



Date of Release: July 29, 2013

## **DBRS Assigns Final Ratings to Rural Hipotecario XVI, Fondo de Titulización de Activos Notes**

### **Industry: Sec.--RMBS**

DBRS Ratings Limited (“DBRS”) has assigned a final rating of ‘A’ (sf) to the Series A notes and a final rating of BB (sf) to the Series B notes issued by Rural Hipotecario XVI, Fondo de Titulización de Activos (“RH XVI”).

RH XVI is the securitisation of first-ranking mortgage loans originated by Caja Rural de Soria, S.C.C, Caja Rural de Teruel, S.C.C and Caja Rural de Zamora, C.C. The mortgage portfolio is seasoned 4.3 years and is serviced by the three aforementioned rural saving banks.

The credit enhancement for the Series A notes is provided by the subordination of Series B and an amortising reserve fund. The Series A notes benefit from a fully sequential amortisation structure. The credit enhancement for Series B is provided by the amortising reserve fund.

The Series B notes allow for deferment of interest to be paid based on specific trigger conditions.

The ratings are based upon DBRS review of the following analytical considerations:

- The transaction’s capital structure and the form and sufficiency of available credit enhancement. Relevant credit enhancement is in the form of subordination, a reserve fund, and excess spread.
- The credit quality of the mortgages backing the notes and the ability of the servicer to perform collection activities on the collateral.
- The transaction parties’ capabilities with respect to originations, underwriting, servicing and financial strength.
- The ability of the transaction to withstand stressed cash flow assumptions and repay investors according to the terms of the transaction documents.
- The legal structure and presence of legal opinions addressing the assignment of the assets to the issuer and the consistency with the DBRS Legal Criteria for European Structured Finance Transactions.

### **Notes:**

All figures are in Euro unless otherwise noted.



The principal methodologies applicable are:

- Master European Residential Mortgage-Backed Securities Rating Methodology
- Legal Criteria for European Structured Finance Transactions
- Operational Risk Assessment for European Structured Finance Servicers
- Unified Interest Rate Model Methodology for European Securitisations

These can be found on [www.dbrs.com](http://www.dbrs.com) under Methodologies. For a more detailed discussion of sovereign risk impact on Structured Finance ratings, please refer to DBRS commentary “The Effect of Sovereign Risk on Securitisations in the Euro Area”.

The sources of information used for this rating include investor reports and documents provided by the issuer. DBRS considers the information available to it for the purposes of providing this rating was of satisfactory quality.

These ratings concern newly issued financial instruments. This is the first DBRS rating on these financial instruments.

For additional information on this rating, please see the linking document which is located at <http://www.dbrs.com/research/259437/linking-document-rural-hipotecario-xvi-fondo-de-titulizaci-n-de-activos.pdf>

For further information on DBRS’s historic default rates published by the European Securities and Markets Administration (“ESMA”) in a central repository see <http://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>.

Ratings assigned by DBRS Ratings Limited are subject to EU regulations only.

Initial Lead Analyst: David Sanchez Rodriguez

Initial Provisional Rating Date: 26/07/2013

Rating Committee Chair: Quincy Tang

Lead Surveillance Analyst: Keith Gorman

Previous Rating Date: Not applicable as no previous rating date

DBRS Ratings Limited  
1 Minster Court, 10th Floor  
Mincing Lane  
London, EC3R 7AA

Copyright © 2013, DBRS Limited, DBRS, Inc. and DBRS Ratings Limited (collectively, DBRS). All rights reserved. The information upon which DBRS ratings and reports are based is obtained by DBRS from sources DBRS believes to be accurate and reliable. DBRS does not audit the information it receives in connection with the rating process, and it does not and cannot independently verify that information in every instance. The extent of any factual investigation or independent verification depends on facts and circumstances. DBRS ratings, reports and any other information provided by DBRS are provided "as is" and without representation or warranty of any kind. DBRS hereby disclaims any representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability, fitness for any particular purpose or non-infringement of any of such information. In no event shall DBRS or its directors, officers, employees, independent contractors, agents and representatives (collectively, DBRS Representatives) be liable (1) for any inaccuracy, delay, loss of data, interruption in service, error or omission or for any damages resulting therefrom, or (2) for any direct, indirect, incidental, special, compensatory or consequential damages arising from any use of ratings and rating reports or arising from any error (negligent or otherwise) or other circumstance or contingency within or outside the control of DBRS or any DBRS Representative, in connection with or related to obtaining, collecting, compiling, analyzing, interpreting, communicating, publishing or delivering any such information. Ratings and other opinions issued by DBRS are, and must be construed solely as, statements of opinion and not statements of fact as to credit worthiness or recommendations to purchase, sell or hold any securities. A report providing a DBRS rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. DBRS receives compensation for its rating activities from issuers, insurers, guarantors and/or underwriters of debt securities for assigning ratings and from subscribers to its website. DBRS is not responsible for the content or operation of third party websites accessed through hypertext or other computer links and DBRS shall have no liability to any person or entity for the use of such third party websites. This publication may not be reproduced, retransmitted or distributed in any form without the prior written consent of DBRS. ALL DBRS RATINGS ARE SUBJECT TO DISCLAIMERS AND CERTAIN LIMITATIONS. PLEASE READ THESE DISCLAIMERS AND LIMITATIONS AT <http://www.dbrs.com/about/disclaimer>. ADDITIONAL INFORMATION REGARDING DBRS RATINGS, INCLUDING DEFINITIONS, POLICIES AND METHODOLOGIES, ARE AVAILABLE ON <http://www.dbrs.com>.



