

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

19-Jan-17

Loans

£

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	508,865,290
Accrued Interest @ start of Calculation Period	330,504,512

Redemptions

Principal Balance of Loans redeemed in the immediately preceding Calculation period	2,737,381
Principal Balance of Loans redeemed by cause:-	
Death	1,593,220
Borrower enters Long Term Care	593,541
Voluntary Repayment	550,620
Move to Lower Value Property	-
Substitutions	-

Last Quarter

Since Inception

Number of Loans redeemed in the immediately preceding Calculation period	80
Number of Loans redeemed by cause:-	
Death	51
Borrower enters Long Term Care	14
Voluntary Repayment	15
Move to Lower Value Property	-
Substitutions	-

206,034,474
84,327,097
24,396,077
91,342,303
6,239,372
272,374
4,931
2,035
564
2,334
345
2

Redemption monies received	8,115,240
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382,362,451

Outstanding Balance of Loans

Outstanding Accrued Interest	334,755,788
Outstanding Gross Balance	510,379,185
Outstanding number of loans	4,842

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

Repayment Rate

2.79%

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
(v) 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%
FCRP %	72.5%

At Calculation date for this report

30.4%
69.6%

Weighted Average Age of Borrowers @ Closing Date

71

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

82

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)	Case 1
Time from Possession to Sale (days)	Total
Initial Valuation	388
Indexed Valuation (Initial Valuation + Hpi)	-
Sale Price (where available)	140,950
Gross Mortgage Outstandings	249,760
Shortfall	84,229
Loan Outstandings as a % of Sale Price	158,760
Claim Submitted to No Negative Equity	74,531
Claim Paid	188%
Claim O/S	N/A
	N/A

For all Mortgages repaid to the Calculation Date (NNEG or repossession)

Weighted Average:	52.2%
Sale Price as % of Indexed Valuation (Initial Valuation + Hpi) (where available)	21.1%
Shortfall as % of Mortgage Outstandings	

For all Mortgages repaid to the Calculation Date (all redemptions other than voluntary)

Weighted Average:	
Time to sale (Days)	239

Properties in possession (Total to Calculation date)

Repossessed this Quarter	10
Properties sold (Total to Calculation date)	-
Number Carried Forward	9
	1

Average Time from Possession to Sale

218

Possession cases average Shortfall at Sale (%)

11.1%

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

*LTV disclosures have been restated. See Notice (issued 3 March 2017) for further details.

Average Loan Outstanding
Weighted Average LTV
Weighted Average Indexed LTV

Restated
£105,407
70.7%
39.4%

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% +

Restated
4,980,825
6,994,078
10,764,630
14,645,079
25,994,726
40,769,621
53,203,511
53,448,679
54,346,002
47,716,290
45,067,978
46,315,801
28,673,258
23,954,047
15,397,781
38,403,870

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% +

Restated
91,674,502
98,901,821
93,942,073
87,164,366
59,783,223
41,172,275
17,619,938
10,780,395
7,031,970
1,397,349
700,912
-
210,362
-
-

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+

1,966,168
35,887,743
132,260,191
179,035,240
109,893,889
39,752,022
10,893,243
690,699

LTV Levels Breakdown (HPI Adjusted) vs Age Band Breakdown @ Calculation Date (Restated)

	Under 70	70-74	75-79	80-84	85-89	90-94	95-99	100+
0 - 29.99%								
30 - 34.99%	1,242,260	11,396,477	41,937,710	19,951,976	11,915,087	4,479,280	751,713	
35 - 39.99%	618,971	12,255,087	46,074,734	29,178,363	7,421,124	2,991,537	362,004	
40 - 44.99%	104,936	10,187,818	12,512,365	55,605,684	12,000,171	3,289,698	241,400	
45 - 49.99%		1,351,043	22,550,565	33,105,577	27,477,630	2,637,409	42,141	
50 - 54.99%		566,510	7,933,564	20,789,813	23,731,882	5,940,865	820,589	
55 - 59.99%		130,809	1,062,190	18,292,564	11,018,496	10,221,336	446,881	
60 - 64.99%			189,053	1,393,128	9,909,484	3,313,646	2,814,628	
65 - 69.99%				276,311	4,561,770	3,435,996	2,257,687	248,632
70 - 74.99%				441,824	1,076,576	3,243,392	2,270,178	
75 - 79.99%					402,990	198,864	353,427	442,067
80 - 84.99%					378,678		322,233	
85 - 89.99%								
90 - 94.99%							210,362	
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
£77
£150,000
£77
£77
£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
-£74,531
-£610,312

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)

£466,035

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)

1.54%

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

1.03

Class B Notes Required Ratio @ next IPD

1.11

Pass / Fail

FAIL

Subordinated Loan Ledger

Opening Balance on Closing Date

£14,000,000

Opening Balance at start of Quarter

£24,685,470

Payments this Quarter

£0

Interest Accrued this Quarter

£133,920

Closing Balance

£24,819,390

Indexation Ledger (April and Oct only)

Class A3 Note Interest Amount / principal due on next IPD (prior to adjustment)

£0

Limited Index Factor to be applied on next IPD

0.00

Class A3 Note Interest Amount / principal post adjustment due on next IPD

£0

Deferred Consideration released to Originator

Deferred Consideration paid to Originator prior to the date of this Quarterly Report date

£0

Deferred Consideration paid to Originator during the Quarter

£0

Total Deferred Consideration paid to Originator.

£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

A1

A2

A3

B

S&P Current Rating

N/A

Aaa

Aaa

Aaa

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

36,000,000.00

42,000,000.00

Note Redemptions @ IPD

-

-

-

-

Outstanding Note Principal

-

310,000,000.00

36,000,000.00

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
26th Jan, Apr, Jul & Oct or NextSemi Annually
26th Apr & Oct or Next Business
26-Apr-2017Quarterly
26th Jan, Apr, Jul &
26-Apr-2017

Interest Payment Date

N/A

26-Apr-2017

26-Apr-2017

26-Apr-2017

Pool Factor

-

Interest Amount paid this quarter

-

3,953,928.00

-

Deferred Amount at start of quarter

9,828,836

Interest Amount deferred / (paid) this quarter

412,860

Interest on Deferred amount this quarter

96,678

Deferred Amount at end of quarter

10,338,374

B note swap deferred payments

6,725,703

Brought Forward balance

463,428

Net coupon deferred

6,821

Interest

7,195,953

Amount paid

Carried forward balance

Present value of Swap Scheduled Fixed Payments

19,297,338

Brought Forward balance

3,700,000

Paid this quarter

15,597,338

Carried forward balance