

Equity Release Funding (No. 3) plc
Report for the immediately preceding interest period

22-Jul-03

Note:

As used in this report, "Quarter" means the period from (and including) the (but excluding) the Calculation Date as at which this report is prepared, save that the first Quarter shall mean the period from and including the

Loans

£

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	404,247,009
Accrued Interest @ start of Calculation Period	22,404,519

Redemptions

Since Inception

Principal Balance of Loans redeemed in the immediately preceding	816,299	816,299
<u>Principal Balance of Loans redeemed by cause:-</u>		
Death	46,850	46,850
Borrower enters Long Term Care	18,500	18,500
Voluntary Repayment	748,353	748,353
Move to Lower Value Property	2,596	2,596
Number of Loans redeemed in the immediately preceding Calculation	21	21
<u>Number of Loans redeemed by cause:-</u>		
Death	2	2
Borrower enters Long Term Care	1	1
Voluntary Repayment	17	17
Move to Lower Value Property	1	1
Redemption monies received	873,452	873,452.24

Outstanding Balance of Loans

Outstanding Accrued Interest	24,645,221
Outstanding Gross Balance	405,671,413
Outstanding number of loans	9,753

Equivalent Value Test this Calculation Period :-

N/A

S&P model this Calculation Period :-

N/A

Repayment Rate

2.70%

The "Repayments 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 repaid up
(y) the aggregate of the initial outstanding balances of all Loans in the

Substitutions

Substituted in this Quarter (O/S amount @ Closing Date)	-
Substituted in this Quarter as a % of aggregate Outstanding Balance	0.00%
Substituted to date as a % of aggregate Outstanding Balance of the	0.00%

Early Amortisation Test

Aggregate Loan Amount (in respect of all Outstanding Loans, the Outstanding Balance as at the Closing Date and in respect of

N/A as prior to Jul 06

Weighted Averaged GIC Rate

N/A as prior to Jul 06

Product Breakdown by Loan O/S

At Closing At Calculation date

ILCRP %	27.2%	27.3%
FCRP %	72.8%	72.7%

Weighted Average Age of Borrowers @ Closing Date

71

Weighted Average Age of borrowers - at Calculation date for this Quarterly

71

Age of Borrowers:-

Single Female	74
Single Male	73
Joint Borrowers by Age of Younger	69

Properties Sold / repayments (case by case):-

Time to Sale (where available - time from death/assessment to repayment)	N/A
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

For all Mortgages repaid to the Calculation Date for this**Weighted Average:-**

Time to Sale (where available - time from death/assessment to repayment)	110 days
Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where	N/A
Shortfall as % of Mortgage Outstandings	N/A

Properties in Possession	-
Reposessed	-
Sold	-
Number Carried Forward	-

Average Time from Possession to Sale	N/A
Average Shortfall at Sale	N/A

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**

£41,595
28.0%
24.6%

Weighted Average Interest Rate

ILCRP	4.89%
FCRP	7.68%

Annualised Rate of HPI (since closing)

Halifax	0.00%
Nationwide	0.00%

LTV Levels Breakdown (based on original valuation using P+I at

0 - 29.99%	263,872,635
30 - 34.99%	66,697,457
35 - 39.99%	40,088,112
40 - 44.99%	19,397,390
45 - 49.99%	8,765,298
50 - 54.99%	6,850,521
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% +	-

LTV Levels Breakdown (based on HPI adjusted valuation @

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% +

319,656,651
49,505,125
22,203,636
8,503,885
5,802,117
-
-
-
-
-
-
-
-
-
-
-
-

Equity Release Funding (No. 3) plc**Report for the immediately preceding interest period****22-Jul-03****Liquidity Facility Ledger**

Initial Balance
Last Quarter Closing Outstanding
Available @ next Interest Payment Date
Amount to be drawn at next Interest Payment Date

