

Equity Release Funding (No.3) plc**Report for the immediately preceding interest period****20-Apr-05****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

425,756,912

Accrued Interest @ start of Calculation Period

67,772,201

Redemptions

Principal Balance of Loans redeemed in the immediately preceding Calculation period

3,137,269.33

Since Inception

26,995,050

Principal Balance of Loans redeemed by cause:-

Death

977,300.00

7,257,021

Borrower enters Long Term Care

115,452.50

879,283

Voluntary Repayment

2,091,100.00

18,136,219

Move to Lower Value Property

17,406.83

372,827

Substitutions

63,990.00

349,700

Number of Loans redeemed in the immediately preceding Calculation period

70

660

Number of Loans redeemed by cause:-

Death

18

137

Borrower enters Long Term Care

2

15

Voluntary Repayment

50

455

Move to Lower Value Property

4

47

Substitutions

-

13

Redemption monies received

4,024,736.80

31,711,147

Outstanding Balance of Loans

Outstanding Accrued Interest

74,444,461

Outstanding Gross Balance

429,291,903

Outstanding number of loans

9,153

Equivalent Value Test this Calculation Period :-

N/A

S&P model this Calculation Period :-

N/A

Repayment Rate

3.74%

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)

293,587

Substituted in this Quarter as a % of aggregate Outstanding Balance of the Loans @ Closing Date

0.07%

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

0.47%

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%

26.9%

FCRP %

72.8%

73.1%

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

76

Single Male

75

Joint Borrowers by Age of Younger

71

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 OS

N/A

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20-Apr-05

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
£27,387,600
£315,286
£150,000
£27,552,886
£315,286
£27,387,600

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 (k) of the Pre-Enforcement
Priority of Payments (Excess Available Receipts)**

£0

Replenishment Amount as recorded in Replenishment Ledger

Excess Available Receipts

N/A - A1 Notes Q/S

Years 2003 to 2028

N/A - A1 Notes Q/S

The greater of :-

10% of Principal Amount Q/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 Q/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)

2.76%

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 to

2.95%

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

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
£15,387,880
£0.00
£251,130.00
£15,639,010

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

£0	-
£0	-
£0	-

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

	A1	A2	A3	B
Moody's Current Rating	Aaa	Aaa	Aaa	Aa3
S&P Current Rating	AAA	AAA	AAA	AA
Initial Note Balance	60,000,000.00	310,000,000.00	50,000,000.00	42,000,000.00
Note Principal @ start of period	57,948,000.00	310,000,000.00	50,000,000.00	42,000,000.00
Note Redemptions @ IPD	-	-	-	-
Outstanding Note Principal	57,948,000.00	310,000,000.00	50,000,000.00	42,000,000.00

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 or Next Business Day	26th Jan, Apr, Jul & Oct or Next Business Day	26th Apr & Oct or Next Business Day	26th Jan, Apr, Jul & Oct or Next Business Day
Next Interest Payment Date	26-Jul-2005	26-Jul-2005	26-Oct-2005	26-Jul-2005

Pool Factor
0.965800