

Equity Release Funding (No. 2) plc
Report for the immediately preceding interest period

19-May-05

Loans

£

Outstanding Balance of Loans at Closing Date	276,369,747
Outstanding Balance of Loans @ start of immediately preceding calculation period	291,416,064
Accrued Interest @ start of Calculation Period	70,644,593

Redemptions

Principal Balance of Loans redeemed in the immediately preceding Calculation period	2,792,087.84	Since Inception 39,480,544.20
Principal Balance of Loans redeemed by cause:-		
Death	581,580.00	9,601,865.29
Borrower enters Long Term Care	136,070.00	1,742,620.00
Voluntary Repayment	2,341,220.00	29,294,677.61
Move to Lower Value Property	1,877.84	208,222.80
Substitutions	- 268,660.00	- 1,366,841.50
Number of Loans redeemed in the immediately preceding Calculation period	77	1,127
Number of Loans redeemed by cause:-		
Death	17	230
Borrower enters Long Term Care	4	41
Voluntary Repayment	62	879
Move to Lower Value Property	1	37
Substitutions	- 6	- 23
Redemption monies received	4,204,114.36	50,521,793

Equivalent Value Test this Calculation Period :-
S&P model this Calculation Period :-

PASS
PASS

Substitution

Substituted in the immediately preceding Calculation Period (O/S amount @ Closing Date)	762,641
Substituted in the immediately preceding Calculation Period as a % of aggregate Outstanding Balance of the Loans @ Closing Date	0.28%
Substituted to date as a % of aggregate Outstanding Balance of the Loans @ Closing Date	1.69%

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	74,907,469
Outstanding Gross Balance	292,886,852
Outstanding number of loans	6,945

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

72
74

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)	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

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Liquidity Facility Ledger

Initial Balance	£0
Last Calculation Period Closing Outstanding	£0
Available @ next IPD	£70,000,000
Amount to be drawn at next IPD	£0

Liquidity Reserve Fund Ledger

Initial Balance on Closing	£25,000,000
Outstanding as at the date of this Quarterly Report	£21,541,000
Accrued Interest to immediately succeeding interest payment date	£244,206
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£21,635,206
Amount to be drawn at next IPD	£244,206
Closing balance	£21,541,000

Deficiency Ledger

Opening Balance	£548
Losses this Quarter	£1
Closing Balance	£549

Optional Guarantee Ledger

Opening Balance on Closing Date	£500,000
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	£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

3.36%

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

Equity Release Funding (No.2) plc

Name of Issuer Equity Release Funding (No.2) plc
Date of Issue 11-Jun-2002

	A1	A2
Moody's Current Rating	Aaa	Aaa
S&P Current Rating	AAA	AAA

Initial Note Balance	45,000,000.00	255,000,000.00
Note Principal @ start of period	37,539,000.00	255,000,000.00
Note Redemptions @ IPD	477,000.00	-
Outstanding Note Principal	37,062,000.00	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-Aug-2005

Pool Factor	0.823600
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