

20-Jul-05

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.

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	429,291,903
Accrued Interest @ start of Calculation Period	74,444,461

Since Inception

Principal Balance of Loans redeemed in the immediately preceding Calculation period	3,660,973	30,656,023
<u>Principal Balance of Loans redeemed by cause:-</u>		
Death	915,009	8,172,030
Borrower enters Long Term Care	163,042	1,042,325
Voluntary Repayment	2,629,925	20,766,144
Move to Lower Value Property	98,833	471,661
Substitutions	145,836	203,864
	-	-
Number of Loans redeemed in the immediately preceding Calculation period	96	756
<u>Number of Loans redeemed by cause:-</u>		
Death	24	161
Borrower enters Long Term Care	5	20
Voluntary Repayment	76	531
Move to Lower Value Property	3	50
Substitutions	9	4
	-	-
Redemption monies received	4,599,907.02	36,311,054

Outstanding Accrued Interest	81,967,434
Outstanding Gross Balance	433,153,902
Outstanding number of loans	9,057

Equivalent Value Test this Calculation Period :-
S&P model this Calculation Period :-

N/A
N/A

3.91%

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

Substituted in this Quarter (O/S amount @ Closing Date)	763,863
Substituted in this Quarter as a % of aggregate Outstanding Balance of the Loans @ Closing Date	0.19%
Substituted to date as a % of aggregate Outstanding Balance of the Loans @ Closing Date	0.66%

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 Q6
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Weighted Averaged GIC Rate

N/A as prior to Jul 06

At Closing

ILCRP %	27.2%	27.0%
FCRP %	72.8%	73.0%

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

	71
	73

Single Female	76
Single Male	75
Joint Borrowers by Age of Younger	71

Time to Sale (where available - time from death/assessment to repayment)	N/A
Initial Valuation	N/A
Indexed Valuation (Initial Valuation + Hpl)	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

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
£323,312
£150,000
£27,560,912
£323,312
£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 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)

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.

2.77%

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

2.87%

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
£15,639,010
£0.00
£260,650.00
£15,899,660

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

Date of Issue

Moody's Current Rating
S&P Current Rating

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

Note Interest Margins
Step Up Dates
Step Up Rate

Interest Payment Cycle

Interest Payment Date
Next Interest Payment Date

Pool Factor

Equity Release Funding
(No.3) plc

27-Jun-2003

<u>A1</u>	<u>A2</u>	<u>A3</u>	<u>B</u>
Aaa	Aaa	Aaa	Aa3
AAA	AAA	AAA	AA
60,000,000.00	310,000,000.00	50,000,000.00	42,000,000.00
57,948,000.00	310,000,000.00	50,000,000.00	42,000,000.00
78,000.00	-	-	-
57,870,000.00	310,000,000.00	50,000,000.00	42,000,000.00

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%

Quarterly	Quarterly	Semi Annually	Quarterly
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
26-Oct-2005	26-Oct-2005	26-Oct-2005	26-Oct-2005

0.964500
