

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

19-Feb-21

**Loans**

£

Outstanding Balance of Loans at Closing Date	276,369,747
Outstanding Balance of Loans @ start of immediately preceding calculation period	267,214,619
Accrued Interest @ start of Calculation Period	206,923,984

In Quarter

Since Inception

<b>Redemptions</b>		
Principal Balance of Loans redeemed in the immediately preceding Calculation period	2,297,464	199,460,989
<b>Principal Balance of Loans redeemed by cause:-</b>		
Death	1,552,799	85,445,017
Borrower enters Long Term Care	446,315	26,516,230
Voluntary Repayment	263,720	88,997,394
Move to Lower Value Property	34,630	2,207,121
Substitutions	-	3,704,763
		-
Number of Loans redeemed in the immediately preceding Calculation period	74	5,915
<b>Number of Loans redeemed by cause:-</b>		
Death	49	2,563
Borrower enters Long Term Care	15	752
Voluntary Repayment	10	2,660
Move to Lower Value Property	2	197
Substitutions	-	60
		-
Redemption monies received	9,852,088	458,605,897
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%
2.88%

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

**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
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Weighted Averaged GIC Rate

N/A as after Year 10 IPD
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**Outstanding Balance of Loans**

Outstanding Accrued Interest  
Outstanding Gross Balance  
Outstanding number of loans

204,309,337
262,302,508
2,157

**Product Breakdown by Loan O/S**

At Closing

At Calculation date for this report

FIRP %	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	87	
<b>Age of Borrowers:-</b>		
Single Female	88	
Single Male	89	
Joint Borrowers by Age of Younger	87	

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

	Case 1 Total	ERF2 Original Loan	Aviva UKER Additional Loan
Time to Sale (where available - time from death/assessment to repayment) (Days)	661		
Time from Possession to Sale (in days where applicable)	92		
Initial Valuation	310,000		
Indexed Valuation (Initial Valuation + Hpi)	484,968		
Sale Price (where available)	221,037	221,037	-
Gross Mortgage Outstandings	294,104	294,104	-
Shortfall	73,067	73,067	-
Loan Outstandings as a % of Sale Price	133%		
Claim Submitted to No Negative Equity	YES		
Claim Paid	YES		
Claim O/S	N/A		
	Case 2 Total	ERF2 Original Loan	Aviva UKER Additional Loan
Time to Sale (where available - time from death/assessment to repayment) (Days)	338		
Time from Possession to Sale (in days where applicable)	306		
Initial Valuation	183,950		
Indexed Valuation (Initial Valuation + Hpi)	521,035		
Sale Price (where available)	92,852	92,852	-
Gross Mortgage Outstandings	202,736	202,736	-
Shortfall	109,884	109,884	-
Loan Outstandings as a % of Sale Price	218%		
Claim Submitted to No Negative Equity	YES		
Claim Paid	YES		
Claim O/S	N/A		
	Case 3 Total	ERF2 Original Loan	Aviva UKER Additional Loan
Time to Sale (where available - time from death/assessment to repayment) (Days)	806		
Time from Possession to Sale (in days where applicable)	274		
Initial Valuation	70,000		
Indexed Valuation (Initial Valuation + Hpi)	187,091		
Sale Price (where available)	79,403	79,403	-
Gross Mortgage Outstandings	148,726	109,485	39,241
Shortfall	69,323	30,082	39,241
Loan Outstandings as a % of Sale Price	187%		
Claim Submitted to No Negative Equity	YES		
Claim Paid	YES		
Claim O/S	N/A		
	Case 4 Total	ERF2 Original Loan	Aviva UKER Additional Loan
Time to Sale (where available - time from death/assessment to repayment) (Days)	489		
Time from Possession to Sale (in days where applicable)	456		
Initial Valuation	150,000		
Indexed Valuation (Initial Valuation + Hpi)	218,491		
Sale Price (where available)	94,499	94,499	-
Gross Mortgage Outstandings	146,674	146,674	-
Shortfall	52,175	52,175	-
Loan Outstandings as a % of Sale Price	155%		
Claim Submitted to No Negative Equity	YES		
Claim Paid	YES		
Claim O/S	N/A		
	Case 5 Total	ERF2 Original Loan	Aviva UKER Additional Loan
Time to Sale (where available - time from death/assessment to repayment) (Days)	841		
Time from Possession to Sale (in days where applicable)	326		
Initial Valuation	150,000		
Indexed Valuation (Initial Valuation + Hpi)	388,400		
Sale Price (where available)	134,422	134,422	-
Gross Mortgage Outstandings	205,959	205,959	-
Shortfall	71,537	71,537	-
Loan Outstandings as a % of Sale Price	153%		
Claim Submitted to No Negative Equity	YES		
Claim Paid	YES		
Claim O/S	N/A		

