

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

21-Jul-14

Loans

Outstanding Balance of Loans at Closing Date	£	404,247,009
Outstanding Balance of Loans @ start of this Quarter		513,639,168
Accrued Interest @ start of Calculation Period		298,611,746

Redemptions

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

	Last Quarter	Since Inception
Death	3,299,729	169,930,219
Borrower enters Long Term Care	1,786,278	65,294,384
Voluntary Repayment	465,290	17,631,449
Move to Lower Value Property	942,879	81,828,770
Substitutions	105,283	5,447,991
	-	272,374

Number of Loans redeemed in the immediately preceding Calculation period

Number of Loans redeemed by cause:-	80	3,986
Death	40	1,520
Borrower enters Long Term Care	16	398
Voluntary Repayment	24	2,070
Move to Lower Value Property	3	304
Substitutions	-	2

Redemption monies received	8,133,937	283,950,712
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Outstanding Balance of Loans

Outstanding Accrued Interest	304,484,530
Outstanding Gross Balance	516,212,194
Outstanding number of loans	5,787

Equivalent Value Test this Calculation Period :-

S&P model this Calculation Period :-	N/A
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Repayment Rate

1.74%

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%
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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%	29.8%
FCRP %	72.5%	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	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)

Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)	236
Shortfall as % of Mortgage Outstandings	N/A

Properties in Possession

Reposessed	6
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Sold

Number Carried Forward	4
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	2
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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

	1
	1
	-
	-
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**

£89,202
55.6%
33.9%

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% +

37,309,048
39,998,532
43,414,283
49,867,495
54,290,949
48,150,867
48,949,354
43,800,237
35,679,276
31,081,338
21,685,337
18,996,611
14,216,426
10,137,876
6,484,970
12,169,594

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% +

209,085,163
86,726,832
71,352,200
57,056,722
39,654,844
24,927,588
13,935,154
7,825,560
3,178,411
1,921,133
246,969
121,371
180,248
-
-
-

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

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

10,958,103
70,214,976
160,520,141
161,197,876
76,285,341
31,883,442
3,894,636
1,257,677

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%	7,678,459	46,237,178	78,018,168	51,463,744	19,164,497	6,323,720	61,461	117,936
30 - 34.99%	2,607,695	10,974,334	44,597,858	17,815,295	7,790,369	2,171,220	770,060	
35 - 39.99%	491,900	10,358,299	9,357,671	42,164,418	6,381,057	2,219,464	379,390	
40 - 44.99%	180,050	1,875,039	19,941,753	16,986,839	13,776,636	3,006,621	150,042	1,139,741
45 - 49.99%		675,628	7,748,634	16,345,480	11,826,070	2,936,030	123,002	
50 - 54.99%		94,497	599,089	13,829,644	4,105,614	5,943,476	355,268	
55 - 59.99%			256,967	1,158,364	9,244,657	2,454,130	821,036	
60 - 64.99%				933,113	3,127,141	3,323,410	441,896	
65 - 69.99%				500,979	423,383	1,728,538	525,512	
70 - 74.99%					324,547	1,596,586		
75 - 79.99%							246,969	
80 - 84.99%					121,371			
85 - 89.99%						180,248		
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
	£123
	£150,000
	£123
	£123
	£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

	-£154,562
	-£57,195
	-£211,758

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)**

	£597,649
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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)

	1.74%
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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
	£23,303,080
	£0
	£132,340
	£23,435,420

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

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

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
-	310,000,000.00	46,000,000.00	42,000,000.00
-	-	-	-
-	310,000,000.00	46,000,000.00	42,000,000.00

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%

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-Oct-2014	27-Oct-2014	27-Oct-2014	27-Oct-2014

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-	3,900,358.00	-	-
			4,848,195
			422,100
			48,685
			5,318,980