

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

19-Oct-18

Loans

£

Outstanding Balance of Loans at Closing Date	404,247,009
Outstanding Balance of Loans @ start of this Quarter	502,688,432
Accrued Interest @ start of Calculation Period	348,599,080

Last Quarter

Since Inception

Redemptions

Principal Balance of Loans redeemed in the immediately preceding Calculation period

Principal Balance of Loans redeemed by cause:-

Death

Borrower enters Long Term Care

Voluntary Repayment

Move to Lower Value Property

Substitutions

Number of Loans redeemed in the immediately preceding Calculation period

Number of Loans redeemed by cause:-

Death

Borrower enters Long Term Care

Voluntary Repayment

Move to Lower Value Property

Substitutions

Redemption monies received

Outstanding Balance of Loans

Outstanding Accrued Interest

Outstanding Gross Balance

Outstanding number of loans

Equivalent Value Test this Calculation Period :-

S&P model this Calculation Period :-

Repayment Rate

The 'Repayments Rate' is the (annualised value of the ratio

expressed as a percentage) calculated by dividing:-

(iv) 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

Substituted to date as a % of aggregate Outstanding Balance of the Loans @ Closing Date

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)

Weighted Averaged CIC Rate

Product Breakdown by Loan O/S

ILCRP %

FCRP %

Weighted Average Age of Borrowers @ Closing Date

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

Age of Borrowers:-

Single Female

Single Male

Joint Borrowers by Age of Younger

Properties Sold / repayments (case by case):-

Time to Sale (days where available - time from death/assessment to repayment)

Time from Possession to Sale (days)

Initial Valuation

Indexed Valuation (Initial Valuation + Halifax HPI)

Sale Price (where available)

Gross Mortgage Outstandings

Shortfall

Loan Outstandings as a % of Sale Price

Claim Submitted to No Negative Equity

Claim Paid

Claim O/S

Time to Sale (days where available - time from death/assessment to repayment)

Time from Possession to Sale (days)

Initial Valuation

Indexed Valuation (Initial Valuation + Hpi)

Sale Price (where available)

Gross Mortgage Outstandings

Shortfall

Loan Outstandings as a % of Sale Price

Claim Submitted to No Negative Equity

Claim Paid

Claim O/S

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)

Shortfall as % of Mortgage Outstandings

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

Weighted Average:

Time to sale (Days)

Properties in possession (Total to Calculation date)

Reposessed this Quarter

Properties sold (Total to Calculation date)

Number Carried Forward

Average Time from Possession to Sale

Possession cases average Shortfall at Sale (%)

Principal Balance of Loans redeemed in the immediately preceding Calculation period	3,692,847	231,261,911
Principal Balance of Loans redeemed by cause:-		
Death	2,601,759	99,642,348
Borrower enters Long Term Care	411,730	28,650,289
Voluntary Repayment	510,000	96,648,456
Move to Lower Value Property	169,359	6,583,192
Substitutions	-	272,374
Number of Loans redeemed in the immediately preceding Calculation period	94	5,550
Number of Loans redeemed by cause:-		
Death	64	2,415
Borrower enters Long Term Care	12	664
Voluntary Repayment	18	2,473
Move to Lower Value Property	2	359
Substitutions	-	2
Redemption monies received	12,273,054	463,487,115

Outstanding Accrued Interest	349,747,832
Outstanding Gross Balance	500,144,296
Outstanding number of loans	4,223
Equivalent Value Test this Calculation Period :-	N/A
S&P model this Calculation Period :-	N/A

Repayment Rate	2.96%
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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%

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
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Weighted Averaged CIC 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%

Weighted Average Age of Borrowers @ Closing Date	71
Weighted Average Age of borrowers - at Calculation date for this Quarterly report	83

Age of Borrowers:-	
Single Female	85
Single Male	83
Joint Borrowers by Age of Younger	83

Case 1	ERF3	Aviva UKER
Total	Original Loan	Additional Loan
784		
402		
163,450		
239,047		
119,905	119,905	-
247,560	247,560	-
127,655	127,655	-
206%		
N/A		
N/A		
N/A		

Case 2	ERF3	Aviva UKER
Total	Original Loan	Additional Loan
358		
195,000		
355,580		
235,246	235,246	-
297,520	260,313	37,207
62,274	25,067	37,207
126%		
N/A		
N/A		
N/A		

