

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

19-Jul-16

**Loans**

£

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	505,000,617
Accrued Interest @ start of Calculation Period	321,195,565

**Redemptions**

Principal Balance of Loans redeemed in the immediately preceding Calculation period	2,619,973
Principal Balance of Loans redeemed by cause:-	
Death	1,421,434
Borrower enters Long Term Care	414,070
Voluntary Repayment	692,300
Move to Lower Value Property	92,170
Substitutions	-

Since Inception

200,472,793
81,331,068
23,410,366
89,880,389
6,123,345
272,374

Number of Loans redeemed in the immediately preceding Calculation period	75
Number of Loans redeemed by cause:-	
Death	46
Borrower enters Long Term Care	13
Voluntary Repayment	16
Move to Lower Value Property	3
Substitutions	-

4,762
1,935
540
2,289
337
2

Redemption monies received	7,571,901
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365,665,043
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**Outstanding Balance of Loans**

Outstanding Accrued Interest	326,026,115
Outstanding Gross Balance	507,211,193
Outstanding number of loans	5,011

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

**Repayment Rate**

3.02%

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
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**Product Breakdown by Loan O/S**

At Closing

ILCRP %	27.5%
FCRP %	72.5%

At Calculation date for this report

30.0%
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	84
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)	575
Time from Possession to Sale (days)	429
Initial Valuation	175,000
Indexed Valuation (Initial Valuation + Hpi)	319,763
Sale Price (where available)	172,500
Gross Mortgage Outstandings	149,861
Shortfall	-
Loan Outstandings as a % of Sale Price	142%
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	240
Time to Sale (days where available - time from death/assessment to repayment)	986
Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)	49%
Shortfall as % of Mortgage Outstandings	17%

Properties in Possession	10
Reposessed	1
Sold	9
Number Carried Forward	1

Average Time from Possession to Sale	218
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

£101,220
62.2%
35.6%

Weighted Average Interest Rate

ILCRP  
FCRP

4.89% + LPI
7.66%

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% +

16,560,109
24,910,896
35,668,282
39,255,751
42,525,282
49,798,476
46,126,244
41,908,587
39,979,605
34,520,534
35,517,695
26,773,231
19,046,837
16,059,825
13,071,917
25,487,923

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% +

175,573,373
86,033,979
73,165,521
62,138,059
46,542,404
30,570,816
15,924,910
8,913,964
6,363,975
1,606,433
175,077
-
-
202,679
-
-

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).

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

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

3,508,549
44,024,543
141,088,717
172,862,528
101,261,919
33,683,914
10,644,660
136,363

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%	2,559,179	23,046,370	67,867,546	51,523,598	22,850,473	6,776,454	813,390	136,363
30 - 34.99%	848,263	9,570,745	36,911,524	23,394,420	12,070,288	2,588,929	649,810	
35 - 39.99%	101,107	9,771,968	9,632,805	40,948,895	9,136,867	3,471,909	101,971	
40 - 44.99%		1,026,369	18,269,275	24,010,661	16,678,819	2,099,576	53,361	
45 - 49.99%		545,902	7,409,162	15,235,928	18,712,853	4,225,374	413,186	
50 - 54.99%		63,190	755,202	15,163,984	6,189,892	8,234,613	163,936	
55 - 59.99%			243,203	1,275,407	9,770,538	1,680,307	2,955,455	
60 - 64.99%				692,035	4,808,250	1,582,411	2,031,269	
65 - 69.99%				617,601	742,776	2,632,396	2,371,202	
70 - 74.99%					501,163	391,946	713,325	
75 - 79.99%							175,077	
80 - 84.99%								
85 - 89.99%								
90 - 94.99%							202,679	
95 - 99.99%								
100% +								

Equity Release Funding (No.3) plc

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19-Jul-16

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
£145
£150,000
£145
£145
£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

-£535,780
£0
-£535,780

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)

£154,912
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**Replenishment Amount as recorded in Replenishment Ledger****Excess Available Receipts**

N/A - Swap Payments Remaining

**Years 2003 to 2028**

The greater of :-

N/A - Swap Payments Remaining

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)**

1.63%

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

0.95  
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  
£24,403,140  
£0  
£142,440  
£24,545,580

**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

Equity Release Funding (No.3) plc

Date of Issue

27-Jun-2003

Moody's Current Rating  
S&P Current Rating

**A1**  
N/A  
N/A

**A2**  
Aaa  
A-

**A3**  
Aaa  
A-

**B**  
Aa3  
BBB

Initial Note Balance  
Note Principal @ start of period  
Note Redemptions @ IPD  
Outstanding Note Principal

60,000,000.00	310,000,000.00	50,000,000.00	42,000,000.00
-	310,000,000.00	38,000,000.00	42,000,000.00
-	-	-	-
-	310,000,000.00	38,000,000.00	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 &	26th Apr & Oct or Next	26th Jan, Apr, Jul &
N/A	26-Oct-2016	26-Oct-2016	26-Oct-2016

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

-	3,899,986.00	-	-
			8,792,012
			428,400
			89,677
			9,310,089

B note swap deferred payments  
Brought Forward balance  
Net coupon deferred  
Interest  
Amount paid  
Carried forward balance

5,818,514  
438,626  
8,575  
-  
6,265,715

Present value of Swap Scheduled Fixed Payments  
Brought Forward balance  
Paid this quarter  
Carried forward balance

23,437,804  
2,900,000  
20,537,804