

Permanent Monthly Report

Date of Report: 10 Jun 2010

For period from 1 May 2010 to 31 May 2010

Mortgages Trust Determination Date	1 Jun 2010
Mortgages Trust Distribution Date	3 Jun 2010
Current Funding 1 Interest Period	10 Mar 2010 to 10 Jun 2010
Current Funding 2 Interest Period	15 Apr 2010 to 15 Jul 2010

Key Parties

Mortgages Trustee	Permanent Mortgages Trustee Limited
Depositors	Permanent Funding (No. 1) Limited (Funding 1), Permanent Funding (No. 2) Limited (Funding 2)
Seller	Bank of Scotland plc
Servicer	Bank of Scotland plc
Cash Manager	Bank of Scotland plc
Issuing Entities	Permanent Financing (No. 3 through 9) PLC ¹ , Permanent Master Issuer PLC
Security Trustee	The Bank of New York Mellon, London
Note Trustee	The Bank of New York Mellon, London

Mortgages Trust Summary

Principal Balance at start of period	£ 36,995,485,900.01	Number of loans in pool at start of period	452,160
Principal Balance at end of period	£ 41,471,651,508.19	Number of loans in pool at end of period	492,038
Opening Trust Assets	£ 100.00		
Total	£ 41,471,651,608.19		
Funding 1 Issuer Notes outstanding (GBP)	£ 11,508,239,000.00	Funding 2 Issuer Notes outstanding (GBP)	£ 12,633,836,626.10
/less Cash Accumulation Ledger balance	£ -	/less Cash Accumulation Ledger balance	£ -
/less Funding 1 Principal Ledger balance	£ 1,142,974,612.80	/less Funding 2 Principal Ledger balance	£ -
/less Principal Deficiency Ledger balance	£ 1,419,387.20	/less Principal Deficiency Ledger balance	£ 1,058,771.03
Funding 1 Share	£ 10,363,845,000.00	Funding 2 Share	£ 12,632,777,955.07
Funding 1 Share %	24.99040%	Funding 2 Share %	30.46148%
Seller Share	£ 18,475,028,553.12		
Seller Share %	44.54812%		
Minimum Seller Share	£ 4,404,799,960.54		
Minimum Seller Share %	10.62123%		

Distribution(s)

On a monthly basis, Mortgages Trust Revenue Receipts are allocated on a pro-rata basis between Funding 1, Funding 2 and the Seller based upon their respective shares in the Trust. Mortgages Trust Principal Receipts are allocated first on a pro-rata basis between Funding 1 and Funding 2 based upon their respective shares in the Trust and their outstanding cash accumulation requirements, until their requirements have been satisfied, and then to the Seller. On a quarterly basis, Funding 1 will distribute its receipts to the issuers Permanent Financing (No. 3) PLC¹ to Permanent Financing (No. 9) PLC inclusive, Funding 2 will distribute its receipts to Permanent Master Issuer PLC (Master Issuer) and in turn the issuers will distribute their respective receipts to the noteholders, via the paying agents and swap providers. ¹ Permanent Financing (No. 1) Plc was dissolved on 12 May 2009 and Permanent Financing (No. 2) Plc was placed into solvent liquidation on 16 Dec 2009.

Mortgages Trust Distributions 25 May 2010 and 3 Jun 2010

Mortgages Trust Revenue Receipts	£ 125,965,903.09		
Mortgages Trust Principal Receipts	£ 491,958,451.21		
Total received by Mortgages Trustee	£ 617,924,354.30		
	Revenue distribution		Principal distribution
Amounts due to the Servicer	£ 1,639,997.66	Paid to Permanent Funding (No. 1) Limited	£ 394,281,456.03
Other amounts due	£ -	Paid to Permanent Funding (No. 2) Limited	£ -
Paid to Permanent Funding (No. 1) Limited	£ 35,211,846.77	Paid to the Seller	£ 97,676,995.18
Paid to Permanent Funding (No. 2) Limited	£ 41,648,031.70		
Paid to the Seller	£ 47,466,026.96		
	£ 125,965,903.09		£ 491,958,451.21

Master Issuer Distribution 15 Apr 2010

Master Issuer Revenue Receipts	£ 53,587,208.15		
Master Issuer Principal Receipts	£ 4,132,600,000.00		
Total received by Master Issuer	£ 4,186,187,208.15		
	Revenue distribution		Principal distribution
Amounts due to Security Trustee	£ 7,242.50	Amounts due Swap Provider re Class A notes	£ -
Amounts due to Note Trustee	£ -	Principal due on Class A notes	£ 3,535,800,000.00
Amounts due to Agent Bank, Paying Agent	£ 27,492.76	Amounts due Swap Provider re Class B notes	£ -
Amounts due to Third Party Creditors	£ -	Principal due on Class B notes	£ 298,400,000.00
Amounts due to Cash Manager	£ 999,695.25	Amounts due Swap Provider re Class C notes	£ -
Amounts due to Corporate Svcs Provider	£ -	Principal due on Class C notes	£ 298,400,000.00
Amounts due Swap Provider re Class A notes	£ 17,655,500.58		
Interest due on Class A notes	£ 32,231,375.35		
Amounts due Swap Provider re Class B notes	£ 163,129.32		
Interest due on Class B notes	£ 968,708.21		
Amounts due Swap Provider re Class C notes	£ 231,965.59		
Interest due on Class C notes	£ 1,296,626.30		
Retained by the Master Issuer	£ 5,472.29		
	£ 53,587,208.15		£ 4,132,600,000.00

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Mortgages Trust Pool Assets Analysis

A very small number of loans were repurchased from the Trust by the Seller during the period, for being in breach of the representations and warranties under the Mortgage Sale Agreement.

