

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

19-Jan-18

Loans

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Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	500,004,712
Accrued Interest @ start of Calculation Period	337,749,838

	Last Quarter	Since Inception
Redemptions		
Principal Balance of Loans redeemed in the immediately preceding Calculation period	2,582,849	221,985,846
Principal Balance of Loans redeemed by cause:-		
Death	1,450,442	93,348,798
Borrower enters Long Term Care	523,686	27,434,144
Voluntary Repayment	570,814	95,119,206
Move to Lower Value Property	37,907	6,356,072
Substitutions	-	272,374
Number of Loans redeemed in the immediately preceding Calculation period	71	5,304
Number of Loans redeemed by cause:-		
Death	45	2,253
Borrower enters Long Term Care	14	628
Voluntary Repayment	12	2,425
Move to Lower Value Property	3	354
Substitutions	-	2

Redemption monies received	8,598,115	432,983,191
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Outstanding Balance of Loans	
Outstanding Accrued Interest	341,949,607
Outstanding Gross Balance	501,621,633
Outstanding number of loans	4,469

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

Repayment Rate	2.87%
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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

Product Breakdown by Loan O/S	At Closing	At Calculation date for this report
ILCRP %	27.5%	31.4%
FCRP %	72.5%	68.6%

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	83
Joint Borrowers by Age of Younger	82

	Case 1	ERF3	Aviva UKER
	Total	Original Loan	Additional Loan
Time to Sale (days where available - time from death/assessment to repayment)	421		
Time from Possession to Sale (days)	200		
Initial Valuation	140,000		
Indexed Valuation (Initial Valuation + Halifax HPI)	161,118		
Sale Price (where available)	77,888	77,888	-
Gross Mortgage Outstandings	100,250	80,113	20,137
Shortfall	22,362	2,224	20,137
Loan Outstandings as a % of Sale Price	129%		
Claim Submitted to No Negative Equity	Yes		
Claim Paid	Yes		
Claim O/S	N/A		
Case 2			
Time to Sale (days where available - time from death/assessment to repayment)	-		
Time from Possession to Sale (days)	-		
Initial Valuation	185,000		
Indexed Valuation (Initial Valuation + Hpi)	235,166		
Sale Price (where available)	133,334	133,334	-
Gross Mortgage Outstandings	147,048	147,048	-
Shortfall	13,714	13,714	-
Loan Outstandings as a % of Sale Price	110%		
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)	
Weighted Average:	
Sale Price as % of Indexed Valuation (Initial Valuation + Halifax HPI) (where available)	55.9%
Shortfall as % of Mortgage Outstandings	16.5%

For all Mortgages repaid to the Calculation Date (all redemptions other than voluntary)	
Weighted Average:	
Time to sale (Days)	250

Properties in possession (Total to Calculation date)	16
Repossessed this Quarter	2
Properties sold (Total to Calculation date)	11
Number Carried Forward	5

Average Time from Possession to Sale	218
Possession cases average Shortfall at Sale (%)	6.8%

Insurance	
No Negative Equity Claims made total	1
Claims Paid	1
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	14

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	£112,245
Weighted Average LTV	75.4%
Weighted Average Indexed (Halifax) LTV	40.6%

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%	2,668,311
30 - 34.99%	5,412,998
35 - 39.99%	8,573,029
40 - 44.99%	11,577,431
45 - 49.99%	15,838,919
50 - 54.99%	28,381,340
55 - 59.99%	40,708,616
60 - 64.99%	48,197,079
65 - 69.99%	50,523,726
70 - 74.99%	47,775,170
75 - 79.99%	48,544,305
80 - 84.99%	38,483,503
85 - 89.99%	42,914,570
90 - 94.99%	30,072,403
95 - 99.99%	24,986,988
100% +	56,963,245

