

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

19-May-14

Loans

£

Outstanding Balance of Loans at Closing Date	276,369,747
Outstanding Balance of Loans @ start of immediately preceding calculation period	310,308,942
Accrued Interest @ start of Calculation Period	192,164,496

In Quarter

Since Inception

Redemptions		
Principal Balance of Loans redeemed in the immediately preceding Calculation period	2,073,087	141,382,763
<u>Principal Balance of Loans redeemed by cause:-</u>		
Death	808,111	52,097,738
Borrower enters Long Term Care	485,990	14,630,887
Voluntary Repayment	766,187	76,701,547
Move to Lower Value Property	12,799	1,657,354
Substitutions	-	3,704,763
Number of Loans redeemed in the immediately preceding Calculation period	74	4,004
<u>Number of Loans redeemed by cause:-</u>		
Death	32	1,429
Borrower enters Long Term Care	14	387
Voluntary Repayment	28	2,248
Move to Lower Value Property	2	158
Substitutions	-	60
Redemption monies received	5,683,584	249,928,364

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

-
0.00%

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

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 after Year 10 IPD

Weighted Averaged GIC Rate

N/A as after Year 10 IPD

Outstanding Balance of Loans

Outstanding Accrued Interest
Outstanding Gross Balance
Outstanding number of loans

194,665,269
310,736,627
4,068

Product Breakdown by Loan O/S

At Closing

At Calculation date
for this report

FIRP %	2.7%	2.9%
FCRP %	97.3%	97.1%

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

72
82

Age of Borrowers:-

Single Female
Single Male
Joint Borrowers by Age of Younger

84
84
81

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

207
N/A
N/A

Properties in Possession
Reposessed
Sold
Number Carried Forward

2
-
2
-

Average Time from Possession to Sale
Average Shortfall at Sale

107
-

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**

£76,386
54.7%
30.3%

Weighted Average Interest Rate

FIRP

FCRP

8.31%
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% +

36,029,583
30,356,960
27,937,336
23,658,415
29,060,530
19,320,641
18,933,989
30,149,786
23,534,350
18,913,075
21,077,759
1,709,160
5,896,383
8,927,555
8,592,479
6,638,624

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% +

149,370,948
57,363,392
55,011,915
7,914,862
27,065,957
4,660,293
6,363,217
1,279,893
1,324,578
121,768
-
190,666
69,138
-
-
-

Age Band Breakdown (based on youngest policyholder @ Calculation date)

Under 70
 70-74
 75-79
 80-84
 85-89
 90-94
 95-99
 100+

Loans
-
25,135,649
91,502,745
101,462,490
63,142,235
25,464,223
3,696,560
332,725

LTV Levels Breakdown (HPI adjusted) vs Age Band Breakdown @ Calculation date

	Under 70	70-74	75-79	80-84	85-89	90-94	95-99	100+
0 - 29.99%	-	22,709,460	57,589,105	41,587,683	19,185,377	7,378,411	757,284	163,627
30 - 34.99%	-	1,437,333	25,087,916	23,072,521	5,129,380	2,440,488	195,754	-
35 - 39.99%	-	717,859	3,761,401	28,842,495	19,174,551	2,174,346	341,263	-
40 - 44.99%	-	270,997	3,018,749	2,365,876	1,349,992	734,732	102,161	72,355
45 - 49.99%	-	-	1,095,847	2,872,875	14,873,519	8,072,950	150,766	-
50 - 54.99%	-	-	823,843	1,647,508	1,267,151	543,973	377,818	-
55 - 59.99%	-	-	125,884	707,172	933,788	3,400,090	1,196,284	-
60 - 64.99%	-	-	-	108,687	491,664	357,844	224,956	96,742
65 - 69.99%	-	-	-	188,535	615,044	170,724	350,276	-
70 - 74.99%	-	-	-	-	121,768	-	-	-
75 - 79.99%	-	-	-	-	-	-	-	-
80 - 84.99%	-	-	-	-	-	190,666	-	-
85 - 89.99%	-	-	-	69,138	-	-	-	-
90 - 94.99%	-	-	-	-	-	-	-	-
95 - 99.99%	-	-	-	-	-	-	-	-
100% +	-	-	-	-	-	-	-	-

Equity Release Funding (No. 2) plc
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19-May-14

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	£150,000
Accrued Interest to immediately succeeding interest payment date	£119
	£0
	£0
Less Mortgage Registration Reserve	£150,000
	£0
Available Liquidity Reserve Fund	£119
Amount to be drawn at next IPD	£119
Closing balance	£150,000

Deficiency Ledger
Opening Balance

-£8,537
£7,858
-£679

Closing Balance

Optional Guarantee Ledger

Opening Balance on Closing Date	£0
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)

£2,376,459

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

1.76%

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

<u>A1</u>	<u>A2</u>
Aaa	Aaa
AAA	A

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

45,000,000.00	255,000,000.00
-	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-Aug-2014

Pool Factor

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