

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

20-Oct-14

**Loans**

£

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	516,212,194
Accrued Interest @ start of Calculation Period	304,494,530

**Redemptions**

Principal Balance of Loans redeemed in the immediately preceding Calculation period

Principal Balance of Loans redeemed by cause:-

Death	1,967,026
Borrower enters Long Term Care	634,725
Voluntary Repayment	1,504,816
Move to Lower Value Property	98,610
Substitutions	-

Since Inception

174,135,396
67,261,410
18,266,174
83,333,586
5,546,600
272,374

Number of Loans redeemed in the immediately preceding Calculation period

Number of Loans redeemed by cause:-

Death	53
Borrower enters Long Term Care	19
Voluntary Repayment	32
Move to Lower Value Property	3
Substitutions	-

4,090
1,573
417
2,102
307
2

Redemption monies received

9,064,047
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293,261,313
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**Outstanding Balance of Loans**

Outstanding Accrued Interest	307,226,015
Outstanding Gross Balance	514,748,736
Outstanding number of loans	5,683

Equivalent Value Test this Calculation Period :-

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

1.78%
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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)

-
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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%
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**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
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Weighted Averaged GIC Rate

N/A - Post Year 10 IPD
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**Product Breakdown by Loan O/S**

At Closing

At Calculation date for this report

ILCRP %	27.5%
FCRP %	72.5%

30.0%
70.0%

Weighted Average Age of Borrowers @ Closing Date

71
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Weighted Average Age of borrowers - at Calculation date for this Quarterly report

80
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**Age of Borrowers:-**

Single Female	83
Single Male	62
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

239
N/A
N/A

Properties in Possession

Repossession

Sold

Number Carried Forward

6
-
4
2

Average Time from Possession to Sale

188
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Average Shortfall at Sale

-
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**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

£90,577
56.3%
34.5%

**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% +

33,882,565
38,043,277
43,219,819
47,668,442
53,868,206
48,431,437
49,203,822
41,515,700
38,692,559
32,441,649
24,415,384
17,497,693
15,108,032
11,233,032
6,276,853
13,250,256

**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% +

197,581,355
86,166,725
76,156,150
57,370,912
39,548,752
25,346,683
17,550,886
9,035,956
3,497,934
1,937,432
250,303
123,010
182,638
-
-
-

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

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

9,548,647
67,058,744
159,762,801
162,439,789
78,316,921
33,216,271
4,153,672
251,891

**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%	5,375,781	42,407,033	74,072,142	49,789,555	19,609,008	5,994,329	213,454	120,053
30 - 34.99%	3,578,906	11,678,270	41,942,668	18,148,679	7,471,937	2,561,549	784,715	-
35 - 39.99%	339,133	10,796,059	13,432,607	42,376,866	6,849,843	1,975,370	386,273	-
40 - 44.99%	254,826	1,258,235	21,415,863	18,482,232	12,668,315	3,006,846	152,757	131,838
45 - 49.99%	-	700,058	8,094,554	14,035,228	13,118,327	3,600,584	-	-
50 - 54.99%	-	219,090	607,436	15,473,457	3,973,375	4,996,374	76,951	-
55 - 59.99%	-	-	197,532	2,836,614	9,271,247	4,067,681	1,177,813	-
60 - 64.99%	-	-	-	946,068	4,054,413	3,456,616	578,859	-
65 - 69.99%	-	-	-	351,091	789,828	1,973,099	383,917	-
70 - 74.99%	-	-	-	-	387,618	1,401,186	148,629	-
75 - 79.99%	-	-	-	-	-	-	250,303	-
80 - 84.99%	-	-	-	-	123,010	-	-	-
85 - 89.99%	-	-	-	-	-	182,638	-	-
90 - 94.99%	-	-	-	-	-	-	-	-
95 - 99.99%	-	-	-	-	-	-	-	-
100% +	-	-	-	-	-	-	-	-

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

20-Oct-14

**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
	£134
	£150,000
	£134
	£134
	£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

	-£211,758
	-£14,880
	-£226,637

**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)**

	£751,927
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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)**

1.78%
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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

1.00
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
	£23,435,420
	£0
	£134,870
	£23,570,290

**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

£565,000
1.03
£803,500

**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

<b>A1</b> Aaa A	<b>A2</b> Aaa A	<b>A3</b> Aaa A	<b>B</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
-	-	2,000,000.00	-
-	310,000,000.00	44,000,000.00	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-Jan-2015	27-Jan-2015	27-Apr-2015	27-Jan-2015

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-	3,943,231.00	803,500.00	-
			5,318,980
			425,040
			53,817
			5,797,837