

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

19-Jan-10

Loans

£

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	470,574,876
Accrued Interest @ start of Calculation Period	192,050,890

Redemptions

Principal Balance of Loans redeemed in the immediately preceding Calculation period

3,303,013

Since Inception

106,598,417

Principal Balance of Loans redeemed by cause:-

Death	1,355,235
Borrower enters Long Term Care	487,300
Voluntary Repayment	1,357,843
Move to Lower Value Property	102,635
Substitutions	-

35,151,283
7,518,493
61,998,891
2,762,089
832,340

Number of Loans redeemed in the immediately preceding Calculation period

90

2,461

Number of Loans redeemed by cause:-

Death	38
Borrower enters Long Term Care	14
Voluntary Repayment	38
Move to Lower Value Property	13
Substitutions	-

773
159
1,557
171
28

Redemption monies received

5,708,129

149,615,521

Outstanding Balance of Loans

Outstanding Accrued Interest	198,735,182
Outstanding Gross Balance	473,956,155
Outstanding number of loans	7,312

Equivalent Value Test this Calculation Period :-

N/A

S&P model this Calculation Period :-

N/A

Repayment Rate

2.42%

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	0.96%

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%	28.0%
FCRP %	72.5%	72.0%

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	79
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)

236

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

N/A

Shortfall as % of Mortgage Outstandings

N/A

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

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	£64,819
Weighted Average Indexed LTV	40.3%
	27.9%

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%	120,350,767
30 - 34.99%	65,171,782
35 - 39.99%	63,089,293
40 - 44.99%	58,313,375
45 - 49.99%	57,417,688
50 - 54.99%	36,366,036
55 - 59.99%	26,709,155
60 - 64.99%	20,906,857
65 - 69.99%	11,169,428
70 - 74.99%	8,605,637
75 - 79.99%	3,060,545
80 - 84.99%	1,597,660
85 - 89.99%	1,121,265
90 - 94.99%	76,667
95 - 99.99%	-
100% +	-

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

0 - 30%	289,622,465
30 - 35%	78,876,989
35 - 40%	49,893,265
40 - 45%	29,406,256
45 - 50%	17,074,277
50 - 55%	5,204,966
55 - 60%	2,625,052
60 - 65%	974,951
65 - 70%	187,312
70 - 75%	-
75 - 80%	90,621
80 - 85%	-
85 - 90%	-
90 - 95%	-
95 - 100%	-
100% +	-

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Liquidity Facility Ledger

Initial Balance	Barclays	£0
Last Quarter Closing Outstanding		£0
Available @ next Interest Payment Date		£140,000,000
Amount to be drawn at next Interest Payment Date		£0

Citibank

	£0
	£0
	£45,000,000
	£0

Liquidity Reserve Fund Ledger

Initial Balance on Closing Date	£35,000,000
Outstanding as at the date of this Quarterly Report	£25,093,883
Accrued Interest to immediately succeeding interest payment date	£24,634
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£24,968,517
Amount to be drawn at next IPD	£24,634
Closing balance	£25,093,883

Deficiency Ledger

Opening Balance	-£216
Losses this Quarter	-£8,430
Closing Balance	-£8,646

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
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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 :-

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)

2.42%

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

Opening Balance at start of Quarter

Payments this Quarter

Interest Accrued this Quarter

Closing Balance

£14,000,000
£20,845,640
£0
£121,810
£20,967,450

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

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
35,350,000.00	310,000,000.00	50,000,000.00	42,000,000.00
800,000.00	-	-	-
34,550,000.00	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 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-Apr-2010	26-Apr-2010	26-Apr-2010	26-Apr-2010

Interest Payment Date

Next Interest Payment Date

Pool Factor

0.575833
