

## Ratings On Class A And B Notes In BBVA Consumo 3 Spanish ABS Placed On CreditWatch Negative

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**OVERVIEW**

- Today's rating actions reflect the risk that a relevant portion of delinquent loans may default in the near future, causing further draws on the cash reserve. In our opinion, the decreasing level of credit support might not be sufficient to maintain the current ratings.
- We have placed on CreditWatch negative both classes of notes in BBVA Consumo 3.
- A pool of consumer loans originated by BBVA and BBVA Finanzia back the notes in this transaction.

MADRID (Standard & Poor's) March 31, 2010--Standard & Poor's Ratings Services today placed on CreditWatch negative its credit ratings on the class A and B notes in BBVA Consumo 3 Fondo de Titulizacion de Activos (see list below).

Today's rating actions follow our initial credit analysis on this transaction, which shows that the ratings on the two classes of notes are under pressure.

In February 2009, BBVA Consumo 3 ended its revolving period one year ahead of the scheduled date due in February 2010. The current outstanding balance is about 69% of the closing balance. As of February 2010, loans more than three months in arrears and not yet defaulted were 4.04% of the outstanding balance. The current level of the cash reserve is 1.97% of the notes' outstanding principal, compared with 2.3% at closing.

BBVA Consumo 3 has seen an aggregate of 2.72% of defaulted loans over the original balance of the pool plus the repurchased assets during the revolving

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period, compared with a base case assumed at closing of 3.80%. The recovery rates for this transaction are lower than our assumptions as of closing--only 4.74% compared with 37.00% assumed at the 'A' rating level scenario. These factors, combined with the high unemployment rate and our view of the current Spanish economic environment, have led to today's rating actions.

We will complete our updated credit analysis and re-run the cash flow analysis to assess whether credit enhancement levels are sufficient to support a potential increase in our default and recovery rate assumptions at their respective ratings. We will maintain close contact with the originator to monitor the status of the delinquent loans and to obtain current pool data to understand the effect of the revolving period on the pools' composition.

The notes in BBVA Consumo 3 are backed by a portfolio of Spanish consumer loans originated by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA) and Finanzia Banco de Credito, S.A. (BBVA Finanzia).

RELATED CRITERIA AND RESEARCH

- Principles-Based Rating Methodology For Global Structured Finance Securities, May 29, 2007
- European Consumer Finance Criteria, March 10, 2000

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](http://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	
	To	From

RATINGS PLACED ON CREDITWATCH NEGATIVE

BBVA Consumo 3, Fondo de Titulizacion de Activos  
€975 Million Floating-Rate Notes

A	AAA/Watch Neg	AAA
B	A-/Watch Neg	A-

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