

BBVA RMBS 8, Fondo de Titulización de Activos

RMBS / Spain

Estimated Closing Date

17 July 2009

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Provisional (P) Ratings

Series	Rating	Amount (million)	% of Notes	Legal Final Maturity	Coupon	Subordi- nation*	Reserve fund	Total Credit Enhance- ment**
A	(P) Aaa	€1,146.8	94.00	June 2036	3mE +0.30%	6.00%	2.00%	8.00%
B	(P) A1	€48.8	4.00	June 2036	3mE +0.50%	2.00%	2.00%	4.00%
C	(P) Ba2	€24.4	2.00	June 2036	3mE +0.80%	0.00%	2.00%	2.00%
Total		€1,220.0	100.00					

The ratings address the expected loss posed to investors by the legal final maturity. In Moody's opinion the structure allows for timely payment of interest and ultimate payment of principal at par on or before the rated final legal maturity date. Moody's ratings address only the credit risks associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.

* At close.

** No benefit attributed to excess spread.

Vscore for the sector:

Medium

Vscore for the subject transaction:

Medium/High

The subject transaction is a cash securitisation of VPO loans extended to obligors located in Spain and is a static structure. The portfolio comprises mortgage loans secured by residential properties.

Asset Summary (Cut off date as of 25 June 2009)

Seller(s)/Originator(s):	Banco Bilbao Vizcaya Argentaria ("BBVA") (*Aa1/ P-1) (* under review for downgrade)
Servicer(s):	BBVA
Receivables:	First-lien VPO mortgage loans to Spanish individuals secured by first residence (owner-occupied) located in Spain
Methodology Used:	- Moody's Updated Methodology for Rating Spanish Government Sponsored Housing (VPO) RMBS, January 2009 (SF 151453) - Cash Flow Analysis in EMEA RMBS: Testing Features with the MARCO Model (Moody's Analyser of Residential Cash Flows), January 2006 (SF58290)
Model Used:	MILAN (Spain VPO settings) & ABSROM
Total Amount:	€1,401,904,125
Length of Revolving Period:	Static
Number of Borrowers:	22,991
Borrower concentration	Top 10 borrowers make up 0.10% of the pool
WA Remaining Term:	16.61 years
WA Seasoning:	3.72 years
Interest Basis:	100% floating rate loans
WA Current LTV:	65.72% (no loans higher than 80% LTV)
WA Original LTV:	77.30%
Borrower credit profile	Prime borrowers (medium/low income)
Moody's calculated WA indexed LTV	55.32%
Delinquency Status:	3.24% (however, no loans are in arrears at the time of securitisation)

This pre-sale report addresses the structure and characteristics of the proposed transaction based on the information provided to Moody's as of the Cut off date. Investors should be aware that certain issues concerning this transaction have yet to be finalised. Upon conclusive review of all documents and legal information as well as any subsequent changes in information, Moody's will endeavour to assign definitive ratings to this transaction. The **definitive** ratings may differ from the **provisional** ratings set forth in this report. Moody's will disseminate the assignment of definitive ratings through its Client Service Desk. This report does not constitute an offer to sell or a solicitation of an offer to buy any securities, and it may not be used or circulated in connection with any such offer or solicitation.

Note a table of contents for this report appears on its final page.



Liabilities, Credit Enhancement and Liquidity

Excess Spread at closing:	0.40% annualised excess spread guaranteed via swap at closing
Credit Enhancement/Reserves:	Excess spread 2.00% amortising reserve fund Subordination of the notes Guaranteed Investment Contract (GIC) account earning 3mE - 0.10%
Form of Liquidity:	Liquidity facility, excess spread, principal to pay interest, reserve fund
Number of Interest Payments Covered by Liquidity:	Liquidity facility is to cover only the delays on the payment of subsidised principal paid by the regional government of Madrid (<i>Comunidad Autonoma de Madrid</i>) (Aa1)
Hedging Arrangements	Guaranteed Excess Spread Swap
Interest Payments:	Quarterly on each payment date
Principal Payments:	Pass-through on each payment date
Payment Dates:	16 March, 16 June, 16 September, 16 December First payment date: 16 September 2009

Counterparties

Issuer:	BBVA RMBS 8, Fondo de Titulizacion de Activos ("Fondo")
Seller(s)/Originator(s):	BBVA
Contractual Primary Servicer(s):	BBVA
Back-up Primary Servicer(s):	No back-up servicer agreement
Cash Manager:	Europea de Titulizacion S.G.F.T. ("EdT") (NR)
Back-up Cash Manager:	No back-up cash manager
Swap Counterparty:	BBVA
Issuer Account Bank:	BBVA
Collection Account Bank:	BBVA
Paying Agent:	BBVA
Note Trustee (Management Company):	EdT
Issuer Administrator:	EdT
Arranger:	BBVA and EdT
Lead Managers:	BBVA

Moody's View

Outlook for the Sector:	Negative
Unique Feature:	Asset type and structure has been seen previously in the market
Originator's Securitisation History:	
# of Precedent Transactions in Sector:	Seven previous transactions
% of Book Securitised:	32%
Behaviour of Precedent Transactions:	Delinquencies reported on prior transactions of this originator are better than the average delinquency reported in the Moody's Spanish index. However, it should be noted that the collateral in this transaction (all VPO properties) is not directly comparable to the collateral in previous transactions (free market properties).
Key Differences between Subject and Precedent Transactions:	First VPO loan transaction by BBVA. All previous transactions corresponded to loans on free market properties.

