

SCHEDULE 5

PART A FORM OF REGULATION S TRANSFER CERTIFICATE

Arran Residential Mortgages Funding 2011-1 plc
35 Great St Helen's
London
EC3A 6AP

Citibank N.A., London branch

Reference is hereby made to the Trust Deed dated as of [•] 2011 (the "**Trust Deed**") between Arran Residential Mortgages Funding 2011-1 plc (the "**Issuer**") and Citicorp Trustee Company Limited, as Trustee. Capitalised terms used but not defined herein shall have the meanings given to them in the Trust Deed.

NOTE: INSERT **[A]** FOR TRANSFERS OF A RULE 144A GLOBAL REGISTERED NOTE TO TRANSFEREES THAT TAKE DELIVERY IN THE FORM OF AN INTEREST IN A REG S GLOBAL REGISTERED NOTE. INSERT **B** FOR TRANSFERS OF A DEFINITIVE REGISTERED RULE 144A NOTE TO TRANSFEREES THAT TAKE DELIVERY IN THE FORM OF A DEFINITIVE REGISTERED REGULATION S NOTE. INSERT **[C]** FOR TRANSFERS OF AN INTEREST IN A REG S GLOBAL REGISTERED NOTE TO TRANSFEREES THAT TAKE DELIVERY IN THE FORM OF AN INTEREST IN A REG S GLOBAL REGISTERED NOTE.

- [A] This letter relates to _____ principal amount of Notes that are held in the form of a beneficial interest in a [EUR] [Non-EUR] Rule 144A Global Registered Note (CUSIP No. _____) in the name of [*insert name of transferor*] (the "**Transferor**") through [DTC] [[Euroclear] [Clearstream, Luxembourg] (ISIN No. _____), which in turn holds through the Common Depository]. The Transferor has requested a transfer of the beneficial interest in such Notes for a beneficial interest in a [Euro] [Non-Euro] Reg S Global Registered Note of the same Class to be held by [*insert name of transferee*] (the "**Transferee**") through [Euroclear] [Clearstream, Luxembourg] (ISIN No. _____), which in turn holds through the [Common Depository] [Common Safekeeper]. Delivered herewith is a Transfer Certification completed by the Transferor.
- B This letter relates to _____ principal amount of Notes that are represented by a Definitive Registered Rule 144A Note registered in the name of [*insert name of transferor*] (the "**Transferor**"). The Transferor has requested a transfer of such Notes for a Definitive Registered Regulation S Note registered in the name of [*insert name of transferee*] (the "**Transferee**"). Delivered herewith is a Transfer Certification completed by the Transferor.
- [C] This letter relates to _____ principal amount of Notes that are held in the form of a beneficial interest in a Euro Reg S Global Registered Note in the name of [*insert name of transferor*] (the "**Transferor**") through [Euroclear] [Clearstream Luxembourg] (ISIN No. _____), which in turn holds through the Common Safekeeper. The Transferor has requested a transfer of such Notes for a beneficial

interest in a Euro Reg S Global Registered Note of the same Class to be held by [insert name of transferee] (the "Transferee") through [Euroclear] [Clearstream, Luxembourg] (ISIN No. _____), which in turn holds through the Common Safekeeper. Delivered herewith is a Transfer Certification completed by the Transferor.

- [D] This letter relates to _____ principal amount of Notes that are held in the form of a beneficial interest in a Non-Euro Reg S Global Note Certificate in the name of [insert name of transferor] (the "Transferor") through [Euroclear] [Clearstream Luxembourg] (ISIN No. _____), which in turn holds through the Common Depository. The Transferor has requested a transfer of such Notes for a beneficial interest in a Non-Euro Reg S Global Registered Note of the same Class registered in the name of [insert name of transferee] (the "Transferee"), which in turn holds through the Common Depository. Delivered herewith is a Transfer Certification completed by the Transferor.

In connection with such request and in respect of such Notes, the Transferor does hereby certify that such transfer has been effected in accordance with the transfer restrictions set forth in the Trust Deed and the Notes and pursuant to and in accordance with Regulation S under the Securities Act, and accordingly the Transferor does hereby certify that:

- (1) It has notified the transferee that (i) the Notes have not been and will not be registered under the Securities Act and the Issuer has not been and will not be registered as an "investment company" under the Investment Company Act; (ii) neither the Notes nor any beneficial interest therein may be re offered, resold, pledged or otherwise transferred absent an exemption from the registration requirements of the Securities Act and applicable state securities laws; (iii) the transferee will be required to notify any subsequent transferee of the Notes of such transfer restrictions and (iv) during the Distribution Compliance Period, the interests in the Global Registered Note may only be held through Euroclear or Clearstream, Luxembourg.
- (2) At the time the buy order was originated, the transferee was outside the United States or the Transferor and any person acting on its behalf reasonably believed that the transferee was outside of the United States.
- (3) The Transferor reasonably believes that the Transferee is a non U.S. person (within the meaning of Regulation S under the Securities Act) who is purchasing the Note in an offshore transaction.
- (4) The transaction is not part of a plan or scheme to evade either alone or in conjunction with any other person the registration requirements of the Securities Act or the Investment Company Act.
- (5) The Note is not being sold, pledged or otherwise transferred in a denomination of less than [\$150,000][€100,000][£100,000].

