

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

19-Aug-11

Loans

£

Outstanding Balance of Loans at Closing Date	276,369,747
Outstanding Balance of Loans @ start of immediately preceding calculation period	311,287,847
Accrued Interest @ start of Calculation Period	164,620,673

Redemptions

In Quarter

Since Inception

Principal Balance of Loans redeemed in the immediately preceding Calculation period	2,961,979	113,748,912
Principal Balance of Loans redeemed by cause:-		
Death	1,493,505	38,526,586
Borrower enters Long Term Care	351,340	8,968,782
Voluntary Repayment	1,024,770	68,810,012
Move to Lower Value Property	92,364	1,148,295
Substitutions	-	3,704,763
Number of Loans redeemed in the immediately preceding Calculation period	86	3,165
Number of Loans redeemed by cause:-		
Death	42	1,007
Borrower enters Long Term Care	10	223
Voluntary Repayment	34	1,995
Move to Lower Value Property	5	119
Substitutions	-	60
Redemption monies received	6,187,624	180,560,951

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

N/A
N/A

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
Substituted to date as a % of aggregate Outstanding Balance of the Loans @ Closing Date

-
0.00%
2.88%

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 Scheduled Payments outstanding

Weighted Averaged GIC Rate

N/A as Scheduled Payments outstanding

Outstanding Balance of Loans

Outstanding Accrued Interest	167,328,945
Outstanding Gross Balance	311,034,140
Outstanding number of loans	4,907

Product Breakdown by Loan O/S

At Closing

FIRP %	2.7%
FCRP %	97.3%

At Calculation date
for this report

2.7%
97.3%

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

72
80

Age of Borrowers:-

Single Female	82
Single Male	82
Joint Borrowers by Age of Younger	79

Properties Sold / repayments (case by case):-

Time to Sale (where available - time from death/assessment to repayment) (Days)
Initial Valuation
Indexed Valuation (Initial Valuation + Hpi)
Sale Price (where available)
Gross Mortgage Outstandings
Shortfall
Loan Outstandings as a % of Sale Price
Claim Submitted to No Negative Equity
Claim Paid
Claim O/S

N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A

For all Mortgages repaid to date:-

Weighted Average:-

Time to Sale (where available - time from death/assessment to repayment) (Days)
Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)
Shortfall as % of Mortgage Outstandings

220
N/A
N/A

Properties in Possession	2
Repossessed	-
Sold	2
Number Carried Forward	-

Average Time from Possession to Sale	107
Average Shortfall at Sale	-

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**

£63,386
45.9%
27.5%

Weighted Average Interest Rate

FIRP

FCRP

8.29%
8.09%

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% +

70,024,402
29,744,030
33,319,686
24,205,823
21,399,274
38,985,599
26,645,773
25,405,971
5,427,246
10,898,918
14,804,221
1,445,057
4,586,463
3,384,815
406,883
349,981

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% +

195,446,075
57,964,787
8,552,263
32,571,129
7,910,948
5,237,123
2,888,287
254,585
-
153,320
55,623
-
-
-
-
-
-

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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
£32,519

Less Mortgage Registration Reserve

£150,000

Available Liquidity Reserve Fund
 Amount to be drawn at next IPD
 Closing balance

£20,483,519
 £32,519
 £20,601,000

Deficiency Ledger

Opening Balance

Closing Balance

-£327
£0
-£327

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

	£0
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Surplus after payment of all payments due in the Waterfall (a) to (h)

	£3,023,305
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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 as Swap Scheduled Payments are outstanding

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

	2.15%
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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
 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
 AA-

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

	45,000,000.00	255,000,000.00
	45,000,000.00	255,000,000.00
	-	-
	-	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-Nov-2011

Pool Factor

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