Portfolio Relative Performance:

Expected Loss/Ranking: 1.6%/higher than the peer group average, due to the lower historical recovery rate than other originators. See Benchmark Analysis.

Milan Aaa CE/Ranking: 6.4%/in line with peer group. See Benchmark Analysis.

Weighted-average Aaa stress rate for house price: 45.38%

Potential Rating Sensitivity:

Chart Interpretation: At the time the rating was assigned, the model output indicated that Class A would have achieved the Aaa rating even if: (i) the expected loss was as high as 4.8%; (ii) MILAN Aaa CE was 7.7%; and (iii) all other factors remained the same.

Factors Which Could Lead to a Downgrade:

Table 1*:

Tranche A

		MILAN Aaa CE Output			
		6.4%	7.7%	9.0%	10.2%
Median	1.6%	Aaa*	Aaa (0)	Aa1 (1)	Aa1 (1)
Expected	2.4%	Aaa (0)	Aaa (0)	Aa1 (1)	Aa2 (2)
Loss	3.2%	Aaa (0)	Aaa (0)	Aa2 (2)	Aa3 (3)
	4.8%	Aaa (0)	Aaa (0)	Aa3 (3)	A2 (5)

* Results under base case assumptions indicated by asterisk ' * '. Change in model-indicated rating (# of notches) is noted in parentheses.

Composite V Score

Breakdown of the V Scores Assigned to		Sector	Transaction	Remarks
Composite Score: Low, Medium or High		M	M/H	
1	Sector Historical Data Adequacy and Performance Variability	M	M/H	
1.1	Quality of Historical Data for the Sector	M	M/H	- Same as typical VPO score. First VPO stand-alone transaction was released in 2008; hence limited securitisation history. - Although the first VPO programme was launched in 1968, there is limited historical data available from originators in the market. - Uncertainty as to whether past performance adequately reflects future performance.
1.2	Sector's Historical Performance Variability	M	M	- Given that performance data is limited, it does not accurately reflect the variability of performance.
1.3	Sector's Historical Downgrade Rate	L/M	L/M	- Same as sector score.
2	Issuer/Sponsor/Originator Historical Data Adequacy, Performance Variability and Quality of Disclosure	M	M/H	
2.1	Quality of Historical Data for the Issuer/Sponsor/Originator	M	M/H	- BBVA provided adequate historical data. - Moody's has received data from 2002 until 2007 on delinquencies 90+ days, 180+ days and recoveries. - The data does not cover a stressed economic period.
2.2	Issuer/Sponsor/Originator's Historical Performance Variability	M	M	- Same as sector score. Variability of performance of BBVA deals is in line with that of the market.
2.3	Disclosure of Securitisation Collateral Pool Characteristics	L/M	L/M	- Originator provided data on 98% of the relevant requested data fields. - The additional VPO-related fields received for the pool included the VPO plan, subsidy level and period of subsidy. - Information about actual borrower salary was not provided.
2.4	Disclosure of Securitisation Performance	L/M	M	- Investor Report will initially not include the ongoing status of the VPO subsidies in the pool. The manager intends to add them in the future.
3	Complexity and Market Value Sensitivity	L/M	M	
3.1	Transaction Complexity	L/M	M	- In line with the average VPO transaction. - VPO transactions pose additional difficulties: - There are several active regional housing plans with different characteristics and house price regulations. - Additional complexity of principal allocation due to the subsidy. - Collateral characteristic is slightly more complex than that of standard Spanish RMBS (property transferability limitations, declassification process, subsidy mechanism).
3.2	Analytic Complexity	L/M	L/M	- Standard cash-flow models have been used.
3.3	Market Value Sensitivity	L/M	L/M	- Same as sector score.
4	Governance	L/M	M	
4.1	Experience of, Arrangements Among and Oversight of Transaction Parties	L/M	L/M	- Same as sector score. The management company is regulated and plays an active role in overseeing the transaction.
4.2	Back-up Servicer Arrangement	L	L	- Same as sector score. BBVA is rated Aa1 and, at loss of Baa3, a back-up servicer will be appointed.
4.3	Alignment of Interests	L/M	L/M	- Same as sector score.
4.4	Legal or Regulatory Uncertainty	L/M	M	- Legal framework on securitisation is standard for Spanish transactions. - There are some specific characteristics of the VPO market that introduce a degree of uncertainty (future evolution of the VPO housing price, legal uncertainty in housing plans).

