Equity Release Funding (No. 3) plc Report for the immediately preceding interest period	20-Jul-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 Accrued Interest @ start of Calculation Period	429,291,903 74,444,461	
Redemptions Principal Balance of Loans redeemed in the immediately preceding Calculation period <u>Principal Balance of Loans redeemed by cause:-</u> Death	3,660,973	Since Inception 30,656,023 8,172,030
Borrower enters Long Term Care Voluntary Repayment Move to Lower Value Property Substitutions	163,042 2,629,925 98,833 - 145,836	1,042,325 20,766,144 471,661 203,864
Number of Loans redeemed in the immediately preceding Calculation period <u>Number of Loans redeemed by cause:-</u> Death	96	756
Borrower enters Long Term Care Voluntary Repayment Move to Lower Value Property Substitutions	5 76 3 - 9	20 531 50 4
Redemption monies received	4,599,907.02	36,311,054
Outstanding Balance of Loans Outstanding Accrued Interest Outstanding Gross Balance Outstanding number of Ioans	81,967,434 433,153,902 9,057	
Equivalent Value Test this Calculation Period :- S&P model this Calculation Period :-	N/A N/A	
Repayment Rate	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.		
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 Substituted to date as a % of aggregate Outstanding Balance of the Loans @ Closing Date	763,863 0.19% 0.66%	
Early Amortisation Test Aggregate Loan Amount (in respect of all Outstanding Loans, the Outstanding Balance as at the Closing Date and in respect 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	At Calculation date for
Product Breakdown by Loan O/S	At Closing	this report
ILCRP % FCRP %	27.2% 72.8%	27.0% 73.0%
Weighted Average Age of Borrowers @ Closing Date Weighted Average Age of borrowers - at Calculation date for this Quarterly report	71 73	
Age of Borrowers:- Single Female Single Male Joint Borrowers by Age of Younger	76 75 71	
Properties Sold / repayments (case by case):- Time to Sale (where available - time from death/assessment to repayment) Initial Valuation Indexed Valuation (Initial Valuation + Hpi) Sale Price (where available) Gross Mortgage Outstandings Shortfall Loan Outstandings as a % of Sale Price Claim Submitted to No Negative Equity Claim Paid Claim O/S	N/A N/A N/A N/A N/A N/A N/A N/A 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)	212
Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)	N/A
Shortfall as % of Mortgage Outstandings	N/A
Properties in Possession	
Repossesed	-
Sold	-
Number Carried Forward	-
Average Time from Possesion to Sale	N/A
Average Shortfall at Sale	N/A

N/A

N/A

N/A

£47,825 32.2% 22.9%

4.89%

7.68%

11.29% 10.89%

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

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

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

Average Loan Outstanding Weighted Average LTV Weighted Average Indexed LTV

Weighted Average Interest Rate ILCRP FCRP

Annualised Rate of HPI (since closing) Halifax (Non seasonally adjusted) Nationwide (Non seasonally adjusted)

Nationwide (Non seasonally adjusted)

LTV Levels Breakdown (based on original valuation using P+I at date of report)	
0 - 29.99%	193,886,632
30 - 34.99%	94,469,550
35 - 39.99%	63,444,198
40 - 44.99%	41,366,893
45 - 49.99%	19,089,852
50 - 54.99%	11,625,230
55 - 59.99%	5,317,427
60 - 64.99%	3,954,121
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%	371,279,065
30 - 35%	38,730,940
35 - 40%	15,670,113
40 - 45%	6,290,919
45 - 50%	1,093,184
50 - 55%	89,680
55 - 60%	-
60 - 65%	-
65 - 70%	-
70 - 75%	-
75 - 80%	-
80 - 85%	-
85 - 90%	-
90 - 95%	-
95 - 100%	-
100% +	-

Liquidity Facility Ledger Initial Balance	Barclays Cit £0	ibank £0
Last Quarter Closing Outstanding Available @ next Interest Payment Date	£0 £140,000,000	£0 £45,000,000
Available @ next interest Payment Date Amount to be drawn at next Interest Payment Date	£140,000,000 £0	£45,000,000 £0
Liquidity Reserve Fund Ledger		
Initial Balance on Closing Date	£35,000,000	
Outstanding as at the date of this Quarterly Report Accrued Interest to immediately succeeding interest payment date	£27,387,600 £323,312	
Accided interest to miniculatory succeeding interest payment date	2323,312	
Less Mortgage Registration Reserve	£150,000	
Available Liquidity Reserve Fund Amount to be drawn at next IPD	£27,560,912 £323,312	
Closing balance	£27,387,600	
Deficiency Ledger		
Opening Balance Losses this Quarter	£0 £0	
Closing Balance	£O	
Optional Guarantee Ledger	00	
Opening Balance on Closing Date Claims Submitted as at the date of this Quarterly Report	£0 £0	
Claims Paid as at date of this Quarterly Report	£O	
Claims Not recovered from NULAP this calculation period Total Claims not recovered from NULAP as at date of this Quarterly Report	£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	N/A - A1 Notes O/S	
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). 		
(b) the Philopal Amount Outstanding of the Notes (net of redemptions @ Interest Payment Date).		
Voluntary Repayment Rate (Replenishment Amount)	2.77%	
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		
(x) the aggregate of the Outstanding Balance of all Loans on 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 / Liabilty Ratio @ next IPD Class B Notes Required Ratio @ next IPD	Prior to Year 10 IPD Prior to Year 10 IPD	
Ciass D Notes Required Ratio @ Text IPD	Phone to fear to 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%	
nggrugaru uunstantuning barante jas at the ulushilg Date ULLUah Entity Date) UL all LUANS		
Subordinated Loan Ledger		
Opening Balance on Closing Date	£14,000,000	
Opening Balance at start of Quarter Payments this Quarter	£15,639,010 £0.00	
Interest Accrued this Quarter	£260,650.00	
Closing Balance	£15,899,660	
Indexation Ledger (April and October IPD's only) Class A3 Note Interest Amount / principal due on next IPD (prior to adjustment)	£0	
Limited Index Factor to be applied on next IPD	£O	-
Class A3 Note Interest Amount / principal post adjustment due on next IPD	£0	
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 prior to the date of this Quarterly Report date Deferred Consideration paid to Originator during the Quarter	£0	
Total Deferred Consideration paid to Originator.	£O	

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> Aaa AAA <u>A2</u> Aaa AAA <u>A3</u> Aaa AAA <u>B</u> Aa3 AA 60,000,000.00 57,948,000.00 78,000.00 57,870,000.00 310,000,000.00 310,000,000.00 50,000,000.00 50,000,000.00 42,000,000.00 42,000,000.00 310,000,000.00 50,000,000.00 42,000,000.00 LIBOR + 0.52% IPD Apr 2013 Fixed Rate (5.05%) Fixed Rate (2.45%) LIBOR + 1.4%

11 D Apr 2013	19/75	19/75	11 D Apr 2010
LIBOR + 1.50%	N/A	N/A	LIBOR + 3.5%
Quarterly	Quarterly	Semi Annually	Quarterly
	26th Jan, Apr, Jul &		26th Jan, Apr, Jul &
26th Jan, Apr, Jul & Oct	Oct or Next Business	26th Apr & Oct or Next	Oct or Next Business
or Next Business Day	Day	Business Day	Day
26-0ct-2005	26-0ct-2005	26-0ct-2005	26-0ct-2005

0.964500

Г