

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

20-Apr-09

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	442,535,172
Accrued Interest @ start of Calculation Period	151,386,630

Redemptions

Principal Balance of Loans redeemed in the immediately preceding Calculation period

Principal Balance of Loans redeemed by cause:-

Death	2,636,854
Borrower enters Long Term Care	628,373
Voluntary Repayment	1,131,370
Move to Lower Value Property	28,974
Substitutions	-

Since Inception

95,086,259
30,212,094
5,810,912
57,477,367
2,428,386
832,340

Number of Loans redeemed in the immediately preceding Calculation period

Number of Loans redeemed by cause:-

Death	50
Borrower enters Long Term Care	11
Voluntary Repayment	31
Move to Lower Value Property	3
Substitutions	-

2,166
651
115
1,428
136
28

Redemption monies received

6,379,659

135,046,420

Outstanding Balance of Loans

Outstanding Accrued Interest	181,684,866
Outstanding Gross Balance	468,407,838
Outstanding number of loans	7,607

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:-

(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	0.00%
Substituted to date as a % of aggregate Outstanding Balance of the Loans @ Closing Date	1.00%

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

Weighted Averaged GIC Rate

N/A as A1 note O/S

Product Breakdown by Loan O/S

	At Closing	At Calculation date for this report
ILCRP %	27.5%	27.8%
FCRP %	72.4%	72.2%

Weighted Average Age of Borrowers @ Closing Date

71

Weighted Average Age of borrowers - at Calculation date for this Quarterly report

81

Age of Borrowers:-

Single Female	79
Single Male	78
Joint Borrowers by Age of Younger	75

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
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)

Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)

Shortfall as % of Mortgage Outstandings

225
N/A
N/A

Properties in Possession

Repossessed

Sold

Number Carried Forward

1
-
-
1

Average Time from Possession to Sale

N/A

Average Shortfall at Sale

N/A

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

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	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

Average Loan Outstanding	£61,573
Weighted Average LTV	43.7%
Weighted Average Indexed LTV	29.5%

Weighted Average Interest Rate	4.89%
ILCRP	7.67%
FCRP	

LTV Levels Breakdown (based on original valuation using P+I at date of report)	
0 - 29.99%	68,715,849
30 - 34.99%	72,976,886
35 - 39.99%	81,214,955
40 - 44.99%	73,785,229
45 - 49.99%	62,362,926
50 - 54.99%	40,909,023
55 - 59.99%	30,225,039
60 - 64.99%	16,008,861
65 - 69.99%	12,515,590
70 - 74.99%	4,378,923
75 - 79.99%	2,944,199
80 - 84.99%	2,220,090
85 - 89.99%	150,270
90 - 94.99%	-
95 - 99.99%	-
100% +	-

LTV Levels Breakdown (based on HPI adjusted valuation @ Calculation date)	
0 - 30%	271,259,728
30 - 35%	92,167,752
35 - 40%	53,478,971
40 - 45%	27,791,831
45 - 50%	14,490,197
50 - 55%	5,350,825
55 - 60%	2,997,001
60 - 65%	552,113
65 - 70%	36,310
70 - 75%	-
75 - 80%	143,983
80 - 85%	61,306
85 - 90%	77,820
90 - 95%	-
95 - 100%	-
100% +	-

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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
	£120,956
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£24,808,556
Amount to be drawn at next IPD	£120,956
Closing balance	£24,837,600

Deficiency Ledger

Opening Balance
Losses this Quarter
Closing Balance

	-£195
	£0
	-£195

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

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)

2.67%

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

Pass / Fail

Prior to Year 10 IPD
Prior to Year 10 IPD

Deemed Pass

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
£20,346,020
£0
£196,910
£20,542,930

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 Rating

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

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(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
39,050,000.00	310,000,000.00	50,000,000.00	42,000,000.00
900,000.00	-	-	-
38,150,000.00	310,000,000.00	50,000,000.00	42,000,000.00

Note Interest Margins
Step Up Dates
Step Up Rate

Interest Payment Cycle

Interest Payment Date
Next Interest Payment Date

Pool Factor

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
27-Jul-2009	27-Jul-2009	26-Apr-2009	27-Jul-2009

0.635833