HIPOCAT 11 Fondo de Titulización de Activos

RMBS / Spain

This pre-sale report addresses the structure and characteristics of the proposed transaction based on the information provided to Moody's as of February 2007. Investors should be aware that certain issues concerning this transaction have yet to be finalised. Upon conclusive review of all documents and legal information as well as any subsequent changes in information, Moody's will endeavour to assign definitive ratings to this transaction. The ***definitive*** *ratings may differ from the* ***provisional*** *ratings set forth in this report. Moody's will disseminate the assignment of definitive ratings through its Client Service Desk. This report does not constitute an offer to sell or a solicitation of an offer to buy any securities, and it may not be used or circulated in connection with any such offer or solicitation.*

Estimated Closing Date

March 2007

Lead Analyst

Luis Mozos
Associate Analyst
+34 91 702-6615
Luis.Mozos@moodys.com

Backup Analyst

Alberto Barbáchano
Assistant Vice President – Analyst
+34 91 702-6601
Alberto.Barbachano@moodys.com

Investor Liaison

New York
Brett Hemmerling
Investor Liaison Specialist
+1 212 553-4796
Brett.Hemmerling@moodys.com

Client Service Desk

London: +44 20 7772-5454
csdlondon@moodys.com
Madrid: +34 91 702-6616

Monitoring

monitor.rmbs@moodys.com

Website

www.moodys.com

PROVISIONAL (P) RATINGS

Class	Rating	Amount (million)	% of Notes	Legal Final Maturity	Coupon
A1	(P)**Aaa**	€[200.0]	12.50	Jan. 50	3mE + [•]%
A2	(P)**Aaa**	€[1,083.2]	67.70	Jan. 50	3mE + [•]%
A3	(P)**Aaa**	€[200.0]	12.50	Jan. 50	3mE + [•]%
B	(P)**Aa2**	€[52.8]	3.30	Jan. 50	3mE + [•]%
C	(P)**Baa2**	€[64.0]	4.00	Jan. 50	3mE + [•]%
D	(P)**Caa3**	€[28.0]	1.75	Jan. 50	3mE + [•]%
Total		€[1,628.0]	100.00		

The ratings address the expected loss posed to investors by the legal final maturity of each class. In Moody's opinion, the structure allows for timely payment of interest and ultimate payment of principal on Classes A1, A2, A3, B and C at par on or before the rated final legal maturity date, and for ultimate payment of interest and principal at par on or before the rated final legal maturity date on Class D. Moody's ratings address only the credit risks associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.

OPINION

Strengths of the Transaction

- Credit enhancement provided by the excess spread, a reserve fund and the subordination of the notes
- Swap to hedge interest rate risk in the transaction, which secures the weighted interest rate of Classes A, B and C plus 65 bps, and covers the servicing fee in the event that Caixa Catalunya is substituted as servicer
- Excess spread-trapping mechanism through an 18-month "artificial write-off"
- Reserve fund fully funded up-front to cover potential shortfall in interest and principal
- Strict triggers on the deal, which include a trigger to stop the reserve fund amortisation and a trigger to stop the pro-rata amortisation of Classes B and C
- No second-lien products are included
- 100% of the portfolio is paid via direct debit
- 100% of the portfolio is paid on a monthly basis

Weaknesses and Mitigants

- Flexible product within the Spanish market (line of credit + grace periods + high LTV lending). Borrowers are allowed to make further drawings up to a maximum credit limit defined at origination (which will never exceed 80% of the initial LTV). Generally, any such redraw of pre-payments or further drawings are subject to the Caixa Catalunya's credit review and approval. Moody's will determine the severity based on the maximum drawable amount rather than the current loan balance.
- High LTVs in the portfolio (no loans above 100% LTV; 68.63% over 80% LTV)

– Geographical concentration in the region of Catalonia (70%), mitigated in part by the fact that this is the region of Caixa Catalunya's origin, where it has its greatest expertise. Additionally, the potential increase in the volatility of losses is mitigated due to the highest concentrations requiring additional credit enhancement.
– Pro-rata amortisation of the Class B and C notes leads to reduced credit enhancement of the senior class in absolute terms. This is mitigated by strict triggers which terminate the pro-rata amortisation of the notes as the performance of the transaction deteriorates.
– The deferral of interest payments on each of Classes B and C benefits the repayment of the class senior to each of them, but increases the expected loss on Classes B and C themselves. The reserve fund and the subordination have been sized accordingly to account for this deterioration on the expected loss.

