

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

18-May-20

**Loans**

£

Outstanding Balance of Loans at Closing Date	276,369,747
Outstanding Balance of Loans @ start of immediately preceding calculation period	272,453,530
Accrued Interest @ start of Calculation Period	207,306,864

In Quarter

Since Inception

**Redemptions**

Principal Balance of Loans redeemed in the immediately preceding Calculation period	1,392,002	193,699,496
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**Principal Balance of Loans redeemed by cause:-**

	Restated	Restated
Death	1,551,502	81,770,186
Borrower enters Long Term Care	297,790	25,374,234
Voluntary Repayment	447,290	88,067,349
Move to Lower Value Property	-	2,172,491
Substitutions	-	3,704,763

Number of Loans redeemed in the immediately preceding Calculation period	41	5,723
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**Number of Loans redeemed by cause:-**

	Restated	Restated
Death	41	2,442
Borrower enters Long Term Care	11	712
Voluntary Repayment	11	2,629
Move to Lower Value Property	-	195
Substitutions	-	60

Redemption monies received	6,771,178	433,289,001
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Equivalent Value Test this Calculation Period :-	N/A
S&P model this Calculation Period :-	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	207,938,801
Outstanding Gross Balance	271,693,466
Outstanding number of loans	2,349

**Product Breakdown by Loan O/S**

At Closing

At Calculation date for this report

FRP %	2.7%	2.3%
FCRP %	97.3%	97.7%
Weighted Average Age of Borrowers @ Closing Date	72	
Weighted Average Age of borrowers - at Calculation date for this Quarterly report	86	

**Age of Borrowers:-**

Single Female	88
Single Male	88
Joint Borrowers by Age of Younger	86

**Properties Sold / repayments (case by case):-**

Time to Sale (where available - time from death/assessment to repayment) (Days)  
Time from Possession to Sale (in days where applicable)  
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

Case 1	ERF2	Aviva UKER
Total	Original Loan	Additional Loan
1,880		
746		
120,000		
177,949		
25,013	25,013	-
83,446	83,446	-
58,433	58,433	-
334%		
YES		
YES		
N/A		

Time to Sale (where available - time from death/assessment to repayment) (Days)  
Time from Possession to Sale (in days where applicable)  
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

Case 2	ERF2	Aviva UKER
Total	Original Loan	Additional Loan
451		
343		
145,000		
363,693		
219,552	219,552	-
250,054	250,054	-
30,502	30,502	-
114%		
YES		
YES		
N/A		

Time to Sale (where available - time from death/assessment to repayment) (Days)  
Time from Possession to Sale (in days where applicable)  
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

Case 3	ERF2	Aviva UKER
Total	Original Loan	Additional Loan
734		
-		
330,000		
815,187		
325,123	325,123	-
360,726	360,726	-
35,603	35,603	-
111%		
YES		
YES		
N/A		

**For all Mortgages repaid to the Calculation Date (NNEG or repossession)**

Weighted Average:	
Sale price as %age of indexed valuation.	48.0%
Shortfall as % of Mortgage o/s	18.4%

**For all Mortgages repaid to the Calculation Date (all redemptions other than voluntary)**

Weighted Average:	Restated
Time to sale (Days)	274
Properties in Possession (Total to Calculation date)	23
Repossessioned this Quarter	3
Properties sold (Total to Calculation date)	14
Number Carried Forward	9
Average Time from Possession to Sale	213
Possession cases average Shortfall at Sale (%)	15.1%

<b>Insurance</b>	
No Negative Equity Claims made total	3
Claims Paid	3
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	30
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	£115,663
Weighted Average LTV	95.1%
Weighted Average Indexed LTV	40.7%*
Weighted Average Interest Rate	
FIRP	8.29%
FCRP	8.09%

