

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

21-Oct-13

Loans

£

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	513,642,143
Accrued Interest @ start of Calculation Period	286,750,551

Redemptions

Principal Balance of Loans redeemed in the immediately preceding Calculation period

Principal Balance of Loans redeemed by cause:-

	Last Quarter	Since Inception
Death	3,509,254	158,271,484
Borrower enters Long Term Care	1,370,540	59,143,661
Voluntary Repayment	805,710	15,757,774
Move to Lower Value Property	1,195,587	78,411,500
Substitutions	137,417	5,230,924
	-	272,374

Number of Loans redeemed in the immediately preceding Calculation period

Number of Loans redeemed by cause:-

Death	92	3,693
Borrower enters Long Term Care	40	1,369
Voluntary Repayment	22	353
Move to Lower Value Property	30	1,973
Substitutions	6	295
	-	2

Redemption monies received

8,257,452	255,364,237
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Outstanding Balance of Loans

Outstanding Accrued Interest	291,393,167
Outstanding Gross Balance	514,775,662
Outstanding number of loans	6,080

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)

0.00%

Substituted in this Quarter as a % of aggregate Outstanding Balance of the Loans @ Closing Date

0.91%

Substituted to date as a % of aggregate Outstanding Balance of the Loans @ Closing Date

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%	29.6%
FCRP %	72.5%	70.4%

Weighted Average Age of Borrowers @ Closing Date

71

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

79

Age of Borrowers:-

Single Female	82
Single Male	82
Joint Borrowers by Age of Younger	79

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)

235
N/A
N/A

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

Shortfall as % of Mortgage Outstandings

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	£84,667
Weighted Average Indexed LTV	52.9%
	35.4%

Weighted Average Interest Rate

ILCRP	4.89% + LPI
FCRP	7.67%

LTV Levels Breakdown (based on original valuation using P+I at date of report)

0 - 29.99%	48,228,765
30 - 34.99%	43,782,279
35 - 39.99%	48,986,614
40 - 44.99%	55,449,864
45 - 49.99%	52,524,778
50 - 54.99%	52,308,074
55 - 59.99%	47,425,505
60 - 64.99%	40,263,530
65 - 69.99%	33,999,978
70 - 74.99%	25,233,434
75 - 79.99%	20,377,976
80 - 84.99%	14,680,649
85 - 89.99%	11,530,266
90 - 94.99%	8,660,884
95 - 99.99%	5,085,087
100% +	6,237,981

LTV Levels Breakdown (based on HPI adjusted valuation @ Calculation date)

0 - 30%	187,263,692
30 - 35%	82,732,455
35 - 40%	73,429,248
40 - 45%	61,218,915
45 - 50%	42,340,235
50 - 55%	29,000,066
55 - 60%	19,111,466
60 - 65%	10,831,473
65 - 70%	5,525,208
70 - 75%	2,534,373
75 - 80%	170,644
80 - 85%	347,141
85 - 90%	270,747
90 - 95%	-
95 - 100%	-
100% +	-

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

Under 70	14,319,090
70-74	84,714,067
75-79	161,113,079
80-84	152,022,559
85-89	70,125,611
90-94	26,701,092
95-99	5,657,564
100+	122,599

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Liquidity Facility Ledger

Initial Balance	Barclays	£0
Last Quarter Closing Outstanding		£0
Available @ next Interest Payment Date		£140,000,000
Amount to be drawn at next Interest Payment Date		£0

Citibank	£0
	£0
	£45,000,000
	£0

Liquidity Reserve Fund Ledger

Initial Balance on Closing Date	£35,000,000
Outstanding as at the date of this Quarterly Report	£150,000
Accrued Interest to immediately succeeding interest payment date	£119
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£119
Amount to be drawn at next IPD	£119
Closing balance	£150,000

Deficiency Ledger

Opening Balance	-£91,585
Losses this Quarter	£0
Closing Balance	-£91,585

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)

£285,702

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)

1.83%

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

1.02

Class B Notes Required Ratio @ next IPD

1.10

Pass / Fail

FAIL

Subordinated Loan Ledger

Opening Balance on Closing Date

£14,000,000

Opening Balance at start of Quarter

£22,908,540

Payments this Quarter

£0

Interest Accrued this Quarter

£133,250

Closing Balance

£23,041,790

Indexation Ledger (April and Oct only)

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

£614,000

Limited Index Factor to be applied on next IPD

1.03

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

£850,500

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

A1
Aaa
A

A2
Aaa
A

A3
Aaa
A

B
Aa3
A

S&P Current Rating

60,000,000.00	310,000,000.00	50,000,000.00	42,000,000.00
-	310,000,000.00	50,000,000.00	42,000,000.00
-	-	2,000,000.00	-
-	310,000,000.00	48,000,000.00	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
27-Jan-2014	27-Jan-2014	28-Apr-2014	27-Jan-2014

Pool Factor

-

Interest Amount paid this quarter

-	3,942,983.00	850,500.00	-
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Deferred Amount at start of quarter

3,453,381

Interest Amount deferred / (paid) this quarter

433,860

Interest on Deferred amount this quarter

35,051

Deferred Amount at end of quarter

3,922,892