase price for the NHG Mortgage Receivables will consist of the Initial Purchase Price which will be payable on the Closing Date or, in respect of the New NHG Mortgage Receivables and Further Advance Receivables, on the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date, as the case may be, and the Deferred Purchase Price. Part of the Initial Purchase Price will be withheld by the Issuer and will be deposited in the Construction Account. The Deferred Purchase Price will be equal to the sum of all Deferred Purchase Price Instalments.

### Representations and Warranties

The Seller will represent and warrant on the Closing Date with respect to the Mortgage Loans and the NHG Mortgage Receivables that on the Cut-Off Date, *inter alia*:

- (1) The NHG Mortgage Receivables are duly and validly existing.
- (2) Each GMAC Mortgage Loan was originated by the Seller and each Quion Mortgage Loan was originated by Quion 20.
- (3) Each of the Mortgage Loans conforms to the Mortgage Loans Criteria in all material respects.
- (4) Each Mortgage Loan has the benefit of a NHG Guarantee and each such NHG Guarantee connected to the relevant NHG Mortgage Receivable (i) is granted for the full amount of the Mortgage Loan, (ii) constitutes legal, valid and binding obligations of “*Stichting Waarborgfonds Eigen Woningen*”, enforceable in accordance with their terms, (iii) all terms and conditions (“*voorwaarden en normen*”) applicable to the NHG Guarantee at the time of origination of the Mortgage Loans were complied with and (iv) the Seller is not aware of any reason why any claim under any NHG Guarantee in respect of any Mortgage Loan should not be met in full and in a timely manner;
- (5) The Seller has full right and title (“*titel*”) to the NHG Mortgage Receivables and no restrictions on the sale and assignment of the NHG Mortgage Receivables are in effect and the NHG Mortgage Receivables are capable of being assigned.
- (6) The Seller has the power (“*is beschikkingsbevoegd*”) to sell and assign the NHG Mortgage Receivables.
- (7) The NHG Mortgage Receivables are free and clear of any rights of pledge or other or similar rights (“*bepaalde rechten*”), encumbrances and attachments (“*beslagen*”) and no rights have been granted in favour of any third party with regard to the acquisition or encumbrances in respect of the NHG Mortgage Receivables, other than a right of pledge which will be released prior to the Closing Date.
- (8) The Mortgage Loans and the Mortgage Conditions comply in all material respects with the laws of the Netherlands applicable thereto, including mortgage credit and consumer protection legislation.

- (9) Each NHG Mortgage Receivable is secured by a mortgage right ("*hypothekrecht*") on a Mortgaged Asset located in the Netherlands and is governed by Netherlands law.
- (10) All Mortgages and Borrower Pledges (i) constitute valid mortgage rights ("*hypothekrechten*") and rights of pledge ("*pandrechten*") respectively on the assets which are the subject of the Mortgages and the Borrower Pledges, as applicable, and, to the extent relating to the Mortgages, have been entered into the appropriate public register ("*Dienst van het Kadaster en de Openbare Registers*"); (ii) have first priority ("*eerste in rang*") or, as the case may be, first and one or more sequential lower ranking priority in favour of the Seller; and (iii) were vested (x) in respect of the GMAC NHG Mortgage Receivables to secure the repayment of an Outstanding Principal Amount which at least equals the Outstanding Principal Amount at origination, increased with interest, penalties, costs and any damages together up to an amount equal to 140 per cent. of the Outstanding Principal Amount at origination and (y) in respect of the Quion NHG Mortgage Receivables to secure the repayment of an Outstanding Principal Amount which at least equals the Outstanding Principal Amount at origination, increased with interest, penalties, costs and any damages together up to an amount equal to 150 per cent. of the Outstanding Principal Amount at origination.
- (11) Each NHG Mortgage Receivable, the Mortgage and the Borrower Pledge securing such receivable, if any, constitute legal, valid, binding and enforceable obligations of the relevant Borrower vis-à-vis the Seller, except for any limitation on enforceability due to applicable bankruptcy or insolvency laws.
- (12) Upon creation of each mortgage right, the relevant Originator was granted the right to unilaterally terminate such mortgage right in whole or in part, and such right has not been revoked, terminated or amended.
- (13) In respect of (x) the GMAC Mortgage Loans, the Mortgage Deeds and (y) in respect of the Quion Mortgage Loans the Quion General Conditions, which are incorporated by reference in the mortgage deed, contain the provision that the Mortgages and the Borrower Pledges will partially follow, *pro rata*, the relevant NHG Mortgage Receivables upon their assignment or pledge.
- (14) In respect of the NHG Mortgage Receivables at origination, except in the case of Mortgage Loans which are secured by a Mortgage on newly built properties, each existing Mortgaged Asset was valued by an independent qualified appraiser or tax valuer not more than 12 months before application for a Mortgage Loan was made and the maximum Outstanding Principal Amount of each Mortgage Loan did not, upon its origination and on the Closing Date, exceed (a) 112 per cent. of the lower amount of (i) the actual purchase price and (ii) in the case of an appraisal report by an independent qualified appraiser, such appraisal amount or (b) 108 per cent. of the construction costs ("*stichtingskosten*") including additional work ("*meerwerk*") in case of newly built property financed by a Mortgage Loan with a construction deposit ("*bouwdepot*").
- (15) Each Mortgage Loan has been granted to a Borrower in accordance with all applicable legal requirements prevailing at the time of origination in all material respects and each Mortgage Loan meets in all material respects the standard underwriting criteria and procedures of the relevant Originator, including Borrower income requirements, prevailing at the time of origination.
- (16) The Borrowers have been committed in the Mortgage Conditions to take out a building insurance policy ("*opstalverzekering*") for the full reinstatement value ("*herbouwwaarde*") at the time the relevant Mortgage Loan was advanced.
- (17) Other than the aggregate Construction Amounts under construction mortgage loans ("*bouwhypotheke*"), all Mortgage Loans have been fully disbursed other than as set forth under 21.
- (18) Payments in respect of the Mortgage Loans are made in arrear in monthly instalments by direct debit.
- (19) The aggregate Outstanding Principal Amount was equal to euro 176,712,607.
- (20) No amount is held in respect of all Mortgage Loans in deposit with respect to premia and interest payments ("*rente- en premiedepots*").

- (21) The notarial mortgage deeds ("*minuut*") relating to the mortgage rights are kept by a civil law notary at the time of execution of the deed and the Seller is not aware that such notarial mortgage deeds are not kept by a civil law notary in the Netherlands, while the loan files, which include authenticated copies of the notarial mortgage deeds, and which loan files could be in electronic form are kept by or to the order of the Seller or, as the case may be, the Issuer or the Security Trustee.
- (22) To the best knowledge of the Seller, the Borrowers are not in any material breach of any provision of their Mortgage Loans.
- (23) The Mortgage Conditions provide that all payments by the Borrower should be made without any deduction or set-off.
- (24) Each Mortgage Loan constitutes the entire loan granted to the relevant Borrower that is secured by the Mortgage and not merely one or more loan parts ("*leningdelen*").
- (25) The aggregate Construction Amounts did not exceed the amount of euro 5,778,538.
- (26) The particulars of each NHG Mortgage Receivable, as set forth in the list of NHG Mortgage Receivables (i) attached to the Mortgage Receivables Purchase Agreement to the Deed of Assignment to be signed on the Closing Date and (ii) to be deposited with the civil-law notary, are true, correct and complete in all material respects.
- (27) All NHG Mortgage Receivables secured by a Mortgage on a long lease ("*erfpacht*") provide that the Outstanding Principal Amount, including interest, will become immediately due and payable if the long lease terminates, if the leaseholder materially breaches or ceases to perform its payment obligation under the long lease ("*canon*") or if the leaseholder in any other manner breaches the conditions of the long lease.
- (28) The Seller and Quion 20 (in respect of Quion Mortgage Loans only), have no Other Claim vis-à-vis any Borrower.

#### **Repurchase of NHG Mortgage Receivables**

Under the Mortgage Receivables Purchase Agreement, the Seller will *inter alia* be obliged to repurchase and accept re-assignment of a NHG Mortgage Receivable on the Mortgage Payment Date immediately following:

- (i) the expiration of the relevant remedy period, if any, in case any of the representations and warranties given by the Seller (a) in respect of such NHG Mortgage Receivable or its related Mortgage Loan, including the representation and warranty that the relevant NHG Mortgage Receivable or its related Mortgage Loan meets the Mortgage Loans Criteria on the Closing Date or (b) in respect of a New NHG Mortgage Receivable or its related Mortgage Loan or a Further Advance Receivable or its related Further Advance, including the representation and warranty that the New NHG Mortgage Receivable or its related Mortgage Loan or the Further Advance Receivable or its related Further Advance, meets the Mortgage Loans Criteria on the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date, is untrue or incorrect in any material respect; or
- (ii) an amendment of the terms of the relevant Mortgage Loan upon the request of a Borrower and in accordance with the Mortgage Conditions and the then current underwriting criteria as a result of which such Mortgage Loan no longer meets the Mortgage Loans Criteria or which, as a result, changes the maturity date of the loan, the interest rate (other than as a result of an interest reset) or monthly payment amount (other than as a result of an interest reset); or
- (iii) the failure by the Borrower to pay the first interest instalment under a Mortgage Loan or a Further Advance; or
- (iv) date on which the Seller and, but in respect of Quion Mortgage Loans only, Quion 20 has obtained any Other Claim(s) vis-à-vis any Borrower; or
- (v) the date on which an Originator agrees with a Borrower to grant a Further Advance and the Further Advance Receivable is not purchased by the Issuer; or
- (vi) the date on which the Mortgage Loan no longer has the benefit of the NHG Guarantee (without taking into account any Further Advances as such Further Advance Receivables are subject to the Further Advance Participation); or



- (vii) the date on which, following a formal request for payment under the NHG Guarantee has been made and Stichting Waarborgfonds Eigen Woningen refuses to pay the full amount so requested; or
- (viii) the date on which the MPT Provider receiving notice from a regulatory agency, the Seller, a Borrower or any other party indicating that it has failed to comply with its undertaking in the Issuer Servicing Agreement to administer the relevant Mortgage Loans, including the foreclosure thereof, in accordance with the terms and conditions ("*voorwaarden en normen*") of Stichting Waarborgfonds Eigen Woning; or
- (ix) the date on which after foreclosure the Net Proceeds (excluding any amount to be received under the NHG Guarantee) are not sufficient to repay the Mortgage Receivable in full and the Seller or the MPT Provider decides not to make a claim under the NHG Guarantee.

The Issuer will sell and assign to Quion 20 a Quion NHG Mortgage Receivable pursuant to the Quion Mortgage Receivables Purchase Agreement if on an interest reset date of the relevant Quion NHG Mortgage Loan the Borrower decides to accept the interest rate of another lender and such lender prefers to take over the existing Quion Mortgage Loan rather than granting a new mortgage loan to such Borrower.

In case of a repurchase of NHG Mortgage Receivables, the Seller shall repurchase and accept re-assignment of the NHG Mortgage Receivable for a price equal to the relevant Outstanding Principal Amount, increased with accrued but unpaid interest thereon up to the relevant Mortgage Payment Date.

The Seller may, at its option and its sole discretion, repurchase and accept re-assignment of any Delinquent NHG Mortgage Receivable on the Mortgage Payment Dates falling in the Quarterly Calculation Period immediately following the Quarterly Calculation Period in which the relevant NHG Mortgage Receivable has become a Delinquent NHG Mortgage Receivable. For the avoidance of doubt, after such period, a Delinquent NHG Mortgage Receivable may not be repurchased by the Seller.

Moreover, the MPT Provider may, at its option and its sole discretion, repurchase and accept re-assignment of Excess NHG Mortgage Receivables on a Quarterly Payment Date for a price equal the aggregate Outstanding Principal Amount, increased with accrued but unpaid interest thereon up to the relevant Quarterly Payment Date. At the request of the relevant Hedging Counterparty, the Issuer will stipulate as a condition for the sale of the Excess NHG Mortgage Receivables that the relevant part of the relevant Hedging Agreement will be novated to the purchaser of the Excess NHG Mortgage Receivables. The purchase price for the Excess NHG Mortgage Receivables shall be set-off against the Issuer's obligation to repay the Servicing Advance.

### **Mortgage Loans Criteria**

On the Cut-Off Date, each of the Mortgage Loans met the Mortgage Loans Criteria:

- (a) the Mortgage Loans are in one of the following forms:
  - I. *in respect of GMAC Mortgage Loans*
    - (1) Life Mortgage Loans ("*levenhypotheken*"),
    - (2) Savings Mortgage Loans ("*spaarhypotheken*"),
    - (3) Investment Mortgage Loans ("*beleggingshypotheken*"),
    - (4) Annuity Mortgage Loans ("*annuïteiten hypotheken*"),
    - (5) Interest-only Mortgage Loans ("*aflossingsvrije hypotheken*"), or
    - (6) a combination of any of the above mentioned types of mortgage loans ("*combinatiehypotheken*");
  - II. *in respect of Quion Mortgage Loans*
    - (1) Life Mortgage Loans ("*levenhypotheken*") (without the possibility of a Savings Alternative),
    - (2) Investment Mortgage Loans ("*beleggingshypotheken*"),
    - (3) Annuity Mortgage Loans ("*annuïteiten hypotheken*"),
    - (4) Interest-only Mortgage Loans ("*aflossingsvrije hypotheken*"),

- (5) Linear Mortgage Loans ("*lineaire hypotheken*"); or
- (6) a combination of any of the above mentioned types of mortgage loans ("*combinatiehypotheken*");
- (b) the Borrower is a resident of the Netherlands and not employed by any of the Originators;
- (c) each Mortgage Loan is covered by a first ranking or first ranking and sequentially lower ranking right of mortgage on property situated in the Netherlands;
- (d) there are no arrears in the payment of interest and/or redemption, and, as the case may be, in respect of an Insurance Policy with the exception of Mortgage Loans that were originated one month preceding the Cut-Off Date or, in respect of New NHG Mortgage Receivables or Further Advance Receivables originated in the month preceding the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date;
- (e) except for Mortgage Loans originated one month preceding the Cut-Off Date or, in respect of New NHG Mortgage Receivables and Further Advance Receivables originated in the calendar month preceding the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date, at least one (interest) payment has been made;
- (f) none of the Mortgage Loans are bridging loans ("*overbruggingshypotheken*");
- (g) the Mortgaged Asset had to be occupied by the Borrower at and after the time of origination. No consent for residential letting of the mortgaged property has been given by or on behalf of any of the Originators;
- (h) the interest rate on each Mortgage Loan is a fixed rate, subject to an interest reset from time to time, or a variable rate;
- (i) interest payments on the Mortgage Loans are scheduled to be made monthly in arrear by direct debit;
- (j) no Mortgage Loan has fixed interest periods longer than 20 years;
- (k) no Mortgage Loan will have a legal maturity beyond April 2036;
- (l) each Mortgage Loan had an Outstanding Principal Amount of not more than euro 240,000;
- (m) except for Mortgage Loans with a Construction Amount, all Mortgage Loans are fully disbursed (no "*bouwhypotheken*");
- (n) in respect of all Interest-only Mortgage Loans, or in the case of a combination of types of mortgage loans, the interest-only loan part, did not exceed 90 per cent. loan-to-foreclosure value of the mortgaged property upon creation of the Mortgage Loan, provided that such Interest-only Mortgage Loan has the benefit of a Risk Insurance Policy for that part of the Interest-only Mortgage Loan which is in excess of 75 per cent. of the Foreclosure Value of the Mortgaged Asset; and
- (o) the Quion NHG Mortgage Receivables resulting from Quion Mortgage Loans entered into in the form as set out in Schedule 6 of the Mortgage Receivables Purchase Agreement do not result from Further Advances.

The Mortgage Loans Criteria apply also to the selection of New NHG Mortgage Receivables and Further Advance Receivables unless stated otherwise.

### **Assignment Notification Events**

The Mortgage Receivables Purchase Agreement provides that if, *inter alia*:

- (a) a default is made by the Seller in the payment on the due date of any amount due and payable by it under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party and such failure is not remedied within 5 business days after having knowledge of such failure or notice thereof has been given by the Issuer or the Security Trustee to the Seller; or
- (b) the Seller fails duly to perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party or any other party (except the Issuer and the Security Trustee) does not comply with any of the obligations under any Relevant Document to which it is a party and, if such failure is

capable of being remedied, such failure is not remedied within 10 business days after having knowledge of such failure or notice thereof has been given by the Issuer or the Security Trustee to the Seller or such other party; or

- (c) the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ("*ontbinding*") and liquidation ("*vereffening*") or legal demerger ("*juridische splitsing*") involving the Seller or its assets are placed under administration ("*onder bewind gesteld*"); or
- (d) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into suspension of payments or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (e) (i) the rating assigned to the unsecured, unsubordinated and unguaranteed long term debt obligations of General Motors Acceptance Corporation falls below Ba2 by Moody's or is withdrawn or (ii) the Seller ceases to be a wholly owned indirect subsidiary of General Motors Acceptance Corporation and thereafter the rating assigned to the unsecured, unsubordinated and unguaranteed long term debt obligations of the Seller or the entity of which the Seller becomes the wholly owned (indirect) subsidiary is set or falls below Ba2 by Moody's or is withdrawn; or
- (f) Quion 20 ceases to be a wholly owned indirect subsidiary of General Motors Acceptance Corporation or the rating assigned to the unsecured, unsubordinated and unguaranteed long term debt obligations of General Motors Acceptance Corporation falls below Ba2 by Moody's or is withdrawn; or
- (g) a Quion Notification Event occurs under the Quion Mortgage Receivables Purchase Agreement,

then, and at any time thereafter, the Seller will, unless (but only in case of the occurrence of the events mentioned under (a), (b), (e), (f) and (g)) within a period of 10 business days an appropriate remedy to the satisfaction of the Security Trustee is found, after having received confirmation from Moody's that no notice will not result in a downgrade of the then current rating assigned to the Senior Class A Notes, forthwith notify the relevant Borrowers and any other relevant parties indicated by the Issuer and/or the Security Trustee of the assignment of the NHG Mortgage Receivables to the Issuer or, at its option, the Issuer will be entitled to make such notifications itself.

In addition, pursuant to the Beneficiary Waiver Agreement the Seller in respect of all NHG Mortgage Receivables, and Quion 20 in respect of the Quion NHG Mortgage Receivables only, will undertake to use its best efforts following a Notification Event to obtain the cooperation from all relevant parties (including the Life Insurance Companies) to (a) waive its rights as beneficiary and (b) appoint (i) the Issuer subject to the dissolving condition of a Trustee I Notification Event relating to the Issuer and (ii) the Security Trustee under the condition precedent of the occurrence of a Trustee I Notification Event relating to the Issuer as first beneficiary under the Insurance Policies. For the situation that a Borrower Insurance Proceeds Instruction exists, the Seller and the Savings Insurance Companies will in the Beneficiary Waiver Agreement undertake to use their best efforts, following a Notification Event to obtain the cooperation of all relevant parties to change the payment instruction in favour of (i) the Issuer subject to the dissolving condition of a Trustee I Notification Event relating to the Issuer and (ii) the Security Trustee under the condition precedent of the occurrence of a Trustee I Notification Event relating to the Issuer.

### **Quion Mortgage Receivables Purchase Agreement**

The Seller has purchased from Quion 20 and accepted the assignment of the Quion NHG Mortgage Receivables and has undertaken to purchase and accept assignment of New Quion NHG Mortgage Receivables from time to time under and pursuant to the Quion Mortgage Receivables Purchase Agreement. This assignment will not be notified to the relevant Borrowers unless any of the following Quion Notification Events occurs:

- (1) an Assignment Notification Event;

- (2) a default is made by Quion 20 in the payment on the due date of any amount due and payable by it under the Quion Mortgage Receivables Purchase Agreement and such failure is not remedied within five business days after having knowledge of such failure or notice thereof has been given by the Seller; or
- (3) Quion 20 fails duly to perform or comply with any of its obligations under the Quion Mortgage Receivables Purchase Agreement and, if such failure is capable of being remedied, such failure is not remedied within 10 business days after having knowledge of such failure or notice thereof has been given by the Seller; or
- (4) Quion 20 takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ("*ontbinding*") and liquidation ("*vereffening*") or legal demerger ("*juridische splitsing*") involving Quion 20 or its assets are placed under administration ("*onder bewind gesteld*"); or
- (5) Quion 20 has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into suspension of payments or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets.

Until notification of the transfer of legal title has been made to the Borrowers, the Borrowers under the Quion NHG Mortgage Receivables can only validly pay ("*bevrijdend betalen*") to Quion 20. The Seller has undertaken in the Mortgage Receivables Purchase Agreement to pay on each Mortgage Payment Date to the Issuer any amounts received in respect of the Quion NHG Mortgage Receivables during the immediately preceding Mortgage Calculation Period. However, receipt of such amounts by the Issuer is subject to the Seller actually making such payments.

The Issuer and the Security Trustee will become a party to the Quion Mortgage Receivables Purchase Agreement to obtain the benefit of all third parties stipulations made therein for its benefit. In addition, each of the Issuer and the Security Trustee will be granted a power of attorney by Quion 20 to make the notification of the assignment of the Quion NHG Mortgage Receivables to the Seller itself.

### **Purchase of New NHG Mortgage Receivables**

The NHG Mortgage Receivables Purchase Agreement provides that the Issuer (i) will apply the Pre-funded Amount on any Pre-funding Purchase Date during the Pre-funding Period and (ii) will apply the Purchase Available Amount, if any, on any Mortgage Payment Date, to purchase any New NHG Mortgage Receivables from the Seller if and to the extent offered by the Seller. The Initial Purchase Price payable by the Issuer as consideration for any New NHG Mortgage Receivables will be equal to the aggregate of the Outstanding Principal Amount on the first day of the month of the relevant Pre-funding Purchase Date or relevant Mortgage Payment Date. The Issuer will be entitled to all proceeds in respect of the New NHG Mortgage Receivables following such assignment as of the first day of the month of the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date.

The purchase by the Issuer of New NHG Mortgage Receivables will be subject to a number of conditions, which include, *inter alia*, the conditions that on the relevant date of completion of the sale and purchase of the New NHG Mortgage Receivables (except that items (f) and (g) below will not apply to New NHG Mortgage Receivable purchased on a Pre-funding Purchase Date):

- (a) the Seller will represent and warrant, to the Issuer and the Security Trustee the matters set out in the clauses providing for the representations and warranties relating to the Mortgage Loans, the NHG Mortgage Receivables and the Seller in the Mortgage Receivables Purchase Agreement with respect to (and to the extent required, modified for) the New NHG Mortgage Receivables sold and relating to the Seller;
- (b) no Assignment Notification Event has occurred and is continuing;
- (c) there has been no failure by the Seller to repurchase any NHG Mortgage Receivable which it is required to repurchase pursuant to Clauses 8 (representations and warranties) and 10 (covenants) of the Mortgage Receivables Purchase Agreement;
- (d) the Purchase Available Amount is sufficient to pay the Initial Purchase Price for the relevant New NHG Mortgage Receivables;

- (e) during the Pre-funding Period the then current rating assigned to the Senior Class A Notes by Moody's is not adversely affected as a result of such purchase;
- (f) the aggregate Outstanding Principal Amount of all Interest-only Mortgage Loans does not exceed 47.5 per cent. of the aggregate Outstanding Principal Amount; and
- (g) the aggregate amount of the Construction Amounts does not exceed 4.5 per cent. of the aggregate Outstanding Principal Amount.