HVR1 rate	3.50%
HVR2 rate	3.40%
Flexible Variable rate	3.40%

Yield net of Funding Swaps over 3 Month Sterling LIBOR 0.85560%

Arrears & Possessions

Months in arrears	Aggregate outstanding balance	% of Total	Aggregate amount of Arrears	Number of accounts	% of Total
Current - < 1 month	£ 40,121,433,231.33	96.74%	£ 1,477,390.05	479,104	97.37%
1 - < 2 months	£ 497,589,430.88	1.20%	£ 3,275,258.66	4,865	0.99%
2 - < 3 months	£ 185,040,592.30	0.45%	£ 2,331,923.69	1,844	0.37%
3 - < 6 months	£ 287,333,692.25	0.69%	£ 6,378,811.63	2,698	0.55%
6 - < 12 months	£ 232,182,890.39	0.56%	£ 10,325,211.34	2,186	0.44%
>= 12 months	£ 148,071,671.04	0.36%	£ 13,741,090.80	1,341	0.27%
Total	£ 41,471,651,508.19	100.00%	£ 37,529,686.17	492,038	100.00%

Properties in possession	Aggregate outstanding balance	% of Total	Number of accounts	% of Total	Cumulative Numbers
Brought forward	£ 28,760,531.82	0.08%	255	0.06%	
Repossessed			55	0.01%	
Sold and loss incurred			38	0.01%	1,990
Sold and no loss incurred			16	0.00%	1,175
Relinquished to borrower			-	0.00%	
Carried forward	£ 28,767,247.65	0.07%	256	0.05%	

Average time from possession to sale in days (this period)	112
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A loan is identified as being in arrears where an amount equal to or greater than a full month's contractual payment is outstanding at the end of the month. A loan is not defined as defaulted until the property relating to that loan has been taken into possession. A loan is not charged off as uncollectable until the property relating to that loan has been disposed of following default.

Substituted assets

Period	Balance of accounts	Number of accounts
This period	£ 4,975,100,475.42	44,756

CPR

Month	Monthly CPR	1-month annualised	3-month annualised	12-month annualised
May 2010	1.33%	14.84%	15.31%	16.16%
April 2010	1.38%	15.36%	14.58%	16.36%
March 2010	1.41%	15.72%	13.73%	16.35%

1-month annualised CPR is calculated as $1 - ((1-R)^{12})$

3-month annualised CPR is calculated as the average of the 1-month annualised CPR for the most recent 3 months.

12-month annualised CPR is calculated as the average of the 1-month annualised CPR for the most recent 12 months.

where in each case R is 'Monthly CPR' or total principal receipts received plus the principal balance of loans repurchased by the Seller (primarily due to further advances) during the period, divided by the aggregate principal balance of the loans in the portfolio as at the start of the period.

Excess spread

Month	Funding 1	Funding 2
May 2010	0.50693%	0.51875%
April 2010	0.51190%	0.48425%
March 2010	0.53837%	0.45032%

Excess spread is equal to the yield net of Funding Swaps above, plus interest receivable on reserve funds, less actual and estimated costs including the weighted average margin on the notes.

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Range of outstanding balances at end of period	Aggregate outstanding balance	% of Total	Number of accounts	% of Total
£0 - £24,999.99	£ 1,114,238,217.97	2.69%	87,207	17.72%
£25,000 - £49,999.99	£ 3,703,698,768.92	8.93%	99,812	20.29%
£50,000 - £74,999.99	£ 5,239,832,655.94	12.63%	84,319	17.14%
£75,000 - £99,999.99	£ 5,798,783,513.88	13.98%	66,749	13.57%
£100,000 - £124,999.99	£ 5,505,791,142.15	13.28%	49,280	10.02%
£125,000 - £149,999.99	£ 4,645,444,190.92	11.20%	33,997	6.91%
£150,000 - £174,999.99	£ 3,702,516,130.63	8.93%	22,953	4.66%
£175,000 - £199,999.99	£ 2,739,164,771.84	6.60%	14,688	2.99%
£200,000 - £224,999.99	£ 2,106,455,310.87	5.08%	9,969	2.03%
£225,000 - £249,999.99	£ 1,528,542,180.90	3.69%	6,461	1.31%
£250,000 - £299,999.99	£ 2,052,850,014.96	4.95%	7,552	1.53%
£300,000 - £349,999.99	£ 1,326,468,646.72	3.20%	4,129	0.84%
£350,000 - £399,999.99	£ 863,569,912.89	2.08%	2,325	0.47%
£400,000 - £449,999.99	£ 666,246,730.41	1.61%	1,582	0.32%
£450,000 - £500,000	£ 473,225,810.57	1.14%	1,006	0.20%
>£500,000	£ 4,823,508.62	0.01%	9	0.00%
Total	£ 41,471,651,508.19	100.00%	492,038	100.00%