STRUCTURE SUMMARY

Issuer:	HIPOCAT 11 Fondo de Titulización de Activos
Structure Type:	Senior / Mezzanine / Subordinated / Reserve fund
Seller/Originator:	Caixa Catalunya (**A1**/**P-1**)
Servicer:	Caixa Catalunya (**A1**/**P-1**)
Interest and Principal Payments:	Quarterly on 15 January, 15 April, 15 July and 15 October
Credit Enhancement/Reserves:	Excess spread per annum Reserve fund Subordination Guarantee Investment Contract (GIC) account
Hedging:	Interest rate swap to cover interest rate risk which guarantees the WA coupon of the Notes plus 65 bps excess spread and the servicing fee in the event that Caixa Catalunya is replaced as servicer
Principal Paying Agent:	Caixa Catalunya (**A1**/**P-1**)
Management Company:	Gestión de Activos Titulizados S.G.F.T., S.A
Arranger:	JPMorgan, Gestión de Activos Titulizados S.G.F.T., S.A
Lead Managers:	Caixa Catalunya, JPMorgan, Natixis and UBS

COLLATERAL SUMMARY *(Provisional pool as of February 2007)*

Loan Amount:	€2,039,904,657
Loans Count:	13,100
Pool Cut-off Date:	05 February 2007
WA Original LTV:	85.6%
WA Current LTV:	82.9%
WA Seasoning:	17 months
WA Remaining Term:	28.1 years
Interest Rate:	4.32%
Geographic Diversity:	70.16% Catalonia; 12.59% Madrid
Loan Purpose:	Purchase of the debtor's primary residence
Average Loan Size:	€155,718

NOTES

Class	Subordination	Reserve Fund	Total
A1	87.50%*	1.75%	89.25%
A2	19.80%*	1.75%	21.55% **
A3	7.30%*	1.75%	9.05%
B	4.00%*	1.75%	5.75%
C	0%	1.75%	1.75%
D	0%	1.75%	1.75%

** Subject to pro-rata amortisation triggers*

*** Subject to A1-A2-A3 future real amortization profile*

TRANSACTION SUMMARY

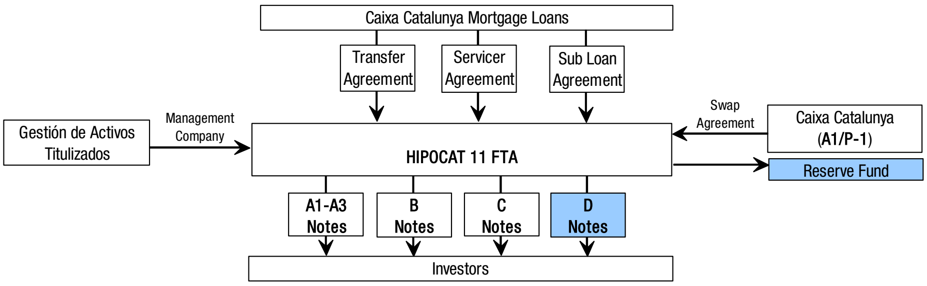
100% flexible mortgages being securitised

This transaction consists of the securitisation of the first drawdown of a mortgage product that is structured like a line of credit and which is currently Caixa Catalunya's star product. This product, called "Crédito Total", offers several advantages to the debtor such as:

– Potential 100% LTV financing on the first drawdown
– The possibility of withdrawing additional funds as the loan has been amortised below the credit limit (up to a maximum credit limit defined at origination which will never exceed 80% of the initial LTV)
– The possibility of enjoying grace periods on both the interest and the principal (subject to Caixa Catalunya's approval)

The products being securitised are first-lien flexible mortgages granted to purchase a primary residence in Spain.