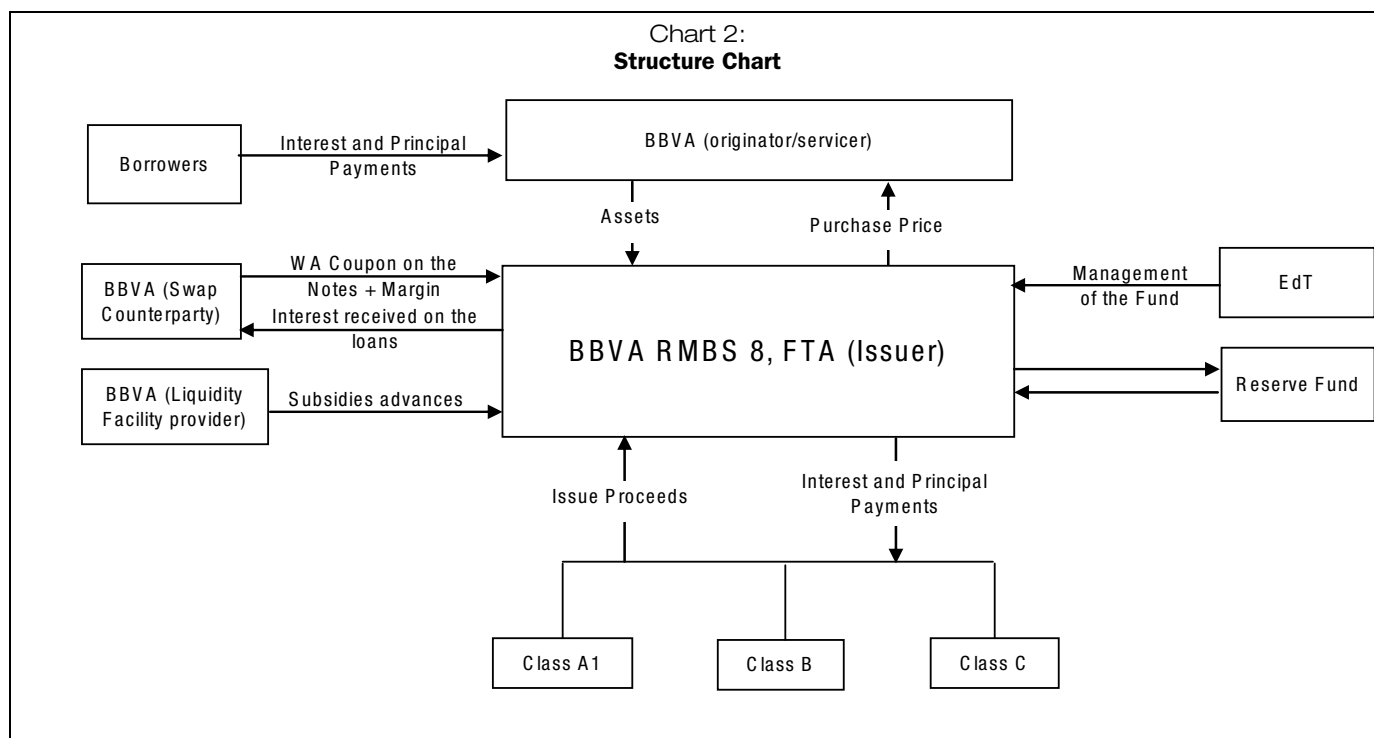
Strengths and Concerns

Strengths:

- **Credit support:** Reserve fund fully funded upfront, equal to 2.0% of the notes to cover potential shortfall in interest and principal.
- **Weighted-Average LTV:** Current weighted-average LTV (based on valuation at origination) of 65.72% is lower than the average for Spanish transactions and in line with the average VPO loan in the market.
- **Seasoning:** The portfolio is well seasoned, with weighted-average seasoning of 3.72 years.
- **VPO loans:** The transaction is 100% VPO loans, which must comply with certain conditions determined by the Housing Plan. These requirements normally include a limit on LTV of up to 80%. Loans are first-lien mortgages on first residences located in Spain, granted to Spanish resident borrowers and owner-occupied.
- **Granularity:** Given the size of the deal, the pool is more granular (top 10 borrowers stand for 0.1% of the pool) than that of the average Spanish VPO transaction (top 10 borrowers often above 0.6%).
- **Artificial write-off mechanism:** Excess spread-trapping mechanism through an 18-month “artificial write-off”.
- **Hedging arrangements:** Interest rate swap with guaranteed excess spread in place to cover the mismatch between the base rate on the mortgages and on the notes, as well as the timing mismatch on interest payments due to the subsidies. The swap secures the weighted-average margin on the notes plus 0.40%.
- **Commingling mitigants:** Commingling risk is mitigated by several provisions. If BBVA’s short-term rating falls below P-1, the payments will be transferred daily. If BBVA is downgraded below Baa3, a commingling reserve covering one month of collections from the loans will be deposited with, or a credit facility will be provided by a suitably rated entity.

