

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

19-Jul-17

**Loans**

£

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	508,023,907
Accrued Interest @ start of Calculation Period	336,299,685

**Last Quarter**

<b>Redemptions</b>	
Principal Balance of Loans redeemed in the immediately preceding Calculation period	4,899,384
Principal Balance of Loans redeemed by cause:-	
Death	3,103,403
Borrower enters Long Term Care	728,715
Voluntary Repayment	1,067,266
Move to Lower Value Property	-
Substitutions	-

**Since Inception**

214,833,033
90,101,493
23,559,847
93,139,269
6,304,799
272,374

Number of Loans redeemed in the immediately preceding Calculation period	105
Number of Loans redeemed by cause:-	
Death	55
Borrower enters Long Term Care	19
Voluntary Repayment	31
Move to Lower Value Property	-
Substitutions	-

5,134
2,160
595
2,381
348
2

Redemption monies received	15,173,834
----------------------------	------------

409,353,770
-------------

<b>Outstanding Balance of Loans</b>	
Outstanding Accrued Interest	337,434,144
Outstanding Gross Balance	504,258,982
Outstanding number of loans	4,639

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

<b>Repayment Rate</b>	2.98%
-----------------------	-------

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

31.0%
69.0%

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	83
Joint Borrowers by Age of Younger	82

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

Time to Sale (days where available - time from death/assessment to repayment)	<b>Case 1</b>
Time from Possession to Sale (days)	369
Initial Valuation	-
Indexed Valuation (Initial Valuation + Halifax HPI)	60,000
Sale Price (where available)	106,851
Gross Mortgage Outstandings	66,540
Shortfall	74,788
Loan Outstandings as a % of Sale Price	8,248
Claim Submitted to No Negative Equity	112%
Claim Paid	N/A
Claim O/S	N/A

Time to Sale (days where available - time from death/assessment to repayment)	<b>Case 2</b>
Time from Possession to Sale (days)	476
Initial Valuation	550,000
Indexed Valuation (Initial Valuation + Hpi)	998,133
Sale Price (where available)	632,182
Gross Mortgage Outstandings	710,241
Shortfall	78,059
Loan Outstandings as a % of Sale Price	112%
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 (NNEG or repossession)**

<b>Weighted Average:</b>	
Sale Price as % of Indexed Valuation (Initial Valuation + Halifax HPI) (where available)	58.3%
Shortfall as % of Mortgage Outstandings	16.1%

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

<b>Weighted Average:</b>	
Time to sale (Days)	247

**Properties in possession (Total to Calculation date)**

Reposessed this Quarter	12
Properties sold (Total to Calculation date)	1
Number Carried Forward	10
	2

Average Time from Possession to Sale

219
-----

Possession cases average Shortfall at Sale (%)

5.6%
------

**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	£108,700
Weighted Average LTV	72.9%
Weighted Average Indexed (Halifax) LTV	40.3%

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%	3,440,060
30 - 34.99%	6,218,112
35 - 39.99%	9,616,620
40 - 44.99%	13,445,447
45 - 49.99%	23,044,239
50 - 54.99%	31,850,950
55 - 59.99%	44,846,448
60 - 64.99%	53,230,289
65 - 69.99%	52,050,445
70 - 74.99%	50,389,701
75 - 79.99%	44,322,524
80 - 84.99%	41,355,054
85 - 89.99%	39,551,362
90 - 94.99%	25,395,380
95 - 99.99%	18,892,958
100% +	46,549,413

LTV Levels Breakdown (based on Halifax HPI adjusted valuation @ Calculation date)	
0 - 30%	78,867,323
30 - 35%	95,133,052
35 - 40%	89,176,950
40 - 45%	88,436,565
45 - 50%	63,684,869
50 - 55%	43,687,222
55 - 60%	22,086,389
60 - 65%	10,285,028
65 - 70%	6,698,212
70 - 75%	4,588,536
75 - 80%	998,654
80 - 85%	396,178
85 - 90%	-
90 - 95%	-
95 - 100%	220,004
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	1,022,943
70-74	28,579,017
75-79	122,785,997
80-84	183,848,437
85-89	115,467,769
90-94	44,583,430
95-99	7,104,485
100+	866,903

LTV Levels Breakdown (Halifax 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%	296,450	5,521,800	37,062,566	18,533,279	11,820,953	4,806,177	826,098	
30 - 34.99%	619,151	10,794,205	41,609,431	30,935,016	7,794,621	3,191,786	188,842	
35 - 39.99%	107,342	10,207,843	12,690,899	54,403,347	9,113,972	2,291,906	361,640	
40 - 44.99%		1,183,103	18,754,631	34,935,979	29,699,576	3,522,615	194,272	146,389
45 - 49.99%		735,198	10,757,432	18,662,544	26,683,414	6,222,041	624,239	
50 - 54.99%			1,048,796	19,962,567	10,962,935	11,187,543	525,380	
55 - 59.99%		136,867	785,625	5,384,216	10,296,868	4,627,129	855,684	
60 - 64.99%			76,617	356,249	6,362,693	1,959,216	1,272,174	258,079
65 - 69.99%				482,544	1,185,298	4,026,249	1,004,120	
70 - 74.99%				192,696	1,314,870	2,352,590	265,944	462,435
75 - 79.99%					232,567		766,087	
80 - 84.99%						396,178		
85 - 89.99%								
90 - 94.99%								
95 - 99.99%							220,004	
100% +								

Equity Release Funding (No.3) plc	19-Jul-17
Report for the immediately preceding interest period	

Liquidity Facility Ledger		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

Citibank	
	£0
	£0
	£45,000,000
	£0

Liquidity Reserve Fund Ledger		£35,000,000
Initial Balance on Closing Date		£150,000
Outstanding as at the date of this Quarterly Report		£47
Accrued Interest to immediately succeeding interest payment date		
Less Mortgage Registration Reserve		£150,000
Available Liquidity Reserve Fund		£47
Amount to be drawn at next IPD		£47
Closing balance		£150,000

Deficiency Ledger		-£632,898
Opening Balance		-£86,307
Losses this Quarter		-£719,204
Closing Balance		

Optional Guarantee Ledger		£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	£241,594
Priority of Payments (Excess Available Receipts)	

**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)**

1.57%

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

1.04

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

£24,948,730

Payments this Quarter

£0

Interest Accrued this Quarter

£129,040

Closing Balance

£25,077,770

**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&amp;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

34,000,000.00

42,000,000.00

Note Redemptions @ IPD

-

-

-

-

Outstanding Note Principal

-

310,000,000.00

34,000,000.00

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 or Next Business Day

26th Apr &amp; Oct or Next Business Day

26th Jan, Apr, Jul &amp; Oct or Next Business Day

Next Interest Payment Date

N/A

26-Oct-2017

26-Oct-2017

26-Oct-2017

Pool Factor

-

Interest Amount paid this quarter

-

3,900,172.00

-

-

Deferred Amount at start of quarter

-

-

-

10,837,119

Interest Amount deferred / (paid) this quarter

-

-

-

400,680

Interest on Deferred amount this quarter

-

-

-

103,333

Deferred Amount at end of quarter

-

-

-

11,341,131

B note swap deferred payments

-

-

-

7,659,793

Brought Forward balance

-

-

-

466,546

Net coupon deferred

-

-

-

6,197

Interest

-

-

-

-

Amount paid

-

-

-

8,132,535

Carried forward balance

-

-

-

-

Present value of Swap Scheduled Fixed Payments

-

-

-

12,622,850

Brought Forward balance

-

-

-

11,300,000

Paid this quarter

-

-

-

1,322,850

Carried forward balance

-

-

-

-