

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

RECD S.E.C.

AUG 22 2002

1086

Report of Foreign Issuer

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

Securities Exchange Act of 1934

For the month of August 2002

- 1- HOLMES FINANCING (No 3) PLC
2- HOLMES FUNDING LIMITED
3- HOLMES TRUSTEES LIMITED

(Translation of registrant's name into English)

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



02051520

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 ... X ... 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 ... X ...

PROCESSED

AUG 26 2002

P THOMSON
FINANCIAL

Holmes Financing No 3 plcPeriodic Report to Holmes Trustees Limited and Holmes Funding Limited
For Period 09 July 2002 to 08 August 2002

All values are in thousands of pounds sterling unless otherwise stated

Mortgage Asset AnalysisAnalysis of Mortgage Trust Movements

	Current Period	
	Number	£000's
Brought Forward	285,472	17,798,008
Replenishment	18,327	1,009,884
Repurchased	(5,788)	(412,180)
Redemptions	(7,545)	(597,936)
Losses	(17)	(58)
Other Movements	0	102,825
Carried Forward	287,441	17,897,520

	Cumulative	
	Number	£000's
Brought Forward	115,191	6,399,214
Replenishment	324,874	21,999,488
Repurchased	(66,054)	(4,575,782)
Redemptions	(85,667)	(8,027,805)
Losses	(103)	(310)
Other Movements	0	102,825
Carried Forward	287,441	17,897,520

Annualised 1 Month CPR
 Annualised 3 Month CPR
 Annualised 12 Month CPR

80.88%	**(including redemptions and repurchases)
73.85%	
44.27%	

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

Asset Profiles

Weighted Average Seasoning	40.25	*** (see below)
Weighted Average Loan size	£62,265.02	
Weighted Average LTV	78.31%	
Weighted Average Remaining Term	19.04	

Product Type Analysis

	£000's	%
Variable Rate	12,426,248	68.43%
Fixed Rate	5,471,272	30.57%
Tracker Rate	0	0.00%
Flexible Mortgages	0	0.00%
	17,897,520	100.00%

Mortgage Standard Variable Rate

Effective Date	Rate
01 December 2001	6.10%

Holmes Finance No 3 plcPeriodic Report to Holmes Trustees Limited and Holmes Funding Limited
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Geographic Analysis

Region	Number	£000's	%
East Anglia	11,127	816,722	3.45%
East Midlands	15,440	802,310	4.48%
Greater London	53,611	4,199,039	23.46%
North West	38,139	1,720,817	9.61%
North	13,811	625,036	3.49%
South East	78,258	5,716,419	31.94%
South West	22,820	1,347,144	7.53%
Wales	15,073	689,194	3.91%
West Midlands	19,518	1,044,672	5.84%
Yorkshire and Humberside	20,390	944,918	5.28%
Unknown	2,855	181,246	1.01%
Total	287,441	17,897,520	100.00%

Original LTV Bands

Range	Number	£000's	%
0.00 - 25.00	4,165	165,178	0.92%
25.01 - 50.00	27,789	1,403,839	7.84%
50.01 - 75.00	69,403	4,571,448	25.54%
75.01 - 80.00	14,752	1,018,156	5.69%
80.01 - 85.00	18,770	1,321,537	7.38%
85.01 - 90.00	41,070	2,986,265	16.69%
90.01 - 95.00	111,488	6,431,305	35.93%
Total	287,441	17,897,520	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	279,833	17,467,953	(2,902)	97.81%
1.00 - 1.99 months	5,059	282,537	2,227	1.58%
2.00 - 2.99 months	1,133	66,826	968	0.37%
3.00 - 3.99 months	543	30,531	640	0.17%
4.00 - 4.99 months	325	18,306	482	0.10%
5.00 - 5.99 months	170	9,978	330	0.05%
6.00 - 11.99 months	309	16,057	749	0.09%
12 months and over	30	1,258	114	0.01%
Properties in Possession	38	1,339	116	0.01%
Total	287,441	17,894,785	2,735	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.

Holmes Finance No 3 plc

Periodic Report re Holmes Trustees Limited and Holmes Funding Limited For Period 09 July 2002 to 08 August 2002

All values are in thousands of pounds sterling unless otherwise stated

Shares of Trust last Distribution Date (08 August 2002)

	£000's	%
Funding Share	10,505,051	58.70116%
Seller Share	7,391,468	41.29884%
	17,897,520	100.00000%

Minimum Seller Share	715,743	4.00%
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Cash Accumulation Ledger

	£000's
Brought Forward	1,055,161
Additional Amounts Accumulated	412,484
Payment of Notes	(1,055,000)
Carried Forward	412,655

Excess Spread

Quarter to 15/7/2002	0.5891%
Quarter to 15/4/2002	0.5414%
Quarter to 15/1/2002	0.5487%
Quarter to 18/10/2001	0.4621%

Reserve Funds

	First Reserve	Second Reserve
Balance as at 15/7/2002	£185,000,000.00	£30,059,989.34
Required Amount as at 15/7/2002	£185,000,000.00	£79,825,687.00
Percentage of Notes	1.75%	0.28%

Properties in Possession

Stock

	Current Period	
	Number	£000's
Brought Forward	43	1,539
Reposessed in Period	19	848
Sold in Period	(17)	(932)
Carried Forward	39	1,455

	Cumulative	
	Number	£000's
Reposessed to date	183	7,483
Sold to date	(124)	(8,028)
Carried Forward	39	1,455

Repossession Sales Information

Average time Possession to Sale	82 Days
Average arrears at time of Sale	£9,020.00

MIG Claim Status

	Number	£000's
MIG Claims made	83	626
MIG Claims outstanding	14	95

Average time claim to payment	28
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Trigger Events

There has been no debt 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 £18 billion

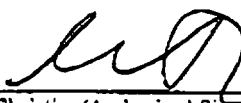
SIGNATURES

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: 22nd August, 2002

By


I Christie (Authorised Signatory)