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**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 6 Total	ERF2 Original Loan	Aviva UKER Additional Loan
868		
361		
128,000		
327,088		
73,779		-
122,053	122,053	-
48,275	48,275	-
165%		
YES		
YES		
N/A		

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

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

44.1%
23.0%

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

Weighted Average:  
Time to sale (Days)

278
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**Properties in Possession (Total to Calculation date)**

Reposessed this Quarter  
Properties sold (Total to Calculation date)  
Number Carried Forward

26
1
22
4

Average Time from Possession to Sale  
Possession cases average Shortfall at Sale (%)

256
24.0%

**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

6
6
-
-
-
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**

Weighted Average LTV  
Weighted Average Indexed LTV

£121,605
100.3%
40.7%

**Weighted Average Interest Rate**

FIRP  
FCRP

8.30%
8.10%

**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% +

539,035
822,925
1,764,688
1,908,461
3,129,665
5,596,793
4,193,372
6,039,012
4,851,924
8,969,753
17,445,561
20,723,238
26,655,926
4,753,366
21,821,944
133,086,845

**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% +

18,916,067
60,058,306
45,316,916
58,968,711
53,001,501
3,054,495
11,971,374
5,763,589
2,499,369
1,147,837
1,604,343
-
-
-
-
-

Depersonalised information on the pool and payment summary, 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).

**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
-
-
6,209,202
75,070,608
106,282,395
58,426,253
14,764,173
1,549,879

**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%			679,796	8,120,898	5,543,144	3,407,986	1,058,691	105,551
30 - 34.99%			4,839,938	45,174,313	6,783,962	3,186,957	73,136	
35 - 39.99%			150,881	8,917,189	31,120,298	4,396,281	732,267	
40 - 44.99%			228,576	10,501,482	41,813,708	5,941,809	483,136	
45 - 49.99%			310,011	1,822,894	14,456,236	33,966,036	2,446,324	
50 - 54.99%				394,181	1,989,871	670,443		
55 - 59.99%				139,650	1,429,296	3,195,558	7,206,871	
60 - 64.99%					1,777,465	2,055,388	1,930,736	
65 - 69.99%					747,885	808,776	557,110	385,598
70 - 74.99%					298,401	391,956	114,667	342,812
75 - 79.99%					322,128	405,064	161,234	715,918
80 - 84.99%								
85 - 89.99%								
90 - 94.99%								
95 - 99.99%								
100% +								

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**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	£4
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£4
Amount to be drawn at next IPD	£4
Closing balance	£150,000

**Deficiency Ledger**

Opening Balance	-£12,653
Losses this Quarter	£2
Closing Balance	-£12,651

**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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Surplus after payment of all payments due in the Waterfall (a) to (h)	£24,251,225
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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)

£19,970,000
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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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**Voluntary Repayment Rate**

2.29%
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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	£13,300,000
Deferred Consideration paid to Originator during the calculation period	£4,100,000
Total Deferred Consideration paid to Originator.	£17,400,000

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

Name of Issuer

Equity Release Funding (No.2) plc  
11-Jun-2002

Date of Issue

Moody's Current Rating

**A1**

N/A

**A2**

Aa1

S&P Current Rating

N/A

A

Initial Note Balance

45,000,000.00

255,000,000.00

Note Principal @ start of period

-

203,159,163.00

Note Redemptions @ IPD

-

3,502,756.50

Outstanding Note Principal

-

199,656,406.50

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-2021

Pool Factor

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