Various Rating Actions Taken On 98 Tranches In 85 Spanish Securitizations Following Sovereign Downgrade

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OVERVIEW

- On April 26, 2012, we lowered our long- and short-term sovereign ratings on the Kingdom of Spain to 'BBB+/A-2'.
- Under our nonsovereign ratings criteria, the highest rating we would assign to a structured finance transaction is six notches above the investment-grade rating on the country in which the securitized assets are located.
- Consequently, we have lowered our ratings on 98 tranches in 85 Spanish securitizations.

MADRID (Standard & Poor's) May 8, 2012--Standard & Poor's Ratings Services today took various credit rating actions on 98 tranches in 85 Spanish securitizations.

Specifically, we have:
- Lowered our ratings on 53 tranches in 50 residential mortgage-backed securities (RMBS) transactions;
- Lowered and kept on CreditWatch negative our ratings on one tranche in one RMBS transaction;
- Lowered our ratings on 35 tranches in 25 small and midsize enterprise (SME) collateralized loan obligation (CLO) transactions;
- Lowered and kept on CreditWatch negative our ratings on one tranche in

one SME CLO transaction;
- Lowered our ratings on six tranches in six asset-backed securities (ABS) transactions; and
- Lowered our ratings on two tranches in two Spanish collateralized debt obligation (CDO) transactions.

For the full list of today's rating actions, see "List Of Spanish Structured Finance Rating Actions Following Sovereign Downgrade--May 8, 2012."

Today's rating actions follow the lowering of our long-term sovereign rating on the Kingdom of Spain to 'BBB+' from 'A' in light of Spain's deteriorating economic conditions (see "Ratings On Spain Lowered To 'BBB+/A-2' On Debt Concerns; Outlook Negative," published on April, 26, 2012).

Following the sovereign downgrade, we have based our subsequent rating actions in Spanish securitizations on the application of our nonsovereign ratings criteria (see "Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology And Assumptions" published on June 14, 2011). Under our criteria, the highest rating we would assign to a structured finance transaction is six notches above the investment-grade rating on the country in which the securitized assets are located. Therefore, our criteria now cap our ratings on transactions with underlying assets in Spain at 'AA+'. Prior to our downgrade of Spain, the application of our criteria capped the ratings at 'AAA'.

For transactions issued under the ICO-FTVPO subsidy program, we are reviewing the impact of the sovereign downgrade on tranches rated above the rating on the sovereign. The ICO-FTVPO subsidy program is where the Spanish Housing Ministry and local authorities give borrowers the ability to buy a first residential property, which, due to their economic situation, they might not be able to afford without this subsidy.

Our sovereign rating action has also affected our view of the creditworthiness of various Spanish issuers, including banks, which are counterparties in Spanish structured finance transactions (see "How Our Downgrade Of Spain Could Affect Spanish Issuers And Structured Finance Issues" published on April 26, 2012, and "Negative Rating Actions On 16 Spanish Banks Following Sovereign Downgrade," published on April 30, 2012). We are assessing the effect of our rating actions on Spanish banks on our ratings in structured finance transactions. In some cases, our review will result in a downgrade of those notes that are directly linked to the ratings on the counterparties. In others, the remedy period has started and we will wait to see what remedy actions the banks take during that period.

After today's rating actions, only one tranche in one SME CLO transaction (the class C notes in BBVA-5 FTPYME Fondo de Tiulizacion de Activos), remains at a 'AAA' rating level, as the rating benefits from the support of a financial guarantee issued by the European Investment Fund (AAA/Stable/A-1+).

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 Reports included in this credit rating report are available at http://standardandpoorsdisclosure-17g7.com.

RELATED CRITERIA AND RESEARCH

- List Of Spanish Structured Finance Rating Actions Following Sovereign Downgrade--May 8, 2012, May 8, 2012
- Negative Rating Actions On 16 Spanish Banks Following Sovereign Downgrade, April 30, 2012
- Ratings On Spain Lowered To 'BBB+/A-2' On Debt Concerns; Outlook Negative, April 26, 2012
- How Our Downgrade Of Spain Could Affect Spanish Issuers And Structured Finance Issues, April 26, 2012
- European Structured Finance Scenario and Sensitivity Analysis: The Effects of The Top Five Macroeconomic Factors, March 14, 2012
- 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
- Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology And Assumptions, June 14, 2011
- Principles Of Credit Ratings, Feb. 16, 2011
- Counterparty And Supporting Obligations Methodology Update, Jan. 13, 2011
- Counterparty And Supporting Obligations Methodology And Assumptions, Dec. 6, 2010
- Use of CreditWatch And Outlooks, Sept. 14, 2009

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