This certificate and the statements contained herein are made for your benefit.

[INSERT NAME OF TRANSFEROR]

By: _____
Name:
Title:

By: _____
Name:
Title:

Dated [•], [•]

PART B
FORM OF RULE 144A TRANSFER CERTIFICATE

Arran Residential Mortgages Funding 2011-1 plc
35 Great St Helen's
London
EC3A 6AP

Citicorp Trustee Company Limited
Citigroup Centre
Canada Square
London E14 5LB

Reference is hereby made to the Trust Deed dated as of [•] 2011 (the "Trust Deed") between Arran Residential Mortgages Funding 2011-1 plc (the "Issuer") and Citicorp Trustee Company Limited, as Trustee. Capitalised terms used but not defined herein shall have the meanings given to them in the Trust Deed.

[NOTE: INSERT [A] FOR TRANSFERS OF AN INTEREST IN A REG S GLOBAL REGISTERED NOTE TO TRANSFEREES THAT TAKE DELIVERY IN THE FORM OF AN INTEREST IN A RULE 144A GLOBAL REGISTERED NOTE. INSERT B FOR TRANSFERS OF A DEFINITIVE REGISTERED REGULATION S NOTE TO TRANSFEREES THAT TAKE DELIVERY IN THE FORM OF A DEFINITIVE REGISTERED RULE 144A NOTE.]

- [A] This letter relates to _____ principal amount of Notes that are held in the form of a beneficial interest in a [Euro] [Non-Euro] Reg S Global Registered Note in the name of [*insert name of transferor*] (the "Transferor") through [[Euroclear] [Clearstream, Luxembourg] (ISIN No. _____)], which in turn holds through the [Common Depository] [Common Safekeeper]. The Transferor has requested a transfer of such beneficial interest in a [Euro] [Non-Euro] Reg S Global Registered Note for a beneficial interest in a Rule 144A Global Registered Note of the same Class registered in the name of [*insert name of transferee*] (the "Transferee") through [DTC (CUSIP No. _____)] [Euroclear] [Clearstream, Luxembourg (ISIN No. _____)], which in turn holds through the Common Depository.
- B This letter relates to _____ principal amount of Notes that are represented by a Definitive Registered Regulation S Note registered in the name of [*insert name of transferor*] (the "Transferor"). The Transferor has requested a transfer of such Definitive Registered Regulation S Note for a Definitive Registered Rule 144A Note of the same Class registered in the name of [*insert name of transferee*] (the "Transferee").

In connection with such request, and in respect of such Notes, the Transferor does hereby certify that such transfer has been effected in accordance with the transfer restrictions set forth in the Trust Deed and the Notes and pursuant to and in accordance with Rule 144A under the Securities Act, and accordingly the Transferor does hereby certify that:

(1) It reasonably believes that the Transferee is an "Eligible Investor". An "Eligible Investor" is a person who is a "qualified institutional buyer" (QIB) as defined in Rule 144A under the Securities Act (*Rule 144A*).

(2) It has notified the Transferee that (i) the Notes have not been and will not be registered under the Securities Act and the Issuer has not been and will not be registered as an "investment company" under the Investment Company Act; (ii) neither the Notes nor any beneficial interest therein may be re-offered, resold, pledged or otherwise transferred absent an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws; (iii) the transferee will be required to notify any subsequent transferee of the Notes of such transfer restrictions and (iv) this sale is being made in reliance on an exemption from the registration provisions of Section 5 of the Securities Act provided by Rule 144 A.

(3) It reasonably believes that the Transferee is purchasing the Notes for its own account.

(4) It has notified the Transferee that any purported transfer of the Notes to a transferee that does not comply with the applicable transfer restriction requirements described in this transfer certificate will be null and void ab initio and the transferee or purported transferee will not be entitled to any rights as a holder of the Notes and the Issuer will have the right to force the transfer of, or redeem, the Notes.

(5) The transaction is not part of a plan or scheme to evade either alone or in conjunction with any other person the registration requirements of the Securities Act or the Investment Company Act.

(6) The Note is not being sold, pledged or otherwise transferred in a denomination of less than [\$150,000][€100,000].

This certificate and the statements contained herein are made for your benefit.

[INSERT NAME OF TRANSFEROR]

By: _____

Name:

Title

By: _____

Name:

Title:

Dated [•], [•]