

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

21-Oct-03

Note:

As used in this report, "Quarter" means the period from (and including) the Calculation Date immediately preceding the Calculation Date as at which this report is (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 Closing Date to but

Loans

£

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	405,671,413
Accrued Interest @ start of Calculation Period	24,645,221

Redemptions

Principal Balance of Loans redeemed in the immediately preceding Calculation	1,516,469	Since Inception 2,332,768
Principal Balance of Loans redeemed by cause:-		
Death	377,500	424,350
Borrower enters Long Term Care	215,000	233,500
Voluntary Repayment	839,643	1,587,996
Move to Lower Value Property	84,326	86,922
Number of Loans redeemed in the immediately preceding Calculation period	49	70
Number of Loans redeemed by cause:-		
Death	9	11
Borrower enters Long Term Care	1	2
Voluntary Repayment	30	47
Move to Lower Value Property	9	10
Redemption monies received	1,560,348	2,433,800

Outstanding Balance of Loans

Outstanding Accrued Interest	31,350,665
Outstanding Gross Balance	410,864,789
Outstanding number of loans	9,713

Equivalent Value Test this Calculation Period :-

N/A
N/A

S&P model this Calculation Period :-

Repayment Rate

1.91%

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 to the
(y) the aggregate of the initial outstanding balances of all Loans in the Portfolio on

Substitutions

Substituted in this Quarter (O/S amount @ Closing Date)	-
Substituted in this Quarter as a % of aggregate Outstanding Balance of the	0.00%
Substituted to date as a % of aggregate Outstanding Balance of the Loans @	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 substitute Loans, the	N/A as prior to Jul 06
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Weighted Averaged GIC Rate

N/A as prior to Jul 06

Product Breakdown by Loan O/S

At Closing

At Calculation date for this

ILCRP %	27.2%	27.1%
FCRP %	72.8%	72.9%

Weighted Average Age of Borrowers @ Closing Date

71
71

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

Age of Borrowers:-

Single Female	75
Single Male	74
Joint Borrowers by Age of Younger	69

100% +

-

LTV Levels Breakdown (based on HPI adjusted valuation @ Calculation

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% +

327,243,574
49,299,780
20,610,727
8,450,710
5,259,999
-
-
-
-
-
-
-
-
-
-
-

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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
£34,342,000
£277,943

Less Mortgage Registration Reserve

£150,000

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

£34,469,943
£4,447,943
£30,172,000

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 (k) of the P £0
Priority of Payments (Excess Available Receipts)

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 @ Interest Payment Date)
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 @ Interest Payment Date).

Years 2028 onwards

The greater of:-

N/A

10% of Principal Amount O/S of Class A Notes @ IPD (net of redemptions @ Interest Payment Date),

aggregate of all scheduled payments of interest and principal on the Notes which are 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 @ Interest Payment Date).

Voluntary Repayment Rate (Replenishment Amount)

1.32%

Annualised value of the ratio expressed as a percentage calculated by dividing :-

- (x) the aggregate of the Outstanding Balance as at the Closing Date of all Loans prepaid up to the relevant Calculation Date by
(y) the aggregate Outstanding Balance of all Loans on the Closing Date.

Class B Notes Payment Test

Asset / Liability Ratio @ next IPD

Prior to Year 10 IPD

Class B Notes Required Ratio @ next 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) of all Loans 1.32%

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

Subordinated Loan Ledger

Opening Balance on Closing Date

£14,000,000

Opening Balance at start of Quarter

£14,064,400

Payments this Quarter

£0.00

Interest Accrued this Quarter

£182,200.00

Closing Balance

£14,246,600

Indexation Ledger (April and October IPD's only)

Class A3 Note Interest Amount / principal due on next IPD (prior to adjustment)

N/A

Limited Index Factor to be applied on next IPD

N/A

Class A3 Note Interest Amount / principal post adjustment due on next IPD

N/A

Deferred Consideration released to Originator

Deferred Consideration paid to Originator prior to the date of this Quarterly Report date £0

Deferred Consideration paid to Originator during the Quarter £0

Total Deferred Consideration paid to Originator. £0

Equity Release Funding (No.3) plc

Name of Issuer

Equity Release Funding (No.3) plc

Date of Issue

37799

Moody's Current Rating

A1

A2

A3

B

S&P Current Rating

Aaa

Aaa

Aaa

Aa3

AAA

AAA

AAA

AA

Initial Note Balance

60000000

310000000

50000000

42000000

Note Principal @ start of period

60000000

310000000

50000000

42000000

Note Redemptions @ IPD

0

0

0

0

Outstanding Note Principal

60000000

310000000

50000000

42000000

Note Interest Margins

LIBOR + 0.52%

Fixed Rate (5.05% Fixed Rate (2.45% LIBOR + 1.4%

Step Up Dates

IPD Apr 2013

N/A

N/A

IPD Apr 2010

Step Up Rate

LIBOR + 1.50%

N/A

N/A

LIBOR + 3.5%

Interest Payment Cycle

Quarterly

Quarterly

Semi Annually

Quarterly

Interest Payment Date

26th Jan, Apr, Jul & Oct 26th Jan, Apr, Jul 26th Apr & Oct or Next Business Day

Next Interest Payment Date

26-Jan-04

26-Jan-04

26-Apr-04

26-Jan-04

Pool Factor

1

