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Ratings Affirmed On Spanish RMBS Transaction BBVA RMBS 2's Class A2, A3, And A4 Notes Due To Swap Counterparty Action

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OVERVIEW

- On Nov. 8, 2012, we placed on CreditWatch negative our ratings on BBVA RMBS 2's class A2, A3, and A4 notes due to the remedy actions to be taken in relation to the swap provider, BBVA.
- Following our counterparty risk analysis, we have affirmed and removed from CreditWatch negative our 'BBB+ (sf)' ratings on the class A2, A3, and A4 notes.
- BBVA RMBS 2 is a Spanish RMBS transaction that securitizes a portfolio of first-ranking mortgage loans granted to individuals in Spain to buy a residential property. BBVA originated the loans between January 2003 and November 2006.

MADRID (Standard & Poor's) March 26, 2013--Standard & Poor's Ratings Services today affirmed and removed from CreditWatch negative its 'BBB+ (sf)' credit ratings on BBVA RMBS 2, Fondo de Titulizacion de Activos' class A2, A3, and A4 notes.

Today's rating actions follow our assessment of counterparty risk under our 2012 counterparty criteria (see "Counterparty Risk Framework Methodology And Assumptions," published on Nov. 29, 2012).

On Nov. 8, 2012, we placed on CreditWatch negative our 'BBB+ (sf)' ratings on the class A2, A3, and A4 notes due to the remedy actions to be taken in relation to the swap provider, Banco Bilbao Vizcaya Argentaria S.A. (BBVA; BBB-/Negative/A-3) (see "Ratings On BBVA RMBS 2's Class A Spanish RMBS Notes

Placed On CreditWatch Negative For Counterparty Reasons").

The swap documents have now been amended to comply with our 2012 counterparty criteria and Deutsche Bank AG (London branch) (A+/Negative/A-1) has replaced BBVA as the swap provider. Due to the new downgrade provisions and our 'A+' long-term issuer credit rating on Deutsche Bank AG (London branch) as the replacement swap counterparty, we now consider that swap counterparty risk does not constrain our ratings on the class A2, A3, and A4 notes. We have therefore affirmed and removed from CreditWatch negative our 'BBB+ (sf)' ratings on the class A2, A3, and A4 notes.

BBVA RMBS 2 is a Spanish residential mortgage-backed securities (RMBS) transaction that securitizes a portfolio of first-ranking mortgage loans granted to individuals in Spain to buy a property. BBVA originated the loans between January 2003 and November 2006.

STANDARD & POOR'S 17G-7 DISCLOSURE REPORT

SEC Rule 17g-7 requires an NRSRO, for any report accompanying a credit rating relating to an asset-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 Report included in this credit rating report is available at <http://standardandpoorsdisclosure-17g7.com>

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RELATED CRITERIA AND RESEARCH

Related Criteria

- Counterparty Risk Framework Methodology And Assumptions, Nov. 29, 2012
- Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology And Assumptions, June 14, 2011
- Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Europe's Recession Is Still Dragging Down House Prices In Most Markets, Jan. 17, 2013
- S&PCORRECT: Various Rating Actions On Spanish Banks Due To Rising Economic Risks, Nov. 23, 2012
- Ratings On BBVA RMBS 2's Class A Spanish RMBS Notes Placed On CreditWatch Negative For Counterparty Reasons, Nov. 8, 2012
- Various Rating Actions On Spanish Financial Institutions Following Sovereign Downgrade, Oct. 15, 2012
- Spain Ratings Lowered To 'BBB-/A-3' On Mounting Economic And Political

Risks; Outlook Negative, Oct. 10, 2012

- Scenario Analysis: What's Driving Spanish Mortgage Arrears, April 13, 2012
- 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
- Spanish RMBS Index Reports, published quarterly

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