

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of

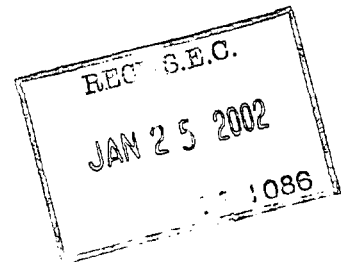
Securities Exchange Act of 1934

For the month of January 2002

HOLMES FINANCING (No 3) PLC
 HOLMES FUNDING LIMITED
 HOLMES TRUSTEES LIMITED

(Translation of registrant's name into English)

Abbey House, Baker Street
 London NW1 6XL, England
 (Address of principal executive offices)



PROCESSED

JAN 29 2002

THOMSON
 FINANCIAL

Indicate by check mark whether the registrant files or will file annual reports under cover
 Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark whether the registrant by furnishing the information contained in this
 Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under
 the Securities Exchange Act of 1934.

Yes ☐ No ☒

W/gh

Holmes Financing No 3 plc
Periodic Report re Holmes Trustees Limited and Holmes Funding Limited
For Period 11th December 2001 to 8th January 2002

All values are in thousands of pounds sterling unless otherwise stated

Mortgage Asset Analysis

Analysis of Mortgage Trust Movements

	Current Period	
	Number	£000's
Brought Forward	285,724	17,887,313
Replenishment	7,138	511,511
Repurchased	(1,958)	(148,062)
Redemptions	(5,218)	(296,382)
Other Movements	0	26
Carried Forward	285,696	17,954,206

	Cumulative	
	Number	£000's
Brought Forward	115,191	6,399,214
Replenishment	249,853	16,780,490
Repurchased	(33,377)	(2,184,138)
Redemptions	(45,971)	(3,041,385)
Other Movements	0	26
Carried Forward	285,696	17,954,206

Annualised 1 Month CPR

Annualised 3 Month CPR

Annualised 12 Month CPR

33.38%	** (including redemptions and repurchases)
41.84%	
25.13%	

-- The annualised CPR's are expressed as a percentage of the outstanding balance at the end of the period

Asset Profiles

Weighted Average Seasoning

Weighted Average Loan size

Weighted Average LTV

Weighted Average Remaining Term

37	--- (see below)
£82,843.74	
79.09%	
19.32 years	

Product Type Analysis

Variable Rate

Fixed Rate

Tracker Rate

Flexible Mortgages

£000's	%
11,937,752	66.49%
6,018,454	33.51%
0	0.00%
0	0.00%
17,954,206	100.00%

Mortgage Standard Variable Rate

Effective Date	Rate
01 September 2001	8.75%
01 November 2001	8.50%
01 December 2001	6.10%

Geographic Analysis

Region	Number	£000's	%
East Anglia	11,100	613,547	3.42%
East Midlands	15,187	796,871	4.44%
Greater London	55,158	4,307,104	23.99%
North West	13,143	809,439	3.39%
North	33,747	1,672,888	9.32%
South East	81,247	5,958,504	33.19%
South West	22,847	1,345,175	7.49%
Wales	14,294	689,170	3.73%
West Midlands	18,870	1,027,108	5.72%
Yorkshire and Humberside	20,194	945,083	5.28%
Unknown	128	8,311	0.05%
Total	285,696	17,954,206	100.00%

Abbey National has reallocated a number of Post Codes to different Geographical regions from those used in the prospectus and therefore some minor changes to distribution may be seen.

Holmes Funding No 3 plc
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Original LTV Bands

Range	Number	£000's	%
0.00 - 25.00	3,760	149,089	0.83%
25.01 - 50.00	27,052	1,372,865	7.85%
50.01 - 75.00	59,683	4,835,391	28.82%
75.01 - 80.00	14,889	1,036,143	5.77%
80.01 - 85.00	19,008	1,381,199	7.58%
85.01 - 90.00	42,403	3,128,275	17.41%
90.01 - 95.00	108,621	8,273,446	34.94%
Total	285,898	17,954,206	100.00%

--- The balance is the current outstanding balance on the account including accrued interest. The LTV is that at origination and excludes any capitalised high loan to value fees, valuation fees or booking fees.

Arrears

Band	Number	Principal	Overdue	%
Current	279,820	17,834,182	(1,863)	98.23%
1.00 - 1.99 months	4,002	221,072	1,674	1.23%
2.00 - 2.99 months	870	46,996	880	0.28%
3.00 - 3.99 months	387	20,301	425	0.11%
4.00 - 4.99 months	102	9,553	269	0.05%
5.00 - 5.99 months	139	6,999	232	0.04%
6.00 - 11.99 months	232	10,416	506	0.06%
12 months and over	27	1,135	134	0.01%
Properties in Possession	27	1,381	114	0.01%
Total	285,898	17,952,035	2,171	100.00%

Definition of Arrears

This arrears multiplier is calculated as the arrears amount (which is the difference between the expected monthly repayments and the amount that has actually been paid, i.e. a total of under and/or over payments) divided by the monthly amount repayable. It is recalculated every time the arrears amount changes, i.e. on the date when a payment is due.

Shares of Trust Unit Distribution Date (8th January 2002)

	£000's	%
Funding Share	11,973,518	66.68920%
Seller Share	5,980,890	33.31080%
	17,954,206	100.00000%

Minimum Seller Share	718,008	4.00%
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Cash Accumulation Ladder

	£000's
Brought Forward	0
Additional Amounts Accumulated	0
Payment of Notes	0
Carried Forward	0

Excess Spread

Quarter to 16/10/2001	0.4621%
Quarter to 16/7/2001	0.8850%
Quarter to 16/4/2001	0.8645%

Holmes Financing No 3 plc
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Reserve Funds

Balance as at 15/10/2001
 Percentage of Notes

First Reserve	Second Reserve
£127,075,847.00	£19,000,000.00
1.06%	0.16%

Properties in PossessionStock

Brought Forward
 Repossessed in Period
 Sold in Period
 Carried Forward

Current Period	
Number	£000's
20	1,453
2	195
(4)	(143)
27	1,495

Repossession to date
 Sold to date
 Carried Forward

Cumulative	
Number	£000's
72	3,441
(45)	(1,946)
27	1,495

Repossession Sales Information

Average time Possession to Sale
 Average arrears at time of Sale

79 Days
£4,526.00

MIG Claim Status

MIG Claims made
 MIG Claims outstanding

Number	£000's
30	225
0	0

Average time claim to payment

23 days

Trigger Events

There has been no debit to the AAA Principal Deficiency Ledger
 The Seller has not suffered an Insolvency Event
 The Seller is still the Servicer
 The Outstanding Principal balance is in excess of £16 billion

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HOLMES FINANCING (No 3) PLC

Dated 25th January, 2002

By 

P J Lott (Authorised Signatory)