Chart 1:
Structure Diagram



The transaction consists of six rated classes: three senior Class A tranches rated [**Aaa**], two mezzanine tranches, Class B rated [**Aa2**] and Class C rated [**Baa2**], and a subordinated tranche, Class D [**Caa3**], for an equal amount to the reserve fund. The special purpose vehicle will use the proceeds from the issuance of the notes to purchase the portfolio of mortgage loans and finance the reserve fund, as illustrated in the chart above.

STRUCTURAL AND LEGAL ASPECTS

Caixa Catalunya will transfer the borrower payments every two days

The proceeds from the loans, the amounts received under the swap agreement and the cash reserve will be deposited in the treasury account, which will be held at Caixa Catalunya. The latter guarantees an annual yield from the amounts deposited in the treasury account equal to three-month Euribor rate applicable on the notes.

Moody's has set up some triggers in order to protect the treasury account from a possible downgrade of Caixa Catalunya. Should Caixa Catalunya's short-term rating fall below **P-1**, the management company will have 30 days within which to find a suitably rated guarantor or substitute as holder of the treasury account.

Reserve fund fully funded at closing from the proceeds of the issue of the Class D Notes

Initially funded with the benefits from the issuance of the Class D notes, the reserve fund will be used to cover any potential shortfall in either interest or principal during the life of the transaction.

After the first three years of the life of the transaction, the reserve fund may be amortised over the life of the transaction so that it amounts to the lesser of the following amounts:

1) 1.750% of the initial balance of the Class A1, A2, A3, B and C Notes
2) The higher of the following amounts:
   - 3.500% of the outstanding notional balance of the Class A1, A2, A3, B and C Notes
   - 0.875% of the initial balance of the Class A1, A2, A3, A4, B and C Notes

However, amortisation of the reserve fund will cease if either of the following scenarios occurs:

– The amount of loans more than three months and less than 18 months in arrears exceeds 1.00% of the outstanding balance of the portfolio.
– The available amount under the reserve fund is not equal to the then required amount.

Interest rates swap guaranteeing weighted average interest rate of the Class A1, A2, A3, B and C notes plus 0.65 bppa of excess spread and covering the servicing fee in the event of the replacement of Caixa Catalunya as servicer

According to the swap agreement entered into between the *Fondo* and Caixa Catalunya on each payment date:

– The *Fondo* will pay the interest actually received from the loans.
– Caixa Catalunya will pay the sum of (1) the weighted average coupon on the Class A1, A2, A3, B and C notes plus 65 bppa, over a notional calculated as the daily average of the outstanding amount of the loans not more than 90 days in arrears since the last payment date (excluding the loans in grace periods if the loans in grace periods represent less than 16%); and (2) the servicing fee due on such payment date if Caixa Catalunya is substituted as servicer.

The swap mechanism would protect the *Fondo* against potential liquidity problems if the percentage of loans in grace period was more than 16%. Below that level, the principal payments on the loans could be used to cover any potential interest shortfall on the Notes, thus avoiding any liquidity issue.

In the event of Caixa Catalunya's long-term rating being downgraded below **A2** (or the short-term rating below P-1), within 30 days it will have to (1) collateralise its obligation under the swap in an amount sufficient to maintain the then current rating of the notes, or (2) find a suitably rated guarantor or substitute.

Priority of payment

On each quarterly payment date, the *Fondo's* available funds (principal and interest received from the asset pool, the reserve fund, amounts received under the swap agreement and interest earned on the transaction accounts) will be applied in the following simplified order of priority:

1) Cost and fees, excluding servicing fee (except in the case of Caixa Catalunya being replaced as servicer of the loans)
2) Any amount due under the swap agreement
3) Interest payment to Classes A1, A2 and A3
4) Interest payment to Class B (if not deferred)
5) Interest payment to Class C (if not deferred)
6) Retention of an amount equal to the principal due under the notes to amortise Classes A1, A2, A3, B and C.
7) Interest payment to Class B notes (if deferred)
8) Interest payment to Class C notes (if deferred)
9) Replenishment of the reserve fund
10) Interest payment to Class D
11) Principal payment to Class D
12) Termination payment under the swap agreement (except if the *Fondo* is the defaulting or the sole affected party)
13) Junior expenses

