

**Equity Release Funding (No.3) plc**

Report for the immediately preceding interest period

20-Jul-15

**Loans**

£

Outstanding Balance of Loans at Closing Date

404,247,009

Outstanding Balance of Loans @ start of this Quarter

512,650,498

Accrued Interest @ start of Calculation Period

312,803,097

Last Quarter

Since Inception

**Redemptions**

Principal Balance of Loans redeemed in the immediately preceding Calculation period

3,690,854

185,501,355

Principal Balance of Loans redeemed by cause:-

Death

1,786,450

73,365,705

Borrower enters Long Term Care

1,136,729

20,920,521

Voluntary Repayment

745,940

85,643,176

Move to Lower Value Property

21,735

5,844,328

Substitutions

-

272,374

Number of Loans redeemed in the immediately preceding Calculation period

97

4,373

Number of Loans redeemed by cause:-

Death

49

1,724

Borrower enters Long Term Care

25

477

Voluntary Repayment

23

2,174

Move to Lower Value Property

2

321

Substitutions

-

2

Redemption monies received

9,884,785

323,047,535

**Outstanding Balance of Loans**

Outstanding Accrued Interest

316,110,498

Outstanding Gross Balance

512,267,025

Outstanding number of loans

5,400

Equivalent Value Test this Calculation Period :-

N/A

S&amp;P model this Calculation Period :-

N/A

**Repayment Rate**

1.68%

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

ILCRP %

27.5%

29.9%

FCRP %

72.5%

70.1%

At Calculation date for this report

Weighted Average Age of Borrowers @ Closing Date

71

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

81

**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)

N/A

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)

240

Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)

N/A

Shortfall as % of Mortgage Outstandings

N/A

Properties in Possession

6

Repossessioned

-

Sold

4

Number Carried Forward

2

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**

£94,864
58.6%
35.1%

**Weighted Average Interest Rate**

ILCRP

FCRP

4.89% + LPI
7.87%

**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% +

24,210,300
33,951,755
40,073,761
43,535,101
49,538,254
49,960,589
45,332,540
45,362,235
39,339,073
36,500,970
29,490,103
21,289,266
13,766,995
13,082,515
9,432,150
17,401,417

**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% +

183,095,549
89,725,940
76,311,480
60,405,819
41,072,569
29,316,750
15,212,026
9,016,835
5,662,723
2,256,595
-
-
190,740
-
-
-

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

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

7,119,085
57,610,845
152,008,728
168,961,660
88,445,073
30,429,334
7,427,997
264,303

**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%	4,233,809	33,340,845	68,461,929	49,936,165	20,549,606	6,073,055	373,324	126,815
30 - 34.99%	2,682,262	9,664,760	43,864,028	20,465,260	9,663,323	3,080,605	305,702	-
35 - 39.99%	95,169	11,489,980	9,837,510	43,704,883	7,755,516	2,778,845	649,577	-
40 - 44.99%	107,845	2,155,306	19,344,813	22,759,997	13,199,142	2,366,354	334,873	137,488
45 - 49.99%	-	731,256	9,660,378	12,808,611	15,251,961	2,580,630	39,733	-
50 - 54.99%	-	228,698	633,990	16,457,612	6,274,782	5,520,510	201,158	-
55 - 59.99%	-	-	206,079	1,654,089	9,504,823	1,211,936	2,635,099	-
60 - 64.99%	-	-	-	938,018	4,876,719	1,591,993	1,610,105	-
65 - 69.99%	-	-	-	237,025	964,517	3,823,815	637,366	-
70 - 74.99%	-	-	-	-	404,684	1,401,589	450,321	-
75 - 79.99%	-	-	-	-	-	-	-	-
80 - 84.99%	-	-	-	-	-	-	-	-
85 - 89.99%	-	-	-	-	-	-	190,740	-
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
	£139
	£150,000
	£139
	£139
	£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

	-£407,462
	-£18
	-£407,481

**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)

	£324,889
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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)**

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.

1.68%
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**Class B Notes Payment Test**

Asset / Liability Ratio @ next IPD  
Class B Notes Required Ratio @ next IPD

1.02
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
	£23,842,710
	£0
	£137,950
	£23,980,660

**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

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27-Jun-2003

A1	A2	A3	B
N/A	Aaa	Aaa	Aa3
N/A	A-	A-	BBB
60,000,000.00	310,000,000.00	50,000,000.00	42,000,000.00
-	310,000,000.00	42,000,000.00	42,000,000.00
-	-	-	-
-	310,000,000.00	42,000,000.00	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%

N/A	Quarterly	Semi Annually	Quarterly
N/A	26th Jan, Apr, Jul & Oct	26th Apr & Oct or Next	26th Jan, Apr, Jul &
N/A	N/A	26-Oct-2015	N/A

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-	3,900,575.00	-	-
			6,771,067
			426,300
			68,717
			7,266,085