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31 European Securitizations On Watch Neg, 1 Australian Deal Cut Due To 'A-2' Counterparty Risk

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LONDON (Standard & Poor's) Nov. 27, 2008—Standard & Poor's Ratings Services said today that ratings in 32 securitizations and covered bonds globally were affected by its review of exposure to 'A-2' rated derivatives counterparties. In total, ratings in 22 further transactions were identified as being unlikely to be affected by the review, of which 12 are European, seven are Australian, and three are U.S. (see list below).

Specifically, of the 32 securitizations affected, ratings in:

- 28 European deals were placed on CreditWatch negative;
- 3 European covered bond programs remain on CreditWatch negative; and
- 1 Australian RMBS deal was lowered.

On Oct. 22, we revised our methodology for 'A-2' rated derivatives counterparties (see "Methodology: Updated Counterparty Criteria For

Derivatives: Eligibility Of 'A-2' Counterparties Removed In 'AAA' Transactions"). This stated that, absent any other structural mitigants, we would no longer maintain 'AAA' ratings on securitization and other structured finance-related debt instruments (including covered bonds) that depend on the performance of derivatives counterparties that are rated 'A-2' or equivalent.

1 DOWNGRADE

In our view, support provided by 'A-2' rated derivatives counterparties is commensurate with issue ratings no higher than 'AA'. Therefore, in the one case where we have received indications that replacement counterparties have not been sought, we have lowered the rating to this level.

28 CREDITWATCH PLACEMENTS

Where we understand actions are being taken to establish sufficient mitigants to the 'A-2' derivatives counterparty exposure, but uncertainty persists as to whether these steps will be completed in the near term, we have placed the ratings on CreditWatch negative. Ratings in 31 transactions were affected in this way. Of these, three European covered bond programs that are affected by this review are already on CreditWatch negative for other reasons.

In considering which ratings were appropriate to be placed on CreditWatch, we took into consideration both the magnitude of the counterparty exposure, as well as the complexity and bespoke nature of the instrument and the extent to which it might prove challenging to replace the exposure in current market conditions with a ratings neutral impact. We will consider these factors in our resolution of the CreditWatch placements in transactions where 'A-2' rated derivatives counterparties elect to remain or are unable to replace.

In this example, we expect ratings to be lowered to between 'AA' and 'A+' (absent any offsetting structural and cash flow features), depending on the materiality of the exposure and its ability to be replaced. In contrast, we expect to affirm ratings where appropriately rated replacement counterparties are found in the near term, assuming that the effect is cash flow neutral to the transaction.

22 RATINGS UNAFFECTED

Ratings in 22 transactions are unlikely to be affected by the methodology change where we believe that replacement steps are at an advanced stage, or have concluded that ratings are not reliant on support provided by the counterparty. Consequently, we have not placed such ratings on CreditWatch negative.

The related criteria article referenced above is available to subscribers of RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at www.ratingsdirect.com. The article can also be found on Standard & Poor's Web site at www.standardandpoors.com. Alternatively, call one of the following Standard & Poor's numbers: Client

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RATINGS LIST

Class	Rating	
	To	From

RATINGS LOWERED

TORRENS Series 2008-1 Trust

A\$2.1 billion residential mortgage-backed securities series 2008-1 due April 2049

A	AA	AAA
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RATINGS PLACED ON CREDITWATCH NEGATIVE

Adriatico Finance RMBS S.r.l.

€192.55 million asset-backed floating rate notes

A	AAA/Watch Neg	AAA
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Adriatico Finance SME S.r.l.

€162.95 million asset-backed floating rate notes

A	AAA/Watch Neg	AAA
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Bamburgh Finance No. 1 PLC

£210 million mortgage-backed floating-rate notes

A	AAA/Watch Neg	AAA
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B	AAA/Watch Neg	AAA
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Bancaja 5 Fondo de Titulizacion de Activos

€1 Billion Floating-Rate Mortgage-Backed Notes

A	AAA/Watch Neg	AAA
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B	AA-/Watch Neg	AA-
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Bancaja 6 Fondo de Titulizacion de Activos

€2.08 billion mortgage-backed floating-rate notes

A-2	AAA/Watch Neg	AAA
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B	AA/Watch Neg	AA
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Bancaja 7 Fondo de Titulizacion de Activos

€1.9 billion mortgage-backed floating-rate notes

A-2	AAA/Watch Neg	AAA
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Bancaja 12 Fondo de Titulización de Activos

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€2.1 billion mortgage-backed floating-rate notes

A	AAA/Watch Neg	AAA
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Carnuntum High Grade I Ltd.

