

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

15-Jul-11

Loans

£

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	490,579,967
Accrued Interest @ start of Calculation Period	232,678,766

Redemptions

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

Death	1,444,982
Borrower enters Long Term Care	670,480
Voluntary Repayment	1,405,659
Move to Lower Value Property	142,812
Substitutions	-

Since Inception
128,218,395

46,222,778
10,110,337
68,623,393
3,534,262
- 272,374

Number of Loans redeemed in the immediately preceding Calculation period

79

2,931

Number of Loans redeemed by cause:-

Death	35
Borrower enters Long Term Care	14
Voluntary Repayment	30
Move to Lower Value Property	8
Substitutions	-

986
213
1,734
222
- 2

Redemption monies received

6,181,456

186,915,858

Outstanding Balance of Loans

Outstanding Accrued Interest	239,838,237
Outstanding Gross Balance	494,075,505
Outstanding number of loans	6,842

Equivalent Value Test this Calculation Period :-

N/A

S&P model this Calculation Period :-

N/A

Repayment Rate

1.98%

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

0.91%

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

28.4%
71.6%

Weighted Average Age of Borrowers @ Closing Date

71

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

78

Age of Borrowers:-

Single Female	80
Single Male	80
Joint Borrowers by Age of Younger	77

Properties Sold / repayments (case by case):-

Time to Sale (where available - time from death/assessment to repayment)

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)

241

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

N/A

Shortfall as % of Mortgage Outstandings

N/A

Properties in Possession

-

Repossessed

4

Sold

4

Number Carried Forward

-

Average Time from Possession to Sale

188

Average Shortfall at Sale

-

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	£72,212
Weighted Average LTV	45.3%
Weighted Average Indexed LTV	31.5%

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%	88,629,964
30 - 34.99%	52,863,954
35 - 39.99%	63,733,176
40 - 44.99%	56,890,235
45 - 49.99%	56,029,102
50 - 54.99%	51,057,532
55 - 59.99%	36,112,357
60 - 64.99%	29,238,207
65 - 69.99%	21,840,756
70 - 74.99%	14,509,859
75 - 79.99%	10,630,031
80 - 84.99%	5,650,577
85 - 89.99%	3,709,453
90 - 94.99%	1,720,796
95 - 99.99%	1,192,576
100% +	266,929

LTV Levels Breakdown (based on HPI adjusted valuation @ Calculation date)	
0 - 30%	239,289,984
30 - 35%	82,777,743
35 - 40%	68,532,162
40 - 45%	43,652,435
45 - 50%	27,761,494
50 - 55%	19,281,765
55 - 60%	7,134,286
60 - 65%	4,088,913
65 - 70%	1,234,710
70 - 75%	95,277
75 - 80%	226,735
80 - 85%	-
85 - 90%	-
90 - 95%	-
95 - 100%	-
100% +	-

Equity Release Funding (No.3) plc	
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Liquidity Facility Ledger	Barclays	Citibank
Initial Balance	£0	£0
Last Quarter Closing Outstanding	£0	£0
Available @ next Interest Payment Date	£140,000,000	£45,000,000
Amount to be drawn at next Interest Payment Date	£0	£0

Liquidity Reserve Fund Ledger	
Initial Balance on Closing Date	£35,000,000
Outstanding as at the date of this Quarterly Report	£22,177,600
Accrued Interest to immediately succeeding interest payment date	£34,247
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£22,061,847
Amount to be drawn at next IPD	£34,247
Closing balance	£22,177,600

Deficiency Ledger	
Opening Balance	-£3,829
Losses this Quarter	£0
Closing Balance	-£3,829

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)	£39,030
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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	N/A - A1 Notes O/S
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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)

1.98%

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

Prior to Year 10 IPD

Class B Notes Required Ratio @ next 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

£21,643,220

Payments this Quarter

£0

Interest Accrued this Quarter

£138,640

Closing Balance

£21,781,860

Indexation Ledger (April and Oct only)

Class A3 Note Interest Amount / principal due on next IPD (prior to adjustment)

£0

Limited Index Factor to be applied on next IPD

£0

Class A3 Note Interest Amount / principal post adjustment due on next IPD

£0

Deferred Consideration released to Originator

Deferred Consideration paid to Originator prior to the date of this Quarterly Report date

£0

Deferred Consideration paid to Originator during the Quarter

£0

Total Deferred Consideration paid to Originator.

£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
A+

A2
Aaa
A+

A3
Aaa
A+

B
Aa3
A+

Initial Note Balance

60,000,000.00

Note Principal @ start of period

29,150,000.00

Note Redemptions @ IPD

2,200,000.00

Outstanding Note Principal

26,950,000.00

310,000,000.00

310,000,000.00

-

310,000,000.00

50,000,000.00

50,000,000.00

-

50,000,000.00

42,000,000.00

42,000,000.00

-

42,000,000.00

Note Interest Margins

LIBOR + 0.52%

Fixed Rate (5.05%)

Fixed Rate (2.45%)

LIBOR + 1.4%

Step Up Dates

IPD Apr 2013

N/A

N/A

IPD Apr 2010

Step Up Rate

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
26-Oct-2011

26th Jan, Apr, Jul &
Oct or Next Business
Day
26-Oct-2011

26th Apr & Oct or
Next Business
Day
26-Oct-2011

26th Jan, Apr, Jul &
Oct or Next Business
Day
26-Oct-2011

Pool Factor

0.449167

Deferred Amount at start of quarter

896,178

Interest Amount deferred / (paid) this quarter

220,080

Interest on Deferred amount this quarter

9,651

Deferred Amount at end of quarter

1,125,909