

Rating Lowered To 'D (sf)' On Class E Notes In Bankinter 14's Spanish RMBS Transaction Due To Missed Interest Payment

Surveillance Credit Analyst:

Soledad Martinez-Tercero, Madrid (34) 91-3896-954; soledad_martinez-tercero@standardandpoors.com

OVERVIEW

- The class E notes, issued at closing to fund the reserve fund, defaulted on their interest payment on the Dec. 17 payment date.
- We have therefore lowered our rating on the class E notes to 'D (sf)'.
- The other rated notes in this transaction remain unaffected by today's rating action.
- Bankinter 14 is an RMBS transaction backed by portfolios of Spanish mortgage loans originated by Bankinter. The transaction closed in March 2007.

MADRID (Standard & Poor's) Jan. 5, 2011--Standard & Poor's Ratings Services today lowered to 'D (sf)' its credit rating on Bankinter 14, Fondo de Titulizacion Hipotecaria's class E non-secured notes, following an interest payment default on the Dec. 17, 2010 payment date (see list below).

The class A2, A3, B, C, and D notes remain unaffected by today's rating action. The class A1 notes fully amortized on the January 2010 payment date.

Class E was issued at closing to fund the reserve fund, and both its interest and principal payments are subordinated in the priority of payments to the replenishment of this reserve up to its required level. The lack of excess spread at the Dec. 17 payment date has resulted in an interest shortfall for these notes.

Based on the investor report of the December payment date, the cash reserve is currently at its required level. Also, the level of arrears higher than 90

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days and the level of defaulted loans (considered as loans in arrears for more than 18 months), both over the outstanding balance of the assets, are considerably low at 0.17% and 0.05%, respectively.

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

RELATED CRITERIA AND RESEARCH

- Methodology And Assumptions: Update To The Criteria For Rating Spanish Residential Mortgage-Backed Securities, Jan. 6, 2009
- Criteria for Rating Spanish Residential Mortgage-Backed Securities, March 1, 2002

Related articles are available on RatingsDirect. Criteria, presales, servicer evaluations, and ratings information can also be found on Standard & Poor's Web site at www.standardandpoors.com. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow (7) 495-783-4011.

RATINGS LIST

Class	Rating	From
	To	
Bankinter 14, Fondo de Titulización Hipotecaria €964 Million Residential Mortgage-Backed Floating-Rate Notes		
Rating Lowered		
E	D (sf)	CCC- (sf)

Additional Contact:

Structured Finance Europe; StructuredFinanceEurope@standardandpoors.com