#### **Purchase of Further Advance Receivables**

The Mortgage Receivables Purchase Agreement provides that if any of the Originators decides to grant a Further Advance to a Borrower, provided that the Seller will purchase the Further Advance Participation, the Issuer will purchase the relevant Further Advance Receivable, subject to a number of conditions which include the conditions that on the relevant Mortgage Payment Date:

- (i) the Seller will represent and warrant, other than in respect of Mortgage Loans where an Originator has granted a Further Advance which is purchased by the Issuer and which is or is not covered by the NHG Guarantee, to the Issuer and the Security Trustee the matters set out in the clauses providing for the representations and warranties relating to the Mortgage Loans, the NHG Mortgage Receivables and the Seller in the Mortgage Receivables Purchase Agreement with respect to (and to the extent relevant) the Further Advance and the Further Advance Receivables sold and relating to the Seller;
- (ii) no Assignment Notification Event has occurred and is continuing;
- (iii) there has been no failure by the Seller to repurchase any NHG Mortgage Receivable which it is required to repurchase pursuant to Clauses 8 (representations and warranties) and 10 (covenants) of the Mortgage Receivables Purchase Agreement;
- (iv) the consideration received by the Issuer in connection with the Further Advance Participations is sufficient to pay the initial purchase price for the relevant Further Advance Receivables;
- (v) not more than 2 per cent. of the aggregate Outstanding Principal Amount are related to Delinquent NHG Mortgage Receivables;
- (vi) the aggregate Outstanding Principal Amount in respect of all Interest-only Mortgage Loans does not exceed 47.5 per cent. of the aggregate Outstanding Principal Amount; and
- (vii) all NHG Mortgage Receivables with a security right having a higher ranking priority to the Further Advance Receivables if any, are owned by the Issuer.

The Initial Purchase Price payable by the Issuer for any Further Advance Receivables will be equal to the aggregate of their Outstanding Principal Amount as at the relevant Mortgage Payment Date. Such Initial Purchase Price payable by the Issuer to the Seller will be equal to and set-off in full against the consideration for the relevant Further Advance Participation payable by the Seller to the Issuer.

## ISSUER SERVICES AGREEMENT

### In respect of the Mortgage Loans

In the Issuer Services Agreement the MPT Provider (i) will agree to provide mortgage payment transactions and other services to the Issuer on a day-to-day basis in relation to the Mortgage Loans and the NHG Mortgage Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Mortgage Loans and (ii) will agree to provide the implementation of arrears procedures including the enforcement of mortgage rights (see further *Mortgage Loan Underwriting and Origination*). The MPT Provider will be obliged to provide the mortgage payment transactions and other services as set out above in respect of the Mortgage Loans and the NHG Mortgage Receivables at the same level of skill, care and diligence as mortgage loans in its own portfolio. The MPT Provider will, in accordance with the Issuer Services Agreement, appoint STATER as its sub-agent to carry out the activities, other than the Defaulted Loan services, described above in respect of the GMAC Mortgage Loans upon the terms and provisions of and in accordance with the sub-contract to be entered into between the MPT provider and STATER in respect of the GMAC Mortgage Loans. STATER will accept this appointment and will commit itself, in favour of the Issuer, to carry out the activities subject to and on the terms provided in the Issuer Services Agreement, in case of a default by the MPT Provider under the Issuer Services Agreement. The Issuer and the Security Trustee have consented to the appointment of STATER as sub-agent. The MPT Provider will in accordance with the Issuer Services Agreement appoint Quion Hypotheekbemiddeling to perform the MPT Services and the Defaulted Loan Services in respect of the Quion Mortgage Loans. Quion Hypotheekbemiddeling will accept the appointment and will commit itself to perform such activities in respect of the Quion NHG Mortgage Receivables in favour of the Issuer subject and in accordance with the terms provided in the Issuer Services Agreement, in case of a default by MPT Provider under the Issuer Services Agreement. The Issuer and the Security Trustee have consented to the appointment of Quion Hypotheekbemiddeling as sub-agent.

Furthermore, in case the Put Option or the Regulatory Put Option in respect of any of the Senior Class A Notes is exercised or the then current rating assigned to the Senior Class A Notes is not confirmed as of a Put Date, the MPT Provider (or another party but not its sub-agent) will grant the Issuer a Servicing Advance in an amount equal to the aggregate Principal Amount Outstanding of the Senior Class A Notes which are subject to redemption, less the *pro rata* part of the balance on the Principal Deficiency Ledger, if any, to enable the Issuer to redeem such Senior Class A Notes on such Put Date or Regulatory Put Date. The obligation to repay the Servicing Advance will be set-off against the obligation to pay the purchase price for the Excess NHG Mortgage Receivables or the NHG Mortgage Receivables sold by the Issuer to the provider of the Servicing Advance.

The Issuer Administrator will in the Issuer Services Agreement agree to provide certain administration, calculation and cash management services to the Issuer, including (a) the direction of amounts received by the Seller to the Collection Account and the production of monthly reports in relation thereto, (b) drawings (if any) to be made by the Issuer from the Reserve Account and under the Liquidity Facility, (c) all payments to be made by the Issuer under the Hedging Agreements and any of the other Relevant Documents, (d) all payments to be made by the Issuer under the Notes in accordance with the Conditions of the Notes and in respect of the Savings Sub-Participation Agreement and the Further Advance Sub-Participation Agreement, (e) the maintaining of all required ledgers in connection with the above and (f) all calculations to be made pursuant to the Conditions of the Notes.

## SUB-PARTICIPATION AGREEMENTS

### Savings Sub-Participation Agreement

Under the Savings Sub-Participation Agreement, the Issuer will grant to each of the Savings Insurance Companies a sub-participation in the relevant Savings NHG Mortgage Receivables and, as the case may be, Life NHG Mortgage Receivables with a Savings Element. Each of the Savings Insurance Companies will undertake to pay to the Issuer:

- (i) on the Closing Date or in case of (a) purchase and assignment of new Savings NHG Mortgage Receivables or, as the case may be, new Life NHG Mortgage Receivables with a Savings Element or (b) a switch from any type of a Mortgage Loan into a Savings Mortgage Loan or a switch to a Life Mortgage Loan with a Savings Element, on the relevant Mortgage Payment Date or the relevant Pre-funding Purchase Date, the Initial Participation; and
- (ii) on each Mortgage Payment Date an amount equal to the amount received by the Savings Insurance Company as Savings Premium during the Mortgage Calculation Period then ended in respect of the relevant Savings Insurance Policies or, as the case may be, Life Insurance Policies with a Savings Alternative,

provided that in respect of each relevant Savings NHG Mortgage Receivable or, as the case may be, each Life NHG Mortgage Receivable with a Savings Element no amounts will be paid to the extent that, as a result thereof, the Savings Participation in such relevant Savings NHG Mortgage Receivable or, as the case may be, relevant Life NHG Mortgage Receivable with a Savings Element would exceed the Participation Maximum Amount.

In consideration of such payments the Savings Insurance Company will acquire a Savings Participation in each of the relevant Savings NHG Mortgage Receivables or, as the case may be, Life NHG Mortgage Receivables with a Savings Element, which is equal to the Initial Participation in respect of the relevant Savings NHG Mortgage Receivable or, as the case may be, relevant Life NHG Mortgage Receivable with a Savings Element increased during each Mortgage Calculation Period with the Monthly Savings Participation Increase.

For the avoidance of doubt, the relevant Savings Participation in a Savings NHG Mortgage Receivable or a Life NHG Mortgage Receivable with a Savings Element will not terminate in case a Savings Mortgage Loan switches in whole or in part to another type of Mortgage Loan or, as the case may be, a Life Mortgage Loan with a Savings Element switches to the Unit-Linked Alternative. The Seller and the Savings Insurance Companies will agree in the Savings Sub-Participation Agreement that upon such switch becoming effective the Seller will acquire the relevant Savings Participation from the relevant Savings Insurance Company. Besides this, as a result of the switch, the relevant Savings Participation will no longer be increased with the Monthly Savings Participation Increase and the Seller will be entitled to the *pro rata* part of the interest received by the Issuer in respect of the relevant Savings NHG Mortgage Receivable or Life NHG Mortgage Receivable with a Savings Element.

### Further Advance Sub-Participation Agreement

Pursuant to the Further Advance Sub-Participation Agreement, the Seller (in its capacity as Further Advance Participant) will acquire the Further Advance Participation in the Further Advance Receivables, if any, unless the Seller has repurchased and accepted the re-assignment of the NHG Mortgage Receivables in respect of which such Further Advance has been granted. The amount of the Further Advance Participation will be equal to the amount of the relevant Further Advance. The Further Advance Receivable may or may not have the benefit of a NHG Guarantee. The Further Advance Participation Redemption Available Amount consists of the amount received by the Issuer in respect of the Mortgage Receivable (including for the avoidance of doubt the Further Advance Receivable) and remaining after applying such amount to redemption of the NHG Mortgage Receivables, excluding the Further Advance Receivable.

### Reduction of Participation

If:

- (i) a Borrower invokes a right of set-off or a defence against any person in respect of the Savings NHG Mortgage Receivables or, as the case may be, Life NHG Mortgage Receivables with a Savings Element based upon a default in the performance, whether

in whole or in part and for any reason, by the Savings Insurance Company of its obligations under the relevant Savings Insurance Policy or, as the case may be, Life Insurance Policy with a Savings Alternative; or

- (ii) the Seller fails to pay any amount due by it to the Issuer in accordance with the Mortgage Receivables Purchase Agreement in respect of a Savings NHG Mortgage Receivable, a Life NHG Mortgage Receivable with a Savings Element or a Further Advance Receivable;

and, as a consequence thereof, the Issuer will not have received any amount outstanding prior to such event in respect of such Savings NHG Mortgage Receivables Life NHG Mortgage Receivables with a Savings Element or Further Advance Receivables, the Participation of the relevant Participant in respect of such Savings NHG Mortgage Receivables, such Life NHG Mortgage Receivables with a Savings Element or such Further Advance Receivables, will be reduced by an amount equal to the amount which the Issuer has failed to so receive and the calculation of the Participation Redemption Available Amount will be adjusted accordingly.

### **Enforcement Notice**

If an Enforcement Notice is given by the Security Trustee to the Issuer, then and at any time thereafter the Security Trustee on behalf of the Participants may, and if so directed by the relevant Participant shall, by notice to the Issuer:

- (i) declare that the obligations of the Savings Insurance Companies under the Savings Sub-Participation Agreement or, as the case may be, the obligations of the Further Advance Participant under the Further Advance Sub-Participation Agreement are terminated; and
- (ii) declare the Participation to be immediately due and payable, whereupon it will become so due and payable, but such payment obligations will be limited to the Participation Redemption Available Amount received or collected by the Issuer or, in case of enforcement, the Security Trustee under the Savings NHG Mortgage Receivables, the Life NHG Mortgage Receivables with a Savings Element and the Further Advance Receivables.

### **Termination**

If one or more of the Savings NHG Mortgage Receivables, the Life NHG Mortgage Receivables with a Savings Element or the Further Advance Receivables are (i) repurchased by the Seller from the Issuer pursuant to the NHG Mortgage Receivables Purchase Agreement or (ii) sold by the Issuer to the MPT Provider or a third party pursuant to the Issuer Services Agreement and the Trust Deed in connection with a Put Date, the Participation in such Savings NHG Mortgage Receivables, Life NHG Mortgage Receivables with a Savings Element and Further Advance Receivables will terminate and the Participation Redemption Available Amount in respect of the Savings NHG Mortgage Receivables, the Life NHG Mortgage Receivables with a Savings Element and, as the case may be, the Further Advance Receivables will be paid by the Issuer to the relevant Participant. With respect to Savings NHG Mortgage Receivables and Life NHG Mortgage Receivables with a Savings Element the Issuer will, if so requested by the relevant Savings Insurance Companies, undertake to use its reasonable efforts to ensure that the acquirer of such Savings NHG Mortgage Receivables and Life NHG Mortgage Receivables with a Savings Element will enter into a savings sub-participation agreement with the Savings Insurance Companies in a form similar to the Savings Sub-Participation Agreement. Furthermore, the Participation envisaged in the relevant Sub-Participation Agreement will terminate if at the close of business of any Mortgage Payment Date the relevant Participant has received the relevant Participation in respect of the relevant NHG Mortgage Receivable.



## HEDGING AGREEMENTS

The majority of the Mortgage Loans will carry fixed rates of interest and others will carry floating rates of interest while the Notes will carry floating rates of interest. The Issuer will enter into one or more Hedging Agreements in order to hedge against interest rate exposure arising from its Mortgage Loans carrying fixed rates of interest and its floating rate payment obligations under the Senior Class A Notes.

Under the Swap Agreement, the Swap Counterparty will receive from the Issuer, in respect of each Floating Rate Interest Period, an amount calculated by reference to a specified fixed swap rate multiplied by the Notional Amount and the Issuer will receive from the Swap Counterparty, in respect of each Floating Rate Interest Period, an amount calculated by reference to Euribor, with a designated maturity of 3 months, multiplied by the Notional Amount.

If the amortisation rate of the Notional Amount of the Swap Agreement varies from the expected rate of amortisation, a Notional Adjustment Payment may be due to or from the Issuer on the next Quarterly Payment Date. If the amount of the Prepayment Penalties received by the Issuer on any Quarterly Payment Date is less than the aggregate Notional Adjustment Payment due but unpaid by the Issuer, the difference will form part of the Swap Subordinated Amount to be paid under item (j) of the Interest Priority of Payments.

On each Quarterly Payment Date, the Issuer will enter into a Reset Swap Agreement to hedge against potential interest rate exposure arising from Mortgage Loans to which the Reset NHG Mortgage Receivables relate on which the rate of interest has been reset in the Quarterly Calculation Period preceding such Quarterly Payment Date. If the amortisation rate of the Notional Amount of a Reset Swap Agreement varies from the expected rate of amortisation, a Notional Adjustment Payment may be due to or from the Issuer on the next Quarterly Payment Date. If the amount of the Prepayment Penalties received by the Issuer on any Quarterly Payment Date is less than the Notional Adjustment Payment due but unpaid by the Issuer, the difference will form part of the Swap Subordinated Amount to be paid under item (j) of the Interest Priority of Payments.

Each Hedging Agreement entered into by the Issuer will be documented under an ISDA Master Agreement and will be an over-the-counter-transaction negotiated at arm's length between the Issuer and the relevant Hedging Counterparty. The Hedging Agreements may be terminated in accordance with Events of Default and Termination Events (each as defined in the relevant ISDA Master Agreement) commonly found in standard ISDA documentation. Each Hedging Agreement will be terminable by one party if (i) an applicable Event of Default or Termination Event (as defined therein) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the relevant Hedging Agreement or (iii) an Enforcement Notice is served. Events of Default under the Hedging Agreements in relation to the Issuer will be limited to (i) non-payment under the relevant Hedging Agreement and (ii) certain insolvency events.

Subject to the satisfaction of certain conditions, upon a redemption in full of the Senior Class A Notes, the Issuer, the MPT Provider and each Hedging Counterparty will enter into a novation agreement with respect to the Hedging Agreements and no payments will be due to or from the Issuer thereupon. In the event that such conditions are not met and the Senior Class A Notes are redeemed in full pursuant to Conditions of the Notes 6(e), (g), (h) or (j), the Issuer and each Hedging Counterparty will be entitled to terminate the Hedging Agreements and (subject to the Swap Counterparty's option to match the rate offered by the replacement counterparty), the Issuer will be entitled to terminate any Hedging Agreement after each Put Date if, *inter alia*, (i) the fixed swap rate to be paid by the Issuer under that Hedging Agreement is increased and (ii) a replacement counterparty with the Required Hedging Counterparty Rating has agreed to enter into a replacement Hedging Agreement on the same terms as the Hedging Agreement being terminated, except that the fixed swap rate to be paid by the Issuer is lower.

Upon the early termination of a Hedging Agreement, the Issuer or the relevant Hedging Counterparty may be liable to make a termination payment to the other party. The amount of any termination payment will be based on the market value of the relevant terminated Hedging Agreement. The market value will be based on market quotations of the cost of entering into a transaction with the same terms and conditions and that would have the effect of preserving the respective full payment obligations of the parties (or based upon loss in the event that no market quotation can be obtained).

No Hedging Agreement will provide a guarantee of any level of excess spread. In relation to each Reset Swap Agreement, however, each Hedging Counterparty will agree that the fixed swap rate to be paid by the Issuer will be such that an excess spread of 0.35 per cent. (or, as the case may be, 0.20 per cent. after the First Put Date) of the aggregate Outstanding Principal Amount of the Mortgage Loans to which the relevant Reset NHG Mortgage Receivables relate will remain after payment of the applicable part of items (a), (b), (c), (d), (e) and (f) of the Priority of Payments in respect of interest on the first Quarterly Payment Date after the effective date of the relevant Reset Swap Agreement. There is no guarantee that on any Quarterly Payment Date thereafter, the excess spread will be 0.35 per cent. (or, as the case may be, 0.20 per cent. after the First Put Date). Such Swap Counterparty will on the Closing Date agree that it will enter into one or more Reset Swap Agreements.

In the event that the Issuer is required to withhold or deduct an amount in respect of tax from payments due from it to a Hedging Counterparty, the Issuer will not be required pursuant to the terms of the relevant Hedging Agreement to pay the Hedging Counterparty such amounts as would otherwise have been required to ensure that the Hedging Counterparty received the same amounts that it would have received had such withholding or deduction not been made.

In the event that a Hedging Counterparty is required to withhold or deduct an amount in respect of tax from payments due from it to the Issuer, the Hedging Counterparty will be required pursuant to the terms of the relevant Hedging Agreement to pay to the Issuer such additional amounts as are required to ensure that the Issuer receives the same amounts that it would have received had such withholding or deduction not been made.

In either event, the Hedging Counterparty will at its own cost, if it is unable to transfer its rights and obligations under the Hedging Agreement to another office, have the right to terminate such Hedging Agreement. Upon such termination, the Issuer or the Hedging Counterparty may be liable to make a termination payment to the other party.

If the Issuer receives any Tax Credit resulting from the payment of any withholding tax by such Hedging Counterparty, the Issuer shall pay the cash benefit of such Tax Credit to such Hedging Counterparty (see *Credit Structure*).

A Hedging Counterparty may, at its own discretion and at its own expense, novate its rights and obligations under a Hedging Agreement to any third party provided that, *inter alia*, such third party has the same or equivalent external credit rating as such Hedging Counterparty.

In the event that the relevant rating(s) of a Hedging Counterparty or its guarantor, as applicable, is or are, as applicable, downgraded by Moody's below the rating specified in the relevant Hedging Agreement (in accordance with the requirements of Moody's) for such Hedging Counterparty or its guarantor, as applicable, the relevant Hedging Counterparty will be required to take certain remedial measures which may include the provision of collateral for its obligations under the relevant swap agreement, arranging for its obligations under the relevant Hedging Agreement to be transferred to an entity with the rating(s) required by Moody's as specified in the relevant Hedging Agreement, procuring another entity with at least the rating(s) required by Moody's as specified in the relevant Hedging Agreement to become co-obligor in respect of its obligations under the relevant Hedging Agreement, or the taking of such other action as it may agree with Moody's.

A failure to take such steps will, subject to certain conditions, give the Issuer a right to terminate the relevant Hedging Agreement.

Any collateral transferred by a Hedging Counterparty in accordance with the provisions set out above which is in excess of its obligations to the Issuer under a Hedging Agreement will be returned to such Hedging Counterparty prior to the distribution of any amounts due to the Noteholders or the other Secured Parties.

In the event that a Hedging Counterparty transfers collateral for its obligations under the relevant Hedging Agreement, such amounts will only be available to be applied in returning collateral to the Hedging Counterparty or in satisfaction of amounts owing by the Hedging Counterparty in accordance with the terms of the Hedging Agreement and will not otherwise be applied by or on behalf of the Issuer in accordance with the priorities of payments.

The Swap Counterparty has the right on any Put Date to reprice the Hedging Agreements to which it is a party, but such right may only be exercised once (and not on multiple Put Dates). If

such repricing results in an increase in the fixed swap rates of more than 0.15 per cent. the excess will form part of the Swap Subordinated Amount.

Furthermore, in the event that on any Quarterly Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts due under any Hedging Agreement, the amount available (if any) shall be paid *pro rata* to the amounts due to the relevant Hedging Counterparty. To the extent that any amount other than a Swap Subordinated Amount is not paid to a Hedging Counterparty on a Quarterly Payment Date, then failure to pay such shortfall constitutes a "Failure to Pay" under the relevant Hedging Agreement which shall entitle that Hedging Counterparty to terminate the relevant Hedging Agreement. To the extent that any Swap Subordinated Amount is not paid to a Hedging Counterparty on a Quarterly Payment Date, then such shortfall shall be deemed to be due on the next Quarterly Payment Date provided, however, that default interest shall be paid by the Issuer to the Hedging Counterparty on such shortfall from the Quarterly Payment Date on which it was due at the default rate agreed in the relevant Hedging Agreement. Such amount shall rank below all payments of interest to the Noteholders but shall rank higher than the Subordinated Extension Interest Part due to any Class of Notes.

A termination payment to be made by the Issuer to a Hedging Counterparty which arises, following the loss of the Required Hedging Counterparty Rating, due to the failure of that Hedging Counterparty to comply with the terms of the relevant Hedging Agreement shall rank in priority to payments due to any Noteholders to the extent that the Issuer receives a premium from any replacement Hedging Counterparty in relation to a transaction entered into to replace that Hedging Agreement. If the amount of any premium received by the Issuer from a replacement Hedging Counterparty is less than the amount due to the Hedging Counterparty following the Hedging Counterparty's failure to comply with the requirements under the relevant Hedging Agreement following the loss of the Required Hedging Counterparty Rating, the amount by which the termination payment exceeds the premium payable by the replacement Hedging Counterparty shall be payable on each Quarterly Payment Date (to the extent not previously paid) after payment of all amounts due to the Noteholders has been made on that Quarterly Payment Date. Such amount shall rank below all payments of interest to the Noteholders but shall rank higher than the Subordinated Extension Interest Part due to any Class of Notes.

## **E-MAC NL 2005-NHG II B.V.**

The Issuer was incorporated with limited liability under the laws of the Netherlands on 11 April 2005 under number B.V. 1313353. The corporate seat (“*statutaire zetel*”) of the Issuer is in Amsterdam, the Netherlands and its registered office is at Frederik Roeskestraat 123, 1076 EE, Amsterdam, the Netherlands. The Issuer is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 34224617.

The objectives of the Issuer are (a) to acquire, purchase, conduct the management of, dispose of and encumber assets and to exercise any rights connected to such assets, (b) to take up loans by way of issue of securities or by entering into loan agreements to acquire the assets mentioned under (a), (c) to invest and on-lend any funds held by the Issuer, (d) to hedge interest rate and other financial risks amongst others by entering into derivative agreements, such as swaps and options, (e) if incidental to the foregoing, to take up loans by issuing securities or by entering into loan agreements amongst others to repay the principal sum of the securities mentioned under (b), and to grant security rights and (f) to perform all activities which are incidental to or which may be conducive to any of the foregoing.

The Issuer has an authorised share capital of euro 90,000 of which euro 18,000 has been issued and is fully paid. All shares of the Issuer are held by Stichting Holding.

Stichting Holding is a foundation (“*stichting*”) incorporated under the laws of the Netherlands on 9 July 2002. The objects of Stichting Holding are, *inter alia*, to incorporate, acquire and to hold shares in the share capital of the Issuer and to exercise all rights attached to such shares and to dispose of and encumber such shares. The sole managing director of Stichting Holding is ATC Management B.V.