Interest deferral trigger based on defaults

The payment of interest on the Class B and C Notes will be brought to a more junior position if, on any payment date, the following criteria are met:

Class B:	– The accumulated amount of written-off loans is higher than 13.20% of the initial amount of the assets pool – Classes A1, A2, A3 are not fully redeemed
Class C:	– The accumulated amount of written-off loans is higher than 8.90% of the initial amount of the assets pool – Classes A1, A2, A3 and B are not fully redeemed

18-month "artificial write-off" mechanism

The transaction structure for Classes A, B and C benefits from an "artificial write-off", which traps available excess spread to cover losses (if any). This type of "artificial write-off" is hidden in the definition of principal due, which is the difference between the Class A, B and C notes outstanding and the outstanding performing loans (loans less than 18 months in arrears).

Principal due allocation mechanism

Until the payment date on which the initial amount of Classes B and C exceeds 6.60% and 8.00%, respectively, of the outstanding amount under all classes of notes, the amount retained as principal due will be used for the repayment of the following items in the indicated order of priority:

1) Amortisation of Class A1
2) Until the payment date falling on 15 July 2013, and once Class A1 is fully redeemed, amortisation of Class A2. From that date, inclusive, 25% of the corresponding amount will be used to amortise Class A2 and the remaining 75% to amortise Class A3 until either A2 or A3 has been fully redeemed. In that case, 100% will be used to amortise the outstanding classes of notes.
3) Amortisation of Class B
4) Amortisation of Class C

Nevertheless, the amount retained as principal due will be allocated pro-rata between Classes A1, A2 and A3 if the aggregated outstanding amount of Classes A1, A2 and A3, by reason of principal, is equal to or greater than the outstanding amount of performing loans (including loans up to 90 days in arrears).

Once amortisation commences for Classes B and C, the amount retained as principal due will be distributed pro-rata between the following:

- Amortisation of Classes A1, A2 and A3. This amount will be distributed according to the order of priority mentioned above.
- Amortisation of Class B
- Amortisation of Class C

so that the percentages indicated above for Classes B and C are maintained at any payment date thereafter. Nevertheless, amortisation of Classes B and C will not take place on the payment date on which any of the following events occurs:

- The arrears level exceeds 1.5% and 1% for Classes B and C, respectively.
- The reserve fund is not funded at the required level.
- The outstanding amount of the non-written-off loans is lower than 10% of the initial amount of the pool.
- The conditions to amortise pro-rata Classes A1, A2 and A3 are met.

Class D amortisation

The Class D notes will amortise, on each payment date, for an amount equal to the difference between the outstanding amount of the Class D notes and the reserve fund's required amount on the current payment date.

While Caixa Catalunya is in possession of the bonds, it can decide to start an irreversible turbo payment of the Class D notes. This mechanism will be maintained even if Caixa Catalunya sells any of the Class D notes.

COLLATERAL

Original Balance:	2,133,138,877	Average seasoning in months:	17
Current Balance:	2,039,904,657	Average seasoning in years:	1.41
Number of Loans:	13,100	Average time to maturity in years:	28.1
Number of Borrowers:	13,100	Maximum maturity date:	31-Oct-2046
Average Loan (Borrower):	€155,718	WA interest rate:	4.32%
Average Loan (Property):	€155,718		
WA Current LTV:	82.9%		
WA Original LTV:	85.6%		

The product being securitised under HIPOCAT-11 is the first drawdown of a mortgage product designed by Caixa Catalunya and marketed under the name “Crédito Total” (CT). The financial contract underlying CT is a line of credit. As was the case with the transactions from HIPOCAT-4 to HIPOCAT-10, subsequent advances under the line of credit will remain on Caixa Catalunya’s balance sheet.

The first utilisation under CT mimics the behaviour of a standard mortgage loan in terms of its purpose (purchasing the borrower’s primary residence), amortisation profile (annuity), maturity (a maximum of 40 years), etc.

