

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

20-Apr-04

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 prepared to (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 excluding the Calculation Date as at which the first report is prepared.

Loans

	£
Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	414,194,121
Accrued Interest @ start of Calculation Period	38,596,012

Redemptions

		Since Inception
Principal Balance of Loans redeemed in the immediately preceding Calculation period	3,462,275	9,711,057
Principal Balance of Loans redeemed by cause:-		
Death	879,950	2,334,611
Borrower enters Long Term Care	118,480	960,630
Voluntary Repayment	2,429,435	6,179,968
Move to Lower Value Property	34,410	235,848
Number of Loans redeemed in the immediately preceding Calculation period	104	252
Number of Loans redeemed by cause:-		
Death	27	57
Borrower enters Long Term Care	3	8
Voluntary Repayment	64	159
Move to Lower Value Property	10	28
Redemption monies received	4,065,840.82	10,900,781

Outstanding Balance of Loans

Outstanding Accrued Interest	45,556,566
Outstanding Gross Balance	417,692,400
Outstanding number of loans	9,549

Equivalent Value Test this Calculation Period :-

S&P model this Calculation Period :-

N/A
N/A

Repayment Rate

2.99%

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 relevant Calculation Date by
 (y) the aggregate of the initial outstanding balances of all Loans in the Portfolio on the Closing Date.

Substitutions

Substituted in this Quarter (O/S amount @ Closing Date)	-
Substituted in this Quarter 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	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 Outstanding Balance as at the Loan Entry date)

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 for this report
ILCRP %	27.2%	26.8%
FCRP %	72.8%	73.2%

Weighted Average Age of Borrowers @ Closing Date	71
Weighted Average Age of borrowers - at Calculation date for this Quarterly report	72

Age of Borrowers:-

Single Female	75
Single Male	74
Joint Borrowers by Age of Younger	70

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 Quarterly Report:-

Weighted Average:-

Time to Sale (where available - time from death/assessment to repayment)	176
Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)	N/A
Shortfall as % of Mortgage Outstandings	N/A

Properties in Possession	-
Repossessed	-
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	£43,742
Weighted Average LTV	29.4%
Weighted Average Indexed LTV	23.1%

Weighted Average Interest Rate

ILCRP	4.89%
FCRP	7.68%

Annualised Rate of HPI (since closing)

Halifax (Non seasonally adjusted)	7.07%
Nationwide (Non seasonally adjusted)	8.79%

LTV Levels Breakdown (based on original valuation using P+I at date of report)

0 - 29.99%	239,985,863
30 - 34.99%	80,742,436
35 - 39.99%	49,965,068
40 - 44.99%	22,815,667
45 - 49.99%	13,538,398

50 - 54.99%	10,644,968
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 @ Calculation date)

0 - 30%	356,345,785
30 - 35%	36,845,573
35 - 40%	15,476,121
40 - 45%	7,139,063
45 - 50%	1,885,857
50 - 55%	-
55 - 60%	-
60 - 65%	-
65 - 70%	-
70 - 75%	-
75 - 80%	-
80 - 85%	-
85 - 90%	-
90 - 95%	-
95 - 100%	-
100% +	-

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Liquidity Facility Ledger

	Barclays	Citibank
Initial Balance	£0	£0
Last Quarter Closing Outstanding	£0	£0
Available @ next Interest Payment Date	£140,000,000	£45,000,000
Amount to be drawn at next Interest Payment Date	£0	£0

Liquidity Reserve Fund Ledger

Initial Balance on Closing Date	£35,000,000
Outstanding as at the date of this Quarterly Report	£29,860,500
Accrued Interest to immediately succeeding interest payment date	£290,284
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£30,000,784
Amount to be drawn at next IPD	£1,815,284
Closing balance	£28,335,500

Deficiency Ledger

Opening Balance	£0
Losses this Quarter	-£33
Closing Balance	-£33

Optional Guarantee Ledger

Opening Balance on Closing Date	£0
Claims Submitted as at the 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

Surplus after payment of all payments set out paragraphs (a) to (k) of the Pre-Enforcement

Priority of Payments (Excess Available Receipts)	£0
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Replenishment Amount as recorded in Replenishment Ledger

Excess Available Receipts	N/A - A1 Notes O/S
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Years 2003 to 2028	N/A - A1 Notes O/S
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The greater of :-

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

N/A

The greater of:-

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)

1.93%

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

1.93%

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
£14,448,040
£0.00
£210,700.00
£14,658,740

Indexation Ledger (April and October IPD's only)

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

£612,500
£12,500
£625,000

1.02

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 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

27-Jun-2003

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

60,000,000.00	#####	50,000,000.00	42,000,000.00
60,000,000.00	#####	50,000,000.00	42,000,000.00
-	-	-	-
60,000,000.00	#####	50,000,000.00	42,000,000.00

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

Quarterly 26th Jan, Apr, Jul & Oct or Next Business Day 26-Jul-2004	Quarterly 26th Jan, Apr, Jul & Oct or Next Business Day 26-Jul-2004	Semi Annually 26th Apr & Oct or Next Business Day 26-Oct-2004	Quarterly 26th Jan, Apr, Jul & Oct or Next Business Day 26-Jul-2004
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Interest Payment Date
Next Interest Payment Date

Pool Factor

1.000000