The Issuer has the corporate power and capacity to issue the Notes, to acquire the NHG Mortgage Receivables and to enter into and perform its obligations under the Relevant Documents.

The sole managing director of the Issuer is ATC Management B.V. The managing directors of ATC Management B.V. are J.H. Scholts, G.F.X.M. Nieuwenhuizen, A.G.M. Nagelmaker and J. Lont.

The financial year of the Issuer coincides with the calendar year. The first financial year will end on 31 December 2005.

### **Capitalisation**

The following table shows the capitalisation of the Issuer as of the Closing Date as adjusted to give effect to the issue of the Notes:

#### **Share Capital**

Authorised Share Capital	euro	90,000
Issued Share Capital	euro	18,000

#### **Borrowings**

Senior Class A Notes	euro	600,000,000
Subordinated Class B Notes	euro	4,200,000
Initial Participation	euro	66,889

## AUDITORS' REPORT

### Auditors' Report

*The following is the text of a report received by the Board of Managing Directors of the Issuer from PricewaterhouseCoopers Accountants N.V., the auditors to the Issuer:*

"To the Management Board of  
E-MAC NL 2005-NHG II B.V.  
Amsterdam, 25 April 2005

Dear Sirs:

Following a request of the Issuer to evaluate certain matters, we advise you as follows:

- As per the deed of incorporation, E-MAC NL 2005-NHG II B.V. (the '**Issuer**') was incorporated on 11 April 2005 under number 1313353 with an authorised share capital consisting of euro 18,000.
- Based on representations from the Issuer and our assessment of the internal and external documentation made available to us by the Issuer, we confirm that the Issuer has not yet prepared any financial statements.
- Based on representations from the Issuer and our assessment of the internal and external documentation made available to us by the Issuer, we confirm that:
  - since its incorporation, the Issuer has not traded;
  - the Issuer has not declared or paid any dividends nor made any distributions;
  - the Issuer has not been engaged in any activity, other than activities related to its establishment and the securitisation transaction included in the Offering Circular;
  - no income or expenses have been incurred by the Issuer, other than related to these activities and disclosed in the aforementioned Offering Circular.

Yours faithfully,

**PricewaterhouseCoopers Accountants N.V."**

## **USE OF PROCEEDS**

The net proceeds of the Notes to be issued on the Closing Date will amount to euro 604,200,000.

The net proceeds of the issue of the Senior Class A Notes less the Pre-funded Amount will be applied on the Closing Date to pay part of the Initial Purchase Price for the NHG Mortgage Receivables purchased under the Mortgage Receivables Purchase Agreement. The net proceeds of the issue of the Subordinated Class B Notes will be credited to the Reserve Account.

Furthermore, an amount of euro 5,778,538 of the Initial Purchase Price will be withheld by the Issuer and deposited in the Construction Account.

The remaining part of the net proceeds of the issue of the Notes, being an amount of euro 423,354,281, will be deposited in the Pre-funding Account and will be available for the purchase of New NHG Mortgage Receivables during the Pre-funding Period.

An amount of euro 66,889 will be received by the Issuer as consideration of the Savings Participation granted to the Savings Insurance Companies in the Savings NHG Mortgage Receivables and the Life NHG Mortgage Receivables with a Savings Element. The Issuer will apply this amount towards payment of part of the Initial Purchase Price.

## DESCRIPTION OF SECURITY

In the Parallel Debt Agreement, the Issuer will irrevocably and unconditionally undertake to pay to the Security Trustee the Parallel Debt. The Parallel Debt constitutes a separate and independent obligation of the Issuer and constitutes the Security Trustee's own separate and independent claim to receive payment of the Parallel Debt from the Issuer. Upon receipt by the Security Trustee of any amount in payment of the Parallel Debt, the payment obligations of the Issuer to the Secured Parties shall be reduced by an amount equal to the amount so received.

To the extent that the Security Trustee irrevocably receives any amount in payment of the Parallel Debt, the Security Trustee shall distribute such amount among the Secured Parties in accordance with the Priority of Payments upon Enforcement, save for amounts due to the Savings Insurance Company and the Further Advance Participant in connection with the Participations. The amounts due to the Secured Parties, other than to the Savings Insurance Companies and the Further Advance Participant, will be the sum of (i) amounts recovered ("*verhaald*") by it (a) on the NHG Mortgage Receivables and the other assets pledged under the Trustee Pledge Agreement I and the Trustee Pledge Agreement II, other than the Savings NHG Mortgage Receivables and the Life NHG Mortgage Receivables with a Savings Element and, as the case may be, the Further Advance Receivables and (b) on Savings NHG Mortgage Receivables and Life NHG Mortgage Receivables with a Savings Element to the extent the amount exceeds the relevant Savings Participation in the relevant Savings NHG Mortgage Receivables or the Life NHG Mortgage Receivables with a Savings Element and on Further Advance Receivables, the *pro rata* part of such amounts recovered on Further Advance Receivables in relation to the relevant Further Advance Participation and (ii) the *pro rata* part of amounts received from any of the Secured Parties, as received or recovered by any of them pursuant to the Parallel Debt Agreement (by reference to the proportion the Participations bear to the aggregate NHG Mortgage Receivables); less (y) any amounts already paid by the Security Trustee to the Secured Parties (other than the Participants) pursuant to the Parallel Debt Agreement and (z) the *pro rata* part of the costs and expenses of the Security Trustee (including, for the avoidance of doubt, any costs of, *inter alia*, Moody's and any legal advisor, auditor or accountant appointed by the Security Trustee) (by reference to the proportion the Participations bear to the aggregate NHG Mortgage Receivables).

The amounts due to the Participants consists of, *inter alia*, (i) the amounts actually recovered ("*verhaald*") by it on the Savings NHG Mortgage Receivables or the Life NHG Mortgage Receivables with a Savings Element, but only to the extent such amounts do not exceed the Participation in such Savings NHG Mortgage Receivables or the Life NHG Mortgage Receivables with a Savings Element and on Further Advance Receivables the *pro rata* part of such amounts recovered on Further Advance Receivables in relation to the Participation and (ii) the *pro rata* part of the amounts received from any of the Secured Parties, as received or recovered by any of them pursuant to of the Parallel Debt Agreement (by reference to the proportion the Participations bears to the aggregate NHG Mortgage Receivables), less (y) any amounts already paid to the Participants by the Security Trustee pursuant to the Parallel Debt Agreement and (z) the *pro rata* part of the costs and expenses of the Security Trustee (including, for the avoidance of doubt, any costs of, *inter alia*, Moody's and any legal advisor, auditor or accountant appointed by the Security Trustee) (by reference to the proportion the Participations bears to the aggregate NHG Mortgage Receivables).

The Issuer and the Security Trustee will covenant in the Trust Deed that it will enter into a supplemental parallel debt agreement in substantially the same form as the Parallel Debt Agreement in favour of any Hedging Counterparty (other than the Swap Counterparty) in connection with any Reset Swap Agreement. As a result thereof, such Hedging Counterparty will become a Secured Party.

The Issuer shall grant a first ranking right of pledge ("*pandrecht*") by means of the Trustee Pledge Agreement I over the NHG Mortgage Receivables and the Beneficiary Rights (see further *Insurance Policies* under *Special Considerations*) to the Security Trustee on the Closing Date and in respect of any New NHG Mortgage Receivables and Further Advance Receivables undertakes to grant a first ranking right of pledge on the relevant New NHG Mortgage Receivables and Further Advance Receivables and, if applicable, the relevant Beneficiary Rights on the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date which will, *inter alia*, secure the payment obligation of the Issuer to the Security Trustee under the Parallel Debt Agreement, the Trust Deed and any other Relevant Document.

The pledge on the NHG Mortgage Receivables, the Life Beneficiary Rights and the Risk Beneficiary Rights provided in the Trustee Pledge Agreement I will not be notified to the Borrowers and the Life Insurance Companies respectively, except in case of the occurrence of any of the Trustee I Notification Events. Prior to notification of the pledge to the Borrowers, the pledge will be a “silent” right of pledge (“*stil pandrecht*”) within the meaning of section 3:239 of the Netherlands Civil Code. The pledge on the Savings Beneficiary Rights will be notified to the relevant Savings Insurance Companies and will, therefore, be a “disclosed” right of pledge (“*openbaar pandrecht*”).

The Issuer will also vest a right of pledge by means of the Trustee Pledge Agreement II in favour of the Security Trustee on the Closing Date. This right of pledge secures any and all liabilities of the Issuer to the Security Trustee resulting from or in connection with the Parallel Debt Agreement, the Trust Deed and any other Relevant Document and will be vested on all rights of the Issuer under or in connection with (i) the Mortgage Receivables Purchase Agreement, (ii) the Issuer Services Agreement, (iii) the Liquidity Facility Agreement, (iv) the GIC, (v) the Savings Sub-Participation Agreement, (vi) the Hedging Agreements, (vii) the Further Advance Sub-Participation Agreement and (viii) in respect of the Transaction Accounts and the Issuer undertakes to grant a first ranking right of pledge on such rights to the extent required. This right of pledge will be notified to the relevant obligors and will therefore be a “disclosed” right of pledge (“*openbaar pandrecht*”).

Furthermore, the Seller will grant a first-ranking right of pledge on the balance standing to the credit of the Seller Collection Account in favour of the Issuer and the Previous Transactions SPVs jointly, which shall be repledged to the Previous Transactions Security Trustees and the Security Trustee jointly under the condition that future issuers (and any security trustees) in securitisation transactions of the Seller will also receive the benefit of such right of pledge. Such right of pledge will be notified to ABN AMRO, the bank where the Seller Collection Account is maintained.

Since the Previous Transactions SPVs (and/or the Previous Transactions Security Trustees, as the case may be), and the Issuer (and/or the Security Trustee, as the case may be), have a first ranking right of pledge on the amounts standing to the credit of the Seller Collection Account, the rules applicable to co-ownership (“*gemeenschap*”) apply. The Netherlands Civil Code provides for various mandatory rules applying to such co-owned rights. In principle co-owners are required to co-operate with regard to their co-owned goods, but according to section 3:168 of the Netherlands Civil Code it is possible for co-owners to make an arrangement for the management (“*beheer*”) of the co-owned goods by one or more of the co-owning parties.

The Issuer, the Security Trustee, the Previous Transactions SPVs and the Previous Transactions Security Trustees will in the Seller Account Pledge Agreement agree that the Security Trustee and the Previous Transactions Security Trustees will manage (“*beheren*”) such co-held rights jointly. It is uncertain whether the foreclosure of the rights of pledge will constitute management for the purposes of section 3:168 of the Netherlands Civil Code and as a consequence the co-operation of the previous Transactions SPVs and the Issuer may be required for such foreclosure to take place.

The Seller, the Issuer, the Security Trustee, the Previous Transactions SPVs and the Previous Transactions Security Trustees will further agree in the Seller Account Pledge Agreement that (i) the share (“*aandeel*”) in each co-held pledge right will be equal to the amounts collected from the pool of mortgage receivables purchased by the Previous Transactions SPVs and the Issuer and the amounts collected from the NHG Mortgage Receivables, respectively, and (ii) in case of foreclosure of the right of pledge on the Seller Collection Account, the proceeds will be divided according to each share. It is uncertain whether this sharing arrangement is enforceable in the event that any of the Issuer, the Security Trustee, the Previous Transactions SPVs and the Previous Transactions Security Trustees should become insolvent. It is noted that the Seller's insolvency would not affect this arrangement. In this respect it will be agreed that in case of a breach by a party of its obligations under the abovementioned agreements or if such agreement is dissolved, void, nullified or ineffective for any reason in respect of such party, such party shall compensate the other parties forthwith for any and all loss, costs, claim, damage and expense whatsoever which such party incurs as a result hereof.

Finally Quion 20 will grant a first-ranking right of pledge on the balance standing to the credit of the Quion Collection Account in favour of the Issuer, which shall be repledged to the



Security Trustee. Such right of pledge will be notified to ABN AMRO, the bank where the Quion Collection Account is maintained under the condition that future issuers (and any security trustees) in securitisation transactions of the Seller will also receive the benefit of such right of pledge. Such right of pledge will be notified to ABN AMRO, the bank where the Quion Collection Account is maintained.

The security rights described above will serve as security for the benefit of the Secured Parties, including each of the Senior Class A Noteholders and the Subordinated Class B Noteholders, but amounts owing to the Subordinated Class B Noteholders will rank in priority of payment after amounts owing to the Senior Class A Noteholders (see *Credit Structure*).

## **THE SECURITY TRUSTEE**

The Security Trustee is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 11 April 2005. It has its registered office in Amsterdam, the Netherlands.

The objects of the Security Trustee are (a) to act as agent and/or trustee; (b) (in summary) to acquire security rights as agent and/or trustee and/or for itself; (c) to hold, administer and to enforce the security rights mentioned under (b); (d) to borrow money and (e) to perform any and all acts which are related, incidental or which may be conducive to the above.

The sole director of the Security Trustee is Amsterdamsch Trustee's Kantoor B.V. The Security Trustee has its registered office at Amsterdam, the Netherlands. The managing directors of Amsterdamsch Trustee's Kantoor B.V. are R.F. Govaerts and D.P. Stolp.

## TERMS AND CONDITIONS OF THE NOTES

If Notes are issued in definitive form, the terms and conditions (the '**Conditions of the Notes**') will be as set out below. The Conditions of the Notes will be endorsed on each Note in definitive form if they are issued. While the Notes remain in global form, the same terms and conditions govern the Notes, except to the extent that they are not appropriate for Notes in global form. See 'The Global Notes'.

The issue of the euro 600,000,000 Senior Class A Mortgage-Backed Notes 2005 due 2038 (the '**Senior Class A Notes**') and the euro 4,200,000 Subordinated Class B Notes 2005 due 2038 (the '**Subordinated Class B Notes**' and together with the Senior Class A Notes, the '**Notes**'), was authorised by a resolution of the managing director of E-MAC NL 2005-NHG II B.V. (the '**Issuer**') passed on 22 April 2005. The Notes are issued under a Trust Deed dated 27 April 2005 (the '**Trust Deed**') between the Issuer, Stichting E-MAC NL Holding and Stichting Security Trustee E-MAC NL 2005 NHG II (the '**Security Trustee**').

The statements in these terms and conditions of the Notes (the '**Conditions of the Notes**') include summaries of, and are subject to, the detailed provisions of (i) the Trust Deed, which will include the form of the Notes and the coupons appertaining to the Notes (the '**Coupons**') and the forms of the Temporary Global Notes and the Permanent Global Notes, (ii) a Paying Agency Agreement (the '**Paying Agency Agreement**') dated 27 April 2005 between the Issuer, the Security Trustee, Citigroup Global Markets Limited as principal paying agent (the '**Principal Paying Agent**') and as reference agent (the '**Reference Agent**') and Citibank International Plc. acting through its Amsterdam Branch as paying agent (the '**Paying Agent**' and together with the Principal Paying Agent, the '**Paying Agents**') and Citigroup Global Markets Limited as Extension Margin Agent, (iii) an Issuer Services Agreement (the '**Issuer Services Agreement**') dated 27 April 2005 between – *inter alia* – the Issuer, GMAC RFC Nederland B.V., as the Issuer Administrator, the MPT Provider and the Security Trustee, (iv) a pledge agreement dated 27 April 2005 between the Security Trustee and the Issuer and (v) a pledge agreement dated 27 April 2005 between the Issuer, the Security Trustee and others (jointly the '**Pledge Agreements**').

Certain words and expressions used below are defined in a master definitions agreement (the '**Master Definitions Agreement**') dated 25 April 2005 and signed by the Issuer, the Security Trustee, the Seller and certain other parties. Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions of the Notes. If the terms or definitions in the Master Definitions Agreement would conflict with terms or definitions used herein, the terms and definitions of these Conditions of the Notes shall prevail. As used herein, '**Class**' means either the Senior Class A Notes or the Subordinated Class B Notes, as the case may be.

Copies of the Trust Deed, the Paying Agency Agreement, the Parallel Debt Agreement, the Pledge Agreements and the Master Definitions Agreement are available for inspection free of charge by holders of the Notes at the specified office of the Paying Agent and the present office of the Security Trustee, being at the date hereof Fred. Roeskestraat 123, 1076 EE, Amsterdam, the Netherlands. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement, the Parallel Debt Agreement and the Pledge Agreements.

### 1. Form, Denomination and Title

The Notes will be in bearer form serially numbered with Coupons attached on issue in denominations of euro 100,000 each. Under Netherlands law, the valid transfer of Notes requires, *inter alia*, delivery ("*levering*") thereof. The Issuer, the Security Trustee and the Paying Agents may, to the fullest extent permitted by law, treat the holder of any Note and of the Coupons appertaining thereto as its absolute owner for all purposes (whether or not payment under such Note or Coupon is overdue and notwithstanding any notice of ownership or writing thereon or any notice of previous loss or theft thereof) for any purposes, including payment and no person will be liable for so treating such holder. The signatures on the Notes will be in facsimile.

### 2. Status, Relationship between the Notes and Security

- (a) The Notes of each Class are direct and unconditional obligations of the Issuer and rank *pari passu* and ratably without any preference or priority among Notes of the same Class;

- (b) In accordance with the provisions of Conditions of the Notes 4, 6 and 9 and the Trust Deed payments of principal and interest on the Subordinated Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes;
- (c) The security for the obligations of the Issuer towards the Noteholders (the '**Security**') will be created pursuant to, and on the terms set out the Pledge Agreements, which will create the following security rights:
  - (i) a first ranking pledge by the Issuer to the Security Trustee over the NHG Mortgage Receivables and the Beneficiary Rights; and
  - (ii) a first ranking pledge by the Issuer to the Security Trustee on the Issuer's rights
    - (a) against the Seller under or in connection with the Mortgage Receivables Purchase Agreement; (b) against the Issuer Administrator under or in connection with the Issuer Services Agreement; (c) against the MPT Provider under or in connection with the Issuer Services Agreement; (d) against the Swap Counterparty under or in connection with the Hedging Agreements; (e) against the GIC Provider under or in connection with the GIC; (f) against the Liquidity Facility Provider under or in connection with the Liquidity Facility Agreement; (g) against the Savings Insurance Companies under the Savings Sub-Participation Agreement; (h) against the Further Advance Participant under the Further Advance Sub-Participation Agreement and (i) against the GIC Provider in respect of the Transaction Accounts and to the extent such rights do not exist at the Closing Date the Issuer will undertake to vest such first ranking right of pledge on such rights.

Furthermore, the amounts standing to the credit of the Seller Collection Account will be pledged to the Previous Transactions SPVs and the Issuer jointly and repledged to the Previous Transactions Security Trustees and the Security Trustee jointly under the condition that future issuers in securitisation transactions of GMAC RFC Nederland will also have the benefit of such right of pledge. In addition, the amounts standing to the credit of the Quion Collection Account will be pledged to the Issuer and repledged to the Security Trustee.

- (d) The Senior Class A Notes and the Subordinated Class B Notes will be secured (indirectly) by the Security. The Senior Class A Notes will rank in priority to the Subordinated Class B Notes. The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the Senior Class A Noteholders and the Subordinated Class B Noteholders, as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise) but requiring the Security Trustee in any such case to have regard only to the interests of the Senior Class A Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Senior Class A Noteholders on the one hand and the Subordinated Class B Noteholders on the other hand and, if no Senior Class A Notes are outstanding, to have regard only to the interests of the Subordinated Class B Noteholders. In addition, the Security Trustee shall have regard to the interests of the other Secured Parties, provided that in case of a conflict interest between the Secured Parties the priority of payments upon enforcement set forth in the Trust Deed determines which interest of which Secured Party prevails.

### **3. Covenants of the Issuer**

So long as any of the Notes remain outstanding, the Issuer shall carry out its business in accordance with the requirements of Netherlands law and accounting practice and shall not, except to the extent permitted by the Mortgage Receivables Purchase Agreement, the Deed of Assignment, any Purchase Deeds of Assignment, the Issuer Services Agreement, the Pledge Agreements, the Parallel Debt Agreement, the Hedging Agreements, the GIC, the Savings Sub-Participation Agreement, the Liquidity Facility Agreement, the Notes Purchase Agreements, the Notes, the Paying Agency Agreement, the Beneficiary Waiver Agreement, the Further Advance Sub-Participation Agreement, the Management Agreements, the Seller Account Pledge Agreement, the Quion Account Pledge Agreement and the Trust Deed (together the '**Relevant Documents**') or with the prior written consent of the Security Trustee:

- (a) carry out any business other than as described in the Offering Circular dated 25 April 2005 relating to the issue of the Notes and as contemplated in the Relevant Documents;
- (b) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness, except as contemplated in the Relevant Documents;
- (c) create or promise to create any mortgage, charge, pledge, lien or other Mortgage and the Borrower Pledge whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of any part of its assets, except as contemplated in the Relevant Documents;
- (d) take action for its dissolution ("*ontbinding*"), request the court to grant a suspension of payments ("*surseance van betaling*") or declare its bankruptcy ("*faillissement*");
- (e) consolidate or merge with any other person or convey or transfer its assets substantially or as an entirety to one or more persons;
- (f) permit the validity or effectiveness of the Pledge Agreements, or the priority of the security created thereby or pursuant thereto to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations except as contemplated in the Relevant Documents;
- (g) have any employees or premises or have any subsidiary or subsidiary undertaking; or
- (h) have an interest in any bank account other than the Collection Account, the Reserve Account, the Pre-funded Account and the Construction Account or an account to which collateral under the Hedging Agreements is transferred, unless all rights in relation to such account will have been pledged to the Security Trustee as provided in Condition of the Notes 2(c)(ii) hereof.

#### 4. Interest

##### (a) *Period of Accrual*

The Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition of the Notes 6 hereof) from and including the Closing Date. Each Note (or in the case of the redemption of part only of a Note that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgement) at the rate applicable to such Note up to but excluding the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) the seventh day after notice is duly given by the Paying Agent to the holder thereof (in accordance with Condition of the Notes 13 hereof) that upon presentation thereof, such payments will be made, provided that upon such presentation payment is in fact made. Whenever it is necessary to compute an amount of interest in respect of any Note for any period, such interest shall be calculated on the basis of actual days elapsed in the Floating Rate Interest Period divided by 360 days.

##### (b) *Floating Rate Interest Periods and Payment Dates*

Interest on the Notes will be payable by reference to successive quarterly interest periods (each a '**Floating Rate Interest Period**') and will be payable quarterly in arrear in euro in respect of the Principal Amount Outstanding (as defined in Condition of the Notes 6 hereof) of the Notes, respectively, on the 25th day of July, October, January and April or, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such 25th day) in each year (each such day being a '**Quarterly Payment Date**'). A '**Business Day**' means a day on which banks are open for business in Amsterdam and London, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System ('**TARGET System**') or any successor thereto is operating credit or transfer instructions in respect of payments in euro. Each successive Floating Rate Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Floating Rate Interest Period, which will commence on (and include) the Closing Date and end (but exclude) on the Quarterly Payment Date falling in July 2005.

*(c) Interest on the Senior Class A Notes up to (but excluding) the First Put Date*

Interest on the Senior Class A Notes for each Floating Rate Interest Period from the Closing Date will accrue at an annual rate equal to the sum of the Euro Interbank Offered Rate (**'Euribor'**) for three months deposits (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Euribor for two and three months deposits in euro, rounded, if necessary, to the 5th decimal place with 0.00005 being rounded upwards) increased with, up to (but excluding) the First Put Date a margin of 0.095 per cent. per annum.