All of the payment obligations under CT are backed by a first-lien mortgage on the residential property being acquired, and such a mortgage is always registered in the Property Register. The first drawdown under the line of credit is always used for the purpose of purchasing the borrower’s main residence.

Chart 2:
Portfolio Breakdown by Region

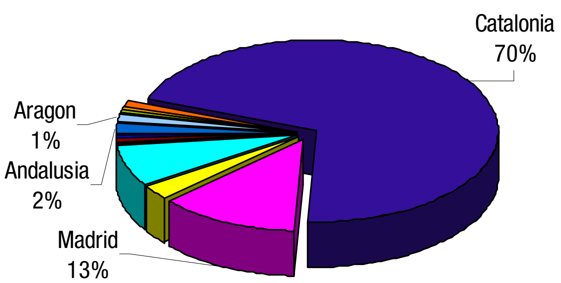
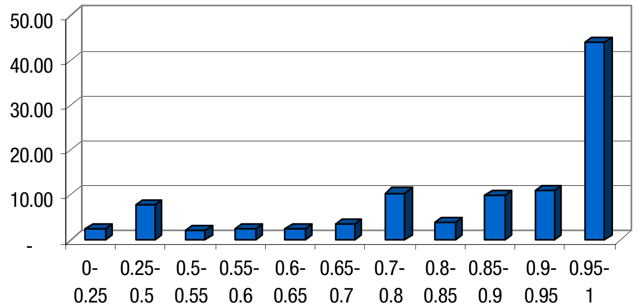


Chart 3:
Portfolio Breakdown by LTV



Product description

The product being securitised has the following specific features:

1) Granted to individuals residing in Spain.
2) Set up as a line of credit – with an underlying mortgage guarantee (the guarantee will be the residence that is acquired under the first drawdown).
3) Successive drawdowns have no priority over previous drawdowns – all are pari passu (an example of how this works is provided later in this pre-sale report).
4) However, longer outstanding debts have priority over shorter outstanding debts and the rank of order also has priority (i.e. the first withdrawal would have priority over the second, the second would have priority over the third, and so on).
5) Maximum amount of credit granted = 100% LTV. For all amounts over the 80% limit, an additional guarantee (personal in most cases) will be set up throughout the life of the loan.
6) The first drawdown will have a maximum maturity of 40 years (limited to the result of subtracting the borrower’s age from 72 years). Successive drawdowns will be capped at a maximum of 10 years.
7) Each successive drawdown is treated separately. Each has its own amortisation profile, generates its own invoice and has its own payment date (although this will be matched with that of the previous drawdowns).
8) Additional drawdowns can only be granted if the following conditions are met and always subject to Caixa Catalunya’s approval:
   - There are no arrears.
   - Total outstanding debt (including the new drawdown) does not exceed 80% LTV (over the original appraisal).
   - Debt-to-income ratio does not exceed 40%.
   - The combination of the first and successive withdrawals can never exceed the original maturity date.

Grace periods

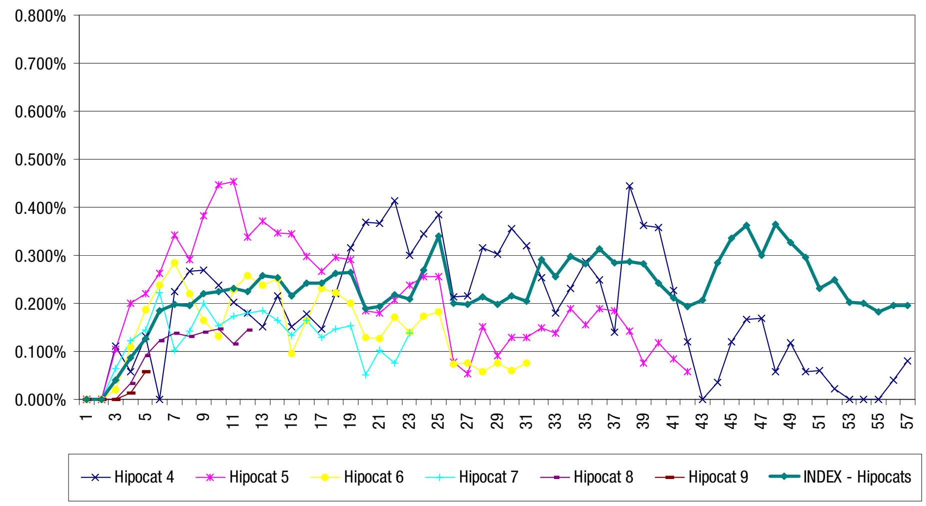
The HIPOCAT-11 loans will have the option of enjoying grace periods, during which neither principal nor interest is paid. Unpaid interest is capitalised at the end of the grace period. The following limitations apply to the use of such grace periods:

