

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

**19-Feb-07**

**Loans**

£

Outstanding Balance of Loans at Closing Date	276,369,747
Outstanding Balance of Loans @ start of immediately preceding calculation period	295,904,978
Accrued Interest @ start of Calculation Period	97,688,652

**Redemptions**

Principal Balance of Loans redeemed in the immediately preceding Calculation period

4,656,915

Since Inception

63,026,499

**Principal Balance of Loans redeemed by cause:-**

Death	1,142,924
Borrower enters Long Term Care	573,070
Voluntary Repayment	2,835,805
Move to Lower Value Property	105,116
Substitutions	-

16,707,588
4,167,353
45,635,391
360,121
- 3,843,954

Number of Loans redeemed in the immediately preceding Calculation period

117

1,780

**Number of Loans redeemed by cause:-**

Death	32
Borrower enters Long Term Care	14
Voluntary Repayment	71
Move to Lower Value Property	2
Substitutions	-

423
93
1,324
56
- 60

Redemption monies received

6,976,650

91,480,192

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	101,029,084
Outstanding Gross Balance	294,588,496
Outstanding number of loans	6,292

At Calculation  
date for this  
report

**Product Breakdown by Loan O/S**

At Closing

FIRP %	2.7%
FCRP %	97.3%

2.8%
97.2%

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	79
Joint Borrowers by Age of Younger	75

**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	-
Reposessed	1
Sold	-
Number Carried Forward	1

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**

£46,820
38.3%
20.0%

**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% +

75,010,000
32,273,376
73,642,019
54,070,932
10,082,290
27,000,543
8,882,409
13,626,927
-
-
-
-
-
-
-
-
-
-

**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% +

275,639,696
15,463,741
2,674,961
297,250
168,890
343,958
-
-
-
-
-
-
-
-
-
-
-

**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

<b>A1</b>	<b>A2</b>
Aaa	Aaa
AAA	AAA

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

45,000,000.00	255,000,000.00
25,767,000.00	255,000,000.00
3,465,000.00	-
22,302,000.00	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
29-May-2007

Pool Factor

0.495600
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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	£270,304
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£21,661,304
Amount to be drawn at next IPD	£270,304
Closing balance	£21,541,000

**Deficiency Ledger**

Opening Balance	£851
Losses this Quarter	-£8
Closing Balance	£843

**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
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**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
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**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
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**Voluntary Repayment Rate**

3.82%
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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