*(d) Interest on the Senior Class A Notes following the First Put Date*

If on the First Put Date (as defined in Condition of the Notes 6 hereof) the Senior Class A Notes have not been redeemed in full, the rate of interest applicable to the Senior Class A Notes will be equal to the sum of Euribor for three months deposits, payable by reference to Floating Rate Interest Periods on each Quarterly Payment Date, increased with the relevant Extension Margin.

*(e) Interest on the Subordinated Class B Notes*

Interest on the Subordinated Class B Notes for each Floating Rate Interest Period from the Closing Date will accrue at an annual rate equal to the sum of Euribor for three months deposits (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Euribor for two and three months deposits in euro, rounded, if necessary, to the 5th decimal place with 0.00005 being rounded upwards), payable by reference to Floating Rate Interest Periods on each Quarterly Payment Date, increased with a margin of 2.00 per cent. per annum.

*(f) Determination of Extension Margin*

The Extension Margin Agent shall determine the Margin applicable to each Class of Notes as of the First Put Date at least 22 days prior to the First Put Date (the **'Extension Margin'**). The Extension Margin Agent shall determine the Extension Margin as follows. The Extension Margin Agent will select a panel of five of the then leading European securitisation underwriters. Such underwriters are requested by the Extension Margin Agent to give quotes for the Extension Margin based on the following assumptions:

- (a) no Senior Class A Noteholder exercises its Put Option;
- (b) no Senior Class A Noteholder exercises its Regulatory Put Option;
- (c) the Notes will have a remaining assumed average life (on a 30/360 basis) based on a conditional prepayment rate of 7 per cent. applied to the then outstanding Mortgage Loans to which the NHG Mortgage Receivables relate;
- (d) the interest rate applicable to a Mortgage Loan will not change on an interest reset date;
- (e) the Mortgage Loans to which the NHG Mortgage Receivables relate are not prepaid on an interest reset date (other than what is effected by the assumed CPR rate);
- (f) no delinquencies and no defaults of Mortgage Loans to which the NHG Mortgage Receivables relate will occur;
- (g) the Conditions of the Notes remain the same;
- (h) the Clean-Up Call Option will be exercised; and
- (i) the then current rating assigned to the Senior Class A Notes will be confirmed on the First Put Date by Moody's.

The Extension Margin will be equal to the arithmetic mean (rounded, if necessary, to the nearest basis point) of such five quotations of such underwriters as determined by the Extension Margin Agent. The Extension Margin shall be notified to the Noteholders on the 20th day prior to the First Put Date in accordance with Condition of the Notes 6(e)(iv)(b).

After the determination of the Extension Margin applicable as of the First Put Date the Extension Margin will not be changed.

(g) *Euribor*

For the purpose of Conditions of the Notes 4(c), (d) and (e) hereof Euribor will be determined as follows:

- (i) the Reference Agent will obtain for each Floating Rate Interest Period the rate equal to the sum of Euribor for three months deposits in euro (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Euribor for two and three months deposits in euro, rounded, if necessary, to the 5th decimal place with 0.00005 being rounded upwards). The Reference Agent shall use the Euribor rate as determined and published jointly by the European Banking Federation and ACI – The Financial Market Association and which appears for information purposes on the Telerate Page 248 (or, if not available, any other display page on any screen service maintained by any registered information vendor (including, without limitation, the Reuters Monitor Money Rate Service, the Dow Jones Telerate Service and the Bloomberg Service) for the display of the Euribor rate selected by the Reference Agent) as at or about 11.00 a.m. (Central European time) on the day that is two Business Days preceding the first day of each Floating Rate Interest Period (each an '**Interest Determination Date**'); or
- (ii) if, on the relevant Interest Determination Date, such Euribor rate is not determined and published jointly by the European Banking Association and ACI – The Financial Market Association, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will:
  - (a) request the principal Euro-zone office of each of four major banks in the Euro-zone interbank market (the '**Reference Banks**') to provide a quotation for the rate at which three months euro deposits are offered by it in the Euro-zone interbank market at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date to prime banks in the Euro-zone interbank market in an amount that is representative for a single transaction at that time; and determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotation as is provided; or
  - (b) if fewer than two such quotations are provided as requested, the Reference Agent will determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks, of which there will be at least two in number, in the Euro-zone, selected by the Reference Agent, at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date for three months deposits to leading Euro-zone banks in an amount that is representative for a single transaction in that market at that time,

and Euribor for such Floating Rate Interest Period shall be the rate per annum equal to the Euro-interbank offered rate for euro deposits as determined in accordance with this paragraph (g), provided that if the Reference Agent is unable to determine Euribor in accordance with the above provisions in relation to any Floating Rate Interest Period, Euribor applicable to the relevant Class of Notes during such Floating Rate Interest Period will be Euribor last determined in relation thereto.

(h) *Determination of Floating Rate of Interest and Calculation of the Floating Interest Amount*

The Reference Agent will, as soon as practicable after 11.00 a.m. (Central European Time) on each relevant Interest Determination Date, determine the floating rates of interest referred to in paragraphs (c), (d) and (e) above for each relevant Class of Notes (the '**Floating Rate of Interest**') and calculate the amount of interest payable on this Class of Notes for the following Floating Rate Interest Period (the '**Floating Interest Amount**') by applying the relevant Floating Rate of Interest to the Principal Amount Outstanding of the relevant Class of Notes. The determination of the relevant Floating Rate of Interest and the Floating Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.

(i) *Notification of the Floating Rate of Interest and the Floating Interest Amount*

The Reference Agent will cause the relevant Floating Rate of Interest and the relevant Floating Interest Amount and the Quarterly Payment Date applicable to each relevant Class of Notes to be notified to the Issuer, the Security Trustee, the Paying Agent, the Issuer Administrator,

Euronext Amsterdam N.V. and to the holders of such Class of Notes by an advertisement in the English language in the Euronext Amsterdam Daily Official List of Euronext Amsterdam N.V. (“*Officiële Prijscourant*”). The Floating Interest Amount and Quarterly Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Rate Interest Period.

(j) *Determination or Calculation by Security Trustee*

If the Reference Agent at any time for any reason does not determine the relevant Floating Rate of Interest or fails to calculate the relevant Floating Interest Amount in accordance with paragraph (h) above, the Security Trustee shall determine the relevant Floating Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in paragraph (h) above), it shall deem fair and reasonable under the circumstances, or, as the case may be, the Security Trustee shall calculate the Floating Interest Amount in accordance with paragraph (h) above, and each such determination or calculation will be final and binding on all parties.

(k) *Reference Banks and Reference Agent*

The Issuer will procure that, as long as any of the Notes remains outstanding, there will at all times be four Reference Banks and a Reference Agent. The Issuer has, subject to prior written consent of the Security Trustee, the right to terminate the appointment of the Reference Agent or of any Reference Bank by giving at least 90 days’ notice in writing to that effect. Notice of any such termination will be given to the holders of the relevant Class of Notes in accordance with Condition 13 hereof. If any person will be unable or unwilling to continue to act as a Reference Bank or the Reference Agent (as the case may be) or if the appointment of any Reference Bank or the Reference Agent will be terminated, the Issuer will, with the prior written consent of the Security Trustee, appoint a successor Reference Bank or Reference Agent (as the case may be) to act in its place, provided that neither the resignation nor removal of the Reference Agent shall take effect until a successor approved in writing by the Security Trustee has been appointed.

## 5. Payment

- (a) Payment of principal and interest in respect of Notes will be made upon presentation of the Note and against surrender of the relevant Coupon appertaining thereto, at any specified office of the Paying Agent in cash or by transfer to a euro account maintained by the payee with a bank in the Netherlands, as the holder may specify. All such payments are subject to any fiscal or other laws and regulations applicable in the place of payment.
- (b) At the Final Maturity Date (as defined in Condition of the Notes 6 hereof), or such earlier date the Notes become due and payable, the Notes should be presented for payment together with all unmatured Coupons appertaining thereto, failing which the full amount of any such missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupons which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five years following the due date for payment of such principal (whether or not such Coupons would have become unenforceable pursuant to Condition of the Notes 8 hereof).
- (c) If the relevant Quarterly Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Note or Coupon (**‘Local Business Day’**), the holder thereof shall not be entitled to payment until the next following such day, or to any interest or other payment in respect of such delay, provided that in the case of payment by transfer to an euro account as referred to above, the Paying Agent shall not be obliged to credit such account until the Local Business Day immediately following the day on which banks are open for business in the Netherlands. The name of the Paying Agent and of its office is set out below.
- (d) The Issuer reserves the right at any time to vary or terminate the appointment of any of the Paying Agents and to appoint additional or other paying agents provided that no paying agent located in the United States of America will be appointed and that the



Issuer will at all times maintain a paying agent having a specified office in the European Union which, for as long as the Senior Class A Notes are listed on Eurolist by Euronext Amsterdam will be located in the Netherlands. Notice of any termination or appointment of a Paying Agent and of any changes in the specified offices of the Paying Agent will be given to the Noteholders in accordance with Condition of the Notes 13 hereof.

## 6. Redemption and purchase

### (a) Final redemption

Unless previously redeemed as provided below, the Issuer will redeem the Notes at their respective Principal Amount Outstanding on the Quarterly Payment Date falling in April 2038 (the '**Final Maturity Date**'), but in respect of the Subordinated Class B Notes subject to Condition of the Notes 9(b) hereof.

### (b) Mandatory redemption of the Senior Class A Notes

Provided that no Enforcement Notice has been served in accordance with Condition of the Notes 10 hereof, the Issuer will be obliged to apply the Notes Redemption Available Amount after payment of the initial purchase price for New NHG Mortgage Receivables and/or, as the case may be, Further Advance Receivables, to redeem (or partially redeem) on the Quarterly Payment Date falling in July 2005 and each Quarterly Payment Date thereafter the Senior Class A Notes at their Principal Amount Outstanding, until fully redeemed.

### (c) Definitions

For the purposes of these Conditions of the Notes the following terms shall have the following meanings:

**"Notes Redemption Available Amount"** shall mean, on any Quarterly Payment Date, the aggregate amount received by the Issuer during the immediately preceding Quarterly Calculation Period as items (i) through (xii), to the extent not applied towards payment of the initial purchase price of New NHG Mortgage Receivables and/or Further Advance Receivables:

- (i) as repayment and prepayment in full of principal under the NHG Mortgage Receivables, from any person (including any Insurance Company), whether by set-off or otherwise, but, for the avoidance of doubt, excluding Prepayment Penalties, if any, less, with respect to each (y) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount (of the NHG Mortgage Receivable, including the Further Advance Receivable) less the relevant Further Advance Participation;
- (ii) as Net Proceeds, to the extent such proceeds relate to principal less, with respect to each (y) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount (of the NHG Mortgage Receivable, including the Further Advance Receivable) less the relevant Further Advance Participation;
- (iii) as amounts received in connection with a repurchase of NHG Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each (y) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount (of the NHG Mortgage Receivable, including the Further Advance Receivable) less the relevant Further Advance Participation;
- (iv) as amounts received in connection with a sale of NHG Mortgage Receivables pursuant to the Trust Deed and the Issuer Services Agreement to the extent such amounts relate to principal less with respect to each (y) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance granted in connection with the Mortgage Loan, the amount exceeding

an amount equal to the Outstanding Principal Amount (of the NHG Mortgage Receivable, including the Further Advance Receivable) less the relevant Further Advance Participation;

- (v) as amounts of interest received to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date in accordance with the Issuer Services Agreement;
- (vi) as Monthly Savings Participation Increase pursuant to the Savings Sub-Participation Agreement;
- (vii) as partial prepayment in respect of NHG Mortgage Receivables from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding Prepayment Penalties, less, in respect of a Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount (of the NHG Mortgage Receivable, including the Further Advance Receivable) less the relevant Further Advance Participation;
- (viii) as amounts standing to the credit of the Pre-funded Account upon the expiry of the Pre-funding Period;
- (ix) as amounts received on the Collection Account from the credit of the Construction Account in accordance with the Mortgage Receivables Purchase Agreement;
- (x) as consideration for the Initial Participation pursuant to the Savings Sub-Participation Agreement and as consideration for the Further Advance Participation pursuant to the Further Advance Sub-Participation Agreement;
- (xi) any part of the Notes Redemption Available Amount calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards redemption of the Notes on the preceding Quarterly Payment Date; and
- (i) as amounts received as the Servicing Advance on the relevant Put Date.

The principal amount so redeemable in respect of each Senior Class A Note (each a **Principal Redemption Amount**) on the relevant Quarterly Payment Date shall be the amount (if any) (rounded down to the nearest euro) of the Notes Redemption Available Amount on the Quarterly Calculation Date relating to that Quarterly Payment immediately preceding that Quarterly Payment Date divided by the number of Senior Class A Notes subject to such redemption, provided always that the Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Senior Class A Note. Following application of the Principal Redemption Amount, the Principal Amount Outstanding of such Senior Class A Note shall be reduced accordingly.

**“Mortgage Calculation Period”** means the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of such calendar month.

**“Net Proceeds”**, means (a) the proceeds of a foreclosure on the mortgage right, (b) the proceeds of foreclosure on any other collateral securing the NHG Mortgage Receivable, (c) the proceeds, if any, of collection of any insurance policies in connection with the NHG Mortgage Receivable, including but not limited to fire insurance and the Insurance Policies, (d) the proceeds of any guarantees or sureties, including the NHG Guarantee, and (e) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs in respect of such NHG Mortgage Receivable.

**“Participation Fraction”** means, in respect of a Savings NHG Mortgage Receivable, a Life NHG Mortgage Receivable with a Savings Element and a Further Advance Receivable, an amount equal to the relevant Participation divided by the Outstanding Principal Amount of such Savings NHG Mortgage Receivable, Life NHG Mortgage Receivable with a Savings Element or Further Advance Receivable respectively.

The **“Principal Amount Outstanding”** on any Quarterly Payment Date of any Note will be the principal amount of that Note upon issue less the aggregate amount of all Principal Redemption Amounts in respect of the Senior Class A Note that have become due and payable prior to such Quarterly Payment Date.

**“Quarterly Calculation Date”** means, in relation to a Quarterly Payment Date the third business day prior to such Quarterly Payment Date.

**“Quarterly Calculation Period”** means, in relation to a Quarterly Calculation Date, the three successive Mortgage Calculation Periods immediately preceding such Quarterly Calculation Date.

(d) *Determination of Principal Redemption Amount and Principal Amount Outstanding*

- (i) On each Quarterly Calculation Date, the Issuer shall determine (or cause the Issuer Administrator to determine) (a) the Principal Redemption Amount and (b) the Principal Amount Outstanding of the relevant Notes on the first day of the following Floating Rate Interest Period. Each determination by or on behalf of the Issuer of any Principal Redemption Amount or the Principal Amount Outstanding of a Note shall in each case (in the absence of manifest error) be final and binding on all persons.
- (ii) The Issuer will cause each determination of a Principal Redemption Amount and Principal Amount Outstanding of the Notes to be notified forthwith to the Security Trustee, the Paying Agent, the Reference Agent, Euroclear, Clearstream, Luxembourg, Euronext Amsterdam N.V. and to the holders of Notes by an advertisement in the English language in the Euronext Amsterdam Daily Official List (“*Officiële Prijscourant*”). If no Principal Redemption Amount is due to be made on the Notes on any applicable Quarterly Payment Date a notice to this effect will be given to the Noteholders in accordance with Condition of the Notes 13.
- (iii) If the Issuer does not at any time for any reason determine (or cause the Issuer Administrator to determine) the Principal Redemption Amount or the Principal Amount Outstanding of a Note, such Principal Redemption Amount or such Principal Amount Outstanding shall be determined by the Security Trustee in accordance with this paragraph (c) and paragraph (b) above (but based upon the information in its possession as to the Notes Redemption Available Amount) each such determination or calculation shall be deemed to have been made by the Issuer.

(e) *Redemption of the Senior Class A Notes at the option of Senior Class A Noteholders*

- (i) Each Senior Class A Noteholder has the option (a **‘Put Option’**) to offer any or all Senior Class A Notes held by it to the Issuer for redemption on the Quarterly Payment Date falling in April 2014 (the **‘First Put Date’**) and each Quarterly Payment Date thereafter (each a **‘Put Date’**) in accordance with the following provisions of this Condition of the Notes 6(e);
- (ii) If a Senior Class A Noteholder exercises the Put Option in respect of Senior Class A Notes held by it then the Issuer will be obliged, subject to Condition of the Notes 9, to redeem such Senior Class A Notes in full, on the relevant Put Date, at their aggregate Principal Amount Outstanding;
- (iii) To exercise the Put Option, the Senior Class A Noteholder shall deliver, at the specified office of the Issuer and the Paying Agent at any time during normal business hours of the Issuer within a period of not less than 11 days (unless such 11th day is not a business day, in which case the immediately preceding day) and not more than 20 days prior to the Put Date (the **‘Put Notice Period’**), a duly completed and signed notice of exercise in the form obtainable from the Issuer or, in case the Senior Class A Notes are held through Euroclear or Clearstream, Luxembourg, such notice as required by Euroclear and Clearstream, Luxembourg (the **‘Put Notice’**) in which the Senior Class A Noteholder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition of the Notes 6(e) accompanied by the Senior Class A Note or evidence satisfactory to the Issuer concerned that the relevant Senior Class A Note will, following delivery of the Put Notice, be held to its order or under its control.
- (iv) **With respect to the First Put Date** the following is applicable:
  - (a) On the **Quarterly Payment Date immediately prior to the First Put Date**, the Issuer shall notify in accordance with Condition of the Notes 13 the Senior Class A Noteholders of the upcoming First Put Date and that any Senior Class A Notes in respect of which the Put Option may be exercised will be redeemed in full, subject to Condition of the Notes 9, on the First Put Date;

- (b) On or before **the twentieth day before the First Put Date**, the Issuer shall notify the Senior Class A Noteholders of:
  - (A) the right to exercise the Put Option;
  - (B) each Extension Margin;
  - (C) the assumed remaining average life of each Class of Senior Class A Notes; and
  - (D) the requirement to give a Put Notice no later than by close of business on the eleventh day prior to the First Put Date (unless such day is not a business day, in which case the immediately preceding day);
- (c) On or before **the fifth day before the First Put Date**, the Issuer will notify the Senior Class A Noteholders which Senior Class A Notes will be redeemed on the First Put Date, subject to Condition of the Notes 9 and the confirmation of Moody's of the then current rating assigned to the Senior Class A Notes as of the First Put Date after taking into account the redemption of the Senior Class A Notes in respect of which the Put Option has been exercised;
- (d) The Senior Class A Notes in respect of which the Put Option is not exercised, will not be redeemed on the First Put Date. The Senior Class A Notes in respect of which the Put Option is exercised will be redeemed in full, subject to Condition of the Notes 9, on the Put Date;
- (e) If Moody's is not able to confirm the then current rating assigned to the Senior Class A Notes (as set forth in paragraph (c) of this Condition of the Notes 6(e)(iv)) then all Senior Class A Notes will be redeemed, subject to Condition of the Notes 9, in full on the First Put Date;

Any Put Notice given by a holder of any Senior Class A Note shall be irrevocable, except where prior to the First Put Date an Event of Default (as described in Condition of the Notes 10) shall have occurred and be continuing in which event such Senior Class A Noteholder, at its option, may elect, by giving notice to the Issuer and the Paying Agent, to withdraw the Put Notice given pursuant to this paragraph and instead to declare such Senior Class A Note forthwith due and payable pursuant to Condition of the Notes 10.

- (v) **With respect to each Put Date after the First Put Date** the following is applicable:
  - (a) On or before **the twentieth day before the relevant Put Date**, the Issuer shall notify the Senior Class A Noteholders of:
    - (A) the right to exercise the Put Option; and
    - (B) the requirement to give a Put Notice no later than by close of business on the eleventh day prior to such Put Date (unless such day is not a business day, in which case the immediately preceding day)
  - (b) On or before **the fifth day before the relevant Put Date**, the Issuer will notify the Senior Class A Noteholders which Senior Class A Notes will be redeemed on the relevant Put Date, subject to Condition of the Notes 9 and the confirmation of Moody's of the then current rating assigned to the Senior Class A Notes as of such Put Date after taking into account the redemption of the Senior Class A Notes in respect of which the Put Option has been exercised;
  - (c) The Senior Class A Notes in respect of which the Put Option is not exercised, will not be redeemed on such Put Date. The Senior Class A Notes in respect of which the Put Option is exercised will be redeemed in full, subject to Condition of the Notes 9, on the relevant Put Date;
  - (d) If Moody's is not able to confirm the then current rating assigned to the Senior Class A Notes (as set forth in paragraph (c) of this Condition of the Notes 6(e)(v)) then all Senior Class A Notes will be redeemed, subject to Condition of the Notes 9, in full on the relevant Put Date;

Any Put Notice given by a holder of any Senior Class A Note shall be irrevocable, except where prior to the relevant Put Date an Event of Default (as described in Condition of the Notes 10) shall have occurred and be continuing in which event such Senior Class A Noteholder, at its option, may elect, by giving notice to the Issuer and the Paying Agent, to withdraw the Put Notice

given pursuant to this paragraph and instead to declare such Senior Class A Note forthwith due and payable pursuant to Condition of the Notes 10.

- (vi) In the event that on a Put Date the Issuer has insufficient funds available to redeem the Senior Class A Notes subject to redemption, the Notes Redemption Available Amount shall be applied in accordance with Condition of the Notes 6(b). If on a Put Date the Senior Class A Notes are not redeemed for whatever reason, this will not constitute an Event of Default as described in Condition of the Notes 10. After the relevant Put Date, in case the Senior Class A Notes are not redeemed in full, payments on the Senior Class A Notes will be made in accordance with Conditions of the Notes 4 and 6;

*(f) Redemption of Subordinated Class B Notes*

Provided that no Enforcement Notice has been served in accordance with Condition of the Notes 10, on the earlier of (a) the First Put Date and each Put Date thereafter, (b) the Quarterly Payment Date on which the Clean-Up Call Option is exercised and (c) the Quarterly Payment Date on which the Regulatory Put Option is exercised, the Issuer will be obliged on each such Quarterly Payment Date to redeem (or partially redeem) on a *pro rata* basis the Subordinated Class B Notes until fully redeemed. The amount available for redemption of the Subordinated Class B Notes on such Quarterly Payment Date (after items (a) up to and including (g) of the Interest Priority of Payments have been made in full) will be the positive difference between the balance standing to the credit of the Reserve Account and the Reserve Account Target level.

*(g) Clean-Up Call*

In case on any Quarterly Payment Date the aggregate Principal Amount Outstanding of the Senior Class A Notes is not more than ten (10) per cent. of the aggregate Principal Amount Outstanding of the Senior Class A Notes on the Closing Date (in case of a Principal Shortfall in respect of any Class of Notes, less such Principal Shortfall) the Issuer may (but is not obligated to) redeem all of the Notes, in whole but not in part at their Principal Amount Outstanding subject to and in accordance with the Condition of the Notes 9(b).

*(h) Redemption of the Senior Class A Notes at the option of the Senior Class A Noteholders pursuant to a Regulatory Change*

Each Senior Class A Noteholder, provided that such Senior Class A Noteholder is a credit institution regulated by the Dutch Central Bank (*De Nederlandsche Bank N.V.*), has the option to offer any the Senior Class A Notes held by it to the Issuer by giving not less than a 60 days notice to the Issuer and the Security Trustee, on the Quarterly Payment Date falling in April 2006 and each Quarterly Payment Date thereafter (each a '**Regulatory Put Date**') upon the occurrence of a Regulatory Change (as defined below) (the '**Regulatory Put Option**') and after the confirmation of Moody's of the then current rating assigned to the Senior Class A Notes as of such Regulatory Put Date after taking into account the redemption of the Senior Class A Notes in respect of which the Regulatory Put Option has been exercised.

