

Equity Release Funding (No. 1) plc
Report for the immediately preceding interest period

21-Aug-06

Loans

£

Outstanding Balance of Loans at Closing Date	214,240,314
Outstanding Balance of Loans @ start of immediately preceding calculation period	225,298,171
Accrued Interest @ start of Calculation Period	73,625,664

Redemptions

Principal Balance of Loans redeemed in the immediately preceding Calculation period

Principal Balance of Loans redeemed by cause:-

Death	913,400
Borrower enters Long Term Care	261,228
Voluntary Repayment	2,263,020
Move to Lower Value Property	-
Substitution	1,890
-	1,890

Since Inception

49,264,428

14,757,618
2,591,165
49,234,008
638,136
17,956,499

Number of Loans redeemed in the immediately preceding Calculation period

Number of Loans redeemed by cause:-

Death	21
Borrower enters Long Term Care	7
Voluntary Repayment	60
Move to Lower Value Property	-
Substitution	1
-	1

1,498

382
68
1,390
73
342

Redemption monies received

6,171,432

94,569,918

Equivalent Value Test this Calculation Period :-

PASS

S&P model this Calculation Period :-

PASS

Substitution

Substituted in the immediately preceding Calculation Period (amount)

Substituted in the immediately preceding Calculation Period as a % of aggregate Outstanding

Balance of the Loans @ Closing Date

Substituted to date as a % of aggregate Outstanding Balance of the Loans @ Closing Date

36,920
0.02%
12.56%

Early Amortisation Test

Aggregate Loan Amount (in respect of all Outstanding Loans, the Outstanding Balance as at the Closing Date and in respect of substitute Loans, the Outstanding Balance as at the Loan Entry date)

N/A as Scheduled Payments outstanding

Weighted Averaged GIC Rate

N/A as Scheduled Payments outstanding

Outstanding Balance of Loans

Number of loans

Outstanding Accrued Interest

Outstanding Gross Balance

4,488
75,716,038
223,952,787

Product Breakdown by Loan O/S

At Closing

CAP %	20.4%
Flexible %	79.6%

At Calculation date
for this report

17.4%
82.6%

Weighted Average Age of Borrowers @ Closing Date

72

Weighted Average Age of borrowers - at Calculation date for this Quarterly report

77

Age of Borrowers:-

Single Female

80

Single Male

79

Joint Borrowers by Age of Younger

76

Properties Sold / repayments (case by case):-

Time to Sale (where available - time from death/assessment to repayment)(Days)

N/A

Initial Valuation

N/A

Indexed Valuation (Initial Valuation + Hpi)

N/A

Sale Price (where available)

N/A

Gross Mortgage Outstandings

N/A

Shortfall

N/A

Loan Outstandings as a % of Sale Price

N/A

Claim Submitted to No Negative Equity

N/A

Claim Paid

N/A

Claim O/S

N/A

For all Mortgages repaid to date:-

Weighted Average:-

Time to Sale (where available - time from death/assessment to repayment)(Days)

249

Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)

N/A

Shortfall as % of Mortgage Outstandings

N/A

Properties in Possession

-

Repossessioned

-

Sold

-

Number Carried Forward

-

Average Time from Possession to Sale

N/A

Average Shortfall at Sale

N/A

Insurance

No Negative Equity Claims made total

-

Claims Paid

-

Claims O/S

-

Claims not settled in full by number

-

Claims not settled in full by amount of shortfall

-

Average Time from Claim to Payment

N/A

Local Search Claims made (number)
 Claims Paid
 Claims O/S
 Claims not settled in full by number
 Claims not settled in full by amount of shortfall
 Average Time from Claim to Payment

-
-
-
-
-
N/A

Contingent Building Insurance claims made (number)
 Claims Paid
 Claims O/S
 Claims not settled in full by number
 Claims not settled in full by amount of shortfall
 Average Time from Claim to Payment

-
-
-
-
-
N/A

Average Loan Outstanding
Weighted Average LTV
Weighted Average Indexed LTV

£49,900
39.3%
21.1%

Weighted Average Interest Rate
 Cap
 Flexi

2.91%
7.92%

LTV Levels Breakdown (based on original valuation using P+I at date of report)

0 - 29.99%
 30 - 34.99%
 35 - 39.99%
 40 - 44.99%
 45 - 49.99%
 50 - 54.99%
 55 - 59.99%
 60 - 64.99%
 65 - 69.99%
 70 - 74.99%
 75 - 79.99%
 80 - 84.99%
 85 - 89.99%
 90 - 94.99%
 95 - 99.99%
 100% +

58,025,139
16,065,621
40,384,176
43,946,226
26,791,955
18,761,741
13,215,192
6,762,737
-
-
-
-
-
-
-
-
-
-

