

## FITCH DOWNGRADES 1, AFFIRMS 2 SPANISH RMBS TRANSACTIONS

Fitch Ratings-London/Madrid-15 July 2013: Fitch Ratings has downgraded one tranche and affirmed two tranches of Spanish RMBS, as follows:

-Bancaja 9, Fondo de Titulizacion de Activos: (Bancaja 9)  
Class A2 (ES0312888011): downgraded to 'Asf' from 'AA-sf'; off Rating Watch Negative (RWN);  
Outlook Negative

-AyT Colaterales Global Hipotecario Caja Granada: (AyT CGH Granada)  
Class A (ES0312273164) affirmed at 'AA-sf'; off RWN; Outlook Negative

-AyT Caja Granada Hipotecario 1, Fondo de Titulizacion de Activos: (Ayt Caja Granada)  
Class A (ES0312212006) affirmed at 'AA-sf'; off RWN; Outlook Negative

### KEY RATING DRIVERS

#### Exposure to Payment Interruption Risk

The downgrade of the Class A2 note in Bancaja 9 reflects the transaction's exposure to payment interruption risk. Payment interruption analysis takes into account the impact of a disruption to the collections process upon the default of the servicer. It assesses the ability of transactions to maintain timely payment to noteholders if servicers no longer perform their roles.

The management company (EdT) has indicated to Fitch that no remedial measures will be implemented to mitigate the temporary liquidity shortfall that could result in case of a Bankia S.A (BBB/RWN/F2) default. As payment disruption is only expected to result in a limited deferral of senior note interest and no other detrimental events such as a swap termination, Fitch considers a rating of up to 'Asf' to be commensurate with the risk.

#### Adequate Commingling Facilities

The affirmation of the class A tranches in AyT CGH Granada and AyT Caja Granada follows further analysis as to whether the existing commingling facilities are sufficient to withstand Fitch's payment interruption risk stresses. Both deals feature dynamic facilities sized for six months expected class A interest, deposited in the issuer account held with Barclays Bank plc (A/Stable/F1). The analysis showed that the combination of the commingling facility and the reserve funds were sufficient to withstand the agency's payment interruption stresses.

### RATING SENSITIVITIES

The Negative Outlooks on all three tranches reflect the uncertainty associated with changes to the mortgage enforcement framework. The eventual effects of framework changes on borrower payment behaviour, recovery timing and amounts are currently unclear and will be factored into Fitch's analysis as they emerge.

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Additional information is available on [www.fitchratings.com](http://www.fitchratings.com).

In addition to those mentioned in the applicable criteria, the sources of information used to assess these ratings were investor reports and pool tapes.

Applicable criteria: 'Global Structured Finance Rating Criteria', dated 24 May 2013, 'EMEA RMBS Residential Mortgage Loss Criteria', dated 6 June 2013, and 'EMEA Criteria Addendum - Spain - Mortgage and Cashflow Assumptions', dated 20 March 2013, are available at [www.fitchratings.com](http://www.fitchratings.com).

**Applicable Criteria and Related Research:**

Global Structured Finance Rating Criteria

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=708661](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=708661)

EMEA RMBS Master Rating Criteria

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=709893](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=709893)

EMEA Criteria Addendum - Spain - Amended

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=701809](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=701809)

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