

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

20-Jan-14

Loans

£

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	514,775,662
Accrued Interest @ start of Calculation Period	291,393,167

Redemptions

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

Death	1,943,245
Borrower enters Long Term Care	541,150
Voluntary Repayment	1,014,050
Move to Lower Value Property	38,602
Substitutions	-

Last Quarter

3,537,047

Since Inception

161,823,530

Number of Loans redeemed in the immediately preceding Calculation period

Number of Loans redeemed by cause:-

Death	53
Borrower enters Long Term Care	12
Voluntary Repayment	31
Move to Lower Value Property	2
Substitutions	-

96

3,789

1,422
365
2,004
297
2

Redemption monies received

8,319,367

264,383,265

Outstanding Balance of Loans

Outstanding Accrued Interest	296,606,905
Outstanding Gross Balance	516,452,352
Outstanding number of loans	5,984

Equivalent Value Test this Calculation Period :-

N/A

S&P model this Calculation Period :-

N/A

Repayment Rate

1.70%

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%

29.8%
70.2%

Weighted Average Age of Borrowers @ Closing Date

71

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

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

234
N/A
N/A

Properties in Possession

Repossessed

Sold

Number Carried Forward

4
-
4
-

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**

£86,306
53.9%
35.3%

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% +

44,053,576
42,887,538
45,820,080
54,633,720
56,857,678
46,388,345
48,775,206
40,313,121
37,797,079
25,536,755
19,915,119
18,592,103
12,021,254
8,312,190
7,441,658
7,106,931

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% +

190,465,797
81,806,463
73,130,202
62,724,581
41,100,454
28,419,934
18,863,163
11,005,881
5,697,484
2,413,614
174,152
354,386
276,242
-
-
-

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

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

13,063,360
80,688,650
159,050,943
157,635,901
70,818,010
29,202,918
5,753,836
238,735

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%	5,549,113	53,471,297	63,525,003	45,616,230	17,046,722	4,965,215	178,449	113,767
30 - 34.99%	6,570,888	8,109,150	41,815,484	16,083,550	7,122,146	1,944,041	161,204	-
35 - 39.99%	456,212	11,925,423	21,145,160	31,412,107	6,017,613	1,407,436	766,251	-
40 - 44.99%	487,146	6,075,671	15,839,871	28,844,369	8,118,846	2,116,352	1,117,358	124,968
45 - 49.99%	-	663,979	14,836,758	8,084,108	14,463,138	2,873,849	178,621	-
50 - 54.99%	-	443,130	1,492,056	18,060,001	5,142,921	3,281,826	-	-
55 - 59.99%	-	-	331,150	7,803,415	5,271,586	4,772,047	704,965	-
60 - 64.99%	-	-	65,461	787,849	6,528,713	2,233,219	1,390,640	-
65 - 69.99%	-	-	-	944,273	621,579	3,349,807	781,824	-
70 - 74.99%	-	-	-	-	367,973	1,904,640	141,001	-
75 - 79.99%	-	-	-	-	-	78,243	95,909	-
80 - 84.99%	-	-	-	-	116,773	-	237,613	-
85 - 89.99%	-	-	-	-	-	276,242	-	-
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
	£118
	£150,000
	£118
	£118
	£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

	-£91,585
	-£123
	-£91,708

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)

	£29,043
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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
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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)

	1.70%
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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

	1.05
	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
	£23,041,790
	£0
	£130,130
	£23,171,920

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

	£0
	0.00
	£0

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
-	310,000,000.00	48,000,000.00	42,000,000.00
-	-	-	-
-	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
28-Apr-2014	28-Apr-2014	28-Apr-2014	28-Apr-2014

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

-	3,953,275.00	-	-
			3,922,892
			420,840
			39,271
			4,383,003