Weighted Average:	55.8%
Shortfall as % of Mortgage Outstandings	17.5%

Weighted Average:	248
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Properties in possession (Total to Calculation date)	20
Reposessed this Quarter	2
Properties sold (Total to Calculation date)	14
Number Carried Forward	6

Average Time from Possession to Sale	229
Possession cases average Shortfall at Sale (%)	13.6%

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

Weighted Average LTV

Weighted Average Indexed (Halifax) LTV

£118,433
79.4%
42.6%

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% +

2,092,337
4,816,657
6,750,565
9,212,215
11,802,183
23,638,604
26,686,825
43,530,195
46,042,130
46,285,888
49,566,851
43,319,013
34,522,997
40,390,785
28,847,432
82,640,711

LTV Levels Breakdown (based on Halifax 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% +

58,186,178
75,956,648
82,091,534
86,480,395
67,693,152
54,963,561
30,508,150
16,979,868
8,852,205
4,212,746
2,989,034
892,789
436,136
-
-

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+

186,272
16,281,969
99,637,642
181,826,494
142,742,851
48,423,826
8,067,502
997,841

LTV Levels Breakdown (Halifax 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%		1,781,539	29,361,715	15,504,712	12,262,215	4,603,279	672,719	
30 - 34.99%	186,272	6,481,688	34,588,454	23,470,655	8,244,950	2,453,582	531,047	
35 - 39.99%		6,209,914	11,810,096	58,686,610	12,102,870	2,657,930	624,114	
40 - 44.99%		1,105,018	15,955,374	29,690,116	36,216,953	2,613,706	899,228	
45 - 49.99%		462,203	11,461,791	16,674,141	33,154,613	4,969,491	970,913	
50 - 54.99%		221,607	1,068,545	25,274,426	14,032,005	13,236,634	1,030,285	
55 - 59.99%			881,729	10,806,704	11,122,593	6,996,849	696,275	
60 - 64.99%			509,937	947,700	10,556,689	2,708,441	1,571,571	283,531
65 - 69.99%				320,777	3,879,258	3,546,080	903,045	203,044
70 - 74.99%				235,651		3,880,932	96,163	
75 - 79.99%				213,001	511,336	1,318,706	434,724	511,266
80 - 84.99%					257,370		635,419	
85 - 89.99%						498,136		
90 - 94.99%								
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
	£226
	£150,000
	£226
	£226
	£150,000
	£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

	£895,228
	£152,723
	£1,047,950

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)

	£753,564
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Replenishment Amount as recorded in Replenishment Ledger

Years 2003 to 2028

The greater of :-

	£600,000
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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
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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)

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.

	1.52%
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Class B Notes Payment Test

Asset / Liability Ratio @ next IPD
Class B Notes Required Ratio @ next IPD

	1.11
	1.11

Pass / Fail

	PASS
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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
	£25,646,300
	£0
	£164,630
	£25,810,930

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

	£368,500
	1.04
	£573,000

Deferred Consideration released to Originator

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

Moodys Current Rating

A1

A2

A3

B

S&P Current Rating

N/A

Aaa

A

Aaa

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	30,000,000.00	42,000,000.00
-	-	2,500,000.00	-
-	310,000,000.00	27,500,000.00	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

N/A	Quarterly	Semi Annually	Quarterly
N/A	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
N/A	28-Jan-2019	28-Apr-2019	28-Jan-2019

Interest Payment Date

Next Interest Payment Date

Pool Factor

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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

-	3,943,231	573,000	5,196,742
			13,505,451
			4,688,697
			93,080
			8,909,834

B note swap deferred payments

Brought Forward balance

Net coupon deferred

Interest

Amount paid

Carried forward balance

	9,975,869
	421,679
	20,045
	10,417,592

Present value of Swap Scheduled Fixed Payments

Brought Forward balance

Paid this quarter

Carried forward balance

	-
	-
	-

* Interest Amount deferred / (paid) this quarter is made up of: Normal and step up interest accrued in quarter
Interest on accumulated normal interest accrued in quarter
Accumulated normal interest paid

454,860
53,186
5,196,742
4,688,697