

**Hecho Relevante de VALENCIA HIPOTECARIO 3 Fondo de Titulización de Activos**

En virtud de lo establecido en el apartado 4.1.4. del Módulo Adicional a la Nota de Valores del Folleto Informativo de **VALENCIA HIPOTECARIO 3 Fondo de Titulización de Activos** (el "**Fondo**") se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- Con fecha 4 de noviembre de 2008, Moody's Investors Service (**Moody's**) llevó a cabo un descenso de la calificación asignada a la deuda a largo y a corto plazo no subordinada y no garantizada de **Banco de Valencia S.A.**, pasando, respectivamente, a "A3" desde "A2" y a "P-2" desde "P-1".
- Adjuntamos comunicación de Moody's de fecha 30 de enero de 2009, en la que pone al corriente del efecto producido en el Fondo a consecuencia del citado descenso de la calificación crediticia asignada por Moody's a Banco de Valencia S.A., como contraparte de los Contratos de Permuta de Intereses y de Administración de los Préstamos Hipotecarios y Depósito de los Certificados de Transmisión de Hipoteca.

Madrid, 5 de febrero de 2009.

Mario Masiá Vicente  
Director General

**Announcement: VALENCIA HIPOTECARIO 3 FONDO DE TITULIZACIÓN DE ACTIVOS**

**Moody's updates on impact of Banco de Valencia's rating downgrade on Spanish ABS and RMBS**

Madrid, January 30, 2009 -- On 4 November 2008, Moody's Investors Service downgraded Banco de Valencia to A3/P-2/C-, negative outlook from A2/P-1/C (the "Downgrade"). This update relates to Spanish ABS and RMBS transactions which are affected by the downgrade of Banco de Valencia's long-term and short-term rating.

**RMBS Issuers:**

Valencia Hipotecario 1, FTA; Valencia Hipotecario 2, FTH; Valencia Hipotecario 3, FTA; Valencia Hipotecario 4, FTA; Valencia Hipotecario 5, FTA.

**ABS Issuers:**

PYME Valencia 1, FTA.

Issuer: Valencia Hipotecario 1, FTA

Banco de Valencia acts as swap counterparty for Valencia Hipotecario 1, however given payments are guaranteed by Bancaja, remedial action was taken following the downgrade of this entity in August 2008, as explained in the press release issued on the 28th of October 2008.

Collections received by Banco de Valencia servicing the loan portfolios, were initially transferred 7 days after being received to the Treasury Account held by the Paying Agent, Bancaja (A2/P-1). Documentation does not contemplate a higher frequency of transfers if the short-term rating of Banco de Valencia is downgraded below P-1. Currently, all collections Banco de Valencia receives are transferred on a daily basis to the Treasury Account held by the Paying Agent.

- Last rating action date for Valencia Hipotecario 1, FTA: no rating action since closing April 2004.

Issuer: Valencia Hipotecario 2, FTH

Banco de Valencia acts as swap counterparty for Valencia Hipotecario 2, however given payments are guaranteed by Bancaja, remedial action was taken following the downgrade of this entity in August 2008, as explained in the press release issued on the 28th of October 2008.

Collections received by Banco de Valencia servicing the loan portfolios, were initially transferred 7 days after being received to the Treasury Account held by the Paying Agent, Bancaja (A2/P-1). Documentation contemplates a higher frequency of transfers if the short-term rating of Banco de Valencia is downgraded below P-1. Currently, all collections Banco de Valencia receives are transferred on a daily basis to the Treasury Account held by the Paying Agent.

- Last rating action date for Valencia Hipotecario 2, FTH: no rating action since closing December 2005.

Issuer: Valencia Hipotecario 3, FTA

Banco de Valencia acts as swap counterparty. Following the Downgrade and pursuant to the Swap Agreements, Banco de Valencia was required to take suitable remedial action within 10 days of the Downgrade. The entity has chosen to take remedial action by way of posting collateral. Moody's understands that Banco de Valencia has transferred cash collateral to the Treasury Account and that such collateral is re-sized on a weekly basis in an amount equal to First Trigger Collateral Amount as stated in the swap documents. Annex III document compliant with Moody's criteria for de-linking swap counterparty risks ("Moody's Framework") -- see Moody's Report, "Framework for De-Linking Hedge Counterparty Risks from Global Structured Finance Cashflow Transactions", May 2007 - was signed on September 2008.