For this purpose a '**Regulatory Change**' means any event which has the result that, the risk weighting applicable to the Senior Class A Notes shall not or no longer be zero per cent.

On the relevant Regulatory Put Date, such Senior Class A Notes will be redeemed at their Principal Amount Outstanding, by using the proceeds of the Servicing Advance.

In case Moody's is not able to confirm such rating assigned to the Senior Class A Notes, all Senior Class A Notes will be redeemed in full, subject to Condition of the Notes 9, on the relevant Regulatory Put Date.

*(i) Purchases*

The Issuer may at any time purchase Notes at any price in the open market or otherwise. Such Notes may, at the option of the Issuer be held, re-issued or resold at their Principal Amount Outstanding together with accrued interest thereon up to and including the date of redemption, subject to and in accordance with this Condition of the Notes. No Class of Notes may be redeemed under such circumstances unless the other Classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time.

*(j) General*

In the event of certain tax changes affecting the Notes, including in the event that the Issuer is or will be obliged to make any withholding or deduction from payments in respect of the Notes

(although the Issuer will not have any obligation to pay additional amounts in respect of any such withholding or deduction), the Issuer may (but is not obliged to) redeem all of the Notes, in whole but not in part, at their Principal Amount Outstanding together with accrued interest thereon up to but excluding the date of redemption, subject to and in accordance with this Condition of the Notes. No Class of Notes may be redeemed under such circumstances unless the other Classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time.

## **7. Taxation**

All payments of, or in respect of, principal of and interest on the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or charges is required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders and will have no obligation to pay any additional amounts to such Noteholders. In particular, but without limitation, no additional amounts shall be payable in respect of any Note or Coupon presented for payment where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings that was adopted on 3 June 2003 or any law implementing or complying with, or introduced in order to conform to, such Directive.

## **8. Prescription**

Claims against the Issuer for payment in respect of the Notes and Coupons shall become prescribed unless made within five years from the date on which such payment first becomes due.

## **9. Subordination**

### *(a) Interest*

Interest on the Subordinated Class B Notes and the Subordinated Extension Interest Part shall be payable in accordance with the provisions of Conditions of the Notes 4 and 6, subject to the terms of this Condition of the Notes.

In the event that on any Quarterly Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Subordinated Class B Notes and on the Subordinated Extension Interest Part, on the next Quarterly Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Quarterly Payment Date to the holders of such Class of Notes. In the event of a shortfall, the Issuer shall credit the relevant Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on such Class of Notes on any Quarterly Payment Date (in accordance with this Condition of the Notes) falls short of the aggregate amount of interest payable on that Class of Notes on that date pursuant to Condition of the Notes 4. Such shortfall shall not be treated as due on that date for the purposes of Conditions of the Notes 4 and 10, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the relevant Class of Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon will be aggregated with the amount of, and treated for the purpose of these Conditions of the Notes as if it were interest due, subject to this Condition of the Notes, on each Note of the relevant Class on the next succeeding Quarterly Payment Date.

### *(b) General*

The Subordinated Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Subordinated Class B Note after the earlier of (i) the Final Maturity Date or (ii) the relevant Quarterly Payment on which the Subordinated Class B Notes are fully redeemed or (iii) the date on which the Issuer no longer holds any NHG Mortgage Receivables and there are no balances standing to the credit of the Transaction Accounts.

In the event that the Security in respect of the Notes and the Coupons appertaining thereto has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking under the Trust Deed in priority to a Class of Notes are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the such Class of Notes,

the Noteholders of the relevant Class of Notes shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

## 10. Events of Default

The Security Trustee at its discretion may, and if so directed by an Extraordinary Resolution of the Senior Class A Noteholders or if no Senior Class A Notes are outstanding, by an Extraordinary Resolution of the Subordinated Class B Noteholders (subject, in each case, to being indemnified to its satisfaction) (in each case, the '**Relevant Class**') shall (but in the case of the occurrence of any of the events mentioned in (b) below, only if the Security Trustee shall have certified in writing to the Issuer that such an event is, in its opinion, materially prejudicial to the Noteholders of the Relevant Class) give notice (an '**Enforcement Notice**') to the Issuer that the Notes are immediately due and payable at their or its Principal Amount Outstanding, together with accrued interest, if any of the following shall occur:

- (a) default is made for a period of fifteen (15) days or more in the payment on the due date of any amount due in respect of the Notes of the Relevant Class other than under the Put Option on a Put Date; or
- (b) the Issuer fails to perform any of its other obligations binding on it under the Notes of the Relevant Class, the Trust Deed, the Paying Agency Agreement or the Pledge Agreements and, except where such failure, in the reasonable opinion of the Security Trustee, is incapable of remedy, such default continues for a period of thirty (30) days after written notice by the Security Trustee to the Issuer requiring the same to be remedied; or
- (c) if a conservatory attachment ("*conservatoir beslag*") or an executory attachment ("*executoriaal beslag*") on any major part of the Issuer's assets is made and not discharged or released within a period of thirty (30) days; or
- (d) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution or winding-up of the Issuer or for the appointment of a liquidator or receiver of the Issuer or of all or substantially all of its assets; or
- (e) the Issuer makes an assignment for the benefit of, or enters into any general assignment ("*akkoord*") with its creditors; or
- (f) the Issuer files a petition for a suspension of payments ("*surseance van betaling*") or for bankruptcy ("*faillissement*") or is declared bankrupt;

provided that, if Senior Class A Notes are outstanding, no Enforcement Notice may or will be given by the Security Trustee to the Issuer in respect of the Subordinated Class B Notes, irrespective of whether an Extraordinary Resolution is passed by the Subordinated Class B Noteholders, unless an Enforcement Notice in respect of the Senior Class A Notes has been given by the Security Trustee. In exercising its discretion as to whether or not to give an Enforcement Notice to the Issuer in respect of the Senior Class A Notes, the Security Trustee shall not be required to have regard to the interests of the Subordinated Class B Noteholders.

## 11. Enforcement

- (a) At any time after the Notes of any Class become due and payable as a result of an Enforcement Notice, the Security Trustee may, at its discretion and without further notice, take such steps and/or institute such proceedings as it may think fit to enforce the terms of the Trust Deed, the Pledge Agreements and the Notes, but it need not take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the Senior Class A Noteholders or, if all amounts due in respect of the Senior Class A Notes have been fully paid, the Subordinated Class B Noteholders and (ii) it shall have been indemnified to its satisfaction.
- (b) No Noteholder may proceed directly against the Issuer unless the Security Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.
- (c) The Noteholders and the Security Trustee may not institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least

one (1) year after the latest maturing Note is paid in full. The Noteholders accept and agree that the only remedy against the Issuer after any of the Notes have become due and payable pursuant to Condition of the Notes 10 is to enforce the Security.

## 12. Indemnification of the Security Trustee

The Trust Deed contains provisions for the indemnification of the Security Trustee in the circumstances set out therein and for its relief from responsibility. The Security Trustee is entitled to enter into commercial transactions with the Issuer and/or any other party to the Relevant Documents without accounting for any profit resulting from such transaction.

## 13. Notices

With the exception of the publications of the Reference Agent in Condition of the Notes 4 and of the Issuer in Condition of the Notes 6, all notices to the Noteholders will only be valid if published in at least one daily newspaper of wide circulation in the Netherlands, or, if all such newspapers shall cease to be published or timely publication therein shall not be practicable, in such newspaper as the Security Trustee shall approve having a general circulation in Europe and, as long as the Senior Class A Notes are listed on Euronext Amsterdam in the English language in the Euronext Amsterdam Daily Official List ("*Officiële Prijscourant*") of Euronext Amsterdam N.V. Any such notice shall be deemed to have been given on the first date of such publication.

## 14. Meetings of Noteholders; Modification; Consents; Waiver

- (a) The Trust Deed contains provisions for convening meetings of the Senior Class A Noteholders and the Subordinated Class B Noteholders to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of the relevant Class of a change of any of these Conditions of the Notes or any provisions of the Relevant Documents, provided that no change of certain terms by the Noteholders of any Class including the date of maturity of the Notes of the relevant Class, or a change which would have the effect of postponing any day for payment of interest in respect of such Notes, reducing or canceling the amount of principal payable in respect of such Notes or altering the majority required to pass an Extraordinary Resolution or any alteration of the date or priority of redemption of such Notes (any such change in respect of any such class of Notes referred to below as a '**Basic Terms Change**') shall be effective, unless such Basic Terms Change is sanctioned by an Extraordinary Resolution of the Noteholders of the relevant Class of Notes as described below, in which case no such default is required, except that, if the Security Trustee is of the opinion that such a Basic Terms Change is being proposed by the Issuer as a result of, or in order to avoid, an Event of Default no such Extraordinary Resolution is required.

A meeting as referred to above may be convened by the Issuer or by Noteholders of any Class holding not less than 10 per cent. in Principal Amount Outstanding of the Notes of such Class. The quorum for any meeting convened to consider an Extraordinary Resolution for any Class of Notes shall be two-thirds of the Principal Amount Outstanding of the Notes of the relevant Class, as the case may be, and at such a meeting an Extraordinary Resolution is adopted with not less than a two-third majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including the sanctioning of a Basic Terms Change shall be at least 75 per cent. of the amount of the Principal Amount Outstanding of the Notes of the relevant Class and the majority required shall be at least 75 per cent. of the validly cast votes at that Extraordinary Resolution. If at such meeting the aforesaid quorum is not represented, a second meeting of Noteholders shall be held within one month, with due observance of the same formalities for convening the meeting which governed the convening of the first meeting; at such second meeting an Extraordinary Resolution is adopted with not less than a two-thirds majority of the validly cast votes, except that (for an Extraordinary Resolution including a sanctioning of a Basic Terms Change the majority required shall be 75 per cent. of the validly cast votes, regardless of the Principal Amount Outstanding of the Notes of the relevant Class then represented, except if the Extraordinary Resolution relates to the removal and replacement of any or all of the managing directors of the Security Trustee, in which case at least 30 per cent. of the Notes of the relevant Class should be represented.



No Extraordinary Resolution to sanction a change which would have the effect of accelerating or increasing the maturity of the Senior Class A Notes or any date for payment of interest thereon, increasing the amount of principal or the rate of interest payable in respect of the Senior Class A Notes shall take effect, unless it shall have been sanctioned by an Extraordinary Resolution of the Subordinated Class B Noteholders.

An Extraordinary Resolution of the Subordinated Class B Noteholders shall only be effective when the Security Trustee is of the opinion that it shall not be materially prejudicial to the interests of the Senior Class A Noteholders or it is sanctioned by an Extraordinary Resolution of the Senior Class A Noteholders. The Trust Deed imposes no such limitations on the powers of the Senior Class A Noteholders, the exercise of which shall be binding on the Subordinated Class B Noteholders irrespective of the effect on their interests.

Any Extraordinary Resolution duly passed shall be binding on all Noteholders of the relevant Class (whether or not they were present at the meeting at which such resolution was passed).

- (b) The Security Trustee may agree, without the consent of the Noteholders, to any modification of any of the provisions of the Relevant Documents which is of a formal, minor or technical nature or is made to correct a manifest error. The Security Trustee shall only agree to any other modification (except if prohibited in the Relevant Documents), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Relevant Documents which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders. Any such modification (except if prohibited in the Relevant Documents), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Relevant Documents shall be deemed not to be materially prejudicial to the interests of the Noteholders, if Moody's has confirmed that the then current rating of the Senior Class A Notes would not be adversely affected by any such modification, authorisation or waiver. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Security Trustee so requires, such modification shall be notified to the Noteholders in accordance with Condition of the Notes 13 as soon as practicable thereafter.
- (c) In connection with the exercise of its functions (including but not limited to those referred to in this Condition of the Notes) the Security Trustee shall have regard to the interests of the Senior Class A Noteholders and the Subordinated Class B Noteholders each as a Class and shall not have regard to the consequences of such exercise for individual Noteholders and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

## **15. Replacements of Notes and Coupons**

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the office of the Paying Agent upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered, in the case of Notes together with all unmatured Coupons appertaining thereto, in the case of Coupons together with the Note and all unmatured Coupons to which they appertain ("*mantel en blad*"), before replacements shall be issued.

## **16. Governing Law**

The Notes and Coupons are governed by, and shall be construed in accordance with, the laws of the Netherlands. In relation to any legal action or proceedings arising out of or in connection with the Notes and Coupons the Issuer and the Security Trustee irrevocably submit to the exclusive jurisdiction of the District Court in Amsterdam, the Netherlands.

## **17. Additional obligations**

For as long as the Senior Class A Notes are listed on Euronext Amsterdam, the Issuer shall comply with the provisions set forth in Article 2.1.20 Section a-g of Schedule B of the Listing and

Issuing Rules (“*Fondsenreglement*”) of Euronext Amsterdam N.V. or any amended form of the said provisions as in force at the date of the issue of the Notes.

## THE GLOBAL NOTES

Each Class of Notes will be initially represented by (i) in the case of the Senior Class A Notes a Temporary Global Note in bearer form, without coupons, in the principal amount of euro 600,000,000 and (ii) in the case of the Subordinated Class B Notes a Temporary Global Note in bearer form without coupons, in the principal amount of euro 4,200,000. Each Temporary Global Note will be deposited with Citibank N.A., London Branch as common depository for Euroclear and Clearstream, Luxembourg on or about 27 April 2005. Upon deposit of each such Temporary Global Note, Euroclear and Clearstream, Luxembourg will credit each purchaser of Notes represented by such Temporary Global Note with the principal amount of the relevant Class of Notes equal to the principal amount thereof for which it has purchased and paid. Interests in each Temporary Global Note will be exchangeable (provided certification of non-U.S. beneficial ownership by the Noteholders has been received) on the Exchange Date for interests in a Permanent Global Note, in bearer form, without coupons, in the principal amount of the Notes of the relevant Class. On the exchange of a Temporary Global Note for a Permanent Global Note of the relevant Class, the Permanent Global Note will remain deposited with the common depository.

The Global Notes will be transferable by delivery. Each Permanent Global Note will be exchangeable for Notes in definitive form only in the circumstances described below. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note will be entitled to receive any payment made in respect of that Note in accordance with the respective rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes, which must be made by the holder of a Global Note, for so long as such Global Note is outstanding. Each person must give a certificate as to non-U.S. beneficial ownership as of the date on which the Issuer is obliged to exchange a Temporary Global Note for a Permanent Global Note, which date will be no earlier than the Exchange Date, in order to obtain any payment due on the Notes.

For so long as any Notes are represented by a Global Note, such Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate.

For so long as all of the Notes are represented by the Global Notes and such Global Notes are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant accountholders rather than by publication as required by Condition of the Notes 13 (provided that, in the case any publication required by a stock exchange, that stock exchange agrees or, as the case may be, any other publication requirement of such stock exchange will be met). Any such notice will be deemed to have been given to the Noteholders on the seventh day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

As long as the Notes are represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the Put Option the Noteholder must, within the Put Notice Period, give notice to the Issuer and the Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depository for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Paying Agent for notification accordingly.

For so long as a Class of Notes is represented by a Global Note, each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of that Class of Notes will be deemed to be owner of, and treated by the Issuer and the Security Trustee as a holder of such principal amount of that Class of Notes and the expression Noteholder is without prejudice to the entitlement of the bearer of relevant Global Note to be paid principal thereon and interest with respect thereto in accordance with and subject to its terms. Any statement in writing issued by Euroclear or Clearstream, Luxembourg as to the persons shown in its records as being entitled to such Notes and the respective principal amount of such Notes held by them will be conclusive for all purposes.

If after the Exchange Date (i) the Notes become immediately due and payable by reason of accelerated maturity following an Event of Default, or (ii) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business and no alternative clearance system satisfactory to the Security Trustee is available, or (iii) as a result of any amendment to, or change in the laws or regulations of the Netherlands (or of any political sub-division thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after 27 April 2005, the Issuer or the Principal Paying Agent is or will be required to make any deduction or withholding on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form, then the Issuer will at its sole cost and expense, issue:

- (i) Senior Class A Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Senior Class A Notes; and
- (ii) Subordinated Class B Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Subordinated Class B Notes.

in each case within 30 days of the occurrence of the relevant event, subject in each case to certification as to non-U.S. beneficial ownership.

# TAXATION IN THE NETHERLANDS

## General

The following summary describes the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of Notes, which term, for the purpose of this summary, includes Coupons. This summary does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant to a decision to acquire, to hold, and to dispose of the Notes. Each prospective Noteholder should consult a professional adviser with respect to the tax consequences of an investment in the Notes. The discussion of certain Netherlands taxes set forth below is included for general information purposes only.

This summary is based on the Netherlands tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of this Offering Circular, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

This summary does not address the Netherlands tax consequences of a Noteholder who holds a substantial interest (*aanmerkelijk belang*) in the Issuer, within the meaning of Section 4.3 of the Income Tax Act 2001. Generally speaking, a Noteholder holds a substantial interest in the Issuer, if such Noteholder, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5 percent or more of the total issued capital of the Issuer or of 5 percent or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer. For the purpose of this summary, the Issuer is considered a resident of the Netherlands for Netherlands tax purposes.

## Withholding Tax

No Netherlands withholding tax is due upon payments on the Notes.

## Corporate Income Tax and Individual Income Tax

### *Residents of the Netherlands*

If the Noteholder is subject to Netherlands corporate income tax and the Notes are attributable to its (deemed) business assets, income derived from the Notes and gains realised upon the redemption and disposal of the Notes are generally taxable in the Netherlands.

If the Noteholder is an individual, resident or deemed to be resident of the Netherlands for Netherlands tax purposes (including the individual Noteholder who has opted to be taxed as a resident of the Netherlands), the income derived from the Notes and the gains realised upon the redemption and disposal of the Notes are taxable at the progressive rates of the Income Tax Act 2001, if:

- (i) the Noteholder has an enterprise or an interest in an enterprise, to which enterprise the Notes are attributable; or
- (ii) such income or gains qualify as “income from miscellaneous activities” (*resultaat uit overige werkzaamheden*) within the meaning of Section 3.4 of the Income Tax Act 2001, which include activities with respect to the Notes that exceed “regular, active portfolio management” (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the individual Noteholder, the actual income derived from the Notes and the actual gains realised with respect to the Notes will not be taxable. Instead, such Noteholder will be taxed at a flat rate of 30 per cent. on deemed income from “savings and investments” (*sparen en beleggen*) within the meaning of Section 5.1 of the Income Tax Act 2001. This deemed income amounts to 4 per cent. of the average of the individual’s “yield basis” (*rendementsgrondslag*) within the meaning of article 5.3 of the Income Tax Act 2001 at the beginning of the calendar year and the individual’s yield basis at the end of the calendar year, insofar the average exceeds a certain threshold. The fair market value of the Notes will be included in the individual’s yield basis.

### *Non-residents of the Netherlands*

A Noteholder who is not a resident nor deemed to be a resident of the Netherlands for Netherlands tax purposes (nor, if he or she is an individual, has opted to be taxed as a resident of the Netherlands) is not taxable in respect of income derived from the Notes and gains realised upon the redemption and disposal of the Notes, unless:

- (i) the Noteholder has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which Netherlands permanent establishment or permanent representative the Notes are attributable; or
- (ii) the Noteholder is an individual and such income or gains qualify as “income from miscellaneous activities” (*resultaat uit overige werkzaamheden*) in the Netherlands within the meaning of Section 3.4 of the Income Tax Act 2001, which include activities in the Netherlands with respect to the Notes that exceed “regular, active portfolio management” (*normaal, actief vermogensbeheer*).

## **Gift and Inheritance Taxes**

### *Residents of the Netherlands*

Generally, gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on the death of, a Noteholder who is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death.

An individual of the Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax, if he or she has been resident in the Netherlands during the ten years preceding the gift or his or her death. An individual of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax only if he or she has been residing in the Netherlands at any time during the twelve months preceding the time of the gift.

### *Non-residents of the Netherlands*

No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of the Notes by way of gift by, or as a result of the death of, a Noteholder who is neither a resident nor deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax, unless:

- (i) such Noteholder at the time of the gift has or at the time of his or her death had an enterprise or an interest in an enterprise that is or was, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which Netherlands permanent establishment or permanent representative the Notes are or were attributable; or
- (ii) in the case of a gift of the Notes by an individual who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such individual dies within 180 days after the date of the gift, while at the time of his or her death being a resident or deemed to be a resident of the Netherlands.

### *Treaties*

Treaties may limit the Dutch sovereignty to levy gift and inheritance tax.

## **Other Taxes and Duties**

No Netherlands VAT, capital duty, registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be due in the Netherlands by a Noteholder in respect of or in connection with the subscription, issue, placement, allotment or delivery of the Notes.

## **EU Savings Directive**

On 3rd June, 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income. Under the Directive, Member States will (if equivalent measures have been introduced by certain non-EU Countries) be required, from a date not earlier than 1st July, 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria will instead be required unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

It is expected that a number of third countries and territories such as Switzerland will adopt similar measures with effect from the same date.

## PURCHASE AND SALE

The Manager has, pursuant to the Notes Purchase Agreement agreed with the Issuer, subject to certain conditions, to purchase the Notes at their respective issue price. The Issuer has agreed to indemnify and reimburse the Manager against certain liabilities and expenses in connection with the issue of the relevant Class of Notes.

### United Kingdom

The Manager has agreed that (i) it has not offered or sold and, prior to the expiration of the period of six months from the Closing Date, will not offer or sell any Notes to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, (ii) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom and (iii) it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer.

### United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act) except to certain persons in offshore transactions in reliance on Regulation S under the Securities Act. Each Manager has agreed severally but not jointly that it will not offer, sell or deliver the Notes, (i) as part of its distribution at any time, or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, US persons, and it will have sent to each dealer to which it sells Notes during such distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to or for the account or benefit of US persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes, including Notes in bearer form, are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a US person, except in certain transactions permitted by US tax regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code and regulations thereunder.

### France

The Manager has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in the Republic of France and that it has not distributed or caused to be distributed and has undertaken that it will not distribute or cause to be distributed this Offering Circular or any amendment or supplement to it or any other offering material relating to the Notes to the public in the Republic of France. The Issuer has undertaken not to offer, directly or indirectly, any Notes to the public in the Republic of France.

### Germany

The Manager has acknowledged that the Notes are issued under the "Euro 40,000 Exemption" pursuant to Section 2 No. 4 of the Securities Selling Prospectus Act of the Federal Republic of Germany ("*Wertpapier-Verkaufsprospektgesetz*") of December 13, 1990, as amended (the '**Securities Selling Prospectus Act**') and that no Securities Sales Prospectus ("*Verkaufsprospekt*") has been published; in particular, the Notes may not be offered in Germany by way of public promotions. The Manager represents and agrees that it has offered and sold and will offer and sell the Notes only (i) in denominations of at least euro 40,000, or (ii) for an aggregate purchase price per purchaser of at least euro 40,000 (or foreign currency equivalent), or (iii) if the selling price for all Notes offered does not exceed euro 40,000 or such other amount as may be stipulated from time to time by applicable German law. In particular, the Manager undertakes not to engage in public offerings in the Federal Republic of Germany with respect to



the Notes otherwise than in accordance with the Securities Selling Prospectus Act and any other act replacing or supplementing such Act, and all other applicable laws and regulations.