– No single grace period can last more than 12 consecutive months.

– No more than five grace periods can be granted, for a total maximum of 36 months.
– The CT initial balance cannot be increased due to the interest that has been capitalised throughout the grace period.
– Grace periods are only granted subject to Caixa Catalunya's approval.

Performance data on previous Hipocat transactions

Chart 4:
90 days arrears as % of the current balance



ORIGINATOR, SERVICER AND OPERATIONS REVIEW

Caixa Catalunya is one of the leading players in the Catalonia region

The current **A1/P-1/B-** ratings of Caixa Catalunya (CC) reflect the savings bank's strong franchise as the second-largest savings bank in the wealthy region of Catalonia, as well as its consistent and prudent strategy focused on profitable growth and the improvement in efficiency, liquidity and asset quality. However, they also take into account the fierce competition that Spanish financial institutions are facing, the level of market risk arising fron the savings bank's securities portfolio, and the need to strenghten its capital base to continue growing.

Although operating in one of the most competitive regional markets in Spain, the bank has well-defended its market position. Active sales and cross-selling efforts resulted in double-digit growth in fee income. With around 25% of its operating revenues being fees and commissions (from payments but also savings-related products), CC enjoys better revenue diversification than peers, which has been key given currently low interest rates. However, good growth in operating income has been outpaced by the increase in risk weighted assets, although this is in part due to the consolidation under IFRS of its insurance subsidiary Ascat Vida. As a result, recurring earning power has suffered. Nevertheless, higher cost containment has allowed the savings bank to reach a slightly better cost-to-income ratio close to 55% at year-end 2005 vs. 75% in 1998. While further improvement might be difficult, partly due to intense domestic competition, recent management actions provide a good base to support future profitability.

Due to the bank's overall prudence as well as strengthening credit procedures, asset quality remains sound and has improved in 2005. That said, CC continues to show certain risk concentrations; although inherently a source of vulnerability, we remain comfortable given the sound creditworthiness of these exposures. CC's equity portfolio, among the most significant when compared to shareholders' equity among rated Spanish financial institutions, could also be a source of non-negligible risks. However, holdings are mostly long-term strategic stakes in Repsol, Abertis and Gas Natural, for which downside risk is limited given high hidden capital gains. We also view favourably the diversification of funding sources, which include senior and subordinated debt, mortgage and asset-backed securities, covered bonds (first issued in early 2006), as well as the lower reliance on short-term funding, despite some impact on net interest margins.

In the light of this reduction in short term funds, the liquidity position has improved, with liquid assets representing in excess of 27% of average assets as at year-end 2005. Finally, we remain of the opinion that the current level of capitalisation could somehow limit future growth. In this respect, we value positively the strategic plan focus on solvency, and the recent sale of the savings bank's stake in the telecom company Amena.

MOODY'S ANALYSIS

Determination of lognormal loss distribution

The first step in the analysis is to determine a loss distribution for the pool of mortgages to be securitised. Due to the high volume of loans and supporting historical data, Moody's uses a continuous distribution model to approximate the loss distribution: lognormal distribution.

In order to determine the shape of the curve, two parameters are needed: the expected loss and the volatility associated with this expected loss. These parameters are derived from the Moody's Individual Loan Analysis ("MILAN") model.

In order to extrapolate expected losses for the loan pool, Moody's has compared the underwriting criteria of the originators with those of other mortgage originators in Spain.