€1 billion floating-rate notes

A1	AAA/Watch Neg	AAA
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A2	AAA/Watch Neg	AAA
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A3	AAA/Watch Neg	AAA
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EdT FTPYME PASTOR 3, FONDO DE TITULIZACION DE ACTIVOS

€520 million floating-rate notes

A1	AAA/Watch Neg	AAA
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A2 (G)	AAA/Watch Neg	AAA
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Empresas Hipotecario TDA CAM 3, Fondo de Titulizacion de Activos

€750 million mortgage-backed floating-rate notes

A2	AAA/Watch Neg	AAA
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EMPRESAS HIPOTECARIO TDA CAM 5, Fondo de Titulizacion de Activos

€1,430.8 million floating-rate notes

A1	AAA/Watch Neg	AAA
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A2	AAA/Watch Neg	AAA
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A3	AAA/Watch Neg	AAA
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FTPYME Bancaja 3, Fondo de Titulizacion de Activos

€900 million floating-rate notes

A-3 (G)	AAA/Watch Neg	AAA
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B	AA-/Watch Neg	AA-
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FTPYME TDA CAM 4, Fondo de Titulizacion de Activos

€1.5 billion floating-rate notes

A2	AAA/Watch Neg	AAA
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A3 (CA)	AA/Watch Neg	AA
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GC FTPYME PASTOR 1, Fondo de Titulizacion de Activos

€225 million floating-rate notes

AS	AAA/Watch Neg	AAA
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AG	AAA/Watch Neg	AAA
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GC FTPYME PASTOR 2, Fondo de Titulizacion de Activos

€800 million floating-rate notes

BG	AA/Watch Neg	AA
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BS	AA/Watch Neg	AA
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GC FTPYME PASTOR 4 Fondo de Titulizacion de Activos

€630 million asset-backed floating-rate notes

A2	AAA/Watch Neg	AAA
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A3 (G)	AAA/Watch Neg	AAA
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B	AA/Watch Neg	AA
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GC Pastor Hipotecario 5, Fondo de Titulizacion de Activos

€710.5 million floating-rate mortgage-backed notes

A1 AAA/Watch Neg AAA

A2 AAA/Watch Neg AAA

IM PASTOR 2, Fondo de Titulizacion Hipotecaria

€1 billion mortgage-backed floating-rate notes

A AAA/Watch Neg AAA

IM PASTOR 3, Fondo de Titulizacion Hipotecaria

€1 billion mortgage-backed floating-rate notes

A AAA/Watch Neg AAA

IM PASTOR 4, Fondo de Titulizacion de Activos

€920 million mortgage-backed floating-rate notes

A AAA/Watch Neg AAA

B AA-/Watch Neg AA-

Sestante Finance S.r.l.

€325.48 million asset-backed floating-rate notes series 5

A AAA/Watch Neg AAA

B AA/Watch Neg AA

Silver Birch CLO I B.V.

€300 million floating-rate notes

A AAA/Watch Neg AAA

TDA CAM 7, Fondo de Titulizacion de Activos

€1.75 billion mortgage-backed floating-rate notes

A1 AAA/Watch Neg AAA

A2 AAA/Watch Neg AAA

A3 AAA/Watch Neg AAA

TDA CAM 8, Fondo de Titulizacion de Activos

€1,712.8 million floating-rate notes

A AAA/Watch Neg AAA

TDA CAM 9, Fondo de Titulizacion de Activos

€1,515 million mortgage-backed floating-rate notes

A1 AAA/Watch Neg AAA

A2 AAA/Watch Neg AAA

A3 AAA/Watch Neg AAA

TDA CAM 10, Fondo de Titulizacion de Activos

€1,423.5 million mortgage-backed floating-rate notes

A1 AAA/Watch Neg AAA

A2 AAA/Watch Neg AAA

A3 AAA/Watch Neg AAA

A4 AAA/Watch Neg AAA

31 European Securitizations On Watch Neg, 1 Australian Deal Cut Due To 'A-2' Counterparty Risk

TDA Pastor Consumo 1, FTA
€300 million asset-backed floating-rate notes
A AAA/Watch Neg AAA
B AA/Watch Neg AA

