

Hecho Relevante de BBVA CONSUMO 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 **BBVA CONSUMO 3 Fondo de Titulización de Activos** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación **Moody’s Investors Service** (“**Moody’s**”), con fecha con fecha 17 de noviembre de 2009, comunica que ha bajado las calificaciones asignadas a las Series de Bonos emitidos **BBVA CONSUMO 3 Fondo de Titulización de Activos**:
 - **Serie A:** **A2** (anterior **Aaa**, bajo revisión para posible descenso)
 - **Serie B:** **Caa2** (anterior **A3**, bajo revisión para posible descenso)

Se adjunta la comunicación emitida por Moody’s.

Madrid, 18 de noviembre de 2009.

Mario Masiá Vicente
Director General



Moody's Investors Service

Rating Action: **Moody's downgrades BBVA Consumo 2 and 3, FTA Spanish consumer loan ABS**

Global Credit Research - 17 Nov 2009

Approximately EUR 1.8 billion of rated securities affected

Frankfurt, November 17, 2009 -- Moody's Investors Service has today downgraded the ratings of:

- all the notes issued by BBVA Consumo 2, FTA (Consumo 2)
- all the notes issued by BBVA Consumo 3, FTA (Consumo 3)

Last rating action date for Consumo 2 and 3 was 2 July 2009.

Today's rating action concludes Moody's review process on these two transactions that was initiated in July 2009 where Moody's placed several Spanish auto and consumer loan transactions on review for possible downgrade. Moody's says the downgrades were prompted by the deteriorating collateral performance and the worse-than-expected weakening of macro-economic conditions in Spain during the past year, which led Moody's to revise its assumptions for the transaction. The magnitude of the downgrade reflects the current credit enhancement levels, which, combined with the revised assumptions, lead to a higher expected loss on the rated notes.

Consumo 2 closed in November 2006. As of September 2009, the pool factor was 38%. The assets securitised in the portfolio are typical unsecured Spanish consumer loan products, such as for the purchase of new and used cars or non-durable goods and services originated by BBVA. After a two year revolving period the notes started to amortise in December 2008. The rapid deterioration in performance observed over the past year is evidenced by several transaction performance parameters. Over the last reporting quarter the reserve fund was reduced from 100% of its target level to 86% in September 2009. In the same period cumulative 180 days plus delinquencies in the portfolio of original balance plus replenishments reached 3.1% compared to 2.7% in the previous quarter. The cumulative gross written-off loans (before recoveries) in September 2009 in Consumo 2 reached EUR53.1 million from EUR22.6 million a year ago. This translates into 2.14% gross written-off loans over original balance plus replenished portfolios. A loan is written-off once it has been more than 12 months delinquent or if the management company considers that there are no reasonable expectations of recovery.

Consumo 3 closed in April 2008. As of August 2009, the pool factor was 73%. The assets securitised in the portfolio are typical unsecured Spanish consumer loan products, such as for the purchase of new and used cars or non-durable goods and services originated by BBVA and BBVA Finanzia. In February 2009 the 90 days plus delinquency trigger was hit which stopped the revolving period and started the amortisation of the notes. The rapid deterioration in performance observed over the past year is also evidenced by several transaction performance parameters. Over the last reporting quarter the reserve fund was reduced from 100% of its target level to 94% in August 2009. As of July 2009 cumulative 180 days plus delinquencies in the portfolio of original balance plus replenishments reached 3.17% compared to 1.77% in February 2009. The cumulative gross written-off loans (before recoveries) in Consumo 3 in August 2009 has reached EUR15.45 million from EUR0 million a year ago. This translates into 1.41% gross written-off loans over original balance plus replenished portfolios. A loan is written-off once it has been more than 12 months delinquent or if the management company considers that there are no reasonable expectations of recovery.

