

Various Rating Actions Taken In Spanish SME CLO Transaction FTPYME Bancaja 6

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OVERVIEW

- Today's rating actions reflect the application of our updated counterparty criteria and the results of our recent cash flow analysis.
- We have lowered and removed from CreditWatch negative our rating on the class A3 (G) notes, affirmed and removed from CreditWatch negative our rating on the class A2 notes, and affirmed our ratings on the class B, C, and D notes.
- FTPYME Bancaja 6's portfolio comprises secured and unsecured loans granted to small and medium-sized Spanish entities in their normal course of business.

MADRID (Standard & Poor's) May 24, 2011--Standard & Poor's Ratings Services today lowered and removed from CreditWatch negative its credit rating on FTPYME Bancaja 6, Fondo de Titulización de Activos' class A3 (G) notes. At the same time, we affirmed and removed from CreditWatch negative our rating on the class A2 notes, and affirmed our ratings on the class B, C, and D notes (see list below).

Today's rating actions on the class A3 (G) and A2 and notes follow the application of our updated counterparty criteria, as well as recent performance trends in the transaction, including rising delinquencies and cumulative defaults, which now exceed our expectations.

We placed the class A2 and A3 (G) notes on CreditWatch negative for counterparty reasons when our updated criteria became effective on Jan. 18, 2011 (see "EMEA Structured Finance CreditWatch Actions in Connection With Revised Counterparty Criteria," published Jan. 18, 2011). In our review of the counterparty related transaction documents, we found that some agreements do not fully comply with our updated counterparty criteria. We therefore applied

adjustments, for the variations, in line with our criteria.

Although the Kingdom of Spain guarantees the class A3 (G) notes, consistent with our view at closing, we do not consider the guarantee to be in line with our criteria requirement of the timely payment of interest. However, our cash flow analysis supports a 'AA+ (sf)' rating, which is consistent with our updated counterparty criteria. Therefore, we have lowered the rating and it is no longer on CreditWatch negative for counterparty and credit reasons.

As the 'AAA (sf)' rating on the class A2 notes is now at a level that can be supported by our cash flow analysis when applying the updated counterparty criteria, we have affirmed and removed the rating from CreditWatch negative for counterparty and credit reasons.

Between December 2008 and September 2009, the class A3 (G) and A2 notes amortized on a pro-rata basis, but since then, have amortized sequentially. Even if both classes of notes have the same credit enhancement level of 27.74%, due to the amortization already experienced, the notes are at 20% and 59.16% of their original amounts, respectively.

As of the last payment date, the reported ratio of cumulative defaults over the original balance of the class C notes was 4.68%. This is higher than the class C notes' interest-deferral trigger level of 3.75%. As a result, the trigger will defer interest on the notes, unless the balance of the reserve fund is sufficiently high to cover interest payments in accordance with the transaction's priority of payments. While the reserve fund has paid interest on the class C notes to date, it is likely that interest will defer within the next year, in our view. We have therefore affirmed our 'CCC- (sf)' rating on this class as we believe the notes are vulnerable to nonpayment of interest.

The interest-deferral trigger for the class B notes is set at 5.75%. While the cumulative default rate for the class B notes is currently below the interest-deferral trigger level, we consider that the notes remain vulnerable to interest deferral, given the rising trend in cumulative defaults and the high level of delinquencies. We have therefore affirmed our 'CCC (sf)' rating on this class.

We have also affirmed our 'D (sf)' rating on the class D notes, which have deferred interest since July 2009 and are currently in default.

The class A1 notes fully amortized on the December 2008 payment date and therefore remain unaffected by today's rating actions.

FTPYME Bancaja 6 is an SME CLO transaction originated by Caja de Ahorros de Valencia, Castellón y Alicante (Bancaja). Its portfolio comprises secured and unsecured loans granted to small and medium-sized entities, mainly concentrated in the originator's home market of Valencia. The transaction closed in September 2007.

RELATED CRITERIA AND RESEARCH

- EMEA Structured Finance CreditWatch Actions in Connection With Revised Counterparty Criteria, Jan. 18, 2011
- Counterparty And Supporting Obligations Update, Jan. 13, 2011
- Counterparty And Supporting Obligations Methodology And Assumptions, Dec. 6, 2010
- Revised Assumptions For Auto Dealer Floorplan ABS Apply To European Transactions, April 8, 2009
- Methodology And Assumptions: Update To The Criteria For Rating European SME Securitizations, Jan. 6, 2009

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RATINGS LIST

Class	Rating	Class	Rating
	To	From	
FTPYME Bancaja 6, Fondo de Titulización de Activos €1.028 Billion Mortgage-Backed Floating-Rate Notes			
Rating Lowered And Removed From CreditWatch Negative			
A3(G)	AA+ (sf)	AAA (sf)/Watch Neg	
Rating Affirmed And Removed From CreditWatch Negative			
A2	AAA (sf)	AAA (sf)/Watch Neg	
Ratings Affirmed			
B	CCC (sf)		
C	CCC- (sf)		
D	D (sf)		
Rating Unaffected			
A1	NR		

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