

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

15-Apr-11

**Loans**

£

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	486,125,647
Accrued Interest @ start of Calculation Period	225,188,055

**Redemptions**

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

Death	1,176,241
Borrower enters Long Term Care	166,125
Voluntary Repayment	951,560
Move to Lower Value Property	23,899
Substitutions	-

Since Inception

123,199,622

43,087,498
9,272,368
68,384,805
3,287,291
- 832,340

Number of Loans redeemed in the immediately preceding Calculation period

Number of Loans redeemed by cause:-

Death	33
Borrower enters Long Term Care	6
Voluntary Repayment	29
Move to Lower Value Property	4
Substitutions	-

2,860

964
194
1,730
207
- 28

Redemption monies received

4,465,543

180,734,336

**Outstanding Balance of Loans**

Outstanding Accrued Interest	232,678,766
Outstanding Gross Balance	491,298,534
Outstanding number of loans	6,913

Equivalent Value Test this Calculation Period :-

N/A

S&P model this Calculation Period :-

N/A

**Repayment Rate**

2.33%

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

At Calculation date for this report

ILCRP %	27.5%
FCRP %	72.5%

28.3%
71.7%

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	80
Joint Borrowers by Age of Younger	76

**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)

240

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

N/A

Shortfall as % of Mortgage Outstandings

N/A

Properties in Possession

-

Repossessioned

-

Sold

-

Number Carried Forward

-

Average Time from Possession to Sale  
Average Shortfall at Sale

N/A
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

Weighted Average Indexed LTV

£71,069
44.3%
31.4%

#### Weighted Average Interest Rate

ILCRP

FCRP

4.89%
7.67%

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

0 - 29.99%  
30 - 34.99%  
35 - 39.99%  
40 - 44.99%  
45 - 49.99%  
50 - 54.99%  
55 - 59.99%  
60 - 64.99%  
65 - 69.99%  
70 - 74.99%  
75 - 79.99%  
80 - 84.99%  
85 - 89.99%  
90 - 94.99%  
95 - 99.99%  
100% +

94,579,547
55,067,558
62,294,163
58,509,745
57,698,409
48,039,585
35,557,403
26,081,445
19,759,246
13,624,155
10,494,664
4,702,151
2,514,545
1,590,900
608,469
176,546

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

0 - 30%  
30 - 35%  
35 - 40%  
40 - 45%  
45 - 50%  
50 - 55%  
55 - 60%  
60 - 65%  
65 - 70%  
70 - 75%  
75 - 80%  
80 - 85%  
85 - 90%  
90 - 95%  
95 - 100%  
100% +

237,243,030
83,356,673
67,569,085
44,584,834
26,606,378
18,997,561
7,582,461
3,753,777
1,290,767
92,903
221,065
-
-
-
-
-
-

#### Equity Release Funding (No.3) plc

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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
£177,254
£150,000
£24,864,854
£177,254
£24,837,600

Less Mortgage Registration Reserve

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

#### Deficiency Ledger

Opening Balance  
Losses this Quarter  
Closing Balance

-£8,767
£35
-£8,732

#### 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
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**Years 2003 to 2028**

The greater of :-

N/A - A1 Notes O/S
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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
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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)**

2.33%
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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
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**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
£21,348,170
£0
£670,150
£22,018,320

**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

<u>A1</u>	<u>A2</u>	<u>A3</u>	<u>B</u>
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
29,150,000.00	310,000,000.00	50,000,000.00	42,000,000.00
-	-	-	-
29,150,000.00	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-Jul-2011	26-Jul-2011	26-Jul-2011	26-Jul-2011

Interest Payment Date  
 Next Interest Payment Date

Pool Factor

0.485833
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Deferred Amount at start of quarter  
 Interest Amount deferred / (paid) this quarter  
 Interest on Deferred amount this quarter  
 Deferred Amount at end of quarter

671541.26
217,560.00
7,076.71
896,177.98