

Ratings Raised On Spanish RMBS Transaction Bankinter 14's Class A2, A3, B, And C Notes After Counterparty Replacement

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OVERVIEW

- On Feb. 23, 2012, we lowered our ratings on Bankinter 14's class A2, A3, B, and C notes, due to the existing link between those tranches and the downgraded swap counterparty at that time.
- Since then, we have received evidence that, effective Feb. 20, 2012, Bankinter (as swap provider) was replaced with an entity having the minimum required rating as per the transaction documents--Banco Bilbao Vizcaya Argentaria. These remedy actions are in line with our 2010 counterparty criteria.
- We have therefore raised our ratings on the class A2, A3, B and C notes.
- Bankinter originated the Spanish mortgage loans that back this RMBS transaction, which closed in March 2007.

MADRID (Standard & Poor's) March 2, 2012--Standard & Poor's Ratings Services today raised its credit ratings on the class A2, A3, B, and C notes in Bankinter 14, Fondo de Titulizacion Hipotecaria (see list below).

On Feb. 23, 2012, we lowered our ratings on these notes, due to the existing link between those tranches and the downgraded counterparty--Bankinter S.A. (BBB/Negative/A-2), as swap provider (see "Rating Actions Taken On 41 Tranches In 21 Spanish RMBS Transactions Following Rating Actions On Counterparties"). We made those downgrades on the basis of the information the trustee provided to us and the application of our 2010 counterparty criteria (see "Counterparty And Supporting Obligations Methodology And Assumptions," published on Dec. 6,

2010, and "Counterparty And Supporting Obligations Update," published on Jan. 13, 2011). More than 60 days had elapsed since we lowered our short-term rating on Bankinter, to below the level required by the transaction documents, on Oct. 11, 2011 (see "Spain's Slowing Economy And Depressed Real Estate Market Prompt Negative Rating Actions On 15 Spanish Banks").

Since then, we have received evidence that, effective Feb. 20, 2012), Bankinter (as swap provider) was replaced with an entity having the minimum required rating as per the transaction documents--Banco Bilbao Vizcaya Argentaria S.A. (A/Negative/A-1). As the documentation related to the swap agreement does not fully reflect our 2010 counterparty criteria, we have conducted our cash flow analysis assuming that the transaction does not benefit from any support under the swap agreement. After conducting this cash flow analysis, we have determined that these tranches cannot achieve higher ratings than the issuer credit rating on BBVA, as swap provider, plus one notch ('A+').

We have therefore raised our ratings on the class A2, A3, B, and C notes to 'A+ (sf)'. These ratings are now at the same level as they were before our Feb. 23 downgrades, when they were also capped at 'A+ (sf)'.

Our ratings on the class D and E notes are unaffected by today's rating action. The class E notes, issued at closing to fund the reserve fund, have failed to pay interest since January 2011.

Bankinter originated the Spanish mortgage loans that back this residential mortgage-backed securities (RMBS) transaction, which closed in March 2007.

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>

RELATED CRITERIA AND RESEARCH

- Rating Actions Taken On 41 Tranches In 21 Spanish RMBS Transactions Following Rating Actions On Counterparties, Feb. 23, 2012
- Ratings On 43 Tranches In 26 Spanish RMBS Transactions Placed Or Kept On CreditWatch Negative After Bank Rating Actions, Dec. 23, 2011
- Ratings On 305 Tranches In 120 European RMBS Transactions Placed On CreditWatch Negative After Bank Rating Actions, Dec. 21, 2011

- S&P Reviews Rating Impact Of Revised Bank Ratings On Structured Finance Transactions, Dec. 6, 2011
- Standard & Poor's Applies Its Revised Bank Criteria To 37 Of The Largest Rated Banks And Certain Subsidiaries, Nov. 29, 2011
- Request For Comment: Counterparty And Supporting Obligations Methodology And Assumptions--Expanded Framework, Nov. 21, 2011
- Global Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, Nov. 4, 2011
- Spain's Slowing Economy And Depressed Real Estate Market Prompt Negative Rating Actions On 15 Spanish Banks, Oct. 11, 2011
- Counterparty And Supporting Obligations Update, Jan. 13, 2011
- Counterparty And Supporting Obligations Methodology And Assumptions, Dec. 6, 2010

RATINGS LIST

Class	Rating
To	From

Bankinter 14, Fondo de Titulización Hipotecaria
€964 Million Residential Mortgage-Backed Floating-Rate Notes

Ratings Raised

A2	A+ (sf)	BBB+ (sf)
A3	A+ (sf)	BBB+ (sf)
B	A+ (sf)	BBB+ (sf)
C	A- (sf)	BBB+ (sf)

Ratings Unaffected

D	BB- (sf)
E	D (sf)

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