

Loans

£

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	510,484,914
Accrued Interest @ start of Calculation Period	276,389,587

Redemptions

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

Death	1,551,006
Borrower enters Long Term Care	785,484
Voluntary Repayment	890,129
Move to Lower Value Property	145,687
Substitutions	-

Last Quarter

Since Inception

3,372,305

150,930,958

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

Death	39
Borrower enters Long Term Care	20
Voluntary Repayment	23
Move to Lower Value Property	6
Substitutions	-

3,507

1,275
319
1,915
284
2

Redemption monies received

7,713,844

238,825,952

Outstanding Balance of Loans

Outstanding Accrued Interest	281,103,034
Outstanding Gross Balance	511,826,056
Outstanding number of loans	6,266

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

N/A
N/A

Repayment Rate

1.78%

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 - Post Year 10 IPD

Weighted Averaged GIC Rate

N/A - Post Year 10 IPD

Product Breakdown by Loan O/S

At Closing

At Calculation date for this report

ILCRP %	27.5%
FCRP %	72.5%

29.3%
70.7%

Weighted Average Age of Borrowers @ Closing Date
Weighted Average Age of borrowers - at Calculation date for this Quarterly report

71
79

Age of Borrowers:-

Single Female	81
Single Male	81
Joint Borrowers by Age of Younger	78

Properties Sold / repayments (case by case):-

Time to Sale (where available - time from death/assessment to repayment)
Initial Valuation
Indexed Valuation (Initial Valuation + Hpi)
Sale Price (where available)
Gross Mortgage Outstandings
Shortfall
Loan Outstandings as a % of Sale Price
Claim Submitted to No Negative Equity
Claim Paid
Claim O/S

N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A
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)
Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)
Shortfall as % of Mortgage Outstandings

233
N/A
N/A

Properties in Possession
Repossessed
Sold
Number Carried Forward

4
-
4
-

Average Time from Possession to Sale
Average Shortfall at Sale

188
-

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**

£81,683
51.0%
36.1%

Weighted Average Interest Rate

ILCRP

FCRP

4.89% + LPI
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% +

56,883,328
46,593,881
49,746,160
59,215,934
52,086,628
52,111,779
45,156,077
41,000,026
30,863,915
23,150,277
19,435,449
12,992,243
8,709,278
6,787,503
4,302,509
2,791,068

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% +

173,141,005
82,571,909
77,420,058
59,387,691
45,340,837
30,834,047
19,590,176
12,126,343
6,945,722
2,192,190
1,682,296
223,694
206,919
163,168
-
-

Age Band Breakdown (based on youngest policyholder @ Calculation date)

Under 70
 70-74
 75-79
 80-84
 85-89
 90-94
 95-99
 100+

19,791,937
97,453,042
165,056,112
138,300,366
64,212,126
21,903,333
4,919,081
190,059

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

19-Apr-13

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

Less Mortgage Registration Reserve

Available Liquidity Reserve Fund

Amount to be drawn at next IPD

Closing balance

£35,000,000
£22,177,600
£16,642
£150,000
£22,044,242
£22,044,242
£150,000

Deficiency Ledger

Opening Balance
 Losses this Quarter
 Closing Balance

-£91,698
-£36,309
-£128,007

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)

£48,150

Replenishment Amount as recorded in Replenishment Ledger

Excess Available Receipts

N/A - Swap Payments Remaining

Years 2003 to 2028

The greater of :-

N/A - Swap Payments Remaining

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)

1.78%

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

0.96

1.10

Pass / Fail

FAIL

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
£22,656,980
£0
£123,520
£22,780,500

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

£611,000

1.03

£844,000

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
S&P Current Rating

A1
Aaa
A

A2
Aaa
A

A3
Aaa
A

B
Aa3
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
16,100,000.00	310,000,000.00	50,000,000.00	42,000,000.00
16,100,000.00	-	-	-
-	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%
N/A	N/A	N/A	IPD Apr 2010
N/A	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-2013	26-Jul-2013	26-Jul-2013	26-Jul-2013

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

40,200.00	3,857,268.00	844,000.00	-
			2,572,791
			406,140
			24,881
			3,003,813