LTV Levels Breakdown (based on Halifax HPI adjusted valuation @ Calculation date)	
0 - 30%	76,280,941
30 - 35%	94,890,590
35 - 40%	88,426,529
40 - 45%	88,804,284
45 - 50%	60,028,990
50 - 55%	46,364,547
55 - 60%	23,859,806
60 - 65%	10,276,031
65 - 70%	6,677,586
70 - 75%	3,724,870
75 - 80%	1,449,170
80 - 85%	608,859
85 - 90%	-
90 - 95%	-
95 - 100%	229,430
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	175,645
70-74	22,315,288
75-79	112,082,302
80-84	181,310,550
85-89	131,254,235
90-94	46,533,269
95-99	7,200,439
100+	749,906

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%		3,031,167	35,286,494	18,691,861	13,285,746	5,101,922	883,750	
30 - 34.99%	175,645	9,302,110	37,889,149	35,511,622	8,690,575	2,985,004	336,486	
35 - 39.99%		8,435,087	11,389,738	55,005,971	10,479,452	2,740,953	375,330	
40 - 44.99%		868,358	17,005,546	27,784,569	38,816,658	4,063,238	265,914	
45 - 49.99%		443,353	8,644,417	18,241,034	26,038,440	5,872,613	789,133	
50 - 54.99%		235,213	1,123,562	19,684,206	13,129,956	11,669,148	522,463	
55 - 59.99%			663,618	5,597,026	11,400,656	5,378,165	820,341	
60 - 64.99%			79,778	371,365	6,792,736	1,844,046	920,106	268,000
65 - 69.99%				222,063	1,007,054	4,405,919	1,042,551	
70 - 74.99%				200,833	705,677	2,059,469	276,985	481,906
75 - 79.99%					907,287		541,882	
80 - 84.99%						412,792	196,067	
85 - 89.99%								
90 - 94.99%								
95 - 99.99%							229,430	
100% +								

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	Barclays	Citibank
Liquidity Facility Ledger		
Initial Balance	£0	£0
Last Quarter Closing Outstanding	£0	£0
Available @ next Interest Payment Date	£140,000,000	£45,000,000
Amount to be drawn at next Interest Payment Date	£0	£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	£84
Less Mortgage Registration Reserve	£150,000
Available Liquidity Reserve Fund	£84
Amount to be drawn at next IPD	£84
Closing balance	£150,000

Deficiency Ledger	
Opening Balance	-£759,625
Losses this Quarter	-£13,718
Closing Balance	-£773,343

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)	£8,528,984
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Replenishment Amount as recorded in Replenishment Ledger

Years 2003 to 2028
The greater of :- £8,400,000

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) 1.50%

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 1.08
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 £25,206,540
Payments this Quarter £0
Interest Accrued this Quarter £138,020
Closing Balance £25,344,560

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

	A1	A2	A3	B
Moody's Current Rating	N/A	Aaa	Aaa	Aa3
S&P Current Rating	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	32,000,000.00	42,000,000.00
Note Redemptions @ IPD	-	-	-	-
Outstanding Note Principal	-	310,000,000.00	32,000,000.00	42,000,000.00

	LIBOR + 0.52%	Fixed Rate (5.05%)	Fixed Rate (2.45%)	LIBOR + 1.4%
Note Interest Margins	N/A	N/A	N/A	IPD Apr 2010
Step Up Dates	N/A	N/A	N/A	LIBOR + 3.5%
Step Up Rate	N/A	N/A	N/A	-

	N/A Quarterly	Semi Annually	Quarterly
Interest Payment Cycle	26th Jan, Apr, Jul & Oct or Next Business Day	26th Apr & Oct or Next Business Day	26th Jan, Apr, Jul & Oct or Next Business Day
Interest Payment Date	N/A	N/A	N/A
Next Interest Payment Date	N/A	26-Apr-2018	26-Apr-2018

Pool Factor -

Interest Amount paid this quarter	-	3,953,461.00	-	-
Deferred Amount at start of quarter				11,850,070
Interest Amount deferred / (paid) this quarter				414,960
Interest on Deferred amount this quarter				117,157
Deferred Amount at end of quarter				12,382,187

B note swap deferred payments				8,614,050
Brought Forward balance				461,309
Net coupon deferred				9,171
Interest				-
Amount paid				-
Carried forward balance				9,084,530

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