Barclays	Citibank
£0	£0
£0	£0
£140,000,000	£45,000,000
£0	£0

Liquidity Reserve Fund Ledger

Initial Balance on Closing Date
Outstanding as at the date of this Quarterly Report
Accrued Interest to immediately succeeding interest payment date

£35,000,000
£35,000,000
£103,186
£150,000
£34,953,186
£761,186
£34,342,000

Less Mortgage Registration Reserve

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

Deficiency Ledger

Opening Balance
Losses this Quarter
Closing Balance

£0
£0
£0

Optional Guarantee Ledger

Opening Balance on Closing Date
Claims Submitted as at the 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

Surplus after payment of all payments set out paragraphs (a) to Priority of Payments (Excess Available Receipts)

£0

Replenishment Amount as recorded in Replenishment Ledger**Excess Available Receipts**

N/A - A1 Notes O/S

Years 2003 to 2028

The greater of :-

N/A - A1 Notes O/S

10% of Principal Amount O/S of Class A Notes @ IPD (net of redemptions 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 Notes (net of redemptions @

Years 2028 onwards

The greater of:-

N/A

10% of Principal Amount O/S of Class A Notes @ IPD (net of redemptions

aggregate of all scheduled payments of interest and principal on the 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 Notes (net of redemptions @

Voluntary Repayment Rate (Replenishment Amount)

Annualised value of the ratio expressed as a percentage calculated by
(x) the aggregate of the Outstanding Balance as at the Closing Date of all
(y) the aggregate Outstanding Balance of all Loans on the Closing Date.

2.49%

Class B Notes Payment Test

Asset / Liability Ratio @ next IPD
Class B Notes Required Ratio @ next IPD

Prior to Year 10 IPD

Prior to Year 10 IPD

Pass / Fail

Deemed Pass

Substitution Voluntary Repayment Rate

Aggregate Outstanding Balance (as at the Closing Date or Loan Entry Date)
Aggregate Outstanding Balance (as at the Closing Date or Loan Entry Date)

2.49%

Subordinated Loan Ledger

Opening Balance on Closing Date
Opening Balance at start of Quarter
Payments this Quarter
Interest Accrued this Quarter
Closing Balance

£14,000,000
£14,000,000
£0.00
£64,400.00
£14,064,400

Indexation Ledger (April and October IPD's only)

Class A3 Note Interest Amount / principal due on next IPD (prior to
Limited Index Factor to be applied on next IPD
Class A3 Note Interest Amount / principal post adjustment due on next IPD

N/A
N/A
N/A

Deferred Consideration released to Originator

Deferred Consideration paid to Originator prior to the date of this Quarterly
Deferred Consideration paid to Originator during the Quarter
Total Deferred Consideration paid to Originator.

£0
£0
£0

Equity Release Funding (No.3) plc

Name of Issuer

Equity Release Funding (No.3) plc

Date of Issue

37799

Moody's Current Rating
S&P Current Rating

A1	A2	A3	B
Aaa	Aaa	Aaa	Aa3
AAA	AAA	AAA	AA

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

60000000	310000000	50000000	42000000
60000000	310000000	50000000	42000000
0	0	0	0
60000000	310000000	50000000	42000000

Note Interest Margins
Step Up Dates
Step Up Rate

LIBOR + 0.52%	Fixed Rate (5.05%)	Fixed Rate (2.45%)	LIBOR + 1.4%
IPD Apr 2013	N/A	N/A	IPD Apr 2010
LIBOR + 1.50%	N/A	N/A	LIBOR + 3.5%

Interest Payment Cycle
Interest Payment Date
Next Interest Payment Date

Quarterly	Quarterly	Semi Annually	Quarterly
26th Jan, Apr, Jul & Oct	26th Jan, Apr, Jul & Oct	26th Apr & Oct or Next Business Day	26th Apr & Oct or Next Business Day
27-Oct-03	27-Oct-03	27-Oct-03	27-Oct-03

Pool Factor

1