Concerns and Mitigants:

- *Moody’s is particularly focused on the following factors, listed in order of those most likely to affect the ratings:*
- **Low income:** There is a high proportion of low-income families among VPO loan borrowers, which Moody’s believes entails more exposure to default. Furthermore, no information has been provided about the employment state of 11.8% of borrowers in the pool. These risks are sized in Moody’s MILAN framework for VPO transactions.
- **Historical recoveries:** The levels of recoveries from VPO loans reported by BBVA are low compared with those reported by market peers. An additional stress on recoveries was applied to reflect this uncertainty. See Credit Analysis.
- **Subsidised instalments:** 64.14% of loans in the pool benefit from subsidies by the government, which pays a portion of the monthly installment. There is usually a lag between the date the borrower pays and the date the government pays the subsidised portion of the installment. This is mitigated by the swap and a liquidity facility to cover the principal part of subsidies paid by the regional government of Madrid.
- **Payment shock:** Borrowers with subsidies may experience a payment shock when the subsidy ends. This risk is sized in Moody’s MILAN framework for VPO transactions.
- **Liquidity arrangements:** The transaction does not have a liquidity facility to cover potential liquidity shortfalls (including those of servicer default), other than those caused by payment delays of the subsidised part of installments. This is mitigated by a principal-to-pay-interest mechanism and the fully funded reserve fund at closing.
- **Geographic concentration:** Relatively high geographic concentration in the region of Madrid (33%). Concentration risk is sized in Moody’s MILAN framework.
- **Pro-rata amortisation:** Pro-rata amortisation of Series B and C leads to reduced credit enhancement of the senior series in absolute terms. This is mitigated by strict triggers that interrupt the pro-rata amortisation of the notes if the performance of the transaction deteriorates.
- **Deferral of interest:** The deferral of interest payments on each of Series B and C benefits the repayment of the series senior to each of them, but increases the expected loss on Series B and C themselves. The reserve fund and the subordination have been sized accordingly to account for this deterioration on the expected loss.



Allocation of Payments/Waterfall: On each quarterly payment date, the issuer's available funds (i.e. interest amounts received from the portfolio, the reserve fund, net amounts from the swap agreement, the liquidity facility and interest earned on the treasury account) will be applied in the following simplified order of priority:

1. Senior expenses
2. Interest payments to swap counterparty and swap termination payments if the issuer is the defaulting party
3. Interest on Series A
4. Interest on Series B (if not deferred)
5. Interest on Series C (if not deferred)
6. Principal on Series A; principal on Series B; principal on Series C
7. Interest on Series B (if deferred)
8. Interest on Series C (if deferred)
9. Replenishment of Reserve Fund to its required level
10. Junior expenses (including Liquidity Facility fee)

Allocation of Payments/PDL like mechanism: A principal deficiency ledger (PDL) is defined as the negative difference between the principal available funds and a target principal amount. A target principal amount is the difference between the notes' outstanding principal and the performing assets. A non-performing asset (i.e. one that has been written off) is defined as one with any amount due but unpaid for more than 18 months or one written off by the manager.

Performance Triggers:

Trigger	Conditions	Remedies/Cure/implication
Interest Deferral	The cumulative level of written-off loans exceeds 13.7% and 9.2% for Classes B and C, respectively.	If the conditions are met, interest payment on these classes of notes will be junior (deferred) to the principal payment of the senior notes in the payment waterfall
Pro-rata amortisation	- The arrears level (loans more than 90 days in arrears, excluding written-off loans) is less than 1.25% for Class B and 1.00% for Class C; and - The reserve fund is at the required level; and - The loan balance is no less than 10% of the initial balance; and - The subordination below Class A is equal to or higher than 2x the initial subordination.	If the conditions are not met, principal receipts will be allocated sequentially until fully redeemed to Class A, then Class B and then to Class C; otherwise they will be allocated pro-rata
Reserve Fund Amortisation	- The arrears level (defined as the percentage of loans that are more than 90 days in arrears) exceeds 1%; or - The reserve fund is not funded at its required level on the previous payment date; or - Fewer than three years have elapsed since closing.	The target amount of the reserve fund will not be reduced on any payment date on which the conditions occur

Reserve Fund: At closing, the reserve fund will be fully funded at 2.0% of the initial note balance. Three years from closing, subject to the performance triggers described in the table above, the reserve fund will amortise to the lower of the following amounts:

- 1) 2.0% of the initial balance of the notes
- 2) The higher of the following amounts:
 - 4.0% of the outstanding balance of the notes
 - 1.0% of the initial amount of the notes

Liquidity:

- Principal to pay interest mechanism.
- The reserve fund and the excess spread are a further source of liquidity.
- At closing, the *Fondo* will set up a non-amortising liquidity facility provided by BBVA equal to 0.20% of the initial amount of the notes, and only to be used for the payment of subsidised principal paid by the regional government of Madrid. The liquidity facility mitigates the liquidity and credit risk derived from the delays on the payment of subsidies by the regional government of Madrid, *Comunidad Autonoma de Madrid* (Aa1).

Subordination of interest: The payment of interest on Series B and C will be brought to a more junior position if the interest deferral triggers are breached, as per the table above.

Amortisation of the Notes: Subject to the performance triggers shown in the table above, Class B and C can amortise pro-rata with Class A.

Assets:

Asset transfer:

True Sale: According to the legal opinion reviewed, the securitisation of assets will be carried out in compliance with the Spanish Securitisation Law.

Bankruptcy Remoteness: Under the Spanish Securitisation Law, a Spanish SPV (FTA/FTH) is not subject to the Spanish Insolvency Law. It is only the management company, acting in the best interest of the noteholders, that can decide to liquidate the *Fondo*.

Interest rate mismatch: 100% of the portfolio corresponds to VPO floating rate loans linked to a VPO reference rate, which is generally set annually by the government; the note EURIBOR resets every quarter on the determination dates. As a result, the *Fondo* will be subject to base-rate mismatch risk.

Mitigant: The *Fondo* will enter into a swap agreement with BBVA to mitigate the interest rate risks and obtain a minimum level of excess spread. Under the swap agreement:

- The *Fondo* will pay the actual amount of interest received from the loans (both subsidised and non-subsidised portions of interest) since the previous payment date.
- The swap counterparty will pay the sum of the weighted-average coupon on Classes A, B, and C plus 40 bps, over a notional calculated as the daily average of outstanding amount of the non written-off loans that are less than 90 days in arrears.

The *Fondo* will be exposed to reductions in the notional due to loans rolling into arrears over 90 days. If these loans become current again, the arrears amount received from the borrowers would be passed onto the swap counterparty. The notional includes all the principal amounts corresponding to the principal part of subsidies due but not paid by the government to the *Fondo*.

The swap documentation complies with Moody's swap criteria and has been articulated under CMOF.

Cash Commingling: All of the payments under the loans in this pool are collected by the servicer by direct debit into the originator's account. Consequently, in the event of insolvency of BBVA and until notification is delivered to the relevant debtors to redirect their payments, payments by the underlying debtors will continue to be collected by the servicer and may be commingled with other funds belonging to BBVA.

Mitigant: Payments are transferred every seven days to the treasury account in the name of the *Fondo* held by BBVA. If certain triggers are breached, the payments will be transferred daily and the servicer will fund a commingling reserve or establish a credit facility with a suitably rated provider. See Originator/Servicer Related Triggers.

Set off: 100% of obligors have accounts with the seller.

Mitigant: Set-off is very limited because only unpaid installments that are considered to be fully due and payable prior to the declaration of insolvency can be offset against the deposits held by the originator.

Permitted loan variations: Only the renegotiation of the maturity of the loan is permitted subject to the management company's approval. The management company may authorise BBVA to renegotiate the maturity of the loans without requiring its approval.

Mitigant: BBVA will not be able to extend the maturity of any loan beyond 11 October 2032. Moreover, the renegotiation of the maturity of the loans is subject to various conditions, of which the following are the most significant:

- 1) The global initial amount of loans on which the maturity has been extended cannot be greater than 10% of the initial amount of the pool.
- 2) The frequency of payments cannot be reduced.
- 3) The amortisation profile cannot be modified.

Subsidised instalments: 64.14% of loans in the pool benefit from subsidies by the government, which pays a portion of the monthly installment (part of the interest due and the principal due). There is usually a lag between the date the borrower pays and the date the government pays the subsidised portion of the instalment.

Mitigant: The interest part of the subsidies is covered by the interest rate swap, which guarantees an excess spread over the weighted-average coupon of the notes.

The principal part of subsidies paid by the Housing Department (for National Housing Plans) will not reduce the outstanding balance of the securitised loans, as defined in the transaction, until the subsidised principal is actually paid by the government into the treasury account.

The principal part of subsidies paid by the regional government of Madrid (for Madrid Regional Housing Plans) will be advanced by a liquidity facility.

