

**Otra Información Relevante de VALENCIA HIPOTECARIO 3 FONDO DE TITULIZACION
DE ACTIVOS**

En virtud de lo establecido en el Folleto Informativo de **VALENCIA HIPOTECARIO 3 FONDO DE TITULIZACION DE ACTIVOS** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES la presente información relevante:

La Agencia de Calificación **Fitch Ratings** (“Fitch”) con fecha 31 de enero de 2025, comunica que ha elevado la calificación asignada a la siguiente Serie de Bonos emitidos por el Fondo:

- **Serie B: AA+sf** (anterior **AAsf**)

Asimismo, Fitch ha confirmado la calificación asignada a las restantes Series de Bonos:

- **Serie A2: AAAsf**
- **Serie C: A+sf**
- **Serie D: CCCsf**

Se adjunta la comunicación emitida por Fitch.

Madrid, 03 de febrero de 2025

RATING ACTION COMMENTARY

Fitch Upgrades Valencia Hipotecario 3, FTA's Class B Notes; Affirms Others

Fri 31 Jan, 2025 - 10:03 ET

Fitch Ratings - Madrid - 31 Jan 2025: Fitch Ratings has upgraded Valencia Hipotecario 3, FTA's class B notes and affirmed the others. Fitch has removed all tranches from Under Criteria Observation. A full list of rating actions is below.

RATING ACTIONS

ENTITY / DEBT ◆	RATING ◆		PRIOR ◆
Valencia Hipotecario 3, FTA			
Class A2 ES0382746016	LT	AAA _{sf} Rating Outlook Stable	AAA _{sf} Rating Outlook Stable
	Affirmed		
Class B ES0382746024	LT	AA+ _{sf} Rating Outlook Stable	AA _{sf} Rating Outlook Stable
	Upgrade		
Class C ES0382746032	LT	A+ _{sf} Rating Outlook Stable	A+ _{sf} Rating Outlook Stable
	Affirmed		
Class D ES0382746040	LT	CCC _{sf}	CCC _{sf}
	Affirmed		

[VIEW ADDITIONAL RATING DETAILS](#)**TRANSACTION SUMMARY**

The transaction is a securitisation of Spanish residential mortgages serviced by CaixaBank, S.A. (A-/Stable/F2).

KEY RATING DRIVERS

European RMBS Rating Criteria Updated: The rating actions reflect Fitch's updated European RMBS Rating Criteria. This adopted a non-indexed current loan-to-value (LTV) approach to derive the base foreclosure frequency (FF) on the portfolio, instead of the original LTV approach applied before. Another relevant change is the updated borrower-level recovery rate cap of 85%, lower than the 100% before. The portfolio credit analysis is driven by the minimum loss vector (e.g. 5% at the 'AAA' rating case). For more information see "Fitch Ratings Updates European RMBS Rating Criteria; Sets FF and HPD Assumptions" dated 30 October 2024.

Ratings Capped by Counterparty Risks: The class C notes' rating is capped and linked at the transaction account bank (TAB) provider's rating (Barclays Bank plc, A+/Stable) as the cash reserves held at this entity represent the main source of structural credit enhancement (CE) for the notes and the sudden loss of these funds would imply a model-implied downgrade of 10 or more notches in accordance with Fitch's criteria.

Sufficient CE: Fitch deems the notes to be sufficiently protected by CE able to compensate the credit and cash flow stresses associated with the ratings. Fitch expects CE to continue increasing due to the mandatory sequential amortisation of the notes.

Stable Asset Performance Outlook: The rating actions reflect the transaction's broadly stable asset performance, in line with our neutral outlook for eurozone RMBS. The transaction has a low share of loans in arrears over 90 days (at 0.8% of outstanding pool balance as of the latest reporting dates), is protected by substantial seasoning of the portfolio above 19 years, and has low current LTV ratios below 25%. Cumulative defaults are also contained at around 4% relative to the initial pool balance.

The portfolio is highly concentrated in the region of Valencia where around 70% of the properties are located. To address regional concentration risk, Fitch applied higher rating multiples to the base FF assumption to the portion of the portfolio that exceeds 2.5x the population within this region relative to the national total, in line with its European RMBS Rating Criteria.

RATING SENSITIVITIES**Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade**

- For the class A notes, a downgrade of Spain's Long-Term Issuer Default Rating (IDR) that could decrease the maximum achievable rating for Spanish structured finance transactions. This is because these notes are rated at the maximum achievable rating, six notches above the sovereign IDR.
- CE ratios unable to fully compensate the credit losses and cash flow stresses associated with the current ratings, all else being equal, would also result in downgrades. For instance, an increase in defaults and a decrease in recoveries each by 15% would result in a two-notch downgrade of the class B notes.
- For the class C notes, a downgrade of the TAB's long-term rating could trigger a corresponding downgrade of the notes. This is because their rating is capped at the TAB's rating due to excessive counterparty risk.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- The class A notes are rated at the highest level on Fitch's scale and cannot be upgraded.
- For the class B notes, stable to improved asset performance driven by stable delinquencies and defaults would lead to increasing CE and potentially upgrades. For instance, a combination of decreased defaults and increased recoveries by 15% each could trigger a one-notch upgrade.
- For the class C notes, an upgrade of the TAB's long-term rating could trigger a corresponding upgrade. This is because their rating is capped at the TAB's rating due to excessive counterparty risk.

USE OF THIRD PARTY DUE DILIGENCE PURSUANT TO SEC RULE 17G -10

Form ABS Due Diligence-15E was not provided to, or reviewed by, Fitch in relation to this rating action.

DATA ADEQUACY

Valencia Hipotecario 3, FTA

Fitch has checked the consistency and plausibility of the information it has received about the performance of the asset pool and the transaction. Fitch has not reviewed the results of any third party assessment of the asset portfolio information or conducted a review of origination files as part of its ongoing monitoring.

Fitch did not undertake a review of the information provided about the underlying asset pool ahead of the transaction's initial closing. The subsequent performance of the

transaction over the years is consistent with the agency's expectations given the operating environment and Fitch is therefore satisfied that the asset pool information relied upon for its initial rating analysis was adequately reliable.

Overall, and together with any assumptions referred to above, Fitch's assessment of the information relied upon for the agency's rating analysis according to its applicable rating methodologies indicates that it is adequately reliable.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

The class C notes are capped at the TAB provider's rating due to excessive counterparty exposure.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit

<https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

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The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

[Structured Finance and Covered Bonds Counterparty Rating Criteria \(pub. 28 Nov 2023\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum \(pub. 28 Nov 2023\)](#)

[Structured Finance and Covered Bonds Country Risk Rating Criteria \(pub. 20 Jun 2024\)](#)

[Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria \(pub. 24 Oct 2024\)](#)

[Global Structured Finance Rating Criteria \(pub. 18 Nov 2024\) \(including rating assumption sensitivity\)](#)

[European RMBS Rating Criteria \(pub. 14 Jan 2025\) \(including rating assumption sensitivity\)](#)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Multi-Asset Cash Flow Model, v3.4.0 (1)

ResiGlobal Model: Europe, v1.11.0 (1)

ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

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Endorsement Policy

ENDORSEMENT STATUS

Valencia Hipotecario 3, FTA

EU Issued, UK Endorsed

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