

Announcement: Moody's reviews ratings in Spanish ABS and RMBS transactions following the rating actions on Spanish banks

Global Credit Research - 25 Mar 2011

London, 25 March 2011 -- Moody's has placed on review for possible downgrade the ratings of 35 tranches in 21 Spanish RMBS and 3 Spanish ABS following the downgrades of Spanish financial institutions.

On 24 March 2011, Moody's downgraded the senior debt ratings of 30 Spanish financial institutions by one or more notches. Please refer to the press release from 24 March 2011 for a detailed list of the rating actions taken by Moody's Financial Institution Group.

Moody's decision to review the rating of Spanish ABS/RMBS follows its assessment of the transactions under the Moody's "Global Structured Finance Operational Risk Guidelines: Moody's Approach to Analyzing Performance Disruption Risk" taking into consideration the latest rating actions on Spanish banks. The deposit and/or senior debt ratings of 5 Spanish banks have been downgraded by 3 or 4 notches. This rating migration exceeds our assumed two-notch-downgrade for servicers whose ratings were on review at the time of our earlier assessment of operational risk on 2 March 2011.

Please see ratings tab on the issuer/entity page on Moodys.com for the last rating action and the rating history.

Spanish RMBS and ABS Ratings on Review Because of Operational Risks Concerns

Moody's has placed on review ratings in transactions with Ba-rated servicers which do not benefit from a rating trigger to appoint a back-up servicer. The placement of ratings on review also reflects the insufficiency of liquidity arrangements to support payments on the rated tranches in the event of servicer disruption. Moody's considers that the management company in Spanish ABS/RMBS will always act as a back-up servicer facilitator and take the responsibility of finding a replacement servicer. For this reason, today's rating review only affects Spanish RMBS/ABS serviced by non-investment grade entity.

The tranches placed under review include ratings on Aaa and Aa tranches from transactions serviced by Caixa Catalunya, Tarragona i Manresa, Banco Pastor, Banco de Valencia and Caja de Ahorros Ontinyent, which are all now rated non-investment grade. A detailed list of the rating actions is provided at the end of this press release and under the link:

http://www.moodys.com/viewresearchdoc.aspx?docid=PBS_SF240889

Moody's will consider in its rating review restructuring proposals that may be proposed by sponsor to address the increased operational risks.

Moody's to Monitor Spanish ABS/RMBS with Exposure to Affected Financial Institutions

Moody's notes that Spanish financial institutions affected by the recent FIG may also act as swap counterparty, account bank providers or paying agent in Spanish RMBS/ABS transactions.

The affected financial institutions acting as swap counterparty may be required to either post collateral, seek a replacement or guarantor and continue posting collateral until such replacement or guarantor is found. Moody's will monitor the compliance of the transactions with the current Moody's framework for de-linking hedge counterparty risks.

Moody's will also monitor the compliance of remedies following any other rating trigger breach such as the replacement of, or need to find a guarantor for account bank providers or paying agent which are no longer rated appropriately (often at loss of P-1). Moody's will also monitor the appointment of back-up servicer following breach of trigger (at loss of Baa3). Furthermore, some affected financial institutions may have to extend liquidity lines or fully draw down on the credit of line if a given rating trigger is breached (often at loss of P-1). For most of these structural implications and replacement obligations, the transaction parties have certain grace periods (between 10 and 30 days) in which to implement the changes. If remedies that are described in the current documentation are not implemented, some ratings may be affected.

The lead analyst and rating office for each of the transactions affected are generally different from the contact and office listed at the end of this press release. For each transaction, the lead analyst name is available on the issuer page and the rating office is available on the ratings tab of the issuer on www.moodys.com.

