

## 19-Aug-10

## 3

Outstanding Balance of Loans at Closing Date	276,369,747
Outstanding Balance of Loans @ start of immediately preceding calculation period	308,034,484
Accrued Interest @ start of Calculation Period	150,827,138

Since Inception

Principal Balance of Loans redeemed in the immediately preceding Calculation period	3,115,972	102,494,536
<u>Principal Balance of Loans redeemed by cause:-</u>		
Death	1,790,603	33,181,768
Borrower enters Long Term Care	33,750	7,493,751
Voluntary Repayment	1,219,630	64,865,360
Move to Lower Value Property	71,989	797,611
Substitutions	-	- 3,843,954
Number of Loans redeemed in the immediately preceding Calculation period	82	2,894
<u>Number of Loans redeemed by cause:-</u>		
Death	44	882
Borrower enters Long Term Care	1	183
Voluntary Repayment	37	1,889
Move to Lower Value Property	13	111
Substitutions	-	- 60
Redemption monies received	6,404,040	158,416,551

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
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Outstanding Accrued Interest  
Outstanding Gross Balance  
Outstanding number of loans

	153,663,008
	307,754,382
	5,181

### At Closing

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

Weighted Average Age of Borrowers @ Closing Date

Weighted Average Age of Borrowers @ Closing Date	72
Weighted Average Age of borrowers - at Calculation date for this Quarterly report	81

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

## Single Female

Single Female	82
Single Male	81
Joint Borrowers by Age of Younger	81

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

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



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

19-Aug-10

**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
£26,130

Less Mortgage Registration Reserve

£150,000

Available Liquidity Reserve Fund

£20,477,130

Amount to be drawn at next IPD

£26,130

Closing balance

£20,601,000

Deficiency Ledger

Opening Balance

-£12,053

£421

Closing Balance

-£11,632

**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**

3.22%

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

AAA

**A2**

Aaa

AAA

S&P Current Rating

Initial Note Balance

45,000,000.00

255,000,000.00

Note Principal @ start of period

4,050,500.00

255,000,000.00

Note Redemptions @ IPD

2,500,000.00

Outstanding Note Principal

1,550,500.00

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-Nov-2010

Pool Factor

0.034456