The repayment of the liquidity facility falls outside the transaction waterfall. The manager will repay the liquidity facility only after the principal part of the subsidy is received from the regional government of Madrid. The liquidity facility fee is junior in the waterfall to the payment of interest and principal on the notes, and to the replenishment of the reserve fund.

Originator Profile, Servicer Profile, and Operating Risks

Date of Operations Review: 12 March 2009 (figures below provided by BBVA based on data as of 31 December 2008)

Originator Background:

BBVA is one of the biggest Spanish lenders and is comparable to the average originator in Spain. Its underwriting policies and marketing practices are in line with market standards. A positive factor is its above-average stability in the Spanish market.

Rating: *Aa1/ P-1 (* on review for possible downgrade)

Financial Institution Group Outlook for Sector: Negative

Ownership Structure: N/A

Asset Size: BBVA's mortgage portfolio represents more than 19% of its total investment, with a volume of €104.5 billion

% of Total Book Securitised: 32%

Transaction as % of Total Book: 1.18%

% of Transaction Retained: 100%

Originator Assessment

Category	Main Strengths and Weaknesses
Originator Ability	
Sales & Marketing Practices	Standard VPO subrogation. All through branch channel. No brokers.
Underwriting Policies & Procedures	Good business process and strong central services. Weak affordability calculation with respect to the treatment of variable income.
Property Valuation Policies & Procedures	Valuation is standardised by regulated sociedades de tasacion (in line with the market). Subrogation process does not require updated valuation (in line with the market).
Closing Policies & Procedures	No evidence of existing controls in place. Usually left to external parties (Notary). In line with market.
Credit Risk Management	Effective monitoring of performance.
Originator Stability	
Quality Control & Audit	No data provided on audit processes. No evidence of operational risk framework in place.
Management Strength & Staff Quality	Good hierarchy for decision-making and access to intranet resources. No data provided about turnover and no formal training processes.
Technology	Adequate legacy system, back-up and contingency plan.

Servicer & Back-Up Servicer Background: BBVA compares favourably with the average servicer in Spain, despite having lower historical recoveries for VPO loans. Its arrears management and foreclosure functions were realigned in late 2007 and early 2008. The new process provides a solid platform to manage accountability, information flow, tracking and reporting.

Servicer and Its Rating: BBVA (*Aa1/ P-1) (* on review for possible downgrade)

Total Number of Mortgages Serviced: 951,000

Number of Staff: 225

Servicer Assessment:

Category	Main Strengths and Weaknesses
Servicer Ability	
Loan Administration	Standard monthly instalment by direct debit into a BBVA account.
Early Arrears Management	Strong process in place for the management of arrears, which includes assignment of a unique point of contact for each debtor, arranging face-to-face meetings and monitoring delinquencies by different group.
Loss Mitigation and Asset Management	Well organised, using mainly in-house resources. Good management of information flow and link to tracking systems. The levels of historical VPO recoveries appear low compared with the rest of the market.
Servicer Stability	
Management Strength & Staff Quality	Good oversight from central services and management. Well defined accountability.
IT, reporting & Quality control, Audit	Good reporting process in place. Existing system for daily tracking and reporting. No data provided on audit processes

Back-up Servicer and Its Rating:	None appointed
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Originator/Servicer Related Triggers

Key Servicer Termination Events:	Insolvency, administration by the Bank of Spain, breach of servicer's obligations, servicer's financial condition being detrimental to the <i>Fondo</i> or noteholders' interests (always at discretion of the management company).
Downgrade of Original Servicer's Rating to Certain Level	If the long-term rating of the servicer falls below Baa3, the servicer will fund a commingling reserve or establish a credit facility with a suitably rated provider on behalf of the <i>Fondo</i>. This reserve will be equal to the highest future scheduled monthly amount of principal and interest collections, at the time of the downgrade, assuming a 0% delinquency rate and 10% prepayment rate. This reserve will be part of the available funds if the servicer does not transfer received collections to the <i>Fondo</i> (draw down amounts will be equal to the amount of collections received and not transferred by the servicer). If the short-term rating of BBVA falls below P-1 (acting as treasury account provider and paying agent), the management company will find a suitably rated guarantor or substitute within 30 days.
Appointment of Back-up Servicer Upon:	Servicer's long-term rating falls below Baa3.
Key Cash Manager Termination Events:	Insolvency
Notification of Obligors of True Sale	Insolvency, administration by the Bank of Spain, liquidation or substitution of the servicer, or because the management company deems it reasonable (always at discretion of the management company).
Conversion to Daily Sweep (if original sweep is not daily)	Servicer's short-term rating falls below P-1.
Notification of Redirection of Payments to SPV's Account	Insolvency, administration by the Bank of Spain, liquidation or substitution of the servicer, or because the management company deems it reasonable (always at discretion of the management company). The management company may demand that the servicer notifies obligors of the portfolio's transfer to the <i>Fondo</i> and advises obligors that payments on their loans will only be effective as a discharge if made in the treasury account in the name of the issuer. The management company also has the ability to carry out the notification.
Accumulation of Set Off Reserve	N/A
Accumulation of Liquidity Reserve	Only for the liquidity facility provided by BBVA to cover delays on the payment of the principal part of subsidies by the regional government of Madrid; if the liquidity facility provider short-term rating falls below P-1, within 30 days, it will find a suitably rated guarantor or substitute, or post the available liquidity amount in an account owned by the <i>Fondo</i> .

