

Equity Release Funding (No. 2) plc**Report for the immediately preceding interest period****21-Feb-05****Loans**

£

Outstanding Balance of Loans at Closing Date	276,369,747
Outstanding Balance of Loans @ start of immediately preceding calculation period	290,061,345
Accrued Interest @ start of Calculation Period	66,032,676

Redemptions

Principal Balance of Loans redeemed in the immediately preceding Calculation period	3,257,198.00	Since Inception 36,688,456.35
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Principal Balance of Loans redeemed by cause:-

Death	1,150,030.74	9,020,285.29
Borrower enters Long Term Care	203,500.00	1,606,550.00
Voluntary Repayment	2,176,641.14	26,953,457.61
Move to Lower Value Property	32,668.12	206,344.95
Substitutions	- 305,642.00	- 1,098,181.50

Number of Loans redeemed in the immediately preceding Calculation period	86	1,050
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Number of Loans redeemed by cause:-

Death	23	213
Borrower enters Long Term Care	3	37
Voluntary Repayment	58	817
Move to Lower Value Property	4	36
Substitutions	2	- 17

Redemption monies received	4,876,515.48	46,317,679
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Equivalent Value Test this Calculation Period :-

PASS
PASS

S&P model this Calculation Period :-

Substitution

Substituted in the immediately preceding Calculation Period (O/S amount @ Closing Date)	726,331
Substituted in the immediately preceding Calculation Period as a % of aggregate Outstanding Balance of the Loans @ Closing Date	0.26%
Substituted to date as a % of aggregate Outstanding Balance of the Loans @ Closing Date	1.41%

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 prior to Feb 05

Weighted Averaged GIC Rate

N/A as prior to Feb 05

Outstanding Balance of Loans

Outstanding Accrued Interest	70,644,593
Outstanding Gross Balance	291,416,064
Outstanding number of loans	7,022

Product Breakdown by Loan O/S

At Closing

At Calculation date
for this report

FIRP %	2.7%	2.7%
FCRP %	97.3%	97.3%

Weighted Average Age of Borrowers @ Closing Date

72
74

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

Age of Borrowers:-

Single Female	78
Single Male	77
Joint Borrowers by Age of Younger	73

Properties Sold / repayments (case by case):-

Time to Sale (where available - time from death/assessment to repayment) (Days)
Initial Valuation
Indexed Valuation (Initial Valuation + Hpi)
Sale Price (where available)
Gross Mortgage Outstandings
Shortfall
Loan Outstandings as a % of Sale Price
Claim Submitted to No Negative Equity
Claim Paid
Claim O/S

N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A

For all Mortgages repaid to date:-**Weighted Average:-**

Time to Sale (where available - time from death/assessment to repayment) (Days)
Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)
Shortfall as % of Mortgage Outstandings

244
N/A
N/A

Properties in Possession
Reposessed
Sold
Number Carried Forward

-
-
-
-

Average Time from Possession to Sale
Average Shortfall at Sale

N/A
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**

£41,500
33.7%
20.0%

Weighted Average Interest Rate

FIRP
FCRP

8.29%
8.13%

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%

100,581,379
73,941,238
52,357,888
24,488,687
19,974,428
12,521,794
5,514,158
2,036,492
-

70 - 74.99%
75 - 79.99%
80 - 84.99%
85 - 89.99%
90 - 94.99%
95 - 99.99%
100% +

-
-
-
-
-
-
-

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% +

270,775,610
17,754,852
2,785,299
67,077
33,226
-
-
-
-
-
-
-
-
-
-
-
-
-

Equity Release Funding (No. 2) plc

Report for the immediately preceding interest period

21-Feb-05

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
£21,541,000
£258,169

Less Mortgage Registration Reserve

£150,000

Available Liquidity Reserve Fund

£21,649,169

Amount to be drawn at next IPD

£258,169

Closing balance

£21,541,000

Deficiency Ledger

Opening Balance
Losses this Quarter
Closing Balance

£642
-£94
£548

Optional Guarantee Ledger

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

£500,000
£0
£0
£0
£0

CCA Reserve

£500,000

Surplus after payment of all payments due in the Waterfall (a) to (h)

£0

Replenishment Amount as recorded in Replenishment Ledger**Years 2002 to 2026**

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)

N/A - A1 Notes O/S

Years 2027 to 2031

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

3.98%

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

Deferred Consideration paid to Originator during the calculation period

Total Deferred Consideration paid to Originator.

£0
£0
£0

Equity Release Funding (No.2) plc

Name of Issuer

Equity Release Funding (No.2) plc

Date of Issue

11-Jun-2002

Moody's Current Rating

A1

Aaa

A2

Aaa

S&P Current Rating

AAA

AAA

Initial Note Balance

45,000,000.00

255,000,000.00

Note Principal @ start of period

38,718,000.00

255,000,000.00

Note Redemptions @ IPD

1,179,000.00

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Outstanding Note Principal

37,539,000.00

255,000,000.00

Note Interest Margins

LIBOR + 0.44%

Fixed Rate (5.88%)

Step Up Dates

IPD May 2012

N/A

Step Up Margins

LIBOR + 1.50%

N/A

Interest Payment Cycle

Quarterly

Interest Payment Date

26th or Next Business Day

Next Interest Payment Date

26-May-2005

Pool Factor

0.834200