

19-Aug-09

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Outstanding Balance of Loans at Closing Date	276,369,747
Outstanding Balance of Loans @ start of immediately preceding calculation period	303,534,788
Accrued Interest @ start of Calculation Period	135,641,233

Since Inception

Principal Balance of Loans redeemed in the immediately preceding Calculation period	3,765,091	92,457,446
<u>Principal Balance of Loans redeemed by cause:-</u>		
Death	2,000,595	28,597,939
Borrower enters Long Term Care	552,100	6,546,156
Voluntary Repayment	1,163,720	60,506,102
Move to Lower Value Property	48,676	651,202
Substitutions	-	- 3,843,954
Number of Loans redeemed in the immediately preceding Calculation period	110	2,599
<u>Number of Loans redeemed by cause:-</u>		
Death	57	755
Borrower enters Long Term Care	14	161
Voluntary Repayment	39	1,743
Move to Lower Value Property	6	86
Substitutions	-	- 60
Redemption monies received	6,407,808	138,520,620

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

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

Substituted to date as a % of aggregate Outstanding Balance of the Loans @ Closing Date	2.88%
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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 Accrued Interest
Outstanding Gross Balance
Outstanding number of loans

	139,336,194
	303,464,658
	5.476

At Closing

FIRP %	2.7%	2.8%
FCRP %	97.3%	97.2%

Weighted Average Age of Borrowers @ Closing Date	72
Weighted Average Age of borrowers - at Calculation date for this Quarterly report	78

Age of Borrowers:-
Single Female
Single Male
Joint Borrowers by Age of Younger

	81
	81
	77

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

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

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

19-Aug-09

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
	£20,601,000
	£55,406

Less Mortgage Registration Reserve

£150,000

Available Liquidity Reserve Fund

£20,506,406

Amount to be drawn at next IPD

£55,406

Closing balance

£20,601,000

Deficiency Ledger

Opening Balance

-£926

Closing Balance

-£7

-£933

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

	£0
	£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

3.58%

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

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
	8,490,500.00	- 255,000,000.00
	3,240,000.00	
	5,250,500.00	- 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-Nov-2009

Pool Factor

0.116678

