



**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)  
 Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)  
 Shortfall as % of Mortgage Outstandings

Properties in Possession  
Reposessed  
Sold  
Number Carried Forward

Average Time from Possession to Sale  
Average Shortfall at Sale

### 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**

**Average Loan Outstanding**  
**Weighted Average LTV**  
**Weighted Average Indexed LTV**

**Weighted Average Interest Rate**ILCRP  
FCRP

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

0 - 29.99%  
30 - 34.99%  
35 - 39.99%  
40 - 44.99%  
45 - 49.99%  
50 - 54.99%  
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%  
30 - 35%  
35 - 40%  
40 - 45%  
45 - 50%  
50 - 55%  
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**

21-Jul-08

**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
	£351,186
	£150,000
	£25,038,786
	£351,186
	£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

	-£61
	-£46
	-£107

**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
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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)**

2.77%
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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
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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
	£19,236,750
	£0
	£365,520
	£19,602,270

**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

Equity Release Funding  
(No.3) plc

Date of Issue

27-Jun-2003

Moody's Current Rating  
S&P Current Rating**A1**  
Aaa  
AAA**A2**  
Aaa  
AAA**A3**  
Aaa  
AAA**B**  
Aa3  
AAInitial Note Balance  
Note Principal @ start of period  
Note Redemptions @ IPD  
Outstanding Note Principal

60,000,000.00	310,000,000.00	50,000,000.00	42,000,000.00
41,200,000.00	310,000,000.00	50,000,000.00	42,000,000.00
1,650,000.00	-	-	-
39,550,000.00	310,000,000.00	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	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
27-Oct-2008	27-Oct-2008	27-Oct-2008	27-Oct-2008

Interest Payment Date  
Next Interest Payment Date

Pool Factor

0.659167
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