## Italy

The offering of the Notes has not been cleared by CONSOB (the Italian Securities Exchange Commission) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Offering Circular or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to professional investors (*operatori qualificati*) as defined in article 31, second paragraph, of CONSOB Regulation No. 11522 of 1st July, 1998, as successively amended; or
- (ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to article 100 of legislative decree No. 58 of 24th February, 1998 (the Financial Services Act) and article 33, first paragraph, of CONSOB Regulation No. 11971 of 14th May, 1999, as successively amended.

Any offer, sale or delivery of the Notes or distribution of copies of the Offering Circular or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary to conduct such activities in the Republic of Italy in accordance with the Financial Services Act and legislative decree No. 385 of 1st September, 1993 (the Banking Act);
- (b) in compliance with article 129 of the Banking Act and the implementing guidelines of the Bank of Italy pursuant to which the issue or the offer or securities in the Republic of Italy may need to be preceded and followed by an appropriate notice to be filed with the Bank of Italy depending on, *inter alia*, the aggregate value of the securities issued or offered in the Republic of Italy and their characteristics; and
- (c) in accordance with any other applicable laws or regulations.

## Spain

The sale of the Notes, by the Manager on behalf of the Issuer or a third party, does not form part of any public offer of such securities in Spain. Each sale of Notes to each investor is an individual transaction and has been negotiated and/or agreed between each investor and the Manager upon each investors request. Any subsequent transaction any investor executes regarding the Notes, including requesting the Manager to transfer the Notes to any entity managed or controlled by such investor, will be executed on such investor's own behalf only and not on behalf of or for the account of the Manager. These Notes may not be directly/indirectly sold, transferred or delivered in any manner, at any time other than to institutional investors in Spain (defined under Spanish Law to include only pension funds, collective investment schemes, insurance companies, banks, saving banks and securities companies).

Each investor will be deemed to have represented that (i) such investor has made its own independent decision to purchase the Notes and have not relied on any recommendation or advice from the Manager and (ii) such investor has already has all required information and understand all the indicative terms, conditions and restrictions of these Notes.

## Notice to investors

The Notes have not been and will not be registered under the Securities Act or any other applicable securities laws, and may not be offered or sold in the United States except pursuant to an effective registration statement or in accordance with an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and such other laws. Accordingly, the Notes (and any interests therein) are being offered and sold only outside the United States to non-US persons in compliance with Regulation S under the Securities Act.

The Notes will bear a legend to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE 'SECURITIES ACT'), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING DATE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE

TRANSFERRED IN OR INTO THE UNITED STATES OR TO A US PERSON (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.”

Because of the foregoing restrictions, purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered and sold.

**General**

The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law; persons into whose possession this Offering Circular comes are required by the Issuer and the Manager to inform themselves about and to observe any such restrictions. This Offering Circular does not constitute an offer, or an invitation to subscribe for or purchase, any Notes.

## GENERAL INFORMATION

- (1) The issue of the Notes has been authorised by a resolution of the managing director of the Issuer passed on 22 April 2005.
- (2) The Senior Class A Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 021811564, ISIN XS 0218115649 and Fondscode 15341.
- (3) The Subordinated Class B Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 021811637 and ISIN XS 0218116373.
- (4) There has been no material adverse change in the financial position or prospects of the Issuer since 11 April 2005.
- (5) PricewaterhouseCoopers Accountants N.V. has given and have not withdrawn its written consent to the issue of this offering circular with their report included herein in the form and context in which it appears.
- (6) Since its incorporation, the Issuer is not involved in any legal or arbitration proceedings which may have a significant effect on the Issuer's financial position nor, so far as the Issuer is aware, are any such proceedings pending or threatened against the Issuer.
- (7) Copies of the following documents may be inspected at the specified offices of the Security Trustee during normal business hours:
  - (i) the Deed of Incorporation of the Issuer;
  - (ii) the Mortgage Receivables Purchase Agreement;
  - (iii) the Notes Purchase Agreement;
  - (iv) the Paying Agency Agreement;
  - (v) the Trust Deed;
  - (vi) the Parallel Debt Agreement;
  - (vii) the Trustee Pledge Agreement I;
  - (viii) the Trustee Pledge Agreement II;
  - (ix) the Issuer Services Agreement;
  - (x) the Savings Sub-Participation Agreement;
  - (xi) the GIC;
  - (xii) the Hedging Agreements;
  - (xiii) the Liquidity Facility Agreement;
  - (xiv) the Beneficiary Waiver Agreement;
  - (xv) the Further Advance Sub-Participation Agreement;
  - (xvi) the Master Definitions Agreement;
  - (xvii) the Seller Account Pledge Agreement;
  - (xviii) the Quion Account Pledge Agreement; and
  - (xix) the Quion Mortgage Receivables Purchase Agreement.
- (8) The audited financial statements of the Issuer prepared annually will be made available, free of charge, at the specified offices.
- (9) The articles of association of the Issuer are incorporated herein by reference. A free copy of the Issuer's articles of association is available at the office of the Issuer.
- (10) US Tax:

The Notes will bear a legend to the following effect: *"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Section 165(j) and 1287(a) of the Internal Revenue Code."*

The sections referred to in such legend provide that a United States person who holds a Note will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

## ANNEX A

THE FOLLOWING EXPRESSIONS, AS USED IN THE OFFERING CIRCULAR, HAVE THE FOLLOWING MEANINGS:

“**ABN AMRO**” means ABN AMRO Bank N.V., a public company (“*naamloze vennootschap*”) organised under the laws of the Netherlands and established in Amsterdam, the Netherlands;

“**Actual Amount**” means, on any Mortgage Calculation Date, all amounts of principal and interest actually received by the Seller or by Quion 20 under the NHG Mortgage Receivables during the relevant Mortgage Calculation Period and to be paid to the Issuer;

“**Allianz**” means Allianz Nederland Levensverzekering N.V., a public company, organised under the laws of the Netherlands and established in Utrecht, the Netherlands;

“**Annuity Mortgage Loan**” means any Mortgage Loan under which the Borrower pays a fixed monthly payment, consisting of an initially high and subsequently decreasing interest portion and an initially low and subsequently increasing principal portion;

“**Assignment Notification Event**” means, *inter alia*, any of the following events:

- (i) a default is made by the Seller in the payment on the due date of any amount due and payable by it under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party and such failure is not remedied within 5 business days after having knowledge of such failure or notice thereof has been given by the Issuer or the Security Trustee to the Seller; or
- (ii) the Seller fails duly to perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party or any other party (except the Issuer and the Security Trustee) does not comply with any of the obligations under any Relevant Document to which it is a party and, if such failure is capable of being remedied, such failure is not remedied within 10 business days after having knowledge of such failure or notice thereof has been given by the Issuer or the Security Trustee to the Seller or such other party; or
- (iii) the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution (“*ontbinding*”) and liquidation (“*vereffening*”) or legal demerger (“*juridische splitsing*”) involving the Seller or its assets are placed under administration (“*onder bewind gesteld*”); or
- (iv) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into suspension of payments or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (v) (a) the rating assigned to the unsecured, unsubordinated and unguaranteed long term debt obligations of General Motors Acceptance Corporation falls below Ba2 by Moody’s or is withdrawn or (b) the Seller ceases to be a wholly owned indirect subsidiary of General Motors Acceptance Corporation and thereafter the rating assigned to the unsecured, unsubordinated and unguaranteed long term debt obligations of the Seller or the entity of which the Seller becomes the wholly owned (indirect) subsidiary is set or falls below Ba2 by Moody’s or is withdrawn; or
- (vi) Quion 20 ceases to be a wholly owned indirect subsidiary of General Motors Acceptance Corporation or the rating assigned to the unsecured, unsubordinated and unguaranteed long term debt obligations of General Motors Acceptance Corporation falls below Ba2 by Moody’s or is withdrawn; or
- (vii) a Quion Notification Event occurs under the Quion Mortgage Receivables Purchase Agreement;

“**Bank Mortgage**” means any mortgage right which not only secures the loan granted to the Borrower to purchase the mortgaged property, but also any other liabilities and monies that the Borrower, now or in the future, may owe to the Seller;

“**Beneficiary Rights**” means the Risk Beneficiary Rights, the Savings Beneficiary Rights and the Life Beneficiary Rights;

**“Beneficiary Waiver Agreement”** means the beneficiary waiver agreement to be entered into by the Seller, Quion 20, the Savings Insurance Companies, the Security Trustee and the Issuer on the Closing Date;

**“BKR”** means the National Credit Register (“*Bureau Krediet Registratie*”);

**“BNG”** means N.V. Bank Nederlandse Gemeenten, a public company (“*naamloze vennootschap*”) organised under the laws of the Netherlands and established in The Hague, the Netherlands;

**“Borrower Insurance Pledge”** means a right of pledge (“*pandrecht*”) in favour of the Seller on the rights of the relevant Borrower against the relevant Insurance Company under the relevant Insurance Policy securing the Savings NHG Mortgage Receivable or the Life NHG Mortgage Receivable or the Investment NHG Mortgage Receivable, as the case may be, as created under the Mortgage Conditions in the form attached to the Mortgage Receivables Purchase Agreement;

**“Borrower Insurance Proceeds Instruction”** means the irrevocable instruction by the beneficiary under an Insurance Policy to the relevant Insurance Company to apply the insurance proceeds towards repayment up to the amount the relevant Borrower now or in the future may owe to the Seller or Quion 20 (or any of its successors) under the Mortgage Conditions in the form attached to the Mortgage Receivables Purchase Agreement;

**“Borrower Pledge”** means a right of pledge (“*pandrecht*”) securing the relevant NHG Mortgage Receivable, including a Borrower Insurance Pledge;

**“Borrowers”** means the debtors, including any jointly and severally liable co-debtors, of the NHG Mortgage Receivables;

**“Business Day”** means a day on which banks are open for business in Amsterdam and London, provided that such day is also a day on which the TARGET System or any successor thereto is operating credit or transfer instructions in respect of payments in euro;

**“Citibank”** means Citibank, N.A., acting through its London Branch;

**“Citibank International”** means Citibank International Plc, acting through its Amsterdam Branch;

**“Citigroup”** means Citigroup Global Markets Limited, a limited liability company, organised under the laws of England and Wales;

**“Class”** means either the Senior Class A Notes or the Subordinated Class B Notes;

**“Class A Interest Deficiency Ledger”** means the ledger to which any interest due but not paid in respect the Subordinated Extension Interest Part will be credited in accordance with Condition of the Notes 9(a);

**“Class B Interest Deficiency Ledger”** means the ledger to which any interest due but not paid in respect of the Subordinated Class B Notes will be credited in accordance with Condition of the Notes 9(a);

**“Clean-Up Call Option”** means the option (but not an obligation) of the Issuer, by giving notice to the Noteholders not more than 60 days and not less than 30 days prior to the Quarterly Calculation Date, to redeem all of the Senior Class A Notes in whole but not in part, at their Principal Amount Outstanding if on any Quarterly Payment Date the aggregate Principal Amount Outstanding of the Senior Class A Notes is not more than 10 per cent. of the aggregate Principal Amount Outstanding of the Senior Class A Notes on the Closing Date, together with accrued but unpaid interest up to but excluding such Quarterly Calculation Date;

**“Clearstream, Luxembourg”** means Clearstream Banking, société anonyme;

**“Closing”** and **“Closing Date”** means 27 April 2005 (or such later date as may be agreed between the Issuer and the Manager);

**“Collection Account”** means the account of the Issuer maintained with the GIC Provider, to which, *inter alia*, all amounts of interest, Prepayment Penalties, principal and all other collections received under the Mortgage Loans relating to the NHG Mortgage Receivables will be transferred by the Seller in accordance with the Mortgage Receivables Purchase Agreement or, as the case may be, the MPT Provider in accordance with the Issuer Services Agreement;

**“Conditions of the Notes”** means the terms and conditions endorsed on (or incorporated by reference) to any Class of Notes in the form or substantially in the form set out in section Terms and Conditions of the Notes;

**“Construction Account”** means the account of the Issuer held with the GIC Provider to which on the Closing Date an amount corresponding to the aggregate Construction Amounts will be credited;

**“Construction Amount”** means such part of a Mortgage Loan that at the request of the relevant Borrower was withheld by the relevant Originator on deposit to be paid out for the building or improvements of the Mortgaged Assets;

**“Credit Mortgage”** means mortgage rights which secure all drawings or amounts that are or may become due by the particular Borrower in the context of a particular credit relationship;

**“Cut-Off Date”** means 1 March 2005;

**“DBV”** means DBV Levensverzekeringsmaatschappij N.V., a public company organised under the laws of the Netherlands and established in Zeist, the Netherlands;

**“Defaulted Loan Services”** means the arrears management activities in respect of NHG Mortgage Receivables which are in arrears for at least 1 day;

**“Deferred Purchase Price”** is part of the purchase price for the NHG Mortgage Receivables and will be equal to the sum of all Deferred Purchase Price Instalments;

**“Deferred Purchase Price Instalment”** is equal to (i) prior to the Enforcement Date, the positive difference, if any, between the Notes Interest Available Amount as calculated on each Quarterly Calculation Date and the sum of all amounts payable by the Issuer as set forth in the Interest Priority of Payments under (a) up to and including (m) and after redemption of the Subordinated Class B Notes in full, any balance standing to the credit of the of the Reserve Account and and (ii) after the Enforcement Date, the amount remaining after payments as set forth in the Priority of Payments upon Enforcement under (a) up to and including (k) have been made on such date;

**“Delinquent NHG Mortgage Receivables”** means (i) NHG Mortgage Receivables under which amounts, which are due and payable, have remained unpaid for a consecutive period exceeding 90 days or (ii) in respect of NHG Mortgage Receivables which have remained unpaid for less than 90 days and for which an instruction has been given to the civil-law notary to commence foreclosure proceedings;

**“Delinquent Quotient”** means the sum of the aggregate Outstanding Principal Amount of Mortgage Loans associated with the NHG Mortgage Receivables in arrears for a period exceeding 60 days divided by the aggregate Outstanding Principal Amount of the Mortgage Loans associated with the NHG Mortgage Receivables;

**“Director”** means Amsterdamsch Trustee’s Kantoor B.V. as sole director of the Security Trustee and ATC Management B.V. as sole director of the Issuer and Stichting Holding;

**“Enforcement Date”** means the date of an Enforcement Notice;

**“Enforcement Notice”** means a notice referred to in Condition of the Notes 10;

**“Erasmus”** means Levensverzekerings Maatschappij Erasmus N.V., a public company (“*naamloze vennootschap*”) organised under the laws of the Netherlands;

**“Euribor”** has the meaning ascribed to it in the Condition of the Notes 4;

**“euro”** means the currency of the member states of the European Union that adopt a single currency in accordance with the treaty establishing the European Communities, as amended by the Treaty on the European Union;

**“Euroclear”** means Euroclear Bank S.A./N.V. or its successors, as operator of the Euroclear System;

**“Euronext Amsterdam”** means Eurolist by Euronext Amsterdam;

**“Excess NHG Mortgage Receivables”** means, on any day, any NHG Mortgage Receivables selected at random in an amount up to the amount by which the aggregate Outstanding Principal Amount of the NHG Mortgage Receivables exceeds the aggregate Principal Amount Outstanding of the Senior Class A Notes on such day;

**“Excess Swap Collateral”** means an amount equal to the value of any collateral transferred to the Issuer by a Hedging Counterparty in respect of a Hedging Agreement that is in excess of such Hedging Counterparty’s liability to the Issuer thereunder (i) as at the date such Hedging Agreement is terminated or (ii) that is otherwise due to such Hedging Counterparty in accordance with the terms of such Hedging Agreement;

**“Exchange Date”** means the date at least 40 days after the issue of the Notes;

**“Extension Margin Agent”** means Citigroup;

**“Extension Margin”** means the margin applicable to the Senior Class A Notes as of the First Put Date in accordance with Condition of the Notes 4;

**“Falcon”** means Falcon Leven N.V., a public company (“*naamloze vennootschap*”) organised under the laws of the Netherlands

**“Final Maturity Date”** means the Quarterly Payment Date falling in April 2038;

**“First Put Date”** means the Quarterly Payment Date falling in April 2014;

**“Foreclosure Value”** means the foreclosure value of the mortgaged property as valued (i) when application for a mortgage loan was made, based on an existing tax assessment or (ii) by an independent qualified appraiser, provided that such assessment is not older than one year;

**“Further Advance”** means a loan or a further advance to be made to a Borrower under the relevant Mortgage Loan pursuant to and in accordance with the Mortgage Conditions, which will (also) be secured by the Mortgage;

**“Further Advance Participant”** means GMAC RFC Nederland, in its capacity as further advance participant under the Further Advance Sub-Participation Agreement;

**“Further Advance Participation”** means, on any Quarterly Calculation Date, in respect of each Further Advance Receivable, an amount equal to the Further Advance;

**“Further Advance Receivable”** means the GMAC Further Advance Receivables and the Quion Further Advance Receivables ;

**“Further Advance Sub-Participation Agreement”** means the further advance sub-participation agreement to be entered into by the Issuer and the Further Advance Participant on the Closing Date;

**“Generali”** means GENERALI Levensverzekering Maatschappij N.V, a public company (“*naamloze vennootschap*”) organised under the laws of the Netherlands;

**“GIC”** means the guaranteed investment contract to be entered into by the Issuer and the GIC Provider on the Closing Date;

**“GIC Provider”** means BNG in its capacity as GIC Provider under the GIC and its successor(s);

**“GIC Interest Period”** means the successive quarterly interest periods in which interest on the Notes will be payable, which will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Floating Rate Interest Period, which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date falling in July 2005;

**“Global Notes”** means the Temporary Global Notes and the Permanent Global Notes;

**“GMAC Further Advance”** means a Further Advance relating to a GMAC Mortgage Loan;

**“GMAC Further Advance Receivable”** means any and all rights of the Seller (or its assignee) against any Borrower under or in connection with any Further Advance relating to a GMAC Mortgage Loan;

**“GMAC Mortgage Loans”** means the loans granted by the Seller to the relevant Borrowers, as evidenced by the relevant loan agreements, which may consist of one or more loan-parts (“*leningdelen*”) as attached to the Mortgage Receivables Purchase Agreement and to the Deed of Assignment thereto and, after any purchase and assignment of any GMAC New NHG Mortgage Receivables or GMAC Further Advance Receivables, as the case may be, has taken place in accordance with the Mortgage Receivables Purchase Agreement, includes any such GMAC New Mortgage Loans and any such GMAC Further Advances;

**“GMAC NHG Mortgage Receivables”** means any and all rights of the Seller against any Borrower under or in connection with any Mortgage Loans, including for the avoidance of doubt, upon the purchase and assignment of GMAC New NHG Mortgage Receivables, such GMAC New NHG Mortgage Receivables, and, upon the purchase and assignment of any receivables resulting from the granting of a further advance, such GMAC Further Advance Receivables;

**“GMAC New Mortgage Loans”** means the loans entered into by the Seller and the relevant Borrowers set forth in the list of GMAC New Mortgage Loans attached to any Purchase Deed of Assignment as Schedule 1, listing the GMAC New Mortgage Loans held by the Seller, which list provides the same details as are required in respect of the GMAC Mortgage Loans;

**“GMAC New NHG Mortgage Receivables”** means any and all rights of the Seller against any Borrower under or in connection with any mortgage loan between the Seller and that Borrower which meets the Mortgage Loans Criteria and which are, for the avoidance of doubt, purchased by the Issuer after the Closing Date;

**“GMAC RFC Nederland”** means GMAC RFC Nederland B.V., a private company with limited liability organised under the laws of the Netherlands and established in Amsterdam, the Netherlands;

**“Hedging Agreement”** means the Swap Agreement and any Reset Swap Agreement, as the case may be;

**“Hedging Counterparty”** means the Swap Counterparty and any suitably rated counterparty to any Hedging Agreement, as the case may be;

**“Initial Margin”** means the Margin which will be applicable up to (but excluding) the First Put Date and be equal to 0.095 per cent. per annum for the Senior Class A Notes;

**“Initial Participation”** means, in respect of each of the Savings NHG Mortgage Receivables or Life NHG Mortgage Receivables with a Savings Element, the amount of the participation therein being (a) at Closing for each Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element an amount equal to the Savings Premium received by the relevant Savings Insurance Company from the Borrower in a month increased by  $(IR/12) \times S$  for each month on a capitalised basis from the month of first payment of savings premium by the relevant Borrower up to, but excluding, the Cut-Off Date and accrued interest thereon, being the amount of euro 66,889 or (b) in case of (i) a purchase and assignment of New NHG Mortgage Receivables, but excluding for the avoidance of doubt any Further Advance Receivables to which a Savings Insurance Policy and/or Life Insurance Policy with the Savings Alternative is connected or (ii) a switch from any type of Mortgage Loan other than a Savings Mortgage Loan or a Life Mortgage Loan with a Savings Element, into a Savings Mortgage Loan or a Life Mortgage Loan with a Savings Element, at the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date an amount equal to the Savings Premium received by the relevant Savings Insurance Company from the Borrower in a month increased by  $(IR/12) \times S$  for each month up to the first day of the month wherein the relevant Mortgage Payment Date falls increased with accrued interest thereon on a capitalised basis, whereby  $IR$  = the interest rate on such Savings NHG Mortgage Receivable or Life NHG Mortgage Receivable with a Savings Element and  $S$  = the Savings Premium;

**“Initial Purchase Price”** means the aggregate Outstanding Principal Amount at the Cut-Off Date of euro 176,712,607, which shall be payable on the Closing Date or, in respect of the New NHG Mortgage Receivables, on the relevant Pre-funding Purchase Date or, in respect of the Further Advance Receivables, on the relevant Quarterly Payment Date;

**“Insurance Companies”** means the Life Insurance Companies and the Savings Insurance Companies;

**“Insurance Policies”** means the Life Insurance Policies, the Risk Insurance Policies and the Savings Insurance Policies and combinations thereof;

**“Interest-only Mortgage Loans”** means any Mortgage Loan in respect of which the Borrower does not pay principal towards redemption of the relevant NHG Mortgage Receivable until maturity of the NHG Mortgage Receivable;

**“Investment Account”** means, in respect of Investment Mortgage Loans, the investment account of the relevant Borrower to which monthly instalments are transferred and on which its investments are administered;



**“Investment Mortgage Loans”** means any Mortgage Loan in respect of which the Borrower does not pay principal prior to maturity, but undertakes to invest, whether or not on an instalment basis or up front, an agreed minimum amount in certain investment funds;

**“Investment NHG Mortgage Receivables”** means any and all rights of the Seller against any Borrower under or in connection with any Investment Mortgage Loans;

**“ISDA Definitions”** means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (**“ISDA”**);

**“ISDA Master Agreement”** means the 1992 ISDA Master Agreement (Multicurrency Cross Border), as published by ISDA, and the Schedule thereto, as amended from time to time, governed by English law;

**“Issuer”** means E-MAC NL 2005-NHG II B.V., a private company with limited liability organised under the laws of the Netherlands and established in Amsterdam;

**“Issuer Administrator”** means GMAC RFC Nederland, in its capacity as Issuer Administrator of the Issuer under the Issuer Services Agreement or its successor(s);

**“Issuer Services Agreement”** means the issuer services agreement to be entered into by the Issuer Administrator, the MPT Provider, the Issuer and the Security Trustee on the Closing Date;

**“Life Beneficiary Rights”** means all claims which the relevant Originator or, after assignment (and in respect of the Quion NHG Mortgage Receivables and the Beneficiary Rights relating thereto, the assignment by Quion 20 to the Seller and the subsequent assignment by the Seller) to the Issuer, the Issuer has or will have on a Life Insurance Company in respect of any Life Insurance Policy under which the Seller has been appointed by the Borrower/insured as first beneficiary (“begunstigde”) in connection with the Life NHG Mortgage Receivables;

**“Life Insurance Company”** means any insurance company established in the Netherlands;

**“Life Insurance Policy”** means a risk insurance policy taken by any Borrower with any of the Life Insurance Companies, which pays out upon the death of the insured, combined with a capital insurance policy which pays out on an agreed date (which may not necessarily be the date on which the Mortgage Loan is repayable) any amount (which may be less than the Outstanding Principal Amount under the Mortgage Loan);

**“Life Mortgage Loans”** means Mortgage Loans which have the benefit of Life Insurance Policies;

**“Life NHG Mortgage Receivables”** means any and all rights of the Seller against any Borrower under or in connection with any Life Mortgage Loans;

**“Linear Mortgage Loan”** means a loan under which the Borrower pays a fixed amount on each instalment such that at maturity the entire loan will be redeemed. The Borrower’s payment obligation decreases with each payment as interest owed under the Linear Mortgage Loan declines over time;

**“Liquidity Facility Agreement”** means the up to 364 day term liquidity facility agreement to be entered into by the Issuer and the Liquidity Facility Provider and the Security Trustee on the Closing Date;

**“Liquidity Facility Maximum Amount”** means, on each Quarterly Calculation Date, the higher of (a) an amount equal to 3.0 per cent. of the aggregate Principal Amount Outstanding of the Senior Class A Notes on such date and (b) 0.60 per cent. of the aggregate Principal Amount Outstanding of the Senior Class A Notes on the Closing Date;

**“Liquidity Facility Provider”** means Citibank in its capacity as liquidity facility provider under the Liquidity Facility Agreement and its successor(s);

**“Liquidity Facility Stand-by Drawing”** means the drawing of the Issuer of the entirety of the undrawn portion of the Liquidity Facility if (a) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider are assigned a rating of less than Prime-1 by Moody’s or (b) the Liquidity Facility Provider does not extend the Liquidity Facility notwithstanding the request of the Issuer;

**“Liquidity Facility Stand-by Ledger”** means the ledger corresponding to the Collection Account to which Liquidity Facility Stand-by Drawing will be credited;

**“Liquidity Facility Subordinated Amount”** means, with respect to any Quarterly Payment Date after the First Put Date, the sum of (i) the positive difference between the commitment fee after the First Put Date and the commitment fee before the First Put Date per annum calculated by reference to the daily undrawn and uncanceled amount of the Liquidity Facility Maximum Amount during the Quarterly Calculation Period immediately preceding such Quarterly Payment Date, (ii) the positive difference between the interest rate after the First Put Date and the interest rate before the First Put Date per annum calculated by reference to the amount drawn under the Liquidity Facility during the Quarterly Calculation Period immediately preceding such Quarterly Payment Date; and (iii) any amounts payable under Clauses 12.2 and 13.3 of the Liquidity Facility Agreement;

**“LTFV-ratio”** means the quotient of the aggregate Outstanding Principal Amount of a Mortgage Loan divided by the Foreclosure Value of the mortgaged property.

