

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

19-Jul-10

Loans

£

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	477,795,108
Accrued Interest @ start of Calculation Period	205,591,990

Redemptions

Principal Balance of Loans redeemed in the immediately preceding Calculation period

Principal Balance of Loans redeemed by cause:-

Death	2,103,000	38,766,225
Borrower enters Long Term Care	581,650	8,263,193
Voluntary Repayment	1,525,987	64,822,979
Move to Lower Value Property	126,927	2,933,778
Substitutions	-	832,340

Number of Loans redeemed in the immediately preceding Calculation period

Number of Loans redeemed by cause:-

Death	44	853
Borrower enters Long Term Care	9	172
Voluntary Repayment	41	1,635
Move to Lower Value Property	8	187
Substitutions	-	28

Redemption monies received

7,950,165	162,964,942
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Outstanding Balance of Loans

Outstanding Accrued Interest	212,274,388
Outstanding Gross Balance	480,139,942
Outstanding number of loans	7,141

Equivalent Value Test this Calculation Period :-

S&P model this Calculation Period :-

N/A
N/A

Repayment Rate

2.40%

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

0.00%

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

ILCRP %	27.5%
FCRP %	72.5%

At Calculation
date for this
report

28.2%
71.8%

Weighted Average Age of Borrowers @ Closing Date

71

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

77

Age of Borrowers:-

Single Female

80

Single Male

79

Joint Borrowers by Age of Younger

76

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

244
N/A
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	£67,237
Weighted Average Indexed LTV	41.9%
	28.1%

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%	108,856,440
30 - 34.99%	63,294,729
35 - 39.99%	61,316,121
40 - 44.99%	59,591,761
45 - 49.99%	54,883,593
50 - 54.99%	42,989,031
55 - 59.99%	30,433,060
60 - 64.99%	23,150,651
65 - 69.99%	14,513,532
70 - 74.99%	10,853,861
75 - 79.99%	5,697,500
80 - 84.99%	2,214,787
85 - 89.99%	1,604,927
90 - 94.99%	739,949
95 - 99.99%	-
100% +	-

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

0 - 30%	288,472,254
30 - 35%	79,274,654
35 - 40%	52,809,485
40 - 45%	29,702,008
45 - 50%	18,776,337
50 - 55%	6,349,939
55 - 60%	3,697,984
60 - 65%	766,909
65 - 70%	196,361
70 - 75%	-
75 - 80%	94,011
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	£24,648,492
Accrued Interest to immediately succeeding interest payment date	£28,185
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£24,526,678
Amount to be drawn at next IPD	£28,185
Closing balance	£24,648,492

Deficiency Ledger

Opening Balance	-£8,661
Losses this Quarter	-£50
Closing Balance	-£8,711

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

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)

2.40%

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
£21,090,860
£0
£125,530
£21,216,390

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
AAAA2
Aaa
AAAA3
Aaa
AAAB
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
34,550,000.00	310,000,000.00	50,000,000.00	42,000,000.00
2,900,000.00	-	-	-
31,650,000.00	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-Oct-2010	26-Oct-2010	26-Oct-2010	26-Oct-2010

Interest Payment Date
 Next Interest Payment Date

Pool Factor

0.527500