

**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
24,336,077
91,342,303
6,239,372
272,374
4,931
2,035
564
2,334
345
2

Redemption monies received	8,115,240
----------------------------	-----------

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  
Possession cases average Shortfall at Sale (%)

218  
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

Average Loan Outstanding	£105,407
Weighted Average LTV	64.4%
Weighted Average Indexed LTV	36.1%

Weighted Average Interest Rate	4.89% + LPI
ILCRP	7.66%
FCRP	

#### LTV Levels Breakdown (based on original valuation using P+I at date of report)

0 - 29.99%	13,133,816
30 - 34.99%	20,510,829
35 - 39.99%	33,295,327
40 - 44.99%	37,715,903
45 - 49.99%	40,069,189
50 - 54.99%	43,796,279
55 - 59.99%	47,496,545
60 - 64.99%	43,572,906
65 - 69.99%	42,014,540
70 - 74.99%	35,108,389
75 - 79.99%	32,873,154
80 - 84.99%	33,642,302
85 - 89.99%	20,868,476
90 - 94.99%	19,387,061
95 - 99.99%	12,066,300
100% +	34,793,167

#### LTV Levels Breakdown (based on HPI adjusted valuation @ Calculation date)

0 - 30%	170,979,285
30 - 35%	87,106,442
35 - 40%	72,086,647
40 - 45%	65,495,829
45 - 50%	45,940,710
50 - 55%	33,138,401
55 - 60%	16,652,921
60 - 65%	10,596,359
65 - 70%	6,269,562
70 - 75%	1,342,092
75 - 80%	560,576
80 - 85%	-
85 - 90%	-
90 - 95%	210,362
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).

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

Under 70	1,966,168
70-74	35,887,743
75-79	132,260,181
80-84	179,035,240
85-89	109,893,889
90-94	39,752,022
95-99	10,893,243
100+	690,699

#### 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%	1,448,463	16,311,202	65,552,000	55,564,036	23,714,831	7,331,413	1,057,340	
30 - 34.99%	412,768	9,994,187	32,926,042	25,964,203	13,625,959	3,480,497	702,785	
35 - 39.99%	104,836	7,664,802	10,389,363	40,523,364	10,116,147	3,225,803	61,612	
40 - 44.99%		1,254,327	16,194,443	24,657,249	20,528,380	2,861,430		
45 - 49.99%		653,226	6,159,413	15,419,051	18,482,674	4,622,774	593,573	
50 - 54.99%			538,969	14,727,325	8,855,551	8,569,575	446,681	
55 - 59.99%			499,951	1,461,258	8,792,407	3,226,884	2,672,422	
60 - 64.99%				718,135	3,819,696	3,311,874	2,398,023	248,632
65 - 69.99%					1,076,576	2,922,808	2,270,178	
70 - 74.99%					402,990	198,864	298,170	442,067
75 - 79.99%					378,678		181,897	
80 - 84.99%								
85 - 89.99%								
90 - 94.99%							210,362	
95 - 99.99%								
100% +								

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

19-Jan-17

#### Liquidity Facility Ledger

Initial Balance	Barclays
Last Quarter Closing Outstanding	£0
Available @ next Interest Payment Date	£140,000,000
Amount to be drawn at next Interest Payment Date	£0

Citibank	£0
	£0
	£45,000,000
	£0

#### Liquidity Reserve Fund Ledger

Initial Balance on Closing Date	£35,000,000
Outstanding as at the date of this Quarterly Report	£150,000
Accrued Interest to immediately succeeding interest payment date	£77
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£77
Amount to be drawn at next IPD	£77
Closing balance	£150,000

#### Deficiency Ledger

Opening Balance	-£535,780
Losses this Quarter	-£74,531
Closing Balance	-£610,312

#### Optional Guarantee Ledger

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)

£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  
(v) 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

N/A

S&amp;P Current Rating

N/A

A2

Aaa

A-

A3

Aaa

A-

B

Aa3

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

Next 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

-