**“Management Agreements”** means the management agreements entered into by, *inter alia*, (i) Stichting Holding and ATC Management B.V., (ii) the Issuer and ATC Management B.V. and (iii) the Security Trustee and Amsterdamsch Trustee’s Kantoor B.V., all at the date of the Offering Circular;

**“Manager”** means Citigroup, as purchaser of the Senior Class A Notes and the Subordinated Class B Notes under the Notes Purchase Agreement;

**“Monthly Savings Participation Increase”** is calculated by application of the following formula:

$(P \times I) + S$ , whereby

P = Participation Fraction;

S = the amount of the Savings Premium received by the relevant Savings Insurance Company in such Mortgage Calculation Period in respect of the relevant Savings NHG Mortgage Receivable or, as the case may be, the Life NHG Mortgage Receivable with a Savings Element and paid to the Issuer on the Mortgage Payment Date by the relevant Savings Insurance Company pursuant to the Savings Sub-Participation Agreement; and

I = the amount of interest due by the Borrower on the Savings Mortgage Loan or the relevant Life Mortgage Loan with a Savings Element and actually received by the Issuer in such Mortgage Calculation Period;

**“Moody’s”** means Moody’s Investors Service Ltd.;

**“Mortgage”** means a mortgage right (“*hypotheekrecht*”) securing the relevant NHG Mortgage Receivable;

**“Mortgage Calculation Period”** means the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of such calendar month, except for the first Calculation Period which commences on (and includes) the first day of March 2005 and ends on (and includes) 30 April 2005;

**“Mortgage Conditions”** means, in relation to a Mortgage Loan, the terms and conditions applicable to the Mortgage Loan, as set forth in the relevant mortgage deed and/or in any loan document, offer document or any other document and/or in any applicable general terms and conditions for mortgages of the Seller or Quion 20 from time to time in effect;

**“Mortgaged Assets”** means (i) a real property (“*onroerende zaak*”), (ii) an apartment right (“*appartementsrecht*”) or (iii) a long lease (“*erfpachtsrecht*”) situated in the Netherlands;

**“Mortgage Loans Criteria”** means the criteria relating to the Mortgage Loans, which are set forth in *Mortgage Receivables Purchase Agreement*;

**“Mortgage Loans”** means the GMAC Mortgage Loans and the Quion Mortgage Loans;

**“Mortgage Payment Date”** means the seventh business day following the last day of each Mortgage Calculation Period;

**“Mortgage Receivables Purchase Agreement”** means the mortgage receivables purchase agreement to be entered into by the Seller, the Issuer and the Security Trustee on 25 April 2005;

**“MPT Provider”** means GMAC RFC Nederland in its capacity of MPT Provider under the Issuer Services Agreement and its successor(s);

**“MPT Services”** means the services to be provided by the MPT Provider under the Issuer Services Agreement and its successor(s);

**“Net Proceeds”** means (a) the proceeds of a foreclosure on the mortgage right, (b) the proceeds of foreclosure on any other collateral securing the NHG Mortgage Receivable, (c) the proceeds, if any, of collection of any Insurance Policies in connection with the NHG Mortgage Receivable, including but not limited to fire insurance and Insurance Policies, (d) the proceeds of any guarantees or sureties including the NHG Guarantee and (e) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs in respect of such NHG Mortgage Receivable;

**“New NHG Mortgage Receivable”** means the GMAC New NHG Mortgage Receivables and the Quion New NHG Mortgage Receivables collectively;

**“New Mortgage Loans”** means the GMAC New Mortgage Loans and the Quion New Mortgage Loans collectively;

**“NHG Guarantee”** means guarantees (“*borgtochten*”) issued by *Stichting Waarborgfonds Eigen Woningen* under the terms and conditions of the *Nationale Hypotheek Garantie*, as from time to time amended;

**“NHG Mortgage Receivables”** means the Quion NHG Mortgage Receivables and the GMAC NHG Mortgage Receivables collectively;

**“Noteholders”** means the several persons who are for the time being holders of any Notes;

**“Notes”** means the Senior Class A Notes and the Subordinated Class B Notes;

**“Notes Interest Available Amount”** shall mean, on any Quarterly Calculation Date, the sum of the following amounts received by the Issuer during the Quarterly Calculation Period immediately preceding such Quarterly Calculation Date:

- (i) as interest on the NHG Mortgage Receivables, less with respect to each (x) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element and (y) Further Advance an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (ii) as interest credited to the Transaction Accounts, excluding the Construction Account;
- (iii) as Prepayment Penalties;
- (iv) as Net Proceeds on any NHG Mortgage Receivables, to the extent such proceeds do not relate to principal, less with respect to each (x) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element an amount equal to the amount received multiplied by the relevant Participation Fraction and (y) Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount less the Further Advance Participation;
- (v) as amounts to be drawn under the Liquidity Facility (other than Liquidity Facility Stand-by Drawings) on the immediately succeeding Quarterly Payment Date;
- (vi) as amounts to be drawn from the Reserve Account on the immediately succeeding Quarterly Payment Date (other than in connection with the redemption of the Subordinated Class B Notes in accordance with the provisions of the Trust Deed);
- (vii) as amounts to be received, whether or not by way of set-off, from the Hedging Counterparties under the Hedging Agreements on the immediately succeeding Quarterly Payment Date (excluding any collateral amounts transferred to the Issuer by the Hedging Counterparty in accordance with the terms of such Hedging Agreement);
- (viii) as amounts received in connection with a repurchase of NHG Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement or any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal, less with respect to each (x) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element an amount equal to the amount received multiplied by the relevant Participation Fraction and (y) Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount less the Further Advance Participation;

- (ix) as amounts received in connection with a sale of NHG Mortgage Receivables pursuant to the Trust Deed or the Issuer Services Agreement to the extent such amounts do not relate to principal less with respect to each (y) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element, the relevant Further Advance Savings Participation an amount equal to the amount received multiplied by the relevant Participation Fraction and (z) Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount less the Further Advance Participation;
- (x) as amounts received as post-foreclosure proceeds on the NHG Mortgage Receivables, less in respect of each Further Advance Receivable the amount exceeding an amount equal to the Outstanding Principal Amount less the Further Advance Participation as calculated at the time the foreclosure procedures commenced; and
- (xi) as amounts standing to the credit of the Collection Account after all Senior Class A Notes have redeemed in full;

**“Notes Purchase Agreement”** means a notes purchase agreement dated 25 April 2005, among the Class A Manager, the Issuer and the Seller to purchase the Senior Class A Notes and the Subordinated Class B Notes at their issue price;

**“Notes Redemption Available Amount”** shall mean, on any Quarterly Payment Date, the aggregate amount received by the Issuer during the immediately preceding Quarterly Calculation Period as items (i) through (xii), to the extent not applied towards payment of the initial purchase price of New NHG Mortgage Receivables and/or Further Advance Receivables:

- (i) as repayment and prepayment in full of principal under the NHG Mortgage Receivables, from any person (including any Insurance Company), whether by set-off or otherwise, but, for the avoidance of doubt, excluding Prepayment Penalties, if any, less, with respect to each (y) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount (of the NHG Mortgage Receivable, including the Further Advance Receivable) less the relevant Further Advance Participation;
- (ii) as Net Proceeds, to the extent such proceeds relate to principal less, with respect to each (y) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount (of the NHG Mortgage Receivable, including the Further Advance Receivable) less the relevant Further Advance Participation;
- (iii) as amounts received in connection with a repurchase of NHG Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each (y) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount (of the NHG Mortgage Receivable, including the Further Advance Receivable) less the relevant Further Advance Participation;
- (iv) as amounts received in connection with a sale of NHG Mortgage Receivables pursuant to the Trust Deed and the Issuer Services Agreement to the extent such amounts relate to principal less with respect to each (y) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount (of the NHG Mortgage Receivable, including the Further Advance Receivable) less the relevant Further Advance Participation;
- (v) as amounts of interest received to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date in accordance with the Issuer Services Agreement;

- (vi) as Monthly Savings Participation Increase pursuant to the Savings Sub-Participation Agreement;
- (vii) as partial prepayment in respect of NHG Mortgage Receivables from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding Prepayment Penalties, less, in respect of a Further Advance granted in connection with the Mortgage Loan, the amount exceeding an amount equal to the Outstanding Principal Amount (of the NHG Mortgage Receivable, including the Further Advance Receivable) less the relevant Further Advance Participation;
- (viii) as amounts standing to the credit of the Pre-funded Account upon the expiry of the Pre-funding Period;
- (ix) as amounts received on the Collection Account from the credit of the Construction Account in accordance with the Mortgage Receivables Purchase Agreement;
- (x) as consideration for the Initial Participation pursuant to the Savings Sub-Participation Agreement and as consideration for the Further Advance Participation pursuant to the Further Advance Sub-Participation Agreement;
- (xi) any part of the Notes Redemption Available Amount calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards redemption of the Notes on the preceding Quarterly Payment Date; and
- (xii) as amounts received as the Servicing Advance on the relevant Put Date;

“**Notification Events**” (each a ‘**Notification Event**’) means the Assignment Notification Events and the Trustee I Notification Events;

“**Notional Adjustment Payment**” means, on any Quarterly Payment Date, the amount to be paid by the Issuer to a Hedging Counterparty or by a Hedging Counterparty to the Issuer as a result of the amortisation rate of the Notional Amount (i) varying from the expected rate of amortisation under the Swap Agreement or (ii) varying from the expected rate of amortisation under a Reset Swap Agreement in accordance with the terms of the relevant hedging agreement;

“**Notional Amount**” means (i) in respect of the Swap Agreement, an amount equal to the aggregate Outstanding Principal Amount of the Mortgage Loans relating to the NHG Mortgage Receivables less (a) the aggregate Outstanding Principal Amount of the Mortgage Loans relating to the NHG Mortgage Receivables in respect of which a Reset Swap Agreement has been entered into, (b) the aggregate Outstanding Principal Amount of the Mortgage Loans relating to the NHG Mortgage Receivables in respect of which the interest rate is reset on a monthly basis and (c) the relevant Participations on the first day of the relevant Floating Rate Interest Period and (ii) in respect of a Reset Swap Agreement, an amount equal to the aggregate Outstanding Principal Amount of the Reset NHG Mortgage Receivables in relation to that Reset Swap Agreement less the relevant Participations on the effective date of that Reset Swap Agreement;

“**Originator**” means the Seller or Quion 20, as the case may be;

“**Other Claims**” means any claims (i) in respect of GMAC Mortgage Loans, the Seller and (ii) in respect of Quion Mortgage Loans, Quion 20 and/or the Seller vis-à-vis the Borrower, including claims resulting from the acquisition of loans granted to or the granting of loans to such Borrower, which are secured by the Mortgage or Borrower Pledge vested by such Borrower to secure the NHG Mortgage Receivable;

“**Outstanding Principal Amount**” means, at any moment in time, (i) the principal balance of a NHG Mortgage Receivable at such time and (ii) after a Realised Loss has occurred in respect of such NHG Mortgage Receivable, zero;

“**Parallel Debt**” means an amount equal to the aggregate amount due (“*verschuldigd*”) by the Issuer to the Secured Parties under or in connection with the respective Relevant Documents;

“**Parallel Debt Agreement**” means the parallel debt agreement to be entered into by the Issuer, the Security Trustee and the Secured Parties in the Closing Date;

“**Participants**” means the Savings Insurance Companies and the Further Advance Participant and its successor(s);

“**Participations**” means the Savings Participation and the Further Advance Participation collectively;

**“Participation Fraction”** means, in respect of a Savings NHG Mortgage Receivable, a Life NHG Mortgage Receivable with a Savings Element and a Further Advance Receivable, an amount equal to the relevant Participation divided by the Outstanding Principal Amount of such Savings NHG Mortgage Receivable, a Life NHG Mortgage Receivable with a Savings Element and a Further Advance Receivable;

**“Participation Maximum Amount”** means, at any time, in respect of each Savings NHG Mortgage Receivable or Life NHG Mortgage Receivable with a Savings Element or Further Advance Receivable, the relevant Outstanding Principal Amount at such time;

**“Participation Redemption Available Amount”** means, on each Mortgage Payment Date, in respect of each (a) Savings NHG Mortgage Receivable and Life NHG Mortgage Receivables with a Savings Element this consists of the sum of following amounts: (i) by means of repayment and prepayment in full of the relevant Savings NHG Mortgage Receivables and Life NHG Mortgage Receivables with a Savings Element, excluding prepayment penalties, if any, and, furthermore, excluding amounts paid as partial prepayments; (ii) in connection with a repurchase of Savings NHG Mortgage Receivables and Life NHG Mortgage Receivables with a Savings Element pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal; (iii) in connection with a sale of Savings NHG Mortgage Receivables and Life NHG Mortgage Receivables with a Savings Element pursuant to the Issuer Services Agreement or the Trust Deed to the extent such amounts relate to principal; (iv) by means of the consideration in respect of a Further Advance Participation and (v) as Net Proceeds on any Savings NHG Mortgage Receivable or a Life NHG Mortgage Receivable with a Savings Element; all amounts so received up to the relevant Participation;

(b) in respect of Further Advance Receivables this consists of the sum of the following amounts: (i) by means of repayment and prepayment, whether partially or in full, of the Further Advance Receivables; (ii) in connection with a repurchase of Further Advance Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal; (iii) in connection with a sale of Further Advance Receivables pursuant to the Issuer Services Agreement or the Trust Deed; to the extent such amounts relate to principal, (iv) as post foreclosure proceeds of Further Advance Receivables; (v) as Net Proceeds on any Further Advance Receivables; all amounts so received in excess of the Outstanding Principal Amount (of the NHG Mortgage Receivable, including the Further Advance Receivable) less the relevant Further Advance Participation;

**“Paying Agency Agreement”** means the paying agency agreement to be entered into by the Issuer, the Principal Paying Agent, the Paying Agent, the Reference Agent, the Extension Margin Agent and the Security Trustee on the Closing Date;

**“Paying Agent”** means Citibank International in its capacity as paying agent under the Paying Agency Agreement and its successor(s);

**“Paying Agents”** means the Principal Paying Agent and the Paying Agent collectively;

**“Permanent Global Notes”** means the permanent global note of each Class of Notes;

**“Pledge Agreements”** means the Trustee Pledge Agreement I and the Trustee Pledge Agreement II;

**“Pre-funded Account”** means the account of the Issuer held with the GIC Provider to which on Closing Date the Pre-funded Amount will be credited;

**“Pre-funded Amount”** means an amount of euro 423,354,281 of the net proceeds from the issue of the Notes;

**“Pre-funding Period”** means the period commencing on the Closing Date and ending on the Quarterly Payment Date falling in April 2006;

**“Pre-funding Purchase Date”** means a maximum of four business days during the Pre-funding Period as selected by the Issuer;

**“Prepayment Penalties”** means any prepayment penalties (“*boeterente*”) to be paid by a Borrower under a Mortgage Loan as a result of the NHG Mortgage Receivable being repaid (in whole or in part) prior to the maturity date of such Mortgage Loan other than (i) on a date whereon the interest rate is reset or (ii) otherwise permitted;

**“Previous Transactions Security Trustees”** means Stichting Security Trustee PREEMAC NL, Stichting Security Trustee EMAC NL 2002-I, Stichting Security Trustee E-MAC NL 2003-I, Stichting Security Trustee EMAC NL 2003-II, Stichting Security Trustee E-MAC NL 2004-I, Stichting Security Trustee E-MAC NL 2004-II and Stichting Security Trustee E-MAC NL 2005-I collectively;

**“Previous Transactions SPVs”** means PREEMAC NL B.V., EMAC NL 2002-I B.V., E-MAC NL 2003-I B.V., EMAC NL 2003-II B.V., E-MAC NL 2004-I B.V., E-MAC NL 2004-II B.V. and E-MAC NL 2005-I B.V. collectively;

**“Principal Amount Outstanding”** means on any Quarterly Calculation Date of any Note the principal amount of that Note upon issue less the aggregate amount of all Principal Redemption Amounts (as defined in Condition of the Notes 6(c)) in respect of that Note that have become due and payable prior to such Quarterly Calculation Date;

**“Principal Deficiency”** means any Realised Losses debited to the Principal Deficiency Ledger;

**“Principal Deficiency Ledger”** means any Realised Losses as recorded on the Principal Deficiency Ledger less any amount credited to the Principal Deficiency Ledger;

**“Principal Paying Agent”** means Citibank in its capacity as principal paying agent under the Paying Agency Agreement and its successor(s);

**“Principal Shortfall”** means an amount equal to the quotient of the balance of the Principal Deficiency Ledger, divided by the number of Senior Class A Notes on such Quarterly Payment Date;

**“Purchase Available Amount”** means, at any Mortgage Calculation Date, the sum of (i) during the Pre-funding Period the balance standing to the credit of the Pre-funding Account and (ii) up to the Quarterly Payment Date immediately preceding the Final Maturity Date, any amounts received as a result of a repurchase by the Seller of NHG Mortgage Receivables, to the extent such amounts relate to principal less, with respect to each Savings NHG Mortgage Receivable and, each Life NHG Mortgage Receivable with a Savings Element and, as the case may be, each Further Advance Receivable the Participation and increased with (iii) an amount equal to the Initial Participation of any New NHG Mortgage Receivables to which a Savings Insurance Policy or a Life Insurance Policy with a Savings Alternative is connected, to be purchased on the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date;

**“Put Date”** means the First Put Date or any Quarterly Payment Date thereafter;

**“Put Notice”** means a duly completed and signed notice of exercise in the form obtainable from the Issuer or, in case the Notes are held through Euroclear or Clearstream, Luxembourg, such notice as required by Euroclear and Clearstream, Luxembourg;

**“Put Notice Period”** means the period not less than 11 days (unless such 11th day is not a business day, in which case the immediately preceding day) and not more than 20 days prior to the relevant Put Date;

**“Put Option”** means the right of each Noteholder to offer the Notes for redemption on the Put Date in accordance with Condition of the Notes 6(e);

**“Quarterly Calculation Date”** means, in relation to a Quarterly Payment Date, the third business day prior to such Quarterly Payment Date;

**“Quarterly Calculation Period”** means, in relation to a Quarterly Calculation Date, the three successive Mortgage Calculation Periods immediately preceding such Quarterly Calculation Date;

**“Quarterly Payment Date”** the 25th day of July, October, January and April (or, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such 25th day) in each year;

**“Quion 20”** means Quion 20 B.V., a private company with limited liability incorporated under the laws of the Netherlands and established in Rotterdam, the Netherlands;

**“Quion Account Pledge Agreement”** means the pledge agreement to be entered into between Quion 20, ABN AMRO, the Issuer and Security Trustee on the Closing Date;

**“Quion Collection Account”** means the account of Quion 20 maintained with ABN AMRO to which all amounts of interest, Prepayment Penalties, principal and all other collections received under all mortgage receivables relating to Quion Mortgage Loans are paid by the Borrowers;

**“Quion Further Advance”** means a Further Advance relating to a Quion Mortgage Loan;

**“Quion Further Advance Receivable”** means any and all rights of Quion 20 (or its assignee) against any Borrower under or in connection with any Further Advance relating to a Quion Mortgage Loan;

**“Quion General Conditions”** means the general conditions applicable to the Quion Mortgage Loans (AV2002);

**“Quion Hypotheekbemiddeling”** means ‘Quion’ or Quion Hypotheekbemiddeling B.V. a private company organized under the laws of the Netherlands and established in Rotterdam, the Netherlands

**“Quion Mortgage Loans”** means the loans granted by Quion 20 to the relevant Borrowers, as evidenced by the relevant loan agreement, which may consist of one or more loan parts (“*leningdelen*”) as attached to the Mortgage Receivables Purchase Agreement and to the Deed of Assignment thereto and, after any purchase and assignment of any Quion New Mortgage Receivables or Quion Further Advance Receivables has taken place in accordance with the Mortgage Receivables Purchase Agreement, includes any such Quion New Mortgage Loans and any such Quion Further Advances;

**“Quion NHG Mortgage Receivables”** means any and all rights of Quion 20 under or in connection with any Mortgage Loans, including for the avoidance of doubt, upon the purchase and assignment of Quion New NHG Mortgage Receivables, such Quion New NHG Mortgage Receivables, and, upon the purchase of any receivables resulting from the granting of a further advance, such Quion Further Advance Receivables;

**“Quion Mortgage Receivables Purchase Agreement”** means the mortgage receivables purchase agreement to be entered into by – *inter alia* – the Seller and Quion 20 on 25 April 2005;

**“Quion New Mortgage Loans”** means the loans entered into by Quion 20 and the relevant Borrowers set forth in the list of Quion New Mortgage Loans attached to any Purchase Deed of Assignment as Schedule 1, listing the Quion New Mortgage Loans held by Quion 20, which list provides the same details as are required in respect of the Quion Mortgage Loans;

**“Quion New NHG Mortgage Receivable”** means any and all rights of Quion 20 against any Borrower under or in connection with any mortgage loan between Quion 20 and that Borrower which meets the Mortgage Loans Criteria and which are, for the avoidance of doubt, purchased by the Issuer after the Closing Date;

**“Quion Notification Events”** means any of the following events: (1) the occurrence of an Assignment Notification Event; (2) a default is made by Quion 20 in the payment on the due date of any amount due and payable by it under the Quion Mortgage Receivables Purchase Agreement and such failure is not remedied within five business days after having knowledge of such failure or notice thereof has been given by the Seller; (3) Quion 20 fails duly to perform or comply with any of its obligations under the Quion Mortgage Receivables Purchase Agreement and, if such failure is capable of being remedied, such failure is not remedied within 10 business days after having knowledge of such failure or notice thereof has been given by the Seller; (4) Quion 20 takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution (“*ontbinding*”) and liquidation (“*vereffening*”) or legal demerger (“*juridische splitsing*”) involving Quion 20 or its assets are placed under administration (“*onder bewind gesteld*”); or (5) Quion 20 has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into suspension of payments or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets.

