

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

19-Oct-09

Loans

£

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	469,766,537
Accrued Interest @ start of Calculation Period	186,904,344

Redemptions

Principal Balance of Loans redeemed in the immediately preceding Calculation period
Principal Balance of Loans redeemed by cause:-

Death	1,662,003	33,796,048
Borrower enters Long Term Care	514,151	7,031,193
Voluntary Repayment	1,952,560	60,641,049
Move to Lower Value Property	209,493	2,659,454
Substitutions	-	832,340

Number of Loans redeemed in the immediately preceding Calculation period

Number of Loans redeemed by cause:-

Death	36	735
Borrower enters Long Term Care	15	145
Voluntary Repayment	55	1,519
Move to Lower Value Property	10	158
Substitutions	-	28

Redemption monies received

7,347,448	148,212,170
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Outstanding Balance of Loans

Outstanding Accrued Interest	192,050,890
Outstanding Gross Balance	470,574,876
Outstanding number of loans	7,402

Equivalent Value Test this Calculation Period :-

S&P model this Calculation Period :-

N/A
N/A

Repayment Rate

2.44%

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%
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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 %	72.5%	72.2%

Weighted Average Age of Borrowers @ Closing Date

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

71	76
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Age of Borrowers:-

Single Female

Single Male

Joint Borrowers by Age of Younger

79
79
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

237
N/A
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

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

Weighted Average LTV	£63,574
Weighted Average Indexed LTV	39.6%
	27.8%

Weighted Average Interest Rate

ILCRP	4.89%
FCRP	7.67%

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

0 - 29.99%	127,363,391
30 - 34.99%	66,511,976
35 - 39.99%	62,504,979
40 - 44.99%	60,011,038
45 - 49.99%	53,098,256
50 - 54.99%	35,311,992
55 - 59.99%	25,440,333
60 - 64.99%	16,597,969
65 - 69.99%	11,141,705
70 - 74.99%	7,151,765
75 - 79.99%	3,433,374
80 - 84.99%	1,094,463
85 - 89.99%	913,635
90 - 94.99%	-
95 - 99.99%	-
100% +	-

LTV Levels Breakdown (based on HPI adjusted valuation @ Calculation date)

0 - 30%	290,741,105
30 - 35%	74,920,293
35 - 40%	50,238,507
40 - 45%	29,212,401
45 - 50%	16,590,139
50 - 55%	4,861,724
55 - 60%	2,916,734
60 - 65%	822,055
65 - 70%	182,904
70 - 75%	-
75 - 80%	89,014
80 - 85%	-
85 - 90%	-
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
	£44,214
	£150,000
	£24,731,814
	£44,214
	£24,837,600

Less Mortgage Registration Reserve

Available Liquidity Reserve Fund	
Amount to be drawn at next IPD	
Closing balance	

Deficiency Ledger

Opening Balance	-£216
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Losses this Quarter	£0
Closing Balance	-£216

Optional Guarantee Ledger

Opening Balance on Closing Date	£0
Claims Submitted as at the date of this Quarterly Report	£0
Claims Paid as at date of this Quarterly Report	£0
Claims Not recovered from NULAP this calculation period	£0
Total Claims not recovered from NULAP as at date of this Quarterly Report	£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).

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

Prior to Year 10 IPD
Prior to Year 10 IPD

Pass / Fail

Deemed Pass

Subordinated Loan Ledger

Opening Balance on Closing Date	£14,000,000
Opening Balance at start of Quarter	£20,708,100
Payments this Quarter	£0
Interest Accrued this Quarter	£137,540
Closing Balance	£20,845,640

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	A2	A3	B
Aaa	Aaa	Aaa	Aa3
AAA	AAA	AAA	AA

Initial 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
36,650,000.00	310,000,000.00	50,000,000.00	42,000,000.00
1,300,000.00	-	-	-
35,350,000.00	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 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-Jan-2010	26-Jan-2010	26-Jan-2010	26-Jan-2010

Interest Payment Date
Next Interest Payment Date

Pool Factor

0.589167