Moody's thus determines a number representing the enhancement that would be required for a pool of mortgages to obtain a 'Aaa' rating under highly stressed conditions. This enhancement number (the "Aaa CE" number) is obtained by means of a loan-by-loan model.

The "Aaa CE" number is determined by using "MILAN", Moody's loan-by-loan model for rating RMBS transactions

The "MILAN" model looks at each loan in the pool individually and, based on its individual characteristics such as LTV or other identified drivers of risk, computes a benchmark CE number. This number assumes stressed recovery rates (through house price decline), interest rates and costs of foreclosure, as well as a stressed recovery time. The weighted average benchmark CE number is then adjusted according to the positive and negative characteristics of each loan and to those of the pool as a whole, in order to produce the "Aaa CE" number.

The "Aaa CE number" and the Expected Loss Number form the basis of Rating Committee discussions and are used to derive the lognormal distribution of the pool losses.

The standard deviation of the distribution is found by setting the probability of a loss greater than the expected loss that is consistent with the Idealised Expected Loss target of the "Aaa CE number".

"MARCO", Moody's cash-flow model, is used to assess the impact of structural features of RMBS transactions

Once the loss distribution of the pool under consideration has been computed, a cash flow model, Moody's Analyzer of Residential Cash-Flows ("MARCO"), is used to assess the impact of structural features of the transaction, such as the priorities of interest and principal and the related triggers, swap features and excess margins, liquidity mechanisms and the value of excess spread.

The sum of the loss experienced per note class in each scenario, weighted by the probability of such loss scenarios, will then determine the expected loss on each tranche and hence the rating, in line with Moody's target losses for each rating category.

RATING SENSITIVITIES AND MONITORING

Gestión de Activos Titulizados S.G.F.T, S.A, in its capacity as management company, will prepare monthly monitoring reports with respect to the portfolio and payments to the notes. These reports will detail the amounts received by the issuer during each collection period and will provide portfolio data. Moody's will monitor this transaction on an ongoing basis to ensure that it continues to perform in the manner expected, including checking all supporting ratings and reviewing periodic servicing reports. Any subsequent changes to the rating will be publicly announced and disseminated through Moody's Client Service Desk. For updated monitoring information, please contact monitor.madrid@moodys.com

RELATED RESEARCH

For a more detailed explanation of Moody's rating approach to this type of transaction, similar transactions and performance data, please refer to the following reports:

Special Reports

- Cash Flow Analysis in EMEA RMBS: Testing Structural Features with the MARCO Model (Moody's Analyser of Residential Cash Flows), January 2006 (SF58290)
- Moody's Approach to Rating Spanish RMBS: The "MILAN" Model, March 2005 (SF49068)
- Spanish RMBS Q3 2004 Performance Review, February 2005 (SF50365)
- Structural Features in the Spanish RMBS Market Artificial Write-Off Mechanisms: Trapping the Spread, January 2004 (SF29881)
- Moody's Spanish RMBS Arrears Index: Delinquency Levels Remained Persistently Low in 2002 But Are Likely To Rise Given Weakening Global Economy and Factors Affecting Homeowners' Indebtedness, May 2003 (SF21607)
- Introducing Moody's Arrears Index for Spanish Mortgage-Backed Securities, March 2002 (SF12700)