Collections received by Banco de Valencia servicing the loan portfolios, were initially transferred 7 days after being received to the Treasury Account held by Banco de Valencia. Documentation contemplates a higher

frequency of transfers if the short-term rating of Banco de Valencia is downgraded below P-1. Currently, all collections Banco de Valencia receives are transferred on a daily basis to the Treasury Account held by Banco de Valencia and guaranteed by Bancaja (A2/P-1).

- Last rating action date for Valencia Hipotecario 3, FTA: no rating action since closing November 2006.

Issuer: Valencia Hipotecario 4, FTA

Banco de Valencia acts as swap counterparty. Following the Downgrade and pursuant to the Swap Agreements, Banco de Valencia was required to take suitable remedial action within 30 days of the Downgrade. The entity has chosen to take remedial action by way of posting collateral. Moody's understands that Banco de Valencia has transferred cash collateral to the Treasury Account and that such collateral is re-sized on a weekly basis in an amount equal to First Trigger Collateral Amount as stated in the swap documents. Annex III document compliant with Moody's criteria for de-linking swap counterparty risks ("Moody's Framework") -- see Moody's Report, "Framework for De-Linking Hedge Counterparty Risks from Global Structured Finance Cashflow Transactions", May 2007 - was signed on September 2008.

Collections received by Banco de Valencia servicing the loan portfolios, were initially transferred 7 days after being received to the Treasury Account held by Banco de Valencia. Documentation contemplates daily transfer if the short-term rating of Banco de Valencia is downgraded below P-1. Currently, all collections Banco de Valencia receives are transferred on a daily basis to the Treasury Account held by Banco de Valencia and guaranteed by Bancaja (A2/P-1).

- Last rating action date for Valencia Hipotecario 4, FTA: no rating action since closing December 2007.

Issuer: Valencia Hipotecario 5, FTA

JP Morgan Chase Bank, N.A., London Branch acts as swap counterparty.

Collections received by Banco de Valencia servicing the loan portfolios, are transferred on a daily basis to the Treasury Account held by the Paying Agent, Bancaja (A2/P-1).

- Last rating action date for Valencia Hipotecario 5, FTA: no rating action since closing December 2008.

Issuer: PYME Valencia 1, FTA

Banco de Valencia acts as swap counterparty. Following the Downgrade and pursuant to the Swap Agreements, Banco de Valencia was required to take suitable remedial action within 30 days of the Downgrade. The entity has chosen to take remedial action by way of posting collateral. Moody's understands that Banco de Valencia has transferred cash collateral to the Treasury Account and that such collateral is re-sized on a weekly basis in an amount equal to First Trigger Collateral Amount as stated in the swap documents. Annex III document compliant with Moody's criteria for de-linking swap counterparty risks ("Moody's Framework") -- see Moody's Report, "Framework for De-Linking Hedge Counterparty Risks from Global Structured Finance Cashflow Transactions", May 2007 - was signed on September 2008.

Collections received by Banco de Valencia servicing the loan portfolios, were initially transferred 7 days after being received to the Treasury Account held by Banco de Valencia. Documentation contemplates a higher frequency of transfers if the short-term rating of Banco de Valencia was downgraded below P-1. Currently, all collections Banco de Valencia receives are transferred on a daily basis to the Treasury Account held by Banco de Valencia and guaranteed by Bancaja (A2/P-1).

- Last rating action date for PYME Valencia 1, FTA: no rating action since closing July 2007.

Moody's notes the above-mentioned transactions are exposed to some commingling risk. Moody's determines this risk to be more limited for transactions with weekly or daily sweeps of collections, which is the case for the deals of reference. This risk for the above mentioned transactions is mitigated through increased level of credit enhancement available for well seasoned transactions.

Moody's has reviewed all the above-mentioned securitisation transactions to assess the impact of the above-mentioned changes on the outstanding ratings. Moody's has concluded to take no rating action given the changes are in line with the transaction documents.

Moody's monitors PYME Valencia 1, FTA as described in the report: "Moody's Approach to Rating Granular SME Transactions in Europe, Middle East and Africa", June 2007. Moody's monitors the RMBS transactions mentioned above as described in the reports: "Moody's Approach to Rating Spanish RMBS: The "Milan" Model", March 2005, and "Moody's Updated Methodology for Rating Spanish RMBS", July 2008. For more

information on these transactions, please visit Moody's website at [www.moody.com](http://www.moody.com) or contact our Client Service Desk in London (+44-20-7772 5454).

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