

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

17-Apr-14

Loans

£

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	516,452,352
Accrued Interest @ start of Calculation Period	296,606,905

Redemptions

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

Death	2,406,201
Borrower enters Long Term Care	867,235
Voluntary Repayment	1,460,341
Move to Lower Value Property	84,249
Substitutions	-

Last Quarter

Since Inception

4,818,026	166,641,556
63,508,106	
17,166,159	
80,885,891	
5,353,774	
272,374	

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

Death	58
Borrower enters Long Term Care	17
Voluntary Repayment	42
Move to Lower Value Property	4
Substitutions	-

117

3,906

1,480	
382	
2,046	
301	
2	

Redemption monies received

11,814,739

276,341,898

Outstanding Balance of Loans

Outstanding Accrued Interest	298,611,746
Outstanding Gross Balance	513,639,168
Outstanding number of loans	5,867

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

N/A
N/A

Repayment Rate

1.72%

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%

29.6%
70.4%

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

71
80

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
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

237
N/A
N/A

Properties in Possession
Reposessed
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

	2
	2
	-
	-
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**

£87,547
54.6%
34.8%

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% +

40,611,680
41,309,541
44,645,647
50,103,005
53,964,027
49,433,447
50,190,388
39,507,150
37,906,324
29,217,678
20,628,312
18,749,083
11,797,258
8,597,706
7,902,622
9,075,301

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% +

193,980,897
85,743,392
74,911,838
58,963,518
39,901,122
24,973,600
17,949,408
10,358,195
3,801,621
2,520,137
241,074
118,474
175,891
-
-
-

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

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

11,899,036
74,646,708
160,092,526
157,473,662
73,727,840
29,410,041
5,156,798
1,232,557

LTV Levels Breakdown (HPI Adjusted) vs Age Band Breakdown @ Calculation Date

	Under 70	70-74	75-79	80-84	85-89	90-94	95-99	100+
0 - 29.99%	5,556,953	49,375,867	68,317,864	46,517,032	18,367,972	5,581,796	147,664	115,748
30 - 34.99%	5,620,472	10,308,211	42,899,380	16,933,620	7,169,119	2,057,788	754,802	-
35 - 39.99%	410,815	11,161,230	17,710,325	37,111,601	6,519,038	1,556,685	442,144	-
40 - 44.99%	310,796	2,915,934	19,624,543	23,472,098	9,676,266	1,699,863	147,209	1,116,809
45 - 49.99%	-	674,446	10,637,855	11,137,097	14,372,987	2,896,974	181,763	-
50 - 54.99%	-	211,019	585,077	15,671,816	4,657,337	3,848,351	-	-
55 - 59.99%	-	-	317,481	4,933,968	7,042,041	4,938,617	717,300	-
60 - 64.99%	-	-	-	911,496	4,822,400	2,856,496	1,767,803	-
65 - 69.99%	-	-	-	784,933	608,908	1,891,266	516,514	-
70 - 74.99%	-	-	-	-	373,300	1,906,313	240,524	-
75 - 79.99%	-	-	-	-	-	-	241,074	-
80 - 84.99%	-	-	-	-	118,474	-	-	-
85 - 89.99%	-	-	-	-	-	175,891	-	-
90 - 94.99%	-	-	-	-	-	-	-	-
95 - 99.99%	-	-	-	-	-	-	-	-
100% +	-	-	-	-	-	-	-	-

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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
	£150,000
	£120
	£150,000
	£120
	£120
	£150,000

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

	-£91,708
	-£62,854
	-£154,562

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)

	£194,938
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Replenishment Amount as recorded in Replenishment Ledger

Excess Available Receipts

	N/A - Swap Payments Remaining
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Years 2003 to 2028

The greater of :-

	N/A - Swap Payments Remaining
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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)

	1.72%
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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

	1.04
	1.10

Pass / Fail

	FAIL
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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
	£23,171,920
	£0
	£131,160
	£23,303,080

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

	£586,500
	1.03
	£837,000

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
Aaa

S&P Current Rating

A2
Aaa**A3**
Aaa**B**
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

-

310,000,000.00

48,000,000.00

42,000,000.00

Note Redemptions @ IPD

-

-

2,000,000.00

-

Outstanding Note Principal

-

310,000,000.00

46,000,000.00

42,000,000.00

Note Interest Margins

LIBOR + 0.52%

Fixed Rate (5.05%)

Fixed Rate (2.45%)

LIBOR + 1.4%

Step Up Dates

N/A

N/A

N/A

IPD Apr 2010

Step Up Rate

N/A

N/A

N/A

LIBOR + 3.5%

Interest Payment Cycle

Quarterly

Quarterly

Semi Annually

Quarterly

Interest Payment Date

26th Jan, Apr, Jul & Oct or Next
Business Day26th Jan, Apr, Jul & Oct
or Next Business Day26th Apr & Oct or Next
Business Day26th Jan, Apr, Jul &
Oct or Next Business
Day

Next Interest Payment Date

28-Jul-2014

28-Jul-2014

28-Jul-2014

28-Jul-2014

Pool Factor

-

Interest Amount paid this quarter

-

Deferred Amount at start of quarter

3,857,485.00

837,000.00

Interest Amount deferred / (paid) this quarter

-

Interest on Deferred amount this quarter

4,383,003

Deferred Amount at end of quarter

421,260

43,932

4,848,195