List of ABS ratings placed on review for possible downgrade:

Issuer: FINANCAT I, FTA

...EUR927MA Notes, Aa3 (sf) Placed Under Review for Possible Downgrade; previously on Jan 22, 2010 Downgraded to Aa3 (sf)

Issuer: GAT FTGENCAT 2007, FTA

...EUR280.8MA2(G) Notes, Aa3 (sf) Placed Under Review for Possible Downgrade; previously on Jan 27, 2011 Downgraded to Aa3 (sf)

Issuer: PYME VALENCIA 1, FTA

...EUR574.8MA2 Notes, Aa3 (sf) Placed Under Review for Possible Downgrade; previously on Apr 23, 2010 Downgraded to Aa3 (sf)

List of RMBS ratings placed on review for possible downgrade:

Issuer: GC Pastor Hipotecario 5, Fondo de Titulización Hipotecaria

...EUR492.8MA2 Notes, Aa2 (sf) Placed Under Review for Possible Downgrade; previously on Nov 17, 2010 Downgraded to Aa2 (sf)

Issuer: HIPOCAT 3, Fondo de Titulización Hipotecaria

...EUR426.5MANotes, Aaa (sf) Placed Under Review for Possible Downgrade; previously on Sep 27, 1999 Assigned Aaa (sf)

Issuer: HIPOCAT 4 Fondo de Titulización de Activos

...EUR278.2MANotes, Aaa (sf) Placed Under Review for Possible Downgrade; previously on Jul 17, 2001 Definitive Rating Assigned Aaa (sf)

...EUR8.9MB Notes, Aa2 (sf) Placed Under Review for Possible Downgrade; previously on Jul 17, 2001 Definitive Rating Assigned Aa2 (sf)

Issuer: HIPOCAT 5 Fondo de Titulización de Activos

...EUR648.6MANotes, Aaa (sf) Placed Under Review for Possible Downgrade; previously on Oct 29, 2002 Definitive Rating Assigned Aaa (sf)

...EUR26.8MB Notes, Aa2 (sf) Placed Under Review for Possible Downgrade; previously on Oct 29, 2002 Definitive Rating Assigned Aa2 (sf)

Issuer: HIPOCAT 6 Fondo de Titulización de Activos

...EUR787.6MANotes, Aaa (sf) Placed Under Review for Possible Downgrade; previously on Sep 25, 2003 Definitive Rating Assigned Aaa (sf)

...EUR15.7MB Notes, Aa2 (sf) Placed Under Review for Possible Downgrade; previously on Sep 25, 2003 Definitive Rating Assigned Aa2 (sf)

Issuer: HIPOCAT 7, Fondo de Titulización de Activos

...EUR1148.3MA2 Notes, Aaa (sf) Placed Under Review for Possible Downgrade; previously on Jun 9, 2004 Definitive Rating Assigned Aaa (sf)

...EUR21.7MB Notes, Aa3 (sf) Placed Under Review for Possible Downgrade; previously on Jun 9, 2004 Definitive Rating Assigned Aa3 (sf)

Issuer: HIPOCAT 8 Fondo de Titulización de Activos

...EUR1155.5MA2 Notes, Aaa (sf) Placed Under Review for Possible Downgrade; previously on May 10, 2005 Definitive Rating Assigned Aaa (sf)

...EUR26.2MB Notes, Aa1 (sf) Placed Under Review for Possible Downgrade; previously on May 10, 2005 Definitive Rating Assigned Aa1 (sf)

Issuer: HIPOCAT 9 Fondo de Titulización de Activos

...EUR500MA2a Notes, Aa1 (sf) Placed Under Review for Possible Downgrade; previously on Dec 15, 2010 Downgraded to Aa1 (sf)

...EUR236.2MA2b Notes, Aa1 (sf) Placed Under Review for Possible Downgrade; previously on Dec 15, 2010 Downgraded to Aa1 (sf)

...EUR22MB Notes, Aa3 (sf) Placed Under Review for Possible Downgrade; previously on Dec 15, 2010 Downgraded to Aa3 (sf)

