

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

19-Oct-15

**Loans**

Outstanding Balance of Loans at Closing Date	£	404,247,009
Outstanding Balance of Loans @ start of this Quarter		512,267,025
Accrued Interest @ start of Calculation Period		316,110,498

**Redemptions**

Principal Balance of Loans redeemed in the immediately preceding Calculation period

Principal Balance of Loans redeemed by cause:-

Death	2,421,681
Borrower enters Long Term Care	574,027
Voluntary Repayment	1,164,734
Move to Lower Value Property	125,413
Substitutions	-

Since Inception

189,787,211
75,787,386
21,494,549
86,807,910
5,969,741
- 272,374

Number of Loans redeemed in the immediately preceding Calculation period

Number of Loans redeemed by cause:-

Death	60
Borrower enters Long Term Care	15
Voluntary Repayment	35
Move to Lower Value Property	8
Substitutions	-

4,483
1,784
492
2,209
329
- 2

Redemption monies received

11,818,566
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334,938,291
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**Outstanding Balance of Loans**

Outstanding Accrued Interest	317,990,181
Outstanding Gross Balance	509,860,852
Outstanding number of loans	5,290

Equivalent Value Test this Calculation Period :-

N/A
N/A

**Repayment Rate**

1.70%
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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

ILCRP %	27.5%
FCRP %	72.5%

At Calculation date for this report

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

81
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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

631
109,950
188,003
63,000
89,325
26,325
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

235
N/A
N/A

Properties in Possession

Repossessed

Sold

Number Carried Forward

8
-
6
2

Average Time from Possession to Sale

207
-----

Average Shortfall at Sale

26,325
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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**

£96,382
59.5%
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% +

22,185,972
31,549,717
39,956,090
41,543,477
46,493,226
50,564,846
46,022,112
46,663,660
38,605,846
35,931,064
29,299,538
21,051,231
18,000,134
13,486,234
10,008,257
18,499,451

**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% +

179,220,522
86,987,970
78,431,401
58,663,658
42,881,857
30,354,791
15,501,806
8,677,512
6,589,750
2,358,081
-
-
-
193,505
-
-

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

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

6,865,027
51,026,962
154,232,979
168,160,610
89,950,366
31,704,774
7,651,377
268,758

**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%	4,298,662	28,223,660	69,679,713	49,383,511	20,151,737	6,842,292	511,857	129,090
30 - 34.99%	2,360,349	9,627,064	39,955,649	21,458,781	10,679,426	2,529,219	377,483	
35 - 39.99%	96,518	11,292,017	13,974,820	42,006,151	8,068,711	2,952,841	40,344	
40 - 44.99%	109,498	1,115,448	17,377,460	23,375,920	13,880,377	2,324,392	340,895	139,669
45 - 49.99%		667,263	12,278,818	11,347,164	15,280,838	3,267,320	40,454	
50 - 54.99%		101,511	687,136	16,888,166	6,866,043	5,652,091	159,844	
55 - 59.99%			279,383	2,441,422	9,295,836	1,298,884	2,186,282	
60 - 64.99%				1,018,873	4,337,655	1,258,632	2,062,351	
65 - 69.99%				240,623	911,163	4,156,432	1,281,531	
70 - 74.99%					478,579	1,422,671	456,831	
75 - 79.99%								
80 - 84.99%								
85 - 89.99%								
90 - 94.99%							193,505	
95 - 99.99%								
100% +								

**Equity Release Funding (No.3) plc**  
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19-Oct-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
	£142
	£150,000
	£142
	£142
	£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

	-£407,481
	-£86,535
	-£494,016

**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)**

	£419,873
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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

	1.00
	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
	£23,980,660
	£0
	£139,360
	£24,120,020

**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

	£516,000
	1.01
	£740,500

**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

A1 N/A N/A	A2 Aaa A-	A3 Aaa A-	B Aa3 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
-	-	2,000,000.00	-
-	310,000,000.00	40,000,000.00	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	26-Jan-2016	26-Apr-2016	26-Jan-2016

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-	3,943,417.00	740,500.00	-
			7,266,085
			427,560
			73,929
			7,767,574