

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

20-Jul-09

Loans

£

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	468,407,838
Accrued Interest @ start of Calculation Period	181,684,866

Redemptions

Principal Balance of Loans redeemed in the immediately preceding Calculation period

Principal Balance of Loans redeemed by cause:-

Death	1,921,951
Borrower enters Long Term Care	706,130
Voluntary Repayment	1,211,122
Move to Lower Value Property	21,575
Substitutions	-

Since Inception

98,957,198

32,134,045
6,517,042
58,688,489
2,449,961
832,340

Number of Loans redeemed in the immediately preceding Calculation period

Number of Loans redeemed by cause:-

Death	48
Borrower enters Long Term Care	15
Voluntary Repayment	36
Move to Lower Value Property	12
Substitutions	-

2,265

699
130
1,464
148
28

Redemption monies received

5,818,302

140,864,722

Outstanding Balance of Loans

Outstanding Accrued Interest

186,904,344

Outstanding Gross Balance

469,766,537

Outstanding number of loans

7,508

Equivalent Value Test this Calculation Period :-

N/A

S&P model this Calculation Period :-

N/A

Repayment Rate

4.06%

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%
FCRP %	72.5%

27.7%
72.3%

Weighted Average Age of Borrowers @ Closing Date

71

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

76

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)

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

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)

235

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

N/A

Shortfall as % of Mortgage Outstandings

N/A

Properties in Possession

1

Reposessed

-

Sold

-

Number Carried Forward

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

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)

2.63%

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
£20,542,930
£0
£165,170
£20,708,100

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

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

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

60,000,000.00	310,000,000.00	50,000,000.00	42,000,000.00
38,150,000.00	310,000,000.00	50,000,000.00	42,000,000.00
1,500,000.00	-	-	-
36,650,000.00	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-2009	26-Oct-2009	26-Apr-2009	26-Oct-2009

0.610833