The weighted average current balance is: **£ 144,332.94**

Range of LTV ratios at origination*	Aggregate balance at Origination	% of Total	Number of accounts	% of Total
0% - 24.99%	£ 2,134,831,779.00	4.62%	54,854	11.15%
25% - 49.99%	£ 10,855,439,959.48	23.48%	160,207	32.56%
50% - 74.99%	£ 17,419,346,569.00	37.67%	154,729	31.45%
75% - 79.99%	£ 3,929,188,769.00	8.50%	29,193	5.93%
80% - 84.99%	£ 3,236,284,796.00	7.00%	23,812	4.84%
85% - 89.99%	£ 3,557,153,186.00	7.69%	26,186	5.32%
90% - 94.99%	£ 3,093,301,818.00	6.69%	24,495	4.98%
95% - 96.99%	£ 949,542,015.00	2.05%	10,074	2.05%
97%	£ 410,335,705.00	0.89%	4,644	0.94%
>97%	£ 651,657,975.00	1.41%	3,844	0.78%
Total	£ 46,237,082,571.48	100.00%	492,038	100.00%

*excluding capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees.

The weighted average LTV at origination is: **63.31%**

Range of LTV ratios at end of reporting period*	Aggregate outstanding balance	% of Total	Number of accounts	% of Total
0% - 24.99%	£ 2,981,193,159.46	7.19%	120,457	24.48%
25% - 49.99%	£ 9,181,555,841.93	22.14%	141,089	28.67%
50% - 74.99%	£ 13,911,586,536.41	33.54%	121,290	24.65%
75% - 79.99%	£ 3,198,652,803.13	7.71%	23,487	4.77%
80% - 84.99%	£ 3,033,517,395.74	7.31%	21,649	4.40%
85% - 89.99%	£ 2,945,980,856.13	7.10%	20,961	4.26%
90% - 94.99%	£ 2,440,588,163.00	5.88%	17,401	3.54%
95% - 99.99%	£ 1,831,342,949.16	4.42%	12,429	2.53%
100% - 104.99%	£ 943,443,625.83	2.27%	6,439	1.31%
105% - 109.99%	£ 655,391,757.71	1.58%	4,308	0.88%
110% - 114.99%	£ 253,317,366.18	0.61%	1,813	0.37%
115% - 119.99%	£ 75,228,033.43	0.18%	574	0.12%
120% - 124.99%	£ 15,703,592.95	0.04%	114	0.02%
>=125%	£ 4,149,427.13	0.01%	27	0.01%
Total	£ 41,471,651,508.19	100.00%	492,038	100.00%

*including capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees and using indexed valuation.

The weighted average current LTV is: **64.03%**

Region	Aggregate outstanding balance	% of Total	Number of accounts	% of Total
London & South East	£ 12,388,019,694.18	29.87%	98,549	20.03%
Midlands & East Anglia	£ 8,833,783,047.51	21.30%	105,538	21.45%
North	£ 5,534,033,497.58	13.34%	87,482	17.78%
North West	£ 4,712,226,239.80	11.36%	70,822	14.39%
South Wales & West	£ 5,827,262,700.53	14.05%	67,457	13.71%
Scotland	£ 4,140,258,256.52	9.98%	61,878	12.58%
Unknown	£ 36,068,072.07	0.09%	312	0.06%
Total	£ 41,471,651,508.19	100.00%	492,038	100.00%

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Age of loans in months	Aggregate outstanding balance	% of Total	Number of accounts	% of Total
<6	£ 576,182,251.09	1.39%	5,041	1.02%
6 - <12	£ 1,353,586,641.05	3.26%	12,784	2.60%
12 - <18	£ 2,303,914,498.57	5.56%	20,193	4.10%
18 - <24	£ 4,255,459,072.10	10.26%	33,286	6.76%
24 - <30	£ 1,424,372,239.90	3.43%	10,372	2.11%
30 - <36	£ 3,662,044,832.99	8.83%	26,896	5.47%
36 - <42	£ 4,340,687,657.50	10.47%	34,984	7.11%
42 - <48	£ 2,812,684,886.14	6.78%	26,527	5.39%
48 - <54	£ 2,508,179,602.07	6.05%	26,977	5.48%
54 - <60	£ 2,278,603,936.73	5.49%	24,595	5.00%
60 - <66	£ 1,978,882,392.08	4.77%	24,356	4.95%
66 - <72	£ 2,729,668,103.62	6.58%	33,410	6.79%
>=72	£ 11,247,385,394.35	27.12%	212,617	43.21%
Total	£ 41,471,651,508.19	100.00%	492,038	100.00%

