

Ratings Raised On 62 Tranches In 48 Spanish Securitizations Following Sovereign Upgrade

Publication date: 05-Jun-2014 09:12:54 EST

Contact Client Services

1-877-SPCLIENT

1-877-772-5436

[Call Tree Options](#)

[Contact Us](#)

[View Analyst Contact Information](#)

OVERVIEW

- On May 23, 2014, we raised our long- and short-term sovereign ratings on Spain to 'BBB/A-2' from 'BBB-/A-3'.
- Taking into account the securitized assets' sensitivity to country risk, our nonsovereign ratings criteria cap our ratings in the structured finance transactions affected by today's rating actions at six notches above the investment-grade rating on the sovereign in which the securitized assets are located.
- We have therefore raised our ratings on 62 tranches in 48 Spanish securitizations.
- These ratings are based on our applicable criteria, including those set out in our nonsovereign ratings criteria. However, please note that these criteria are under review. As a result of this review, our future criteria applicable to ratings above the sovereign may differ from our current criteria. This potential criteria change may affect the ratings on all outstanding notes in the transactions.

MADRID (Standard & Poor's) June 5, 2014--Standard & Poor's Ratings Services today raised its credit ratings on 62 tranches in 48 Spanish securitizations.

Specifically, we have:

- Raised our ratings on 34 tranches in 27 residential mortgage-backed securities (RMBS) transactions;
- Raised our ratings on 18 tranches in 15 small and midsize enterprise (SME) collateralized loan obligation (CLO) transactions; and
- Raised our ratings on 10 tranches in six asset-backed securities (ABS) transactions.

For the full list of today's rating actions, see "[List Of Spanish Structured Finance Rating Actions Following Sovereign Upgrade--June 5, 2014.](#)"

Today's upgrades follow our May 23, 2014 raising of our long- and short-term sovereign ratings on the Kingdom of Spain to 'BBB/A-2' from 'BBB-/A-3' in light of Spain's improving economic conditions (see "[Ratings On Spain Raised To 'BBB/A-2' On Improved Economic Prospects; Outlook Stable](#)").

Taking into account the securitized assets' sensitivity to country risk, our nonsovereign ratings criteria cap our ratings in the structured finance transactions affected by today's rating actions at six notches above the investment-grade rating on the sovereign in which the securitized assets are located (see "[Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology And Assumptions](#)," published on June 14, 2011). These criteria now cap at 'AA (sf)' our ratings in structured finance transactions with underlying assets in Spain. Prior to our May 23, 2014 upgrade of Spain, our nonsovereign ratings criteria capped at 'AA- (sf)' our ratings in these transactions. We have therefore raised to 'AA (sf)' from 'AA- (sf)' those ratings that our nonsovereign ratings criteria previously capped at 'AA- (sf)' and which would otherwise pass at a 'AA' rating level following our analysis.

After today's rating actions, only two tranches in two SME CLO transactions (EDT FTPYME PASTOR 3, Fondo de Titulización de Activos' class B notes and BBVA-5 FTPYME Fondo de Titulización de Activos' class C notes), remain at a 'AAA' rating level, as these tranches benefit from the support of a financial guarantee from the European Investment Fund (AAA/Stable/A-1+).

POTENTIAL EFFECTS OF PROPOSED CRITERIA CHANGES

These ratings are based on our applicable criteria, including those set out in the criteria article "[Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology And Assumptions](#)," published on June 14, 2011. However, please note

that these criteria are under review (see "[Request For Comment: Methodology And Assumptions For Ratings Above The Sovereign--Single Jurisdiction Structured Finance](#)," published on Oct. 14, 2013).

As a result of this review, our future criteria applicable to ratings above the sovereign may differ from our current criteria. This potential criteria change may affect the ratings on all outstanding notes in the transactions. We will continue to rate and surveil these notes using our existing criteria (see "Related Criteria").

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

Related Criteria

- [Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology And Assumptions](#), June 14, 2011

Related Research

- [List Of Spanish Structured Finance Rating Actions Following Sovereign Upgrade--June 5, 2014](#), June 5, 2014
- [Ratings On Spain Raised To 'BBB/A-2' On Improved Economic Prospects; Outlook Stable](#), May 23, 2014
- [Request For Comment: Methodology And Assumptions For Ratings Above The Sovereign--Single Jurisdiction Structured Finance](#), Oct. 14, 2013
- [European Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors](#), March 14, 2012
- [Global Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors](#), Nov. 4, 2011

Surveillance Credit Analyst: Virginie Couchet, Madrid (34) 91-389-6959;
virginie.couchet@standardandpoors.com

Secondary Contacts: Soledad Martinez-Tercero, Madrid (34) 91-389-6954;
soledad.martinez-tercero@standardandpoors.com
Maria Luisa Gomez Grande, Madrid (34) 91-788-7208;
marisa.gomez@standardandpoors.com

Additional Contact: Structured Finance Europe;
StructuredFinanceEurope@standardandpoors.com

No content (including ratings, credit-related analyses and data, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P. The Content shall not be used for any unlawful or unauthorized purposes. S&P, its affiliates, and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P's opinions and analyses do not address the suitability of any security. S&P does not act as a fiduciary or an investment advisor. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

S&P keeps certain activities of its business units separate from each other in order to preserve the

independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

Any Passwords/user IDs issued by S&P to users are single user-dedicated and may ONLY be used by the individual to whom they have been assigned. No sharing of passwords/user IDs and no simultaneous access via the same password/user ID is permitted. To reprint, translate, or use the data or information other than as provided herein, contact Client Services, 55 Water Street, New York, NY 10041; (1) 212-438-7280 or by e-mail to: research_request@standardandpoors.com.

[Legal Disclaimers](#) | [Terms of Use](#) | [Privacy and Cookie Notice](#) | [Contact Us](#)

Copyright © 2014 Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial. All rights reserved.

Reproduction and distribution of this information in any form is prohibited except with the prior written permission of Standard & Poor's. Standard & Poor's does not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and is not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such information. STANDARD & POOR'S GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. STANDARD & POOR'S shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of this information, including ratings. Standard & Poor's ratings are statements of opinions and are not statements of fact or recommendations to purchase, hold or sell securities. They do not address the market value of securities or the suitability of securities for investment purposes, and should not be relied on as investment advice. Please read our complete disclaimer [here](#).