

19-Feb-10

£

Redemptions

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)

Weighted Averaged GIC Rate	N/A as A1 notes outstanding
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Outstanding Balance of Loans	
Outstanding Accrued Interest	147,001,260
Outstanding Gross Balance	306,318,646
Outstanding number of loans	5,326

At Closing

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	80

Single Female	82
Single Male	81
Joint Borrowers by Age of Younger	80

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-Feb-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
£21,058

Less Mortgage Registration Reserve

£150,000

Available Liquidity Reserve Fund

£20,472,058

Amount to be drawn at next IPD

£21,058

Closing balance

£20,601,000

Deficiency Ledger

Opening Balance

-£13,401

Closing Balance

£1,349

-£12,053

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

2.92%

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

A2

S&P Current Rating

Aaa

Aaa

AAA

AAA

Initial Note Balance

45,000,000.00

255,000,000.00

Note Principal @ start of period

5,250,500.00

255,000,000.00

Note Redemptions @ IPD

1,200,000.00

Outstanding Note Principal

4,050,500.00

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-May-2010

Pool Factor

0.090011