The weighted average seasoning of the loans, in months, is: 55.05

Years to maturity of loans	Aggregate outstanding balance	% of Total	Number of accounts	% of Total
< 5	£ 1,662,616,653.41	4.01%	52,049	10.58%
5 - <10	£ 4,115,696,670.90	9.92%	75,773	15.40%
10 - <15	£ 7,050,930,049.77	17.00%	99,405	20.20%
15 - <20	£ 13,293,055,445.45	32.05%	140,497	28.55%
20 - <25	£ 11,607,894,621.51	27.99%	91,107	18.52%
25 - <30	£ 3,723,143,615.85	8.98%	33,046	6.72%
30 - <35	£ 16,804,428.23	0.04%	145	0.03%
>=35	£ 1,510,023.07	0.00%	16	0.00%
Total	£ 41,471,651,508.19	100.00%	492,038	100.00%

The weighted average remaining term of the loans, in years, is: 17.39

Use of proceeds	Aggregate outstanding balance	% of Total	Number of accounts	% of Total
Purchase	£ 25,840,670,835.33	62.31%	318,692	64.77%
Remortgage	£ 15,630,980,672.86	37.69%	173,346	35.23%
Total	£ 41,471,651,508.19	100.00%	492,038	100.00%

Property type	Aggregate outstanding balance	% of Total	Number of accounts	% of Total
Detached	£ 11,953,604,138.84	28.82%	112,428	22.85%
Semi-detached	£ 12,362,088,094.50	29.81%	162,991	33.13%
Terraced	£ 11,743,194,091.79	28.32%	157,695	32.05%
Other*	£ 5,412,765,183.06	13.05%	58,924	11.98%
Total	£ 41,471,651,508.19	100.00%	492,038	100.00%

*Primarily flats or maisonettes

Origination channel	Aggregate outstanding balance	% of Total	Number of accounts	% of Total
Direct origination by Halifax	£ 17,018,029,661.73	41.04%	244,017	49.59%
Intermediaries	£ 24,396,245,912.09	58.83%	246,525	50.10%
Other channels	£ 57,375,934.37	0.14%	1,496	0.30%
Total	£ 41,471,651,508.19	100.00%	492,038	100.00%

Repayment terms	Aggregate outstanding balance	% of Total	Number of accounts	% of Total
Repayment	£ 23,529,057,117.62	56.74%	335,110	68.11%
Interest-only	£ 17,942,594,390.57	43.26%	156,928	31.89%
Total	£ 41,471,651,508.19	100.00%	492,038	100.00%

Payment method	Aggregate outstanding balance	% of Total	Number of accounts	% of Total
Direct debit	£ 29,559,915,016.48	71.28%	323,403	65.73%
Halifax payment plan	£ 9,486,389,583.58	22.87%	131,073	26.64%
Other	£ 2,425,346,908.13	5.85%	37,562	7.63%
Total	£ 41,471,651,508.19	100.00%	492,038	100.00%

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Special rate and flexible loans

Type of loan	Aggregate outstanding balance	% of Total	Number of accounts	% of Total
Discounted variable rate loans	£ 502,258,185.86	1.21%	3,672	0.75%
Fixed rate loans	£ 15,782,243,855.69	38.06%	174,620	35.49%
Tracker rate loans	£ 8,762,800,759.21	21.13%	99,512	20.22%
Standard variable rate loans	£ 16,424,348,707.43	39.60%	214,234	43.54%
Total	£ 41,471,651,508.19	100.00%	492,038	100.00%
<i>of which Flexible Loans</i>	<i>£ 216,398,423.07</i>	<i>0.52%</i>	<i>2,028</i>	<i>0.41%</i>

Distribution of fixed rate loans

Fixed rate %	Aggregate outstanding balance	% of Total	Number of accounts	% of Total
0 - 3.99%	£ 268,232,608.96	1.70%	7,884	4.51%
4.00 - 4.99%	£ 3,740,584,971.96	23.70%	36,546	20.93%
5.00 - 5.99%	£ 7,809,865,427.17	49.49%	84,095	48.16%
6.00 - 6.99%	£ 3,671,805,184.11	23.27%	42,029	24.07%
7.00 - 7.99%	£ 291,689,319.79	1.85%	4,065	2.33%
8.00 - 8.99%	£ 66,343.70	0.00%	1	0.00%
Total	£ 15,782,243,855.69	100.00%	174,620	100.00%

Year in which current fixed rate period ends	Aggregate outstanding balance	% of Total	Number of accounts	% of Total
2010	£ 2,272,356,721.35	14.40%	24,836	14.22%
2011	£ 6,690,949,773.98	42.40%	68,185	39.05%
2012	£ 3,206,995,472.62	20.32%	35,974	20.60%
2013	£ 1,550,267,876.14	9.82%	15,711	9.00%
2014	£ 1,322,471,203.22	8.38%	13,649	7.82%
2015	£ 139,239,398.98	0.88%	2,655	1.52%
2016	£ 106,854,588.93	0.68%	1,493	0.85%
2017	£ 238,818,374.42	1.51%	3,469	1.99%
2018	£ 183,416,328.52	1.16%	2,227	1.28%
2019+	£ 70,874,117.53	0.45%	6,421	3.68%
Total	£ 15,782,243,855.69	100.00%	174,620	100.00%