LTV Levels Breakdown (based on HPI adjusted valuation @ Calculation date)

0 - 30%
 30 - 35%
 35 - 40%
 40 - 45%
 45 - 50%
 50 - 55%
 55 - 60%
 60 - 65%
 65 - 70%
 70 - 75%
 75 - 80%
 80 - 85%
 85 - 90%
 90 - 95%
 95 - 100%
 100% +

207,833,245
12,052,898
2,894,551
890,598
281,496
-
-
-
-
-
-
-
-
-
-
-
-
-

Equity Release Funding (No.1) plc

Name of Issuer
 Date of Issue

Equity Release Funding (No.1) plc
 30-Mar-2001

Moody's Current Rating
 S&P Current Rating

A1
 Aaa
 AAA

A2
 Aaa
 AAA

Initial Note Balance
 Note Principal @ start of period
 Note Redemptions @ IPD
 Outstanding Note Principal

35,000,000.00	197,000,000.00
-	197,000,000.00
-	-
-	197,000,000.00

Note Interest Margins
 Step Up Dates
 Step Up Margins

LIBOR + 0.45%	Fixed Rate (5.70%)
28-Feb-11	N/A
LIBOR + 2.50%	N/A

Interest Payment Cycle
 Interest Payment Date
 Next Interest Payment Date

Quarterly
26th or Next Business Day
27-Nov-2006

Pool Factor

-

Liquidity Facility Ledger

Initial Balance
 Last Calculation Period Closing Outstanding
 Available @ next IPD
 Amount to be drawn at next IPD

£0
£0
£70,000,000
£0

Liquidity Reserve Fund Ledger

Initial Balance on Closing
 Outstanding as at the date of this Quarterly Report
 Accrued Interest to immediately succeeding interest payment date

£25,000,000
£13,085,000
£153,320

Less Mortgage Registration Reserve

£150,000

Available Liquidity Reserve Fund

£13,088,320

Amount to be drawn at next IPD	£153,320
Closing balance	£13,085,000

Deficiency Ledger

Opening Balance	£ 6,461
Losses this Quarter	-£ 0
Closing Balance	£ 6,461

Optional Guarantee Ledger

Opening Balance on Closing Date	£1,000,000
Claims Submitted as at date of this Quarterly Report	£0
Claims Paid as at date of this Quarterly Report	£0
Claims Not recovered from NULAP this calculation period	£0
Total Claims not recovered from NULAP as at date of this Quarterly Report	£0

CCA Reserve	£0
UTCCR Reserve	£1,000,000

Start-up Loan Outstanding

Commitment Rate (Note LIBOR + .50%)	5.20%
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Initial Balance	£50,000
Outstanding as at date of this Quarterly Report	£64,331
Accrued Interest to immediately succeeding interest payment date	£871
Repayments Made	£0
Closing Balance	£65,202

M Note Balance Outstanding

Initial Balance	£ 12,500,000
Outstanding as at date of this Quarterly Report	£ 19,779,454
Accrued Interest to immediately succeeding interest payment date	445,038
Repayments Made	-
Closing Balance	£ 20,224,492

Surplus after payment of all payments due in the Waterfall (a) to (h)	£3,293,494
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Replenishment Amount as recorded in Replenishment Ledger

Years 2001 to 2025

The greater of :-

10% of Principal Amount O/S of Class A Notes @ IPD (net of redemptions @ IPD) and

the amount (if any) necessary to maintain the Required Ratio of
(a) the sum of the Aggregate Portfolio Amount and Adjusted Cash, and
(b) the Principal Amount Outstanding of the Class A Notes
(net of redemptions @ IPD)

A1 notes redeemed
Swap agreements terminated
Scheduled Payments outstanding

Years 2026 to 2030

The greater of:-

10% of Principal Amount O/S of Class A Notes @ IPD (net of redemptions @ IPD),

aggregate of all scheduled payments of interest and principal on the Class A Notes payable on the 4 immediately succeeding IPD's, and

the amount (if any) necessary to maintain the Required Ratio of
(a) the sum of the Aggregate Portfolio Amount and Adjusted Cash, and
(b) the Principal Amount Outstanding of the Class A Notes
(net of redemptions @ IPD).

N/A

Voluntary Repayment Rate

4.69%

The "Voluntary Prepayments Rate" is the [annualised value of the ratio expressed as a percentage] calculated by dividing:-

(x) the aggregate of the initial outstanding balances of the Loans prepaid up to the relevant Calculation Date by
(y) the aggregate of the initial outstanding balances of all Loans in the Portfolio on the Closing Date.

Deferred Consideration released to Originator

Deferred Consideration paid to Originator prior to the date of this Quarterly Report date	£0
Deferred Consideration paid to Originator during the calculation period	£0
Total Deferred Consideration paid to Originator.	£0