

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

19-Apr-16

**Loans**

£

Outstanding Balance of Loans at Closing Date

404,247,009

Outstanding Balance of Loans @ start of this Quarter

507,219,627

Accrued Interest @ start of Calculation Period

319,632,083

Last Quarter

Since Inception

**Redemptions**

Principal Balance of Loans redeemed in the immediately preceding Calculation period

3,782,493

197,852,831

Principal Balance of Loans redeemed by cause:-

Death

1,880,120

79,000,635

Borrower enters Long Term Care

746,594

22,996,296

Voluntary Repayment

1,142,928

89,188,089

Move to Lower Value Property

12,851

6,031,196

Substitutions

-

272,374

Number of Loans redeemed in the immediately preceding Calculation period

105

4,687

Number of Loans redeemed by cause:-

Death

54

1,889

Borrower enters Long Term Care

20

527

Voluntary Repayment

31

2,273

Move to Lower Value Property

2

334

Substitutions

-

2

Redemption monies received

11,054,960

358,053,165

**Outstanding Balance of Loans**

Outstanding Accrued Interest

321,195,565

Outstanding Gross Balance

505,000,617

Outstanding number of loans

5,086

Equivalent Value Test this Calculation Period :-

N/A

S&P model this Calculation Period :-

N/A

**Repayment Rate**

2.99%

The "Repayments Rate" is the [annualised value of the ratio

expressed as a percentage] calculated by dividing:-

(i) the aggregate of the initial outstanding balances of the Loans repaid up to the relevant Calculation Date by

(iv) 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

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

81

**Age of Borrowers:-**

Single Female

83

Single Male

82

Joint Borrowers by Age of Younger

81

**Properties Sold / repayments (case by case):-**

Time to Sale (days where available - time from death/assessment to repayment)

346

Time from Possession to Sale (days)

N/A

Initial Valuation

107,950

Indexed Valuation (Initial Valuation + Hpi)

211,340

Sale Price (where available)

60,314

Gross Mortgage Outstandings

101,974

Shortfall

41,660

Loan Outstandings as a % of Sale Price

169%

Claim Submitted to No Negative Equity

N/A

Claim Paid

N/A

Claim O/S

N/A

Time to Sale (days where available - time from death/assessment to repayment)

N/A

Time from Possession to Sale (days)

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:-**

Average time from Possession to Sale

136

Time to Sale (days where available - time from death/assessment to repayment)

1,150

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

47%

Shortfall as % of Mortgage Outstandings

24%

Properties in Possession

9

Reposessed

-

Sold

8

Number Carried Forward

1

Average Time from Possession to Sale

192

Average Shortfall at Sale

23,955

**Insurance**

No Negative Equity Claims made total

1

Claims Paid

1

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

33

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

<b>Average Loan Outstanding</b>	£99,292
<b>Weighted Average LTV</b>	61.1%
<b>Weighted Average Indexed LTV</b>	35.2%

<b>Weighted Average Interest Rate</b>	4.89% + LPI
ILCRP	7.66%
FCRP	

<b>LTV Levels Breakdown (based on original valuation using P+I at date of report)</b>	
0 - 29.99%	18,158,236
30 - 34.99%	25,954,790
35 - 39.99%	38,135,594
40 - 44.99%	38,872,843
45 - 49.99%	44,733,709
50 - 54.99%	46,702,128
55 - 59.99%	46,126,711
60 - 64.99%	43,840,312
65 - 69.99%	42,249,916
70 - 74.99%	34,512,236
75 - 79.99%	33,516,656
80 - 84.99%	24,078,140
85 - 89.99%	20,432,353
90 - 94.99%	13,691,156
95 - 99.99%	10,895,240
100% +	22,097,598

<b>LTV Levels Breakdown (based on HPI adjusted valuation @ Calculation date)</b>	
0 - 30%	177,598,313
30 - 35%	87,060,839
35 - 40%	77,279,899
40 - 45%	61,302,353
45 - 50%	42,549,053
50 - 55%	29,951,016
55 - 60%	13,252,670
60 - 65%	8,923,382
65 - 70%	5,939,039
70 - 75%	773,848
75 - 80%	171,846
80 - 85%	-
85 - 90%	198,320
90 - 95%	-
95 - 100%	-
100% +	-

Depersonalised information on the pool, as at each Calculation Date, may be obtained electronically by Noteholders from the Administrator upon delivery of a signed confidentiality undertaking (the form of which can be obtained from the Administrator).

