

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

19-Jan-12

Loans

£

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	496,784,154
Accrued Interest @ start of Calculation Period	246,117,202

Last Quarter

Since Inception

Redemptions		
Principal Balance of Loans redeemed in the immediately preceding Calculation period	3,113,675	134,101,015
Principal Balance of Loans redeemed by cause:-		
Death	1,378,400	47,861,492
Borrower enters Long Term Care	547,400	11,017,437
Voluntary Repayment	906,350	71,580,586
Move to Lower Value Property	281,525	3,913,864
Substitutions	-	272,374

Number of Loans redeemed in the immediately preceding Calculation period	70	3,092
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Number of Loans redeemed by cause:-		
Death	28	1,067
Borrower enters Long Term Care	13	233
Voluntary Repayment	29	1,794
Move to Lower Value Property	9	237
Substitutions	-	2

Redemption monies received	6,159,260	201,107,511
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Outstanding Balance of Loans

Outstanding Accrued Interest	251,852,559
Outstanding Gross Balance	499,405,836
Outstanding number of loans	6,681

Equivalent Value Test this Calculation Period :-	N/A
S&P model this Calculation Period :-	N/A

Repayment Rate

1.83%

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
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Weighted Averaged GIC Rate	N/A as A1 note O/S
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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	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)	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:-	246
Time to Sale (where available - time from death/assessment to repayment)	N/A
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

£74,750
46.8%
32.4%

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% +

80,025,897
50,384,955
58,398,298
59,321,591
55,207,026
51,121,442
44,759,621
29,442,542
23,104,159
18,054,616
10,741,787
9,497,386
4,935,212
1,878,559
1,894,619
638,126

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% +

227,021,617
80,956,086
72,169,582
48,056,699
33,038,317
18,960,232
11,598,909
4,443,754
2,620,170
203,457
188,173
148,841
-
-
-

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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
£22,177,600
£43,906
£150,000
£22,071,506
£43,906
£22,177,600

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

-£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)

£44,919

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)

1.83%

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

Pass / Fail

Subordinated Loan Ledger

Opening Balance on Closing Date
Opening Balance at start of Quarter
Payments this Quarter
Interest Accrued this Quarter
Closing Balance

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

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.

Equity Release Funding (No.3) plc

Name of Issuer

Date of Issue

Moody's Current Rating
S&P Current Rating

Initial Note Balance
Note Principal @ start of period
Note Redemptions @ IPD
Outstanding Note Principal

Note Interest Margins
Step Up Dates
Step Up Rate

Interest Payment Cycle

Interest Payment Date
Next Interest Payment Date

Pool Factor

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

Prior to Year 10 IPD
Prior to Year 10 IPD

Deemed Pass

£14,000,000
£21,923,660
£0
£151,160
£22,074,820

£0
0
£0

£0
£0
£0

Equity Release Funding
(No.3) plc

27-Jun-2003

A1 Aaa A+	A2 Aaa A+	A3 Aaa A+	B Aa3 A+
60,000,000.00	310,000,000.00	50,000,000.00	42,000,000.00
26,000,000.00	310,000,000.00	50,000,000.00	42,000,000.00
1,950,000.00	-	-	-
24,050,000.00	310,000,000.00	50,000,000.00	42,000,000.00

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%

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

0.400833

98,400.00	3,914,897.00	-	252,420.00
			1,360,385
			222,180
			15,380
			1,597,945