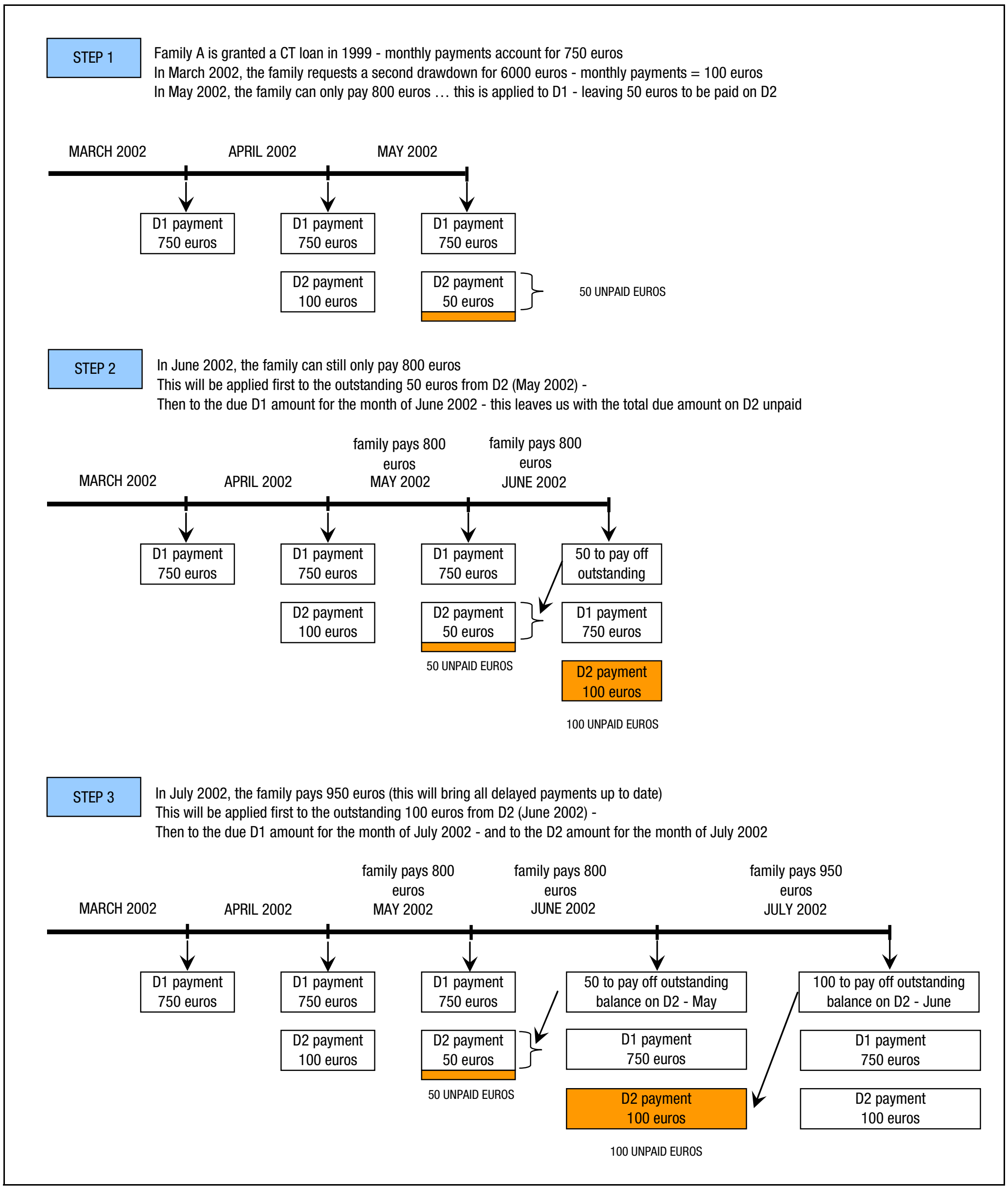
Pre-Sales

- HIPOCAT 10 Fondo de Titulización de Activos, Nov 2005 (SF77956)
- HIPOCAT 9 Fondo de Titulización de Activos, Nov 2005 (SF64133)
- HIPOCAT 8 Fondo de Titulización de Activos, Apr 2005 (SF53975)
- HIPOCAT 7 Fondo de Titulización de Activos, May 2004 (SF36953)
- HIPOCAT 6 Fondo de Titulización de Activos, Sep 2003 (SF25954)
- HIPOCAT 5 Fondo de Titulización de Activos, Oct 2002 (SF16681)
- HIPOCAT 4 Fondo de Titulización de Activos, Jun 2001 (SF10767)

Performance Overviews

- HIPOCAT 9 Fondo de Titulización de Activos
- HIPOCAT 8 Fondo de Titulización de Activos
- HIPOCAT 7 Fondo de Titulización de Activos
- HIPOCAT 6 Fondo de Titulización de Activos
- HIPOCAT 5 Fondo de Titulización de Activos
- HIPOCAT 4 Fondo de Titulización de Activos

How This Product Works



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