Issuer: HIPOCAT 10 Fondo de Titulización de Activos

...EUR733.4MA2 Notes, Aa2 (sf) Placed Under Review for Possible Downgrade; previously on Dec 15, 2010 Confirmed at Aa2 (sf)

...EUR300MA3 Notes, Aa1 (sf) Placed Under Review for Possible Downgrade; previously on Dec 15, 2010 Downgraded to Aa1 (sf)

...EUR200MA4 Notes, Aa1 (sf) Placed Under Review for Possible Downgrade; previously on Dec 15, 2010 Downgraded to Aa1 (sf)

Issuer: HIPOCAT 14 Fondo de Titulización de Activos

...EUR868.5MANotes, Aa3 (sf) Placed Under Review for Possible Downgrade; previously on Mar 4, 2011 Downgraded to Aa3 (sf)

Issuer: HIPOCAT 16 Fondo de Titulización de Activos

...EUR956.5MANotes, Aa2 (sf) Placed Under Review for Possible Downgrade; previously on Mar 4, 2011 Downgraded to Aa2 (sf)

Issuer: IMPASTOR 3 Fondo de Titulización Hipotecaria

...EUR961MANotes, Aa1 (sf) Placed Under Review for Possible Downgrade; previously on Jan 29, 2010 Downgraded to Aa1 (sf)

...EUR17MB Notes, Aa3 (sf) Placed Under Review for Possible Downgrade; previously on Jan 29, 2010 Confirmed at Aa3 (sf)

Issuer: IMPASTOR 4 Fondo de Titulización de Activos

...EUR886MANotes, Aa2 (sf) Placed Under Review for Possible Downgrade; previously on Jan 29, 2010 Downgraded to Aa2 (sf)

Issuer: TDA 11 Fondo de Titulización Hipotecaria

...EUR436MA3 Notes, Aaa (sf) Placed Under Review for Possible Downgrade; previously on Feb 11, 2000 Assigned Aaa (sf)

Issuer: TDA 13-MIXTO, Fondo de Titulización de Activos

...EUR287MA1 Notes, Aaa (sf) Placed Under Review for Possible Downgrade; previously on Dec 15, 2000 Assigned Aaa (sf)

Issuer: TDA 19 MIXTO, Fondo de Titulización de Activos

...EUR567.3MANotes, Aaa (sf) Placed Under Review for Possible Downgrade; previously on Mar 2, 2004 Definitive Rating Assigned Aaa (sf)

Issuer: TDAPASTOR 1 Fondo de Titulización de Activos

...EUR429.8MA1 Notes, Aaa (sf) Placed Under Review for Possible Downgrade; previously on Jul 29, 2010 Confirmed at Aaa (sf)

...EUR47.5MA2 Notes, Aaa (sf) Placed Under Review for Possible Downgrade; previously on Jul 29, 2010 Confirmed at Aaa (sf)

Issuer: TDA TARRAGONA 1 Fondo de Titulización de Activos

...EUR359.7MANotes, Aa3 (sf) Placed Under Review for Possible Downgrade; previously on Oct 14, 2010 Downgraded to Aa3 (sf)

Issuer: VALENCIA HIPOTECARIO 1 Fondo de Titulización de Activos

...EUR454.3MANotes, Aaa (sf) Placed Under Review for Possible Downgrade; previously on Apr 26, 2004 Definitive Rating Assigned Aaa (sf)

Issuer: VALENCIA HIPOTECARIO 2 Fondo de Titulización Hipotecario

...EUR909.5MANotes, Aa1 (sf) Placed Under Review for Possible Downgrade; previously on Mar 11, 2011 Downgraded to Aa1 (sf)

Issuer: VALENCIA HIPOTECARIO 3 Fondo de Titulización de Activos

...EUR780.7MA2 Notes, Aa1 (sf) Placed Under Review for Possible Downgrade; previously on Mar 11, 2011 Downgraded to Aa1 (sf)

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