<b>Age Band Breakdown (based on youngest policyholder @ Calculation date)</b>	
Under 70	4,917,873
70-74	47,077,598
75-79	144,896,957
80-84	169,786,237
85-89	97,095,517
90-94	31,325,167
95-99	9,662,231
100+	277,036

<b>LTV Levels Breakdown (HPI Adjusted) vs Age Band Breakdown @ Calculation Date</b>									
	Under 70	70-74	75-79	80-84	85-89	90-94	95-99	100+	
0 - 29.99%	3,463,471	25,547,654	67,925,361	50,718,422	21,994,366	7,092,899	722,201	133,939	
30 - 34.99%	1,355,080	10,176,181	37,575,268	22,606,404	11,941,077	2,596,773	638,056	-	
35 - 39.99%	89,321	9,578,467	12,499,279	43,105,937	9,142,242	2,754,534	100,117	-	
40 - 44.99%	-	1,380,167	19,527,318	21,052,938	16,576,283	2,272,650	349,940	143,098	
45 - 49.99%	-	393,130	6,430,538	15,392,117	16,364,262	3,690,487	278,519	-	
50 - 54.99%	-	-	839,277	14,179,113	7,716,823	7,134,426	81,376	-	
55 - 59.99%	-	-	59,917	1,308,947	8,010,642	1,478,030	2,395,135	-	
60 - 64.99%	-	-	-	977,734	3,921,959	2,029,207	1,994,481	-	
65 - 69.99%	-	-	-	246,625	938,091	2,014,098	2,742,224	-	
70 - 74.99%	-	-	-	-	491,772	120,215	161,861	-	
75 - 79.99%	-	-	-	-	-	171,846	-	-	
80 - 84.99%	-	-	-	-	-	-	0	-	
85 - 89.99%	-	-	-	-	-	-	198,320	-	
90 - 94.99%	-	-	-	-	-	-	-	-	
95 - 99.99%	-	-	-	-	-	-	-	-	
100% +	-	-	-	-	-	-	-	-	

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<b>Liquidity Facility Ledger</b>	Barclays
Initial Balance	£0
Last Quarter Closing Outstanding	£0
Available @ next Interest Payment Date	£140,000,000
Amount to be drawn at next Interest Payment Date	£0

<b>Citibank</b>
£0
£0
£45,000,000
£0

<b>Liquidity Reserve Fund Ledger</b>	£35,000,000
Initial Balance on Closing Date	£150,000
Outstanding as at the date of this Quarterly Report	£146
Accrued Interest to immediately succeeding interest payment date	
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£146
Amount to be drawn at next IPD	£146
Closing balance	£150,000

<b>Deficiency Ledger</b>	
Opening Balance	-£494,018
Losses this Quarter	-£41,763
Closing Balance	-£535,780

<b>Optional Guarantee Ledger</b>	£0
Opening Balance on Closing Date	£0
Claims Submitted as at the date of this Quarterly Report	£0
Claims Paid as at date of this Quarterly Report	£0
Claims Not recovered from NULAP this calculation period	£0
Total Claims not recovered from NULAP as at date of this Quarterly Report	£0

**Surplus after payment of all payments set out paragraphs (a) to (k) of the Pre-Enforcement**  
**Priority of Payments (Excess Available Receipts)**  
**£468,351**

**Replenishment Amount as recorded in Replenishment Ledger****Excess Available Receipts**

N/A - Swap Payments Remaining

**Years 2003 to 2028**

N/A - Swap Payments Remaining

The greater of :-

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**

N/A

The greater of :-

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)**

1.62%

Annualised value of the ratio expressed as a percentage calculated by dividing :-

(i) the aggregate of the Outstanding Balance as at the Closing Date of all Loans prepaid up to the relevant Calculation Date by  
(v) 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

0.99

1.11

Pass / Fail

FAIL

**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

£24,261,640

£0

£141,500

£24,403,140

**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

£490,000

1.01

£724,000

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

Name of Issuer

Date of Issue

27-Jun-2003

Moody's Current Rating

A1

N/A

A2

Aaa

A3

Aaa

B

Aa3

S&amp;P Current Rating

N/A

A-

A-

BBB

Initial Note Balance

60,000,000.00

310,000,000.00

50,000,000.00

42,000,000.00

Note Principal @ start of period

-

310,000,000.00

40,000,000.00

42,000,000.00

Note Redemptions @ IPD

-

-

2,000,000.00

-

Outstanding Note Principal

-

310,000,000.00

38,000,000.00

42,000,000.00

Note Interest Margins

LIBOR + 0.52%

Fixed Rate (5.05%)

Fixed Rate (2.45%)

LIBOR + 1.4%

Step Up Dates

N/A

N/A

N/A

IPD Apr 2010

Step Up Rate

N/A

N/A

N/A

LIBOR + 3.5%

Interest Payment Cycle

N/A

Quarterly

Semi Annually

Quarterly

Interest Payment Date

N/A

26th Jan, Apr, Jul &amp; Oct

26th Apr &amp; Oct or Next

26th Jan, Apr, Jul &amp;

Next Interest Payment Date

N/A

26-Jul-2016

26-Oct-2016

26-Jul-2016

Pool Factor

-

Interest Amount paid this quarter

-

3,899,986.00

724,000.00

-

Deferred Amount at start of quarter

8,279,202

Interest Amount deferred / (paid) this quarter

426,400

Interest on Deferred amount this quarter

84,410

Deferred Amount at end of quarter

8,792,012

B note swap deferred payments

5,371,811

Brought Forward balance

438,810

Net coupon deferred

7,893

Interest

-

Amount paid

-

Carried forward balance

5,818,514

Present value of Swap Scheduled Fixed Payments

24,433,727

Brought Forward balance

2,700,000

Paid this quarter

21,733,727

Carried forward balance