TDA, Empresas Pastor 5, Fondo de Titulizacion de Activos
€550 million asset-backed floating-rate and €18.7 million floating-rate notes
A AAA/Watch Neg AAA

RATINGS REMAINING ON CREDITWATCH NEGATIVE DUE TO COUNTERPARTY EXPOSURE AND OTHER REASONS

Depfa ACS
(Public Sector Asset-Covered Securities)
AAA/Watch Neg

Depfa Deutsche Pfandbriefbank AG
(Öffentliche Pfandbriefe)
AAA/Watch Neg

Hypo Pfandbrief Bank International S.A.
(Lettre de Gage publiques)
AAA/Watch Neg

RATINGS REMAINING ON CREDITWATCH NEGATIVE DUE TO OTHER REASONS

DUKE 2002 Ltd.
€814.35 million floating-rate amortizing credit-linked notes
B AAA/Watch Neg
C AAA/Watch Neg

GECO 2002 Ltd.
€590.25 million floating-rate amortizing credit-linked notes and €4 million floating-rate amortizing funding notes
A3 AAA/Watch Neg
A4 AAA/Watch Neg

RATINGS UNAFFECTED

Achmea Hypotheekbank N.V. Covered Bond Programme
€10 billion covered bond program
AAA

Bavarian Sky S.A.

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€818.8 million asset-backed floating-rate notes compartment 1 1

A AAA

Citibank Credit Card Master Trust I

US\$42.7 mil and €609.796 mil credit card part certs ser 1998-8 due 01/15/2011
1998-8

A AAA

Connecticut RRB Special Purpose Trust CL&P-1

A-4 AAA

EdT FTPYME PASTOR 3, FONDO DE TITULIZACION DE ACTIVOS

€520 million floating-rate notes

B AAA

EUROHYPO Europaeische Hypothekenbank S.A.

Senior secured debt (Lettres de Gage publiques)

AAA

GC FTPYME PASTOR 2, Fondo de Titulizacion de Activos

€800 million floating-rate notes

C AAA

HBS Trust No. 1

AUD floating-rate mortgage-backed notes due July 2036

A AAA

HBS Trust No. 3

A\$95.1 million residential mortgage-backed securities due June 2039

A AAA

AB AAA

MESDAG (Berlin) B.V.

€154.55 million commercial mortgage-backed floating-rate notes 2006

A AAA

MESDAG (Charlie) B.V.

€493.65 million commercial mortgage-backed variable- and floating-rate notes

A AAA

NIBC Bank N.V. Covered Bond Programme

€7 billion covered bonds

AAA

PSE&G Transition Funding LLC

US\$2,525 million transition bonds series 2001-1

A-4 AAA

Residential Mortgage Securities 17 PLC

£261 million £234.3 million and US\$818.1 million mortgage-backed floating-rate

notes

A2a	AAA
A2b	AAA
A2c	AAA
M1a	AAA
M1b	AAA
M1c	AAA
M2a	AAA
M2c	AAA
B1a	AA
B1c	AA

TORRENS Series 2008-2 (W) Trust

A\$400 million residential mortgage-backed securities series 2008-2 (W)

A	AAA
AB	AAA

TORRENS Series 2008-3 Trust

A\$502.5 million residential mortgage-backed securities due August 2041

A	AAA
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Series 2007-1 REDS EHP Trust

A\$1 billion asset backed, pass through notes 2007-1

A-2	AAA
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Series 2007-2 REDS Trust

A\$350 million residential mortgage-backed securities due December 2038

A	AAA
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Series 2008-1E REDS EHP Trust

A\$628.01 million asset backed pass-through notes 2008-1E

A1	A-1+
A2A	AAA
A2E	AAA

VCL No. 10 S.A.

€970.55 million asset-backed floating-rate notes

A	AAA
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