Ledgers

Funding 1 Share / Funding 2 Share / Seller Share Ledger

Date	Collateral pool balance	Funding 1 Share	Funding 2 Share	Seller Share	Funding 1 Share %	Funding 2 Share %	Seller Share %
21-May-10	£ 41,571,688,145.10	£ 10,392,191,155.09	£ 12,632,922,538.96	£ 18,546,574,451.05	24.9985%	30.3885%	44.6130%
04-May-10	£ 36,995,485,900.01	£ 10,758,421,762.39	£ 12,633,129,639.51	£ 13,603,934,498.11	29.0807%	34.1482%	36.7711%
15-Apr-10	£ 37,307,153,511.00	£ 10,901,610,567.50	£ 12,633,617,082.63	£ 13,771,925,860.87	29.2215%	33.8641%	36.9144%

Revenue Ledger

Month	Revenue receipts on the loans	GIC interest	Total
May 2010	£ 125,870,837.46	£ 95,065.63	£ 125,965,903.09
April 2010	£ 117,674,497.44	£ 88,547.42	£ 117,763,044.86
March 2010	£ 135,318,925.33	£ 85,802.60	£ 135,404,727.93

Distribution

Month	Servicer	Other amounts per Priority of Payments	Funding 1	Funding 2	Seller
May 2010	£ 1,639,997.66	£ -	£ 35,211,846.77	£ 41,648,031.70	£ 47,466,026.96
April 2010	£ 1,537,064.36	£ 199.64	£ 34,477,134.40	£ 47,970,054.24	£ 33,778,592.22
March 2010	£ 1,609,394.63	£ 2,000.00	£ 40,814,803.69	£ 58,131,542.53	£ 34,846,987.08

Principal Ledger

Month	Principal receipts on the loans	Principal for Further Advances	Total
May 2010	£ 354,876,516.46	£ 137,081,934.75	£ 491,958,451.21
April 2010	£ 352,345,429.37	£ 165,392,850.14	£ 517,738,279.51
March 2010	£ 386,518,539.11	£ 151,983,471.24	£ 538,502,010.35

Distribution

Month	Funding 1	Funding 2	Seller
May 2010	£ 394,281,456.03	£ -	£ 97,676,995.18
April 2010	£ 316,026,425.63	£ -	£ 201,711,853.88
March 2010	£ 432,666,731.14	£ 105,835,279.21	£ -

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Losses Ledger

Month	Losses in month	Funding 1 share of losses	Funding 2 share of losses	Seller share of losses	Cumulative losses
May 2010	£ 1,082,260.33	£ 295,306.36	£ 351,684.44	£ 435,269.53	£ 70,906,806.18
April 2010	£ 1,944,312.09	£ 569,692.72	£ 707,086.59	£ 667,532.78	£ 69,824,545.85
March 2010	£ 1,831,799.89	£ 554,388.12	£ 790,675.64	£ 486,736.13	£ 67,880,233.76

Funding 1 Principal Deficiency Ledger (BBB sub-ledger)

Month	Debit	Credit	Balance
May 2010	£ 295,306.36	£ -	£ 1,419,387.20
April 2010	£ 569,692.72	£ -	£ 1,124,080.84
March 2010	£ 554,388.12	£ 1,890,789.78	£ 554,388.12

Funding 1 Reserve Ledger

Month	Debit	Credit	Balance	Funding 1 Reserve Required Amount
May 2010	£ -	£ -	£ 1,165,000,000.00	£ 1,165,000,000.00
April 2010	£ -	£ -	£ 1,165,000,000.00	£ 1,165,000,000.00
March 2010	£ -	£ -	£ 1,165,000,000.00	£ 1,165,000,000.00

Funding 1 Liquidity Reserve Ledger

Month	Debit	Credit	Balance drawn	Balance available
May 2010	£ -	£ -	£ -	£ 150,000,000.00
April 2010	£ -	£ -	£ -	£ 150,000,000.00
March 2010	£ -	£ -	£ -	£ 150,000,000.00

Funding 2 Principal Deficiency Ledger (BBB sub-ledger)

Month	Debit	Credit	Balance
May 2010	£ 351,684.44	£ -	£ 1,058,771.03
April 2010	£ 707,086.59	£ 2,407,307.97	£ 707,086.59
March 2010	£ 790,675.64	£ -	£ 2,407,307.97

Funding 2 Reserve Ledger

Month	Debit	Credit	Balance	Funding 2 Reserve Required Amount
May 2010	£ -	£ -	£ 1,496,900,000.00	£ 1,496,900,000.00
April 2010	£ -	£ -	£ 1,496,900,000.00	£ 1,496,900,000.00
March 2010	£ -	£ -	£ 1,496,900,000.00	£ 1,496,900,000.00

Funding 2 Yield Reserve Ledger

Month	Debit	Credit	Balance
May 2010	£ -	£ -	£ 524,613,303.16
April 2010	£ 17,588,967.12	£ -	£ 524,613,303.16
March 2010	£ -	£ -	£ 542,202,270.28

Trigger Events

Non-asset trigger events:

If the Seller suffers an Insolvency Event.

