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## Ratings On BBVA RMBS 2's Class A Spanish RMBS Notes Placed On CreditWatch Negative For Counterparty Reasons

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### OVERVIEW

- On Oct. 15, 2012, we took rating actions on several Spanish banks, including BBVA--the main counterparty for BBVA RMBS 2--following the downgrade of the Kingdom of Spain.
- As a result of BBVA's downgrade and the application of our 2012 counterparty criteria, BBVA is no longer considered to be eligible to act as swap provider for BBVA RMBS 2.
- As remedy actions relating to the replacement of the swap provider have not been taken, we have placed on CreditWatch negative our ratings on the class A notes in BBVA RMBS 2.
- The securitized portfolio comprises secured loans to individuals in Spain, that were originated between January 2003 and November 2006.

MADRID (Standard & Poor's) Nov. 8, 2012--Standard & Poor's Ratings Services today placed on CreditWatch negative its credit ratings on BBVA RMBS 2, Fondo de Titulizacion de Activos' class A notes (see list below).

Today's CreditWatch placements follow the Oct. 15, 2012 lowering of our ratings on Banco Bilbao Vizcaya Argentaria S.A. (BBVA) to BBB-/Negative/A-3. BBVA was the main counterparty for BBVA RMBS 2, acting as bank account and swap provider (see "Various Rating Actions On Spanish Financial Institutions Following Sovereign Downgrade").

In accordance with the transaction documentation's downgrade language, the swap counterparty (BBVA) has the obligation to be replaced if it is downgraded

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below 'A-2'. As our issuer credit rating on BBVA is now 'BBB-', it must be substituted to comply with the downgrade language defined in the transaction documentation. BBVA is no longer considered to be eligible to act as swap provider for the transaction and the remedy period has already expired. We have therefore placed all of the senior tranche ratings in BBVA RMBS 2 on CreditWatch negative due to the remedy actions not taken relating to the swap provider.

We will conduct further analysis to determine how much credit support BBVA RMBS 2 gains from the swap provider. This analysis could result in downgrades for some of today's affected tranches. We will also consider any substitutions and amendments to the transaction documentation in our analysis.

BBVA is also no longer eligible as bank account provider for this transaction. On Oct. 29, 2012, the trustee replaced it with an eligible counterparty, Societe Generale (A/Negative/A-1). Therefore, this counterparty risk is mitigated in accordance with our current counterparty criteria.

The securitized portfolio comprises secured loans to individuals in Spain, that were originated between January 2003 and November 2006.

STANDARD & POOR'S 17G-7 DISCLOSURE REPORT

SEC Rule 17g-7 requires an NRSRO, for any report accompanying a credit rating relating to an residential mortgage backed security as defined in the Rule, to include a description of the representations, warranties and enforcement mechanisms available to investors and a description of how they differ from the representations, warranties and enforcement mechanisms in issuances of similar securities. The Rule applies to in-scope securities initially rated (including preliminary ratings) on or after Sept. 26, 2011.

If applicable, the Standard & Poor's 17g-7 Disclosure Report included in this credit rating report is available at <http://standardandpoorsdisclosure-17g7.com>

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RELATED CRITERIA AND RESEARCH

- Various Rating Actions On Spanish Financial Institutions Following Sovereign Downgrade, Oct. 15, 2012
- Ratings Lowered On All Classes Of Notes In Spanish RMBS Transaction BBVA RMBS 2, July 4, 2012
- Counterparty Risk Framework Methodology And Assumptions, May 31, 2012
- Principles Of Credit Ratings, Feb. 16, 2011
- Methodology: Credit Stability Criteria, May 3, 2010

RATINGS LIST

Class	To	Rating	From
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BBVA RMBS 2, Fondo de Titulizacion de Activos  
€5 Billion Residential Mortgage-Backed Floating-Rate Notes

Ratings Placed On CreditWatch Negative

A2	BBB+ (sf)/Watch Neg	BBB+ (sf)
A3	BBB+ (sf)/Watch Neg	BBB+ (sf)
A4	BBB+ (sf)/Watch Neg	BBB+ (sf)

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