In its analysis, Moody's considered various information such as macro-economic indicators, portfolio characteristics and performance data made available from the management company Europea de Titulizacion, S.G.F.T, SA (EdT). Firstly, Moody's took into account key macro-economic drivers behind a collateral deterioration, in particular, unemployment and GDP contraction. Precisely, contrary to the unemployment forecast for 2009 of 13.3% at the time of the last rating action in November 2008, unemployment is now expected to reach 18.4% in 2009 and 20.7% in 2010. As of Q3 2009, the unemployment rate in Spain stood at 17.93%. In addition Moody's tried to compare and benchmark the current performance of the transactions to its peers in Moody's rated Spanish auto and consumer loan universe. Moody's took into consideration the geographic concentration of the borrowers, the vintages of the year the loans were originated, the loan purpose and the origination channels.

Secondly, the current amount of cumulative 180 days plus delinquencies was taken into account and a roll rate analysis was conducted for the non-delinquent pool portion. Moody's adjusted the previously revised cumulative mean default rate of Consumo 2 of 3.8% to 7% of original balance plus replenishments and revised the volatility from 30% to 27.5%. This compares to a cumulative mean default rate of 3.22% and a volatility of 30% assumed at closing. For Consumo 3 Moody's adjusted the original cumulative default rate of Consumo 3 of 4.5% to 11.5% on original balance plus replenishments and kept the volatility at 30%. Moody's defines volatility or the coefficient of variation as the ratio between standard deviation and cumulative mean default rate.

Moody's explains the difference in the revised cumulative default rates and the volatility between Consumo 2 and 3 by different seasoning of the pools, origination vintages and channels. In Moody's view especially the origination channel (BBVA versus BBVA Finanzia) and the seasoning will have an impact on the future portfolio performance.

The base case recovery rate was confirmed at 30%. Moody's believes that there is uncertainty around the recovery rate assumption due to various factors, such as the time lag and consequently the mismatch between actually observed and historical recovery information, the servicing strategy of the servicer, the long legal final maturities and the future evolution of the economic situation in Spain. Additionally to its base case scenario Moody's ran other recovery rate scenarios in its cash flow model, ranging from 25% to 35%, to test sensitivities and rating stability on the outstanding classes of notes. Unexpected shifts in the factors mentioned above will lead Moody's to revise again its view on this input parameter, with potential up- or downside rating pressure on the outstanding classes of notes. As a consequence Moody's will continue to carefully monitor these factors.

Moody's tested also various prepayment rate sensitivities in its cash flow model ranging from 5% to 15%. Subject to the actual performance reported for the two deals of the CPR Moody's decreased the prepayment rate in both transactions to 10%.

The ratings address the expected loss posed to investors by the legal final maturity date (December 2020 for Consumo 2 and February 2022 for Consumo 3). In Moody's opinion, the structure allows for timely payment of interest and ultimate payment of principal at par on or before the final maturity date.

Moody's sector outlook for Spanish consumer ABS is negative.

The principal methodologies used in rating this transaction were Moody's "The Lognormal Method Applied to ABS Analysis," published in July 2000 and "Revising Default/Loss Assumptions Over the Life of an ABS/RMBS Transaction," published in December 2008 and available on www.moody.com in the Rating Methodologies sub-directory under the Research & Ratings tab. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found in the Rating Methodologies sub-directory on Moody's website. Further information on Moody's analysis of this transaction is available on www.moody.com. In addition, Moody's published a weekly summary of structured finance credit, ratings and methodologies, available to all registered users of our website, at www.moody.com/SFQuickCheck.

List of detailed rating actions

Issuer BBVA Consumo 2

- Class A, Downgraded to Aa3; previously on Nov 28, 2006 Definitive Rating Assigned Aaa
- Class B, Downgraded to Baa2; previously on Jul 2, 2009 Aa3 Placed Under Review for Possible Downgrade
- Class C, Downgraded to B2; previously on Jul 2, 2009 Baa1 Placed Under Review for Possible Downgrade

Issuer BBVA Consumo 3

- Class A, Downgraded to A2; previously on Jul 2, 2009 Aaa Placed Under Review for Possible Downgrade
- Class B, Downgraded to Caa2; previously on Jul 2, 2009 A3 Placed Under Review for Possible Downgrade

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