

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

19-Jan-15

**Loans**

£

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	514,748,736
Accrued Interest @ start of Calculation Period	307,226,015

**Redemptions**

Principal Balance of Loans redeemed in the immediately preceding Calculation period

Principal Balance of Loans redeemed by cause:-

Death	1,916,269
Borrower enters Long Term Care	897,775
Voluntary Repayment	846,820
Move to Lower Value Property	187,330
Substitutions	-

Since Inception

177,983,589
69,177,679
19,163,949
84,180,406
5,733,930
272,374

Number of Loans redeemed in the immediately preceding Calculation period

Number of Loans redeemed by cause:-

Death	47
Borrower enters Long Term Care	18
Voluntary Repayment	27
Move to Lower Value Property	7
Substitutions	-

4,182
1,620
435
2,129
314
2

Redemption monies received

9,941,802
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303,202,975
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**Outstanding Balance of Loans**

Outstanding Accrued Interest	310,780,635
Outstanding Gross Balance	514,454,928
Outstanding number of loans	5,591

Equivalent Value Test this Calculation Period :-

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

N/A
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**Repayment Rate**

1.66%
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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%

30.1%
69.9%

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	82
Joint Borrowers by Age of Younger	80

**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

240
N/A
N/A

Properties in Possession

Repossession

Sold

Number Carried Forward

6
-
4
2

Average Time from Possession to Sale

188
-----

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**

£92,015
57.2%
35.0%

**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% +

30,062,306
38,585,165
41,774,457
44,777,493
51,029,448
50,796,665
48,259,144
42,723,772
38,615,393
34,910,375
23,659,541
18,388,488
15,911,880
10,414,542
8,839,753
15,706,507

**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% +

191,182,079
83,998,476
74,067,486
60,849,709
42,140,460
27,236,798
16,830,045
9,430,141
5,955,883
2,197,631
-
380,172
186,050
-
-
-

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

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

8,435,177
65,047,576
158,704,496
163,413,598
81,255,895
30,287,729
7,054,224
256,233

**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%	4,525,557	39,326,419	72,126,758	49,477,704	19,699,357	5,674,030	229,947	122,307
30 - 34.99%	3,490,642	9,820,164	41,421,951	17,982,759	8,206,415	2,902,852	173,692	-
35 - 39.99%	240,161	11,474,908	13,429,236	39,511,083	6,760,937	1,899,932	751,230	-
40 - 44.99%	178,817	3,491,120	19,090,262	22,989,441	12,542,063	2,101,216	322,865	133,927
45 - 49.99%	-	711,915	11,817,172	10,785,235	14,811,084	4,015,054	-	-
50 - 54.99%	-	223,050	618,088	17,606,913	4,037,789	4,673,796	77,163	-
55 - 59.99%	-	-	201,030	3,670,005	8,358,617	1,844,863	2,755,530	-
60 - 64.99%	-	-	-	915,164	5,515,916	1,633,307	1,365,754	-
65 - 69.99%	-	-	-	475,294	803,826	3,992,544	684,218	-
70 - 74.99%	-	-	-	-	394,621	1,364,086	438,924	-
75 - 79.99%	-	-	-	-	-	-	-	-
80 - 84.99%	-	-	-	-	125,270	-	254,902	-
85 - 89.99%	-	-	-	-	-	186,050	-	-
90 - 94.99%	-	-	-	-	-	-	-	-
95 - 99.99%	-	-	-	-	-	-	-	-
100% +	-	-	-	-	-	-	-	-

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

19-Jan-15

**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

	-£226,637
	£9
	-£226,646

**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)**

	£57,490
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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)**

1.66%
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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

0.96
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
	£23,570,290
	£0
	£135,580
	£23,705,870

**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

<u>A1</u> Aaa A	<u>A2</u> Aaa A	<u>A3</u> Aaa A	<u>B</u> Aa3 BBB
60,000,000.00	310,000,000.00	50,000,000.00	42,000,000.00
-	310,000,000.00	44,000,000.00	42,000,000.00
-	-	-	-
-	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	26th Jan, Apr, Jul & Oct	26th Apr & Oct or Next	26th Jan, Apr, Jul &
27-Apr-2015	27-Apr-2015	27-Apr-2015	27-Apr-2015

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-	3,952,779.00	-	-
			5,797,837
			425,040
			58,645
			6,281,522