**“Realised Losses”** means, on any Quarterly Calculation Date, the sum of (I) the amount of the difference between (a) the aggregate Outstanding Principal Amount on all NHG Mortgage Receivables and Further Advance Receivables on which the Seller or, the Issuer or the Security Trustee has foreclosed from the Closing Date up to and including such Quarterly Calculation Date less the Participations and (b) the sum of (i) the Net Proceeds on the NHG Mortgage Receivables other than the Savings NHG Mortgage Receivables, the Life NHG Mortgage Receivables with a Savings Element or, as the case may be, the Further Advance Receivables together with the relevant NHG Mortgage Receivables; and (ii) the Net Proceeds on the Savings NHG Mortgage Receivables and the Life NHG Mortgage Receivables with a Savings Element up the amount of



the relevant Savings NHG Mortgage Receivables or Life NHG Mortgage Receivables with a Savings Element less the relevant Participations and (iii) the *pro rata* Net Proceeds on the Further Advance Receivables and the relevant NHG Mortgage Receivables (by reference to the relevant Further Advance Participations), and (II) with respect to NHG Mortgage Receivables sold by the Issuer, the amount of the difference, if any, between (x) the aggregate Outstanding Principal Amounts of such NHG Mortgage Receivables and (y) the purchase price received in respect of such NHG Mortgage Receivables to the extent relating to the principal less the relevant Participations;

**"Reference Agent"** means Citibank, N.A. in its capacity as reference agent under the Paying Agency Agreement and its successor(s);

**"Regulatory Change"** means any event which has the result that the risk weighting applicable to the Senior Class A Notes shall not or no longer be zero per cent.

**"Regulatory Put Date"** means the Quarterly Payment Date falling in April 2006 and each Quarterly Payment Date thereafter;

**"Regulatory Put Option"** means the right of each Senior Class A Noteholder, provided that such Senior Class A Noteholder is a credit institution regulated by the Dutch Central Bank ("*De Nederlandsche Bank N.V.*"), to offer any Senior Class A Notes held by it to the Issuer for redemption on each Regulatory Put Date upon the occurrence of a Regulatory Change;

**"Relevant Documents"** means the Mortgage Receivables Purchase Agreement, the Master Definitions Agreement, the Deed of Assignment, any Purchase Deed of Assignment, the Issuer Services Agreement, the Pledge Agreements, the Notes Purchase Agreements, the Notes, the Paying Agency Agreement, the Trust Deed, the Hedging Agreements, the Savings Sub-Participation Agreement, the GIC, the Liquidity Facility Agreement, the Further Advance Sub-Participation Agreement, the Management Agreements, the Beneficiary Waiver Agreement, the Seller Account Pledge Agreement, Quion Account Pledge Agreement and any further documents relating to the transaction envisaged in the above mentioned documents;

**"Required Hedging Counterparty Rating"** means a rating of Prime-1 by Moody's of the short-term unsecured, unsubordinated and unguaranteed debt obligations of a Hedging Counterparty and A1 by Moody's of the long-term unsecured, unsubordinated and unguaranteed debt obligations of a Hedging Counterparty;

**"Reserve Account"** means the account maintained with the GIC Provider or such other account approved by the Security Trustee in the name of the Issuer, to which the net proceeds of the Subordinated Class B Notes will be credited;

**"Reserve Account Target Level"** means, on any Quarterly Calculation Date, an amount equal to:

- (i) 0.70 per cent. of the aggregate Principal Amount Outstanding of the Senior Class A Notes at the Closing Date, or
- (ii) zero, if on the immediately succeeding Quarterly Payment Date the Senior Class A Notes will be redeemed in full.

**"Reset NHG Mortgage Receivables"** means the NHG Mortgage Receivables or, as the case may be, the relevant loan part of such NHG Mortgage Receivable of which the rate of interest has been reset in accordance with the Mortgage Conditions excluding, for the avoidance of doubt, the aggregate Outstanding Principal Amount in respect of the Mortgage Loans of which the interest rate is set on a monthly basis;

**"Reset Swap Agreement"** means any interest rate swap transaction entered into pursuant to an ISDA Master Agreement and Confirmation (incorporating the ISDA Definitions) thereunder to be entered into in connection with certain Reset NHG Mortgage Receivables with any Hedging Counterparty;

**"Risk Beneficiary Rights"** means all claims which the Seller or, after assignment to the Issuer, the Issuer or the Security Trustee has or will have on a Life Insurance Company in respect of any Risk Insurance Policy under which the Seller has been appointed by the Borrower/insured as first beneficiary ("*begunstigde*") in connection with the Investment NHG Mortgage Receivables;

**"Risk Insurance Policy"** means the risk policy ("*risicoverzekering*") relating to an insurance which pays out upon the death of the insured, taken out by a Borrower with any of the Life

Insurance Companies in connection with an Investment Mortgage Loan in certain circumstances and in connection with certain Annuity Mortgage Loans and certain Interest-only Mortgage Loans;

**“Savings Alternative”** means the alternative under a Life Insurance Policy, under which a certain pre-agreed amount to be received upon pay out of the Life Insurance Policy with, in such case, a Savings Insurance Company and the Savings Premium thereof is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Alternative is equal to the Savings Element upon maturity of the Life Mortgage Loan;

**“Savings Beneficiary Rights”** means all claims which the Seller or, after the assignment to the Issuer, the Issuer has or will have on a Savings Insurance Company in respect of any Savings Insurance Policy or Life Insurance Policy with a Savings Alternative, under which the Seller has been appointed by the Borrower/insured as first beneficiary (*“begunstigde”*) in connection with the Savings NHG Mortgage Receivables;

**“Savings Element”** means the part of the Life Mortgage Loan (originated by the Seller only) to which a Life Insurance Policy with a Savings Alternative is connected;

**“Savings Insurance Companies”** means DBV, Universal and Allianz;

**“Savings Insurance Policy”** means the combined risk and capital insurance policy (*“gecombineerde risico- en kapitaalverzekering”*) taken out by a Borrower with any of the Savings Insurance Companies in connection with any Savings Mortgage Loan;

**“Savings Mortgage Loans”** means the GMAC Mortgage Loans entered into by the Seller and the relevant Borrowers combined with a Savings Insurance Policy. Under the Savings Mortgage Loan the Borrower does not pay principal towards redemption of the Savings Mortgage Loan prior to maturity. Instead, the Borrower/insured pays a Savings Premium. The Savings Premium is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Insurance Policy due by the Savings Insurance Company to the relevant Borrower is equal to the principal amount due by the Borrower to the Seller at maturity of the Savings Mortgage Loan;

**“Savings NHG Mortgage Receivables”** means any and all rights of the Seller against any Borrower under or in connection with any Savings Mortgage Loans;

**“Savings Participation”** means, on any Quarterly Calculation Date, in respect of each Savings NHG Mortgage Receivable or each Life NHG Mortgage Receivable with a Savings Element, an amount equal to the Initial Participation in respect of the relevant Savings NHG Mortgage Receivable or Life NHG Mortgage Receivable with a Savings Element, increased with the Monthly Savings Participation Increase up to, but not exceeding, the Participation Maximum Amount;

**“Savings Premium”** means the savings part of the premium including any extra instalments, due by the relevant Borrower to the relevant Savings Insurance Company on the basis of the Savings Insurance Policy or the Life Insurance Policy with a Savings Alternative which is calculated in such a way that the Savings Mortgage Loan or the Savings Element or the Life Mortgage Loan can be redeemed with the insurance proceeds at maturity;

**“Savings Sub-Participation Agreement”** means the savings sub-participation agreement entered into by the Issuer, the Savings Insurance Companies and the Seller on the Closing Date;

**“Scheduled Amount”** means, with respect to a Mortgage Calculation Period, an amount equal to the sum of interest and principal scheduled to be received under the NHG Mortgage Receivables during such Mortgage Calculation Period;

**“Secured Parties”** means (a) the Noteholders, (b) the Directors, (c) the Issuer Administrator, (d) the MPT Provider, (e) the Paying Agent and the Principal Paying Agent, (f) the Reference Agent, (g) the Swap Counterparty, (h) the Liquidity Facility Provider, (i) the GIC Provider, (j) the Further Advance Participant, (k) the Savings Insurance Companies, (l) the Seller and (m) any other Hedging Counterparty;

**“Security Act”** means the United States Securities Act 1933, as amended;

**“Security Trustee”** means Stichting Security Trustee E-MAC NL 2005 NHG II, a foundation (*“stichting”*) organised under the laws of the Netherlands and established in Amsterdam, the Netherlands;

**“Seller”** means GMAC RFC Nederland;

**“Seller Account Pledge Agreement”** means the pledge agreement to be entered into between the Seller, ABN AMRO, the Previous Transactions SPVs, the Previous Transactions Security Trustees and the Issuer on or prior to the Closing Date;

**“Seller Collection Account”** means the account of the Seller maintained with ABN AMRO to which all amounts of interest, Prepayment Penalties, principal and all other collections received under all mortgage receivables relating to GMAC Mortgage Loans are paid by the Borrowers;

**“Senior Class A Noteholders”** means the several persons who are for the time being holders of any Senior Class A Notes, including the coupons appertaining thereto;

**“Senior Class A Notes”** means the euro 600,000,000 Senior Class A Mortgage-Backed Notes 2005 due 2038;

**“Servicing Advance”** means the advance made by the MPT Provider or any other party to the Issuer pursuant to the Issuer Services Agreement to enable the Issuer to redeem the Senior Class A Notes on the relevant Put Date or the relevant Regulatory Put Date, as the case may be;

**“State”** means the State of the Netherlands;

**“STATER”** means STATER Nederland B.V., a private company with limited liability organised under the laws of the Netherlands and established in Amersfoort, the Netherlands;

**“Stichting Holding”** means Stichting E-MAC NL Holding, a foundation organised under the laws of the Netherlands, and established in Amsterdam;

**“Subordinated Class B Noteholders”** means the several persons who are for the time being holders of any Subordinated Class B Notes, including the coupons appertaining thereto;

**“Subordinated Class B Notes”** means the euro 4,200,000 Subordinated Class B Notes 2005 due 2038;

**“Subordinated Extension Interest Part”** means, with respect to a Quarterly Calculation Period after the First Put Date, an amount equal to the positive difference, if any, between (a) the sum of Euribor increased with the relevant Extension Margin multiplied by the aggregate Principal Amount Outstanding of the Senior Class A Notes and (b) the sum of Euribor increased with the relevant Initial Margin multiplied by the aggregate Principal Amount Outstanding of the Senior Class A Notes;

**“Sub-Participation Agreements”** means the Savings Sub-Participation Agreement and the Further Advance Sub-Participation Agreement;

**“Swap Agreement”** means the interest rate swap transaction entered into pursuant to an ISDA Master Agreement and Confirmation (incorporating the ISDA Definitions) thereunder to be entered into by the Swap Counterparty and the Issuer on the Closing Date in connection with the NHG Mortgage Receivables, excluding the Reset NHG Mortgage Receivables;

**“Swap Counterparty”** means Citibank in its capacity as swap counterparty under the Swap Agreement and its successor(s);

**“Swap Subordinated Amount”** means,

- (i) prior to the Enforcement Date, with respect to a Quarterly Payment Date:
  - (a) the aggregate of Notional Adjustment Payments, if any, due but unpaid by the Issuer under the Swap Agreement or any Reset Swap Agreement only to the extent such amount exceeds the Prepayment Penalties;
  - (b) payments due from the Issuer under any Hedging Agreement after the First Put Date corresponding to that portion, if any, of the increase in any fixed swap rates in the relevant Hedging Agreement that is in excess of 0.15 per cent.;
  - (c) any termination payment due from the Issuer under a Hedging Agreement following an Event of Default (as defined in the relevant Hedging Agreement) where the Hedging Counterparty is the Defaulting Party (as defined in the relevant Hedging Agreement); and
  - (d) except to the extent that any premium is received by the Issuer from a replacement Hedging Counterparty, any termination payment due from the Issuer under any Hedging Agreement following an Additional Termination Event (as

defined in the relevant Hedging Agreement) triggered by a failure of the Hedging Counterparty to comply with the requirements under the relevant Hedging Agreement, following the loss of the Required Hedging Counterparty Rating; and

- (ii) following the Enforcement Date:
  - (a) payments due from the Issuer under any Hedging Agreement after the First Put Date corresponding to that portion, if any, of the increase in any fixed swap rates in the relevant Hedging Agreement that is in excess of 0.15 per cent.;
  - (b) any termination payment due from the Issuer under a Hedging Agreement following an Event of Default (as defined in the relevant Hedging Agreement) where the Hedging Counterparty is the Defaulting Party (as defined in the relevant Hedging Agreement); and
  - (c) except to the extent that any premium is received by the Issuer from a replacement Hedging Counterparty, any termination payment due from the Issuer under the Hedging Agreement following an Additional Termination Event (as defined in the relevant Hedging Agreement) triggered by the failure of the Hedging Counterparty to comply with the requirements under the relevant Hedging Agreement following the loss of the Required Hedging Counterparty Rating;

**“TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer System, or any successor thereto;

**“Tax Credit”** means, in case a Hedging Counterparty has paid an amount in accordance with the relevant Hedging Agreement and the Issuer in connection with Part 5 (j) (iii) of the Schedule to the ISDA Master Agreement is granted or otherwise receives from the tax authorities of any jurisdiction any tax credit, allowance, set-off or repayment relating to such payment by such Hedging Counterparty an amount equal to the amount so received;

**“Temporary Global Notes”** means the temporary global notes to be issued in respect of each Class of Notes;

**“Transaction Accounts”** means the Collection Account, the Reserve Account, the Pre-funded Account and the Construction Account;

**“Transaction Accounts Balances”** means, at any day, the balances standing to the credit of each of the Transaction Accounts at the close of business of such day;

**“Trust Deed”** means the trust deed to be entered into by the Security Trustee, Stichting Holding and the Issuer on the Closing Date;

**“Trustee I Notification Events”** means the Assignment Notification Events and similar events relating to the Issuer;

**“Trustee Pledge Agreement I”** means the pledge agreement to be entered into by the Security Trustee, the Savings Insurance Companies and the Issuer on the Closing Date;

**“Trustee Pledge Agreement II”** means the pledge agreement to be entered into by the Issuer, the Security Trustee and certain other parties on the Closing Date;

**“Unit-Linked Alternative”** means the alternative under a Life Insurance Policy under which the amount to be received upon pay out of the Life Insurance Policy depends on the performance of certain investment funds chosen by the insured (**“unit-linked”**);

**“Universal”** means Universal Leven N.V., a public company, organised under the laws of the Netherlands and established in Amsterdam, the Netherlands.

## ANNEX B

### EXPECTED AMORTISATION PROFILE OF THE NOTES BASED ON ASSUMPTIONS

This profile takes in to account the purchase of New NHG Mortgage Receivables during the Pre-funding Period with the following characteristics:

<b>Loan Type</b>	<b>Gross Rate</b>	<b>Next Interest Reset Date</b>	<b>End Date</b>	<b>Remaining Term</b>	<b>Current Balance</b>	<b>Savings Value</b>	<b>Amortisation Lag (months)</b>
1 months IO	2.9929206140	1-Apr-05	01-Jul-34	352	2,686,709.00	0.00	0
3 months IO	2.9264611509	1-Jun-05	01-Dec-33	345	2,487,628.00	0.00	0
1 yr IO	3.3288360047	1-Mar-06	01-Sep-33	342	408,713.00	0.00	0
5 yr IO	3.9631570119	1-Mar-10	01-Jan-34	346	6,328,101.00	0.00	0
6 yr IO	3.9381354204	1-Mar-11	01-Sep-34	354	83,943,534.23	0.00	0
7 yr IO	4.2624022145	1-Mar-12	01-Apr-34	349	19,690,552.00	0.00	0
10 yr IO	4.4135227906	1-Mar-15	01-Nov-33	344	41,573,989.14	0.00	0
15 yr IO	4.7847376417	1-Mar-20	01-Mar-33	336	3,547,286.00	0.00	0
20 yr IO	4.8958378512	1-Mar-25	01-May-33	338	6,314,755.00	0.00	0
5 yr Sav	3.9081348587	1-Mar-10	01-May-31	314	160,277.66	418.46	0
6 yr Sav	4.1636836164	1-Mar-11	01-Dec-34	357	1,663,715.57	2816.26	0
7 yr Sav	4.4964392861	1-Mar-12	01-Mar-34	348	1,324,261.16	7905.89	0
10 yr Sav	4.7420829863	1-Mar-15	01-Feb-34	347	4,457,730.66	31990.47	0
15 yr Sav	5.0352378603	1-Mar-20	01-Nov-34	356	978,123.74	4926.2	0
20 yr Sav	5.0253043299	1-Mar-25	01-Jul-34	352	1,147,231.22	18831.59	0
1 months IO	2.9929206140	1-Oct-05	01-May-35	356	6,439,045.16	0.00	6
3 months IO	2.9264611509	1-Dec-05	01-Aug-34	347	5,961,921.83	0.00	6
1 yr IO	3.3288360047	1-Sep-06	01-Aug-34	347	979,533.50	0.00	6
5 yr IO	3.9631570119	1-Sep-10	01-Nov-34	350	15,166,111.44	0.00	6
6 yr IO	3.9381354204	1-Sep-11	01-Apr-35	355	201,181,522.65	0.00	6
7 yr IO	4.2624022145	1-Sep-12	01-Feb-35	353	47,190,951.27	0.00	6
10 yr IO	4.4135227906	1-Sep-15	01-Jul-34	346	99,637,435.03	0.00	6
15 yr IO	4.7847376417	1-Sep-20	01-Dec-33	339	8,501,529.10	0.00	6
20 yr IO	4.8958378512	1-Sep-25	01-Feb-34	341	15,134,126.03	0.00	6
5 yr Sav	3.9081348587	1-Sep-10	01-Mar-32	318	383,123.22	0.00	6
6 yr Sav	4.1636836164	1-Sep-11	01-Aug-35	359	3,980,559.73	0.00	6
7 yr Sav	4.4964392861	1-Sep-12	01-Feb-35	353	3,154,815.44	0.00	6
10 yr Sav	4.7420829863	1-Sep-15	01-Dec-34	351	10,606,858.03	0.00	6
15 yr Sav	5.0352378603	1-Sep-20	01-Sep-35	360	2,332,393.61	0.00	6
20 yr Sav	5.0253043299	1-Sep-25	01-Apr-35	355	2,704,355.47	0.00	6

<b>Payment Date</b>	<b>Principal Amount Outstanding € A Notes</b>	<b>€ A Notes Amortisation</b>
27-Apr-05	600,000,000	
25-Jul-05	595,726,876	4,273,124
25-Oct-05	587,439,009	8,287,866
25-Jan-06	576,748,929	10,690,081
25-Apr-06	566,251,886	10,497,043
25-Jul-06	555,944,405	10,307,481
25-Oct-06	545,823,072	10,121,333
25-Jan-07	535,884,535	9,938,537
25-Apr-07	526,125,502	9,759,033
25-Jul-07	516,542,741	9,582,762
25-Oct-07	507,133,076	9,409,665
25-Jan-08	497,893,390	9,239,686
25-Apr-08	488,820,622	9,072,768
25-Jul-08	479,911,765	8,908,857
25-Oct-08	471,163,868	8,747,897
25-Jan-09	462,574,030	8,589,837
25-Apr-09	454,139,406	8,434,624
25-Jul-09	445,857,200	8,282,207
25-Oct-09	437,724,665	8,132,534
25-Jan-10	429,739,107	7,985,558
25-Apr-10	421,897,877	7,841,230
25-Jul-10	414,198,376	7,699,501
25-Oct-10	406,638,050	7,560,326
25-Jan-11	399,214,393	7,423,657
25-Apr-11	391,924,941	7,289,451
25-Jul-11	384,767,278	7,157,663
25-Oct-11	377,739,030	7,028,249
25-Jan-12	370,837,864	6,901,166
25-Apr-12	364,061,491	6,776,373
25-Jul-12	357,407,663	6,653,828
25-Oct-12	350,874,171	6,533,491
25-Jan-13	344,458,848	6,415,323
25-Apr-13	338,159,565	6,299,284
25-Jul-13	331,974,229	6,185,335
25-Oct-13	325,900,789	6,073,440
25-Jan-14	319,937,228	5,963,561
25-Apr-14	0	319,937,228

## **REGISTERED OFFICES**

### **ISSUER**

E-MAC NL 2005-NHG II B.V.  
Frederik Roeskestraat 123  
1076 EE Amsterdam  
The Netherlands

### **SELLER**

GMAC RFC Nederland B.V.  
Prinses Margrietplantsoen 92  
2595 BR The Hague  
The Netherlands

### **MPT PROVIDER**

GMAC RFC Nederland B.V.  
Prinses Margrietplantsoen 92  
2595 BR The Hague  
The Netherlands

### **ISSUER ADMINISTRATOR**

GMAC RFC Nederland B.V.  
Prinses Margrietplantsoen 92  
2595 BR The Hague  
The Netherlands

### **SECURITY TRUSTEE**

Stichting Security Trustee E-MAC NL 2005- NHG III  
Frederik Roeskestraat 123  
1076 EE Amsterdam  
The Netherlands

### **LEGAL ADVISERS TO THE MANAGER**

NautaDutilh N.V.  
Strawinskylaan 1999  
1077 XV Amsterdam  
The Netherlands

### **LEGAL AND TAX ADVISERS TO THE SELLER AND THE ISSUER**

Allen & Overy LLP  
Apollolaan 15  
1077 AB Amsterdam  
The Netherlands

### **PAYING AGENT**

Citibank International Plc  
Europlaza  
Hoogoorddreef 54b  
1101 BE Amsterdam-Zuidoost  
The Netherlands

### **AUDITORS OF THE ISSUER**

PricewaterhouseCoopers Accountants N.V.  
Prins Bernardplein 200  
1097 JB Amsterdam  
The Netherlands

### **PRINCIPAL PAYING AGENT AND REFERENCE AGENT**

Citibank, N.A.  
5 Carmelite St  
London EC4Y 0PA  
England

### **ORIGINATORS**

GMAC RFC Nederland B.V.  
Prinses Margrietplantsoen 92  
2595 BR The Hague  
The Netherlands

Quion 20 B.V.  
Lichtenauerlaan 170  
3000 CX Rotterdam  
The Netherlands

### **LISTING AGENT**

Citigroup Global Markets Limited  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
England