If the role of the Seller as Servicer is terminated and a new Servicer is not appointed within 30 days.

If the current Seller's Share at any time is equal to or less than the Minimum Seller Share.

If the outstanding principal balance of the loans comprising the trust property is less than £35,000,000,000 to April 2011.

Asset trigger events:

If there has been a debit to the relevant AAA Principal Deficiency Sub-Ledger.

No trigger events have occurred

Permanent Monthly Report

Date of Report: 10 Jun 2010

For period from 1 May 2010 to 31 May 2010

Notes Outstanding

Issuing entity*	Notes	Original rating S&P/Moody's/Fitch	Expected maturity date	Final maturity date	Outstanding at start of period	Outstanding at end of period	Exchange rate	Reference rate	Margin
Permanent Financing No.3	Series 5 Class A	AAA / Aaa / AAA	10/Dec/2010	10/Jun/2042	£ 400,000,000	£ 400,000,000	-	-	5.521%
Permanent Financing No.3	Series 5 Class B	AA / Aa3 / AA	10/Dec/2010	10/Jun/2042	€ 20,000,000	€ 20,000,000	1.43885	0.65200%	0.45%
Permanent Financing No.3	Series 5 Class C	BBB / Baa2 / BBB	10/Dec/2010	10/Jun/2042	€ 20,000,000	€ 20,000,000	1.43885	0.65200%	1.23%
Permanent Financing No.4	Series 5 Class A1	AAA / Aaa / AAA	10/Mar/2011	10/Jun/2042	€ 750,000,000	€ 750,000,000	1.50083	-	3.9615%
Permanent Financing No.4	Series 5 Class A2	AAA / Aaa / AAA	10/Mar/2011	10/Jun/2042	£ 1,100,000,000	£ 1,100,000,000	-	0.64313%	0.17%
Permanent Financing No.4	Series 5 Class B	AA / Aa3 / AA	10/Mar/2011	10/Jun/2042	£ 43,000,000	£ 43,000,000	-	0.64313%	0.33%
Permanent Financing No.4	Series 5 Class M	A / A2 / A	10/Mar/2011	10/Jun/2042	£ 32,000,000	£ 32,000,000	-	0.64313%	0.50%
Permanent Financing No.4	Series 5 Class C	BBB / Baa2 / BBB	10/Mar/2011	10/Jun/2042	£ 54,000,000	£ 54,000,000	-	0.64313%	0.90%
Permanent Financing No.5	Series 5 Class A1	AAA / Aaa / AAA	10/Jun/2011	10/Jun/2042	£ 500,000,000	£ 500,000,000	-	0.64313%	0.16%
Permanent Financing No.5	Series 5 Class A2	AAA / Aaa / AAA	10/Jun/2011	10/Jun/2042	£ 750,000,000	£ 750,000,000	-	0.64313%	0.19%
Permanent Financing No.5	Series 5 Class B	AA / Aa3 / AA	10/Jun/2011	10/Jun/2042	£ 47,000,000	£ 47,000,000	-	0.64313%	0.35%
Permanent Financing No.5	Series 5 Class C	BBB / Baa2 / BBB	10/Jun/2011	10/Jun/2042	£ 39,000,000	£ 39,000,000	-	0.64313%	0.85%
Permanent Financing No.6	Series 5 Class A1	AAA / Aaa / AAA	12/Sep/2011	10/Jun/2042	£ 500,000,000	£ 500,000,000	-	0.64313%	0.15%
Permanent Financing No.6	Series 5 Class A2	AAA / Aaa / AAA	12/Sep/2011	10/Jun/2042	£ 500,000,000	£ 500,000,000	-	0.64313%	0.16%
Permanent Financing No.6	Series 5 Class B	AA / Aa3 / AA	12/Sep/2011	10/Jun/2042	£ 34,800,000	£ 34,800,000	-	0.64313%	0.31%
Permanent Financing No.6	Series 5 Class C	BBB / Baa2 / BBB	12/Sep/2011	10/Jun/2042	£ 33,700,000	£ 33,700,000	-	0.64313%	0.80%
Permanent Financing No.7	Series 3 Class A	AAA / Aaa / AAA	10/Jun/2010	10/Sep/2032	€ 425,000,000	€ 425,000,000	1.43678	0.65200%	0.07%
Permanent Financing No.7	Series 3 Class B	AA / Aa3 / AA	10/Jun/2010	10/Jun/2042	€ 73,700,000	€ 73,700,000	1.43676	0.65200%	0.12%
Permanent Financing No.7	Series 3 Class C	BBB / Baa2 / BBB	10/Jun/2010	10/Jun/2042	€ 71,800,000	€ 71,800,000	1.43678	0.65200%	0.43%
Permanent Financing No.7	Series 4 Class A	AAA / Aaa / AAA	10/Sep/2010	10/Sep/2032	£ 850,000,000	£ 850,000,000	-	0.64313%	0.08%
Permanent Financing No.7	Series 4 Class B	AA / Aa3 / AA	10/Sep/2010	10/Jun/2042	£ 36,800,000	£ 36,800,000	-	0.64313%	0.13%
Permanent Financing No.7	Series 4 Class C	BBB / Baa2 / BBB	10/Sep/2010	10/Jun/2042	£ 35,900,000	£ 35,900,000	-	0.64313%	0.45%
Permanent Financing No.7	Series 5 Class A	AAA / Aaa / AAA	12/Dec/2011	10/Sep/2032	£ 500,000,000	£ 500,000,000	-	0.64313%	0.15%
Permanent Financing No.8	Series 3 Class A	AAA / Aaa / AAA	10/Jun/2010	10/Sep/2032	\$ 500,000,000	\$ 500,000,000	1.83800	0.25425%	0.12%
Permanent Financing No.8	Series 3 Class B	AA / Aa3 / AA	10/Jun/2010	10/Jun/2042	\$ 52,000,000	\$ 52,000,000	1.83746	0.25425%	0.20%
Permanent Financing No.8	Series 3 Class C	BBB / Baa2 / BBB	10/Jun/2010	10/Jun/2042	\$ 40,400,000	\$ 40,400,000	1.83720	0.25425%	0.52%
