

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

19-Jan-16

Loans

£

Outstanding Balance of Loans at Closing Date

404,247,009

Outstanding Balance of Loans @ start of this Quarter

509,860,852

Accrued Interest @ start of Calculation Period

317,990,181

Last Quarter

Since Inception

Redemptions

Principal Balance of Loans redeemed in the immediately preceding Calculation period

4,283,127

194,070,338

Principal Balance of Loans redeemed by cause:-

Death

2,242,129

78,029,515

Borrower enters Long Term Care

755,154

22,249,702

Voluntary Repayment

1,237,250

88,045,160

Move to Lower Value Property

48,594

6,018,335

Substitutions

-

272,374

Number of Loans redeemed in the immediately preceding Calculation period

99

4,582

Number of Loans redeemed by cause:-

Death

51

1,835

Borrower enters Long Term Care

15

507

Voluntary Repayment

33

2,242

Move to Lower Value Property

3

332

Substitutions

-

2

Redemption monies received

12,076,266

346,999,231

Outstanding Balance of Loans

Outstanding Accrued Interest

319,632,083

Outstanding Gross Balance

507,219,627

Outstanding number of loans

5,191

Equivalent Value Test this Calculation Period :-

N/A

S&P model this Calculation Period :-

N/A

Repayment Rate

3.67%

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

(ii) 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%

30.0%

FCRP %

72.5%

70.0%

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

2,016

Time from Possession to Sale (days)

169

Initial Valuation

94,950

Indexed Valuation (Initial Valuation + Hpi)

160,001

Sale Price (where available)

84,950

Gross Mortgage Outstandings

106,535

Shortfall

21,585

Loan Outstandings as a % of Sale Price

125%

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)

1,625

Time from Possession to Sale (days)

126

Initial Valuation

60,000

Indexed Valuation (Initial Valuation + Hpi)

102,759

Sale Price (where available)

79,950

Gross Mortgage Outstandings

76,067

Shortfall

-

Loan Outstandings as a % of Sale Price

95%

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

136

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

54%

Shortfall as % of Mortgage Outstandings

18%

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

-

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

£97,711
50.2%
35.2%

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% +

19,571,331
30,401,113
37,894,191
41,557,513
45,179,723
49,868,736
45,967,826
43,237,971
37,694,612
36,658,552
35,108,651
20,896,986
16,853,120
14,570,327
10,150,830
21,108,144

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% +

178,915,589
87,236,149
78,365,194
57,630,137
43,994,707
30,851,888
13,620,228
8,582,461
6,693,472
933,279
-
-
-
196,522
-
-

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

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

6,203,019
48,677,536
149,857,444
170,760,254
92,342,721
29,882,126
9,223,388
273,140

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%	3,947,579	26,631,349	70,130,966	49,838,630	20,719,024	6,884,254	632,247	131,541
30 - 34.99%	2,046,104	9,598,858	39,010,580	22,146,396	11,289,328	2,628,433	516,450	-
35 - 39.99%	98,138	10,718,292	12,639,521	43,367,390	8,625,516	2,818,054	98,284	-
40 - 44.99%	111,198	1,051,927	17,530,288	21,954,881	14,389,490	2,107,111	343,643	141,599
45 - 49.99%	-	677,111	9,461,762	14,291,945	16,051,978	3,342,451	169,460	-
50 - 54.99%	-	-	800,782	16,651,145	7,074,115	6,245,940	79,904	-
55 - 59.99%	-	-	283,544	1,231,135	8,472,409	1,477,594	2,355,546	-
60 - 64.99%	-	-	-	1,034,621	4,309,826	1,278,274	1,959,740	-
65 - 69.99%	-	-	-	244,110	925,095	2,812,594	2,711,674	-
70 - 74.99%	-	-	-	-	485,941	287,420	159,918	-
75 - 79.99%	-	-	-	-	-	-	-	-
80 - 84.99%	-	-	-	-	-	-	-	-
85 - 89.99%	-	-	-	-	-	-	-	-
90 - 94.99%	-	-	-	-	-	-	196,522	-
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
£143
£150,000
£143
£143
£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

-£494,016
-£2
-£494,018

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)

£519,021

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 OIS 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 OIS 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)

3.67%

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

1.01
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
£24,120,020
£0
£141,620
£24,261,640

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

Name of Issuer

27-Jun-2003

Date of Issue

Moody's Current Rating
S&P Current Rating

A1	A2	A3	B
N/A	Aaa	Aaa	Aaa
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	40,000,000.00	42,000,000.00
-	-	-	-
-	310,000,000.00	40,000,000.00	42,000,000.00

Note Interest Margins

Step Up Dates
Step Up Rate

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%

Interest Payment Cycle

Interest Payment Date
Next Interest Payment Date

N/A	Quarterly	Semi Annually	Quarterly
N/A	26th Jan, Apr, Jul & 26-Apr-2016	26th Apr & Oct or Next 26-Apr-2016	26th Jan, Apr, Jul & 26-Apr-2016
N/A			

Pool Factor

-			
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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

-	3,913,781.00	-	-
			7,767,574
			431,760
			79,868
			8,279,202

B note swap deferred payments

Brought Forward balance
Net coupon deferred
Interest
Amount paid
Carried forward balance

4,919,936
444,690
7,185
5,371,811

Present value of Swap Scheduled Fixed Payments

Brought Forward balance
Paid this quarter
Carried forward balance

31,191,443
7,700,000
23,491,443