<b>LTV Levels Breakdown (based on original valuation using P+I at date of report)</b>	
0 - 29.99%	686,182
30 - 34.99%	1,221,620
35 - 39.99%	1,469,907
40 - 44.99%	2,998,207
45 - 49.99%	5,263,348
50 - 54.99%	4,842,045
55 - 59.99%	5,818,129
60 - 64.99%	5,851,106
65 - 69.99%	6,877,373
70 - 74.99%	20,228,184
75 - 79.99%	22,387,915
80 - 84.99%	26,264,195
85 - 89.99%	5,442,891
90 - 94.99%	23,004,967
95 - 99.99%	5,946,285
100% +	133,391,112

<b>LTV Levels Breakdown (based on HPI adjusted valuation @ Calculation date)</b>	
0 - 30%	19,198,251
30 - 35%	61,271,315
35 - 40%	49,670,235
40 - 45%	56,960,188
45 - 50%	56,168,056
50 - 55%	3,609,902
55 - 60%	13,086,680
60 - 65%	6,303,322
65 - 70%	2,832,341
70 - 75%	1,080,536
75 - 80%	1,512,638
80 - 85%	-
85 - 90%	-
90 - 95%	-
95 - 100%	-
100% +	-

Depersonalised information on the pool, as at each Calculation Date, may be obtained electronically by Noteholders from the Administrator upon delivery of a signed confidentiality undertaking (the form of which can be obtained from the Administrator)

<b>Age Band Breakdown (based on youngest policyholder @ Calculation date)</b>	
Under 70	-
70-74	-
75-79	16,081,959
80-84	88,094,268
85-89	101,115,893
90-94	50,681,453
95-99	14,721,079
100+	998,814

<b>LTV Levels Breakdown (HPI adjusted) vs Age Band Breakdown @ Calculation date (Restated)</b>									
	Under 70	70-74	75-79	80-84	85-89	90-94	95-99	100+	
0 - 29.99%			1,557,790	8,395,359	5,446,232	2,719,020	1,079,860		
30 - 34.99%			12,755,802	38,126,355	6,426,155	3,661,436	301,566		
35 - 39.99%			923,933	16,864,569	28,132,393	3,085,379	663,961		
40 - 44.99%			411,812	19,566,240	32,570,287	3,479,114	932,735		
45 - 49.99%			432,631	3,875,852	21,239,641	28,486,785	2,133,147		
50 - 54.99%				846,666	1,648,738	875,235	239,264		
55 - 59.99%				419,228	1,946,667	3,898,288	6,822,497		
60 - 64.99%					2,288,477	2,733,142	1,261,704		
65 - 69.99%					832,938	992,900	1,006,503		
70 - 74.99%					281,070	368,832	107,983	322,652	
75 - 79.99%					303,295	381,322	151,858	676,162	
80 - 84.99%									
85 - 89.99%									
90 - 94.99%									
95 - 99.99%									
100% +									

\* The Indexed LTVs are calculated using Halifax House Price Index. The index was rebased in Sep-19 and this report shows LTVs on the new basis. For comparison the Weighted Average Indexed LTV quoted as 40.7% would be 39.3% on the old basis.

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**Report for the immediately preceding interest period**

18-May-20

**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	£195
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£195
Amount to be drawn at next IPD	£195
Closing balance	£150,000

**Deficiency Ledger**

Opening Balance	-£12,653
Losses this Quarter	£0
Closing Balance	-£12,653

**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
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<b>Surplus after payment of all payments due in the Waterfall (a) to (h)</b>	<b>£19,956,577</b>
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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)

£19,900,000
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**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
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**Restated**

2.36%

**Voluntary Repayment Rate**

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	£12,700,000
Deferred Consideration paid to Originator during the calculation period	£0
Total Deferred Consideration paid to Originator.	£12,700,000

**Equity Release Funding (No. 2) plc**

Name of Issuer

Equity Release Funding (No.2) plc

Date of Issue

11-Jun-2002

	<b>A1</b>	<b>A2</b>
Moody's Current Rating	N/A	Aa1
S&P Current Rating	N/A	A
Initial Note Balance	45,000,000.00	255,000,000.00
Note Principal @ start of period	-	213,667,432.50
Note Redemptions @ IPD	-	3,502,756.50
Outstanding Note Principal	-	210,164,676.00

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-Aug-2020

Pool Factor	-
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