Receivable Administration:

Method of Payment:	100% by direct debit
% of Obligors with Account at Originator:	100%
Distribution of Payment Dates:	Evenly spread within the month

Cash Manager:

Cash Manager and Its Rating	Europea de Titulizacion S.G .F.T. ("EdT") (NR)
Main Responsibilities:	– Complying with its formal, documentary and reporting duties to the CNMV, the rating agencies and any other supervisory body. – Complying with the calculation duties (including calculation of available funds, withholding obligations, etc.) provided for and taking the actions laid down in the Deed of Constitution and in this Prospectus. – Calculating and determining on each determination date the principal to be amortised and repaid on each bond series on the relevant payment date. – Instructing transfers of funds between the various borrowing and lending accounts, and issuing all relevant payment instructions. – The management company may extend or amend the agreements entered into on behalf of the <i>Fondo</i>, and substitute, as the case may be, each of the <i>Fondo</i> service providers on the terms provided for in each agreement.
Calculation Timeline:	Determination date (four business days before the payment date).
Back-up Cash Manager and Its Rating:	N/A

Chart 4:
Portfolio Breakdown by Year of Origination

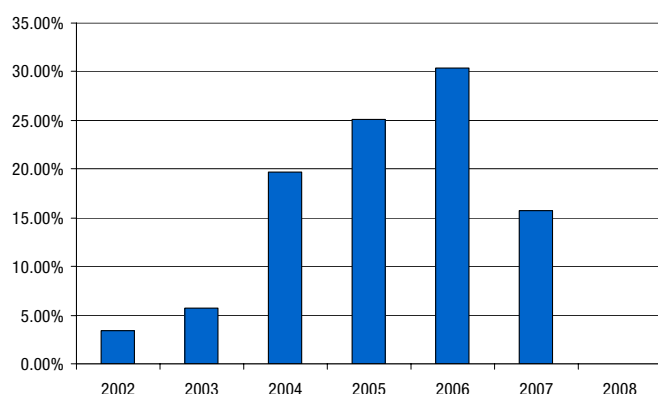


Chart 5:
Portfolio Breakdown by Year of Maturity

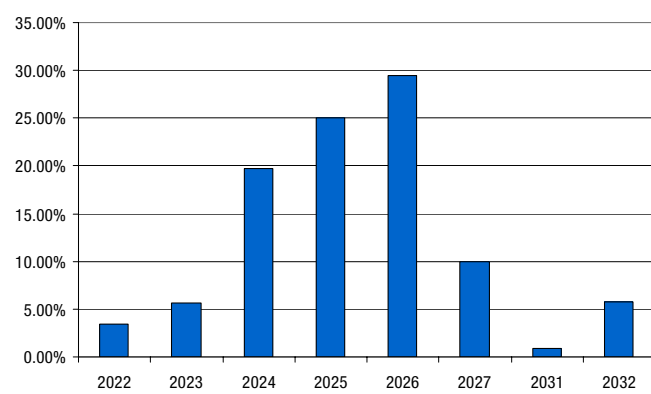


Chart 6:
Portfolio Breakdown by current LTV

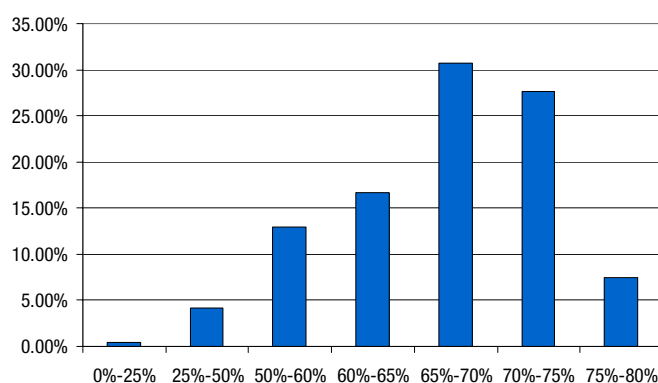
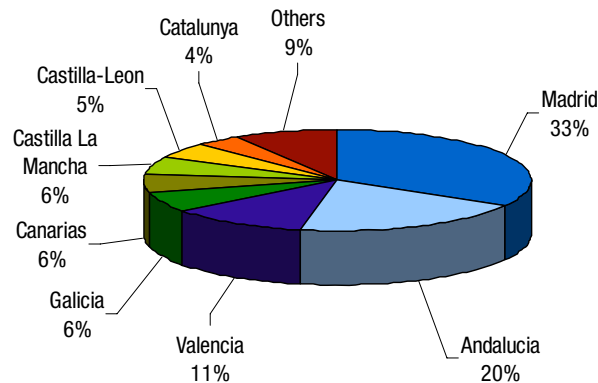


Chart 7:
Portfolio Breakdown by Geography



Audits: Pool audit performed by Deloitte S.L. in compliance with the Spanish regulatory framework.

