



Fitch Places 7 Spanish SF Transactions On RWN; Downgrades 1 Due To Counterparty Risk to BCE Ratings Endorsement Policy

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Fitch Ratings-Madrid/London-03 April 2012: Fitch Ratings has placed 18 tranches of seven Spanish structured finance (SF) transactions on Rating Watch Negative (RWN) and downgraded one. A full list of rating actions is available at www.fitchratings.com or by clicking on the link above.

The rating actions reflect the transactions' exposure to Banco Cooperativo Espanol (BCE; 'BBB+/'Negative/'F2') which continues to serve as bank account, hedging provider and/or paying agent. The remedial actions expected following the downgrade of the entity (see 'Fitch Downgrades CECA and Banco Cooperativo to 'BBB+'; Outlook Negative' dated 08 February 2012 at www.fitchratings.com) have not been fully implemented.

The agency's understanding of the transaction documents is that remedial actions should have been implemented by now to adequately mitigate the increased counterparty risk. For exposures that cannot be addressed by collateralisation (e.g. issuer account banks), Fitch's criteria envisages remedial action being completed within 30 calendar days of the downgrade trigger event.

Fitch understands that the transaction parties intend to remedy the increased counterparty exposure resulting from the downgrade of BCE. The large number of affected counterparty positions has increased the length of time to complete remedial actions. While effective remedial action has been taken for some 23 transactions, others have yet to see this process completed and therefore the tranches rated above the rating of BCE have been placed on RWN.

Fitch will continue to monitor the progress made towards completion of the remedial action and expects to resolve the RWN within six weeks. Resolution of the RWN will depend upon the implementation of appropriate remedial action, which could potentially lead to the affirmation of the notes, while failure to take such action could result in material downgrades.

The parties to Rural Hipotecario XII have altered the terms of the documentation such that the counterparty triggers of 'A/'F1' have been replaced by triggers of 'BBB+/'F2'. Fitch's counterparty criteria indicates a minimum counterparty rating threshold of 'A/'F1' for SF notes rated above 'A+sf'. Fitch has therefore downgraded the senior tranche of this transaction from 'AA-sf' to 'A+sf' in line with the revised trigger.

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Additional information is available at 'www.fitchratings.com'. The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

In accordance with Fitch's policies, one of the gestoras managing an issuer appealed and provided additional information to Fitch that resulted in a rating action which is different than the original rating committee outcome.

The sources of information used to assess these ratings were provided by the following SPV management companies in Spain: Titulizacion de Activos SGFT SA, Europea de Titulizacion SA SGFT, Ahorro y Titulizacion SGFT SA.

Applicable criteria: 'Global Structured Finance Rating Criteria', dated 4 August 2011, 'Counterparty Criteria for Structured Finance Transactions' and 'Counterparty Criteria for Structured Finance Transactions: Derivative Addendum' dated 12 March 2012 are available at www.fitchratings.com.

Applicable Criteria and Related Research: Fitch Places 7 Spanish SF Transactions On RWN; Downgrades 1 Due To Counterparty Risk to BCE

Global Structured Finance Rating Criteria
Counterparty Criteria for Structured Finance Transactions
Counterparty Criteria for Structured Finance Transactions: Derivative Addendum

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Deal Legal Name	Class	CUSIP	ISIN	Prior Rating	Loss Severity/ Recovery Rating	Prior Rating Watch/Outlook	Rating Action	New Rating	Loss Severity/ Recovery Rating	Rating Watch / Outlook	Rating Action Effective Date	Loss Coverage Ratios (LCR)*	Expected Loss (XL) Current Bal.
AyT FTPYME I, FTA	F2		ES0370149017	AAA sf		Rating Outlook Negative	Rating Watch On	AAA sf		Rating Watch Negative	03 Apr 2012		
AyT FTPYME I, FTA	T2		ES0370149025	AAA sf		Rating Outlook Negative	Rating Watch On	AAA sf		Rating Watch Negative	03 Apr 2012		
AyT FTPYME I, FTA	B		ES0370149033	Asf		Rating Outlook Stable	Rating Watch On	Asf		Rating Watch Negative	03 Apr 2012		
Ruralpyme 2 FTPYME, FTA	A1		ES0374352005	AAA sf		Rating Outlook Negative	Rating Watch On	AAA sf		Rating Watch Negative	03 Apr 2012		
Ruralpyme 2 FTPYME, FTA	A2(G)		ES0374352013	AAA sf		Rating Outlook Negative	Rating Watch On	AAA sf		Rating Watch Negative	03 Apr 2012		
Rural Hipotecario Global I, FTA	Class A		ES0374273003	AAA sf		Rating Outlook Negative	Rating Watch On	AAA sf		Rating Watch Negative	03 Apr 2012		
Rural Hipotecario Global I, FTA	Class B		ES0374273011	Asf	WD	Rating Outlook Stable	Rating Watch On	Asf		Rating Watch Negative	03 Apr 2012		
Rural Hipotecario VI, FTA	Class A		ES0374306001	AAA sf		Rating Outlook Negative	Rating Watch On	AAA sf		Rating Watch Negative	03 Apr 2012		
Rural Hipotecario VI, FTA	Class B		ES0374306019	AA sf	WD	Rating Outlook Stable	Rating Watch On	AA sf		Rating Watch Negative	03 Apr 2012		
Rural Hipotecario VII, FTA	Class A1		ES0366366005	AAA sf		Rating Outlook Negative	Rating Watch On	AAA sf		Rating Watch Negative	03 Apr 2012		
Rural Hipotecario VII, FTA	Class A2		ES0366366013	AAA sf		Rating Outlook Negative	Rating Watch On	AAA sf		Rating Watch Negative	03 Apr 2012		
Rural Hipotecario VII, FTA	Class B		ES0366366021	AA sf	WD	Rating Outlook Stable	Rating Watch On	AA sf		Rating Watch Negative	03 Apr 2012		
Rural Hipotecario VIII, FTA	Class A2a		ES0366367011	AAA sf		Rating Outlook Negative	Rating Watch On	AAA sf		Rating Watch Negative	03 Apr 2012		
Rural Hipotecario VIII, FTA	Class A2b		ES0366367029	AAA sf		Rating Outlook Negative	Rating Watch On	AAA sf		Rating Watch Negative	03 Apr 2012		
Rural Hipotecario VIII, FTA	Class B		ES0366367037	A+ sf	WD	Rating Outlook Stable	Rating Watch On	A+ sf		Rating Watch Negative	03 Apr 2012		
Rural Hipotecario IX, FTA	Class A2		ES0374274019	AAA sf		Rating Outlook Negative	Rating Watch On	AAA sf		Rating Watch Negative	03 Apr 2012		
Rural Hipotecario IX, FTA	Class A3		ES0374274027	AAA sf		Rating Outlook Negative	Rating Watch On	AAA sf		Rating Watch Negative	03 Apr 2012		
Rural Hipotecario IX, FTA	Class B		ES0374274035	Asf	WD	Rating Outlook Negative	Rating Watch On	Asf		Rating Watch Negative	03 Apr 2012		
Rural Hipotecario XII, FTA	Class A		ES0323976003	AA- sf	WD	Rating Outlook Stable	Downgrade	A+ sf		Rating Outlook Stable	03 Apr 2012		

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