

Direction

To: Santander UK Plc ('the firm')

Of: 2 Triton Square, Regent's Place. London NW1 3AN

Ref: 00002874

Date: 21 June 2021

PRA Rulebook - Securitisation (Version as in force at the date this Direction takes effect)

Power

1. This direction is given by the PRA under section 138A of the Financial Services and Markets Act 2000.

Duration

2. (1) This direction takes effect on 21 June 2021.

(2) This direction ends on the date that the relevant rule below is revoked, or no longer applies to the firm (in whole or in part).

Rules Modified

3. The PRA directs that the rule listed below applies to the firms with the modifications shown.

PRA Rulebook- Securitisation – Recognition of Significant Risk Transfer

3.1 Save as provided for in 3.3, a firm must notify the PRA that it is relying on the deemed transfer of significant credit risk under paragraph 2 of Article 244 of the CRR or paragraph 2 of Article 245 of the CRR, including when this is for the purposes of Article 337(5) of the CRR, no later than one month after the date of the transfer.

3.2 The notification in 3.1 must include sufficient information to allow the PRA to assess whether the possible reduction in risk weighted exposure amounts which would be achieved by the securitisation is justified by a commensurate transfer of credit risk to third parties.

3.3 Where the deemed transfer of significant credit risk under paragraph 2 of Article 245 of the CRR that the firm is relying on is achieved in relation to an eligible loan as defined in the terms of the 'Mortgage Guarantee Scheme' (the "Eligible Loan" and the "Scheme", respectively)¹, a firm must notify the PRA only once. The notification must be provided within one month of underwriting the first Eligible Loan as per the Mortgage Guarantee Scheme.

3.4 The notification in 3.3 must include sufficient information to allow the PRA to assess whether the possible reduction in risk weighted exposure amounts which would be achieved by the securitisation is justified by a commensurate transfer of credit risk to third parties.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/978324/Mortgage_Guarantee_scheme_rules.pdf



Interpretation

4. Interpretive provisions (including definitions) of the *PRA Rulebook* apply to this direction in the same way they apply to the *PRA Rulebook*.

Supervision, Risk and Policy Committee
Prudential Regulation Authority