

## 19-Oct-07

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.

## f

### Redemptions

Number of Loans redeemed in the immediately preceding Calculation periodRedemption monies received

### Outstanding Balance of Loans

Equivalent Value Test this Calculation Period :-

Equivalent value Test this Calculation Period :	N/A
S&P model this Calculation Period :-	N/A

## Repayment Rate

4.07%

The "Repayments Rate" is the [annualised value of the ratio expressed as a percentage] calculated by dividing:-

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

### Substitutions

### 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 A1 note O/S
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Weighted Averaged GIC Rate

N/A as A1 note O/S
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### Product Breakdown by Loan O/S

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

	71
	76

**Age of Borrowers:-**

**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

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

Properties in Possession	-
Reposessed	-
Sold	-
Number Carried Forward	-

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

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

<b>Weighted Average Interest Rate</b>	
ILCRP	4.89%
FCRP	7.67%

LTV Levels Breakdown (based on original valuation using P+I at date of repor	
0 - 29.99%	113,064,805
30 - 34.99%	83,394,881
35 - 39.99%	84,183,166
40 - 44.99%	66,162,976
45 - 49.99%	42,988,855
50 - 54.99%	30,433,180
55 - 59.99%	14,568,405
60 - 64.99%	18,010,151
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%	379,193,237
30 - 35%	45,090,987
35 - 40%	19,619,825
40 - 45%	7,261,789
45 - 50%	1,483,002
50 - 55%	157,587
55 - 60%	-
60 - 65%	-
65 - 70%	-
70 - 75%	-
75 - 80%	-
80 - 85%	-
85 - 90%	-
90 - 95%	-
95 - 100%	-
100% +	-

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

19-Oct-07

**Liquidity Facility Ledger**

Initial Balance  
 Last Quarter Closing Outstanding  
 Available @ next Interest Payment Date  
 Amount to be drawn at next Interest Payment Date

Barclays	
	£0
	£0
	£140,000,000
	£0

Citibank	
	£0
	£0
	£45,000,000
	£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
	£24,837,600
	£361,674
	£150,000
	£25,049,274
	£361,674
	£24,837,600

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
	£1,706
	£1,706

**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-Enforcermer**  
**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**

The greater of :-

N/A - A1 Notes O/S
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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
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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.

2.71%
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**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
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**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
	£18,163,610
	£0
	£352,800
	£18,516,410

**Indexation Ledger**

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 RatingInitial Note Balance  
Note Principal @ start of period  
Note Redemptions @ IPD  
Outstanding Note PrincipalNote 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

**A1**Aaa  
AAA**A2**Aaa  
AAA**A3**Aaa  
AAA**B**Aa3  
AA

60,000,000.00	310,000,000.00	50,000,000.00	42,000,000.00
48,450,000.00	310,000,000.00	50,000,000.00	42,000,000.00
4,100,000.00	-	-	-
44,350,000.00	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	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
28-Jan-2008	28-Jan-2008	28-Apr-2008	28-Jan-2008

0.739167