

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

19-Oct-11

Loans

£

Outstanding Balance of Loans at Closing Date

404,247,009

Outstanding Balance of Loans @ start of this Quarter

494,075,505

Accrued Interest @ start of Calculation Period

239,837,213

Last Quarter

Since Inception

Redemptions

Principal Balance of Loans redeemed in the immediately preceding Calculation period

3,571,340

130,987,340

Principal Balance of Loans redeemed by cause:-

Death

1,943,509

46,483,092

Borrower enters Long Term Care

359,700

10,470,037

Voluntary Repayment

1,170,054

70,674,246

Move to Lower Value Property

98,078

3,632,339

Substitutions

-

272,374

Number of Loans redeemed in the immediately preceding Calculation period

91

3,022

Number of Loans redeemed by cause:-

Death

53

1,039

Borrower enters Long Term Care

7

220

Voluntary Repayment

31

1,765

Move to Lower Value Property

6

228

Substitutions

-

2

Redemption monies received

7,132,166

194,948,304

Outstanding Balance of Loans

Outstanding Accrued Interest

246,117,202

Outstanding Gross Balance

496,784,154

Outstanding number of loans

6,751

Equivalent Value Test this Calculation Period :-

N/A

S&P model this Calculation Period :-

N/A

Repayment Rate

3.71%

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

At Calculation date
for this report

ILCRP %

27.5%

28.6%

FCRP %

72.5%

71.4%

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)

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)

243

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

N/A

Shortfall as % of Mortgage Outstandings

N/A

Properties in Possession

5

Reposessed

-

Sold

4

Number Carried Forward

1

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
Weighted Average LTV
Weighted Average Indexed LTV

£73,587
46.1%
31.8%

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% +

84,199,673
51,717,050
61,691,878
55,538,812
58,440,359
48,709,096
42,054,209
29,357,146
24,071,924
14,937,080
10,132,835
7,205,072
5,196,506
1,233,612
1,640,449
658,455

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% +

236,378,789
84,285,137
66,766,295
45,998,516
29,940,210
16,900,629
10,045,544
3,141,853
2,799,434
296,188
231,558
-
-
-
-
-

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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

C&Ibank
£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

 Less Mortgage Registration Reserve

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

£35,000,000
£22,177,600
£35,374
£150,000
£22,062,974
£35,374
£22,177,600

Deficiency Ledger

Opening Balance
 Losses this Quarter
 Closing Balance

-£3,829
£0
-£3,829

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)

£61,578

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)

2.01%

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

£21,781,860

£0

£141,800

£21,923,660

Indexation Ledger (April and Oct only)

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

£614,000

1.05

£794,500

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

A1

A2

A3

B

S&P Current Rating

Aaa

Aaa

Aaa

Aa3

A+

A+

A+

A+

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
26,950,000.00	310,000,000.00	50,000,000.00	42,000,000.00
950,000.00	-	-	-
26,000,000.00	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

Interest Payment Date

Next Interest Payment Date

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-2012	26-Jan-2012	26-Apr-2012	26-Jan-2012

Pool Factor

0.433333

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

91,800.00	3,943,510.00	794,500.00	236,460.00
			1,125,909
			222,180
			12,296
			1,360,385

New Amendment as per
Agreed Reporting -
Adrian Brar