## United Kingdom

Issuer	Debt Rated	Rating Action	Rating	Trend	Latest Event
Rural Hipotecario XVI, Fondo de Titulización de Activos	Series A	Provisional Rating - Finalized	A (sf)	--	Jul 29, 2013
Rural Hipotecario XVI, Fondo de Titulización de Activos	Series B	Provisional Rating - Finalized	BB (sf)	--	Jul 29, 2013

DBRS's rating definitions and the terms of use of such ratings are available at [www.dbrs.com](http://www.dbrs.com).

David Sanchez Rodriguez  
Vice President - ABS/RMBS  
+44 20 7855 6605  
[dsanchez@dbrs.com](mailto:dsanchez@dbrs.com)

Kali Sirugudi  
Vice President - European Structured Finance  
+44 20 7855 6609  
[ksirugudi@dbrs.com](mailto:ksirugudi@dbrs.com)

Quincy Tang  
Senior Vice President - Structured Finance, RMBS  
+1 212 806 3256  
[qtang@dbrs.com](mailto:qtang@dbrs.com)

Claire Mezzanotte  
Group Managing Director - Global Structured Finance  
+1 212 806 3272  
[cmezzanotte@dbrs.com](mailto:cmezzanotte@dbrs.com)

**ALL DBRS RATINGS ARE SUBJECT TO DISCLAIMERS AND CERTAIN LIMITATIONS. PLEASE READ THESE [DISCLAIMERS AND LIMITATIONS](#). ADDITIONAL INFORMATION REGARDING DBRS RATINGS, INCLUDING DEFINITIONS, POLICIES AND METHODOLOGIES, ARE AVAILABLE ON [WWW.DBRS.COM](http://WWW.DBRS.COM).**

Copyright © 2013, DBRS Limited, DBRS, Inc. and DBRS Ratings Limited (collectively, DBRS). All rights reserved. The information upon which DBRS ratings and reports are based is obtained by DBRS from sources DBRS believes to be accurate and reliable. DBRS does not audit the information it receives in connection with the rating process, and it does not and cannot independently verify that information in every instance. The extent of any factual investigation or independent verification depends on facts and circumstances. DBRS ratings, reports and any other information provided by DBRS are provided "as is" and without representation or warranty of any kind. DBRS hereby disclaims any representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability, fitness for any particular purpose or non-infringement of any of such information. In no event shall DBRS or its directors, officers, employees, independent contractors, agents and representatives (collectively, DBRS Representatives) be liable (1) for any inaccuracy, delay, loss of data, interruption in service, error or omission or for any damages resulting therefrom, or (2) for any direct, indirect, incidental, special, compensatory or consequential damages arising from any use of ratings and rating reports or arising from any error (negligent or otherwise) or other circumstance or contingency within or outside the control of DBRS or any DBRS Representative, in connection with or related to obtaining, collecting, compiling, analyzing, interpreting, communicating, publishing or delivering any such information. Ratings and other opinions issued by DBRS are, and must be construed solely as, statements of opinion and not statements of fact as to credit worthiness or recommendations to purchase, sell or hold any securities. A report providing a DBRS rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. DBRS receives compensation for its rating activities from issuers, insurers, guarantors and/or underwriters of debt securities for assigning ratings and from subscribers to its website. DBRS is not responsible for the content or operation of third party websites accessed through hypertext or other computer links and DBRS shall have no liability to any person or entity for the use of such third party websites. This publication may not be reproduced, retransmitted or distributed in any form without the prior written consent of DBRS. ALL DBRS RATINGS ARE SUBJECT TO DISCLAIMERS AND CERTAIN LIMITATIONS. PLEASE READ THESE DISCLAIMERS AND LIMITATIONS AT <http://www.dbrs.com/about/disclaimer>. ADDITIONAL INFORMATION REGARDING DBRS RATINGS, INCLUDING DEFINITIONS, POLICIES AND METHODOLOGIES, ARE AVAILABLE ON <http://www.dbrs.com>.