

RESEARCH

# Paragon Mortgages (No.7) PLC Class B Notes Placed on CreditWatch Positive

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LONDON (Standard & Poor's) April 24, 2007—Standard & Poor's Ratings Services said today that it placed on CreditWatch with positive implications its credit ratings on the class Bla and Blb notes issued by Paragon Mortgages (No.7) PLC. The class Ala, Alb, and Alc notes remain unaffected by the CreditWatch placements (see list below).

The CreditWatch placements follow an initial review of the most recent transaction information received by Standard & Poor's. This analysis showed that the likelihood of a positive rating action has increased for the class Bla and Blb notes, and levels of credit enhancement available to these notes have improved.

Standard & Poor's will now conduct a more detailed analysis to investigate whether any or all of these notes can attain a higher rating. The results of this review and any rating changes are expected within three months.

This transaction, which closed in May 2004, is backed by a pool of first-ranking residential mortgages secured over freehold, leasehold, or feudal properties in the U.K. It was originated by Paragon Mortgages Ltd. and Mortgage Trust Ltd.

Further information on this transaction is available to subscribers of RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at [www.ratingsdirect.com](http://www.ratingsdirect.com). Alternatively, call Client Support Europe on (44) 20-7176-7176. Members of the media may contact the Press Office Hotline on (44) 20-7176-3605 or via [media\\_europe@standardandpoors.com](mailto:media_europe@standardandpoors.com). Local media contact numbers are: Paris (33) 1-4420-6657; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow (7) 495-783-4017.

## RATINGS LIST

Paragon Mortgages (No.7) PLC  
€565 Million, £220 Million, And \$532.5 Million Mortgage-Backed Floating-Rate Notes

Class	Rating
To	From

## Ratings Placed On CreditWatch With Positive Implications

Bla	A/Watch Pos	A
B1b	A/Watch Pos	A

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