

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

21-Nov-06

Loans

£

Outstanding Balance of Loans at Closing Date	276,369,747
Outstanding Balance of Loans @ start of immediately preceding calculation period	297,609,275
Accrued Interest @ start of Calculation Period	94,634,361

Redemptions

Principal Balance of Loans redeemed in the immediately preceding Calculation period	4,758,587	Since Inception	58,369,584
<u>Principal Balance of Loans redeemed by cause:-</u>			
Death	1,327,635		15,564,664
Borrower enters Long Term Care	675,500		3,594,283
Voluntary Repayment	2,676,320		42,799,586
Move to Lower Value Property	79,132		255,005
Substitutions	-		3,843,954
Number of Loans redeemed in the immediately preceding Calculation period	113		1,663
<u>Number of Loans redeemed by cause:-</u>			
Death	29		391
Borrower enters Long Term Care	5		79
Voluntary Repayment	79		1,253
Move to Lower Value Property	7		54
Substitutions	-		60
Redemption monies received	7,444,812		84,503,543
Equivalent Value Test this Calculation Period :-	PASS		
S&P model this Calculation Period :-	PASS		

Substitution

Substituted in the immediately preceding Calculation Period (O/S amount @ Closing Date)	-
Substituted in the immediately preceding Calculation Period as a % of aggregate Outstanding Balance of the Loans @ Closing Date	0.00%
Substituted to date as a % of aggregate Outstanding Balance of the Loans @ Closing Date	3.00%

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 A1 notes outstanding
Weighted Averaged GIC Rate	N/A as A1 notes outstanding

Outstanding Balance of Loans

Outstanding Accrued Interest	97,688,652
Outstanding Gross Balance	295,904,978
Outstanding number of loans	6,409

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	
Weighted Average Age of borrowers - at Calculation date for this Quarterly report	76	

Age of Borrowers:-

Single Female	79
Single Male	78
Joint Borrowers by Age of Younger	74

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)	252
Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)	N/A
Shortfall as % of Mortgage Outstandings	N/A

Properties in Possession	-
Repossessed	-
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**

£46,170
37.7%
20.1%

Weighted Average Interest Rate

FIRP

FCRP

8.29%
8.14%

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% +

76,606,684
49,599,225
57,801,178
51,977,393
13,373,827
27,902,329
5,667,793
12,976,550
-
-
-
-
-
-
-
-
-
-

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% +

275,950,844
16,229,759
2,853,065
367,464
165,993
337,854
-
-
-
-
-
-
-
-
-
-
-
-

Equity Release Funding (No.2) plc

Name of Issuer

Date of Issue

Equity Release Funding (No.2) plc
 11-Jun-2002

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

45,000,000.00	255,000,000.00
29,443,500.00	255,000,000.00
3,676,500.00	-
25,767,000.00	255,000,000.00

Note Interest Margins

Step Up Dates

Step Up Margins

LIBOR + 0.44%	Fixed Rate (5.88%)
IPD May 2012	N/A
LIBOR + 1.50%	N/A

Interest Payment Cycle

Interest Payment Date

Next Interest Payment Date

Quarterly
26th or Next Business Day
26-Feb-2007

Pool Factor

0.572600

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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	£253,391
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£21,644,391
Amount to be drawn at next IPD	£253,391
Closing balance	£21,541,000

Deficiency Ledger

Opening Balance	£839
Losses this Quarter	£13
Closing Balance	£851

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

3.81%

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