

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

19-Apr-12

**Loans**

Outstanding Balance of Loans at Closing Date

£

404,247,009

Outstanding Balance of Loans @ start of this Quarter

499,405,836

Accrued Interest @ start of Calculation Period

251,852,559

Last Quarter

3,986,532

Since Inception

138,087,547

**Redemptions**

Principal Balance of Loans redeemed in the immediately preceding Calculation period

Principal Balance of Loans redeemed by cause:-

Death

1,917,167

49,778,659

Borrower enters Long Term Care

651,850

11,669,087

Voluntary Repayment

1,195,493

72,776,089

Move to Lower Value Property

222,222

4,136,086

Substitutions

-

272,374

Number of Loans redeemed in the immediately preceding Calculation period

103

3,195

Number of Loans redeemed by cause:-

Death

54

1,121

Borrower enters Long Term Care

12

245

Voluntary Repayment

37

1,831

Move to Lower Value Property

8

245

Substitutions

-

2

Redemption monies received

8,722,097

209,829,296

**Outstanding Balance of Loans**

Outstanding Accrued Interest

257,441,075

Outstanding Gross Balance

501,007,820

Outstanding number of loans

6,578

Equivalent Value Test this Calculation Period :-

N/A

S&P model this Calculation Period :-

N/A

**Repayment Rate**

1.87%

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%

28.8%

FCRP %

72.5%

71.2%

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

81

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

4

Reposessed

-

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**  
**Weighted Average LTV**  
**Weighted Average Indexed LTV**

£76,164
47.7%
33.6%

**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% +

74,269,791
48,787,698
60,756,296
54,628,065
58,668,844
48,545,324
43,342,500
33,379,571
24,573,547
19,891,715
13,224,113
9,277,746
5,202,103
3,518,479
2,081,593
860,436

**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% +

209,785,259
78,022,970
75,398,088
52,716,613
38,278,335
21,675,178
13,457,290
7,289,338
3,519,720
316,232
308,648
240,149
-
-
-
-

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

19-Apr-12

**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
£22,177,600
£48,505

Less Mortgage Registration Reserve

£150,000

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

£22,076,105  
 £48,505  
 £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)**

£201,208

**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)**

1.87%

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

£22,074,820

Payments this Quarter

£0

Interest Accrued this Quarter

£155,600

Closing Balance

£22,230,420

**Indexation Ledger (April and Oct only)**

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

£612,500

Limited Index Factor to be applied on next IPD

1.05

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

£822,000

**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&amp;P Current Rating

Aaa

Aaa

Aaa

Aa3

Initial Note Balance

60,000,000.00

310,000,000.00

50,000,000.00

42,000,000.00

Note Principal @ start of period

24,050,000.00

310,000,000.00

50,000,000.00

42,000,000.00

Note Redemptions @ IPD

2,500,000.00

-

-

-

Outstanding Note Principal

21,550,000.00

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-Jul-2012	26-Jul-2012	26-Jul-2012	26-Jul-2012

Interest Payment Date

Next Interest Payment Date

Pool Factor

0.359167

Interest Amount paid this quarter

96,600.00

3,899,831.00

822,000.00

260,400.00

Deferred Amount at start of quarter

1,597,945

Interest Amount deferred / (paid) this quarter

222,180

Interest on Deferred amount this quarter

18,271

Deferred Amount at end of quarter

1,836,296