Permanent Financing No.8	Series 4 Class A	AAA / Aaa / AAA	10/Dec/2010	10/Sep/2032	€ 1,000,000,000	€ 1,000,000,000	1.49031	0.65200%	0.13%
Permanent Financing No.8	Series 4 Class B	AA / Aa3 / AA	10/Dec/2010	10/Jun/2042	€ 47,200,000	€ 47,200,000	1.48990	0.65200%	0.20%
Permanent Financing No.8	Series 4 Class C	BBB / Baa2 / BBB	10/Dec/2010	10/Jun/2042	€ 65,700,000	€ 65,700,000	1.49013	0.65200%	0.52%
Permanent Financing No.8	Series 5 Class A1	AAA / Aaa / AAA	12/Dec/2011	10/Jun/2042	£ 400,000,000	£ 400,000,000	-	0.64313%	0.15%
Permanent Financing No.8	Series 5 Class A2	AAA / Aaa / AAA	12/Dec/2011	10/Sep/2032	£ 600,000,000	£ 600,000,000	-	0.64313%	0.20%
Permanent Financing No.8	Series 5 Class A3	AAA / Aaa / AAA	12/Dec/2011	10/Jun/2042	£ 500,000,000	£ 500,000,000	-	0.64313%	0.15%
Permanent Financing No.9	Series 3 Class A	AAA / Aaa / AAA	10/Mar/2011	10/Jun/2033	\$ 1,000,000,000	\$ 1,000,000,000	1.74779	0.25425%	0.10%
Permanent Financing No.9	Series 3 Class B	AA / Aa3 / AA	10/Mar/2011	10/Jun/2042	\$ 38,000,000	\$ 38,000,000	1.74713	0.25425%	0.17%
Permanent Financing No.9	Series 3 Class C	BBB / Baa2 / BBB	10/Mar/2011	10/Jun/2042	\$ 41,900,000	\$ 41,900,000	1.74729	0.25425%	0.50%
Permanent Financing No.9	Series 4 Class A	AAA / Aaa / AAA	12/Sep/2011	10/Jun/2033	€ 1,600,000,000	€ 1,600,000,000	1.44970	0.65200%	0.11%
Permanent Financing No.9	Series 4 Class B	AA / Aa3 / AA	12/Sep/2011	10/Jun/2042	€ 61,200,000	€ 61,200,000	1.44955	0.65200%	0.15%
Permanent Financing No.9	Series 4 Class C	BBB / Baa2 / BBB	12/Sep/2011	10/Jun/2042	€ 64,600,000	€ 64,600,000	1.44941	0.65200%	0.50%
Permanent Financing No.9	Series 5 Class A	AAA / Aaa / AAA	10/Sep/2012	10/Jun/2042	£ 750,000,000	£ 750,000,000	-	0.64313%	0.11%
Permanent Master Issuer	2006-1 4A2	AAA / Aaa / AAA	17/Oct/2011	15/Jul/2033	€ 1,750,000,000	€ 1,750,000,000	1.48544	0.64400%	0.11%
Permanent Master Issuer	2006-1 4B	AA / Aa3 / AA	17/Oct/2011	15/Jul/2042	€ 129,300,000	€ 129,300,000	1.48535	0.64400%	0.15%
Permanent Master Issuer	2006-1 4C	BBB / Baa2 / BBB	17/Oct/2011	15/Jul/2042	€ 129,300,000	€ 129,300,000	1.48535	0.64400%	0.45%
Permanent Master Issuer	2006-1 5A	AAA / Aaa / AAA	15/Oct/2012	15/Jul/2033	\$ 1,500,000,000	\$ 1,500,000,000	1.86900	0.30281%	0.11%
Permanent Master Issuer	2006-1 6A1	AAA / Aaa / AAA	15/Apr/2013	15/Apr/2020	£ 500,000,000	£ 500,000,000	-	0.65094%	0.12%
Permanent Master Issuer	2006-1 6A2	AAA / Aaa / AAA	15/Apr/2013	15/Apr/2020	£ 600,000,000	£ 600,000,000	-	0.65094%	0.12%
Permanent Master Issuer	2007-1 3A	AAA / Aaa / AAA	17/Oct/2011 & 16/Jan/2012	17/Oct/2033	€ 1,500,000,000	€ 1,500,000,000	1.48743	0.64400%	0.09%
Permanent Master Issuer	2007-1 4A	AAA / Aaa / AAA	16/Jan/2012	17/Oct/2033	\$ 1,350,000,000	\$ 1,350,000,000	1.95248	0.30281%	0.08%
Permanent Master Issuer	2007-1 4B	AA / Aa3 / AA	16/Jan/2012	15/Jul/2042	£ 41,300,000	£ 41,300,000	-	0.65094%	0.16%
Permanent Master Issuer	2007-1 4C	BBB / Baa2 / BBB	16/Jan/2012	15/Jul/2042	£ 41,300,000	£ 41,300,000	-	0.65094%	0.49%
Permanent Master Issuer	2007-1 5A	AAA / Aaa / AAA	15/Jan/2013	17/Oct/2033	£ 650,000,000	£ 650,000,000	-	0.65094%	0.10%
Permanent Master Issuer	2008-2 1A	AAA / Aaa / AAA	16/Jan/2012	15/Apr/2014	£ 500,000,000	£ 500,000,000	-	0.65094%	0.85%
Permanent Master Issuer	2009-1 1A	AAA / Aaa / AAA	15/Oct/2014	15/Jul/2042	£ 1,650,000,000	£ 1,650,000,000	-	0.65094%	1.70% ⁺
Permanent Master Issuer	2009-1 2A	AAA / Aaa / AAA	15/Oct/2014	15/Jul/2042	£ 1,650,000,000	£ 1,650,000,000	-	0.65094%	1.70% ⁺
Permanent Master Issuer	2009-1 3A	AAA / Aaa / AAA	15/Oct/2014	15/Jul/2042	€ 750,000,000	€ 750,000,000	1.11049	0.64400%	1.70% ⁺
Permanent Master Issuer	2010-1 1A	AAA / Aaa / AAA	15/Jan/2013	15/Jul/2042	\$ 1,000,000,000	\$ 1,000,000,000	1.61060	0.30281%	1.15% ⁺
Permanent Master Issuer	2010-1 2A1	AAA / Aaa / AAA	15/Apr/2015	15/Jul/2042	£ 200,000,000	£ 200,000,000	-	0.65094%	1.30% ⁺
Permanent Master Issuer	2010-1 2A2	AAA / Aaa / AAA	15/Apr/2015	15/Jul/2042	£ 750,000,000	£ 750,000,000	1.15327	0.64400%	1.25% ⁺
Permanent Master Issuer	2010-1 3A	AAA / Aaa / AAA	15/Jan/2017	15/Jul/2042	£ 600,000,000	£ 600,000,000	-	-	4.805% ⁺
Permanent Master Issuer	2010-1 4A	AAA / Aaa / AAA	15/Jan/2017	15/Jul/2042	£ 400,000,000	£ 400,000,000	-	0.65094%	1.30% ⁺

*Permanent Master Issuer is a Funding 2 Issuing Entity; the others are Funding 1 Issuing Entities.

⁺GBP equivalent margin above 0.40% is funded from the Funding 2 Yield Reserve.

Credit Enhancement

Funding 1 Issuing Entities' notes

Class	Amount (£)	% of Total	Support
Class A notes	£ 10,764,390,000	93.54%	16.59%
Class B notes	£ 350,746,000	3.05%	13.54%
Class M notes	£ 32,000,000	0.28%	13.26%
Class C notes	£ 361,103,000	3.14%	10.12%
Total notes	£ 11,508,239,000	100.00%	
Reserve	£ 1,165,000,000	10.12%	

Permanent Master Issuer notes

Class	Amount (£)	% of Total	Support
Class A notes	£ 12,377,136,626	97.97%	13.88%
Class B notes	£ 128,350,000	1.02%	12.86%
Class C notes	£ 128,350,000	1.02%	11.85%
Total notes	£ 12,633,836,626	100.00%	
Reserve	£ 1,496,900,000	11.85%	

Contact details and report distribution channels

If you have any queries regarding this report, please contact:

Tracey Hill
 LP/3/3/SEC
 1 Lovell Park Road
 LEEDS
 LS1 1NS

Tel: +44 (0) 113 235 2176
 Fax: +44 (0) 113 235 7511
 e-mail: traceyhill@halifax.co.uk

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