Product Description: The collateral backing the notes' issuance is entirely composed of first-lien VPO mortgage loans. VPOs are residential properties that are offered at a price below the free market value because of various forms of government aid. This price reduction is possible because of the subsidies provided by the government to the construction companies, which enable them to reduce the final purchase price of the property (for more information, please refer to "Moody's Updated RMBS Methodology For Rating Spanish Government Sponsored Housing (VPO) RMBS").

A VPO loan is a Spanish mortgage loan granted as part of the government-sponsored programme aimed at assisting lower-income households and other groups that may encounter problems in accessing the residential property market. Each plan sets out for a VPO loan a maximum LTV (80%), an interest rate, subsidy eligibility, amortisation type (normally French), reduced lending costs, prepayment limitations (normally during the first five years) and maturity.

Moody's believes that these products are less risky than traditional mortgages. This belief has been supported by the stronger performance of these particular mortgages over recent years. Nevertheless, as the amount of available data

regarding the performance of such mortgage loans is limited and has not yet completed a full economic cycle, Moody's analysis incorporates adjustments to reflect the uncertainty inherent in how these loans would perform during a greater economic downturn and the possibility that they may show greater loss volatility in times of further economic stress.

Eligibility Criteria: The key eligibility criteria are as follows:

- The mortgage certificates exist and are valid and enforceable
- The mortgage certificates are secured with a first-ranked real-estate mortgage
- The mortgage certificates are all denominated and payable exclusively in euros
- The mortgaged properties are all finished and located in Spain and have been appraised by duly qualified institutions approved by the Bank of Spain
- The appraisal value considered and reported for all calculation purposes was the lower of the appraisal and the maximum legal value under the official protection system
- None of the mortgage certificates has any payments more than one month overdue at the date the mortgage certificate was issued

- The originator has strictly adhered to the policies in force for granting credit at the time in granting each and every one of the mortgage certificates
- None of the mortgage credit facilities may be in a grace period at closing
- Each mortgage certificate must be registered in the relevant property registry and must represent an economic first-ranking claim on the corresponding property
- The mortgage is paid in monthly installments by direct debit
- No loan has a maturity date after 11 October 2032

Additional characteristics of loans backed by VPO properties: The loans backed by VPO properties belong to National Housing Plan 2002-2005 (81.55%), National Housing Plan 2005-2008 (6.63%), C.A.M. Madrid Regional Housing Plan 1997-2000 (4.33%) and C.A.M. Madrid Regional Housing Plan 2001-2004 (7.48%). The table below shows an overview of the main characteristics of the Housing Plans.

Additional information on Housing Plans:

Main characteristics:	National Plan 2002-2005	National Plan 2005-2008	C.A.M. Regional Plans
New constructed houses for families with annual incomes below	5.5 x SMI	6.5 x IPREM	4.6 x SMI
Transferability	10 years	10 years	Not provided
Declassification not before	15 years	30 years	Not provided
Maximum income to enjoy the subsidy	4.5 x SMI	3.5 x IPREM	3 x SMI (aprox.)
Subsidy options	From 5% to 45% of instalment	From €48 to €132 per each €10,000 of loan principal	From 5% to 15% of instalment
Maximum income to enjoy the subsidy	4.5 x SMI	3.5 x IPREM	3 x SMI (aprox.)

Credit Analysis

Precedent Transactions' Performance: The performance of the originator's precedent transactions is better than the average delinquency reported in the Moody's Spanish index. However, it should be noted that the collateral in this transaction (all VPO properties) is not directly comparable with the collateral in previous transactions (free market properties). This is the first transaction by BBVA backed by VPO loans only.

Data Quantity and Content: Moody's has received data from 2002-07 on delinquencies over 90 days, delinquencies over 180 days and recoveries. In Moody's view, the quantity and quality of data received is adequate compared with that of other VPO transactions.

Charts 8 and 9 below show historical 90+ days delinquencies by origination vintage and recoveries by arrears 90+ days vintage for VPO loans in the originator's VPO portfolio. The 90+ days delinquencies range from 0.00% to 1.62% with an average of 0.70%. Recoveries from arrears 90+ days range from 49.77% to 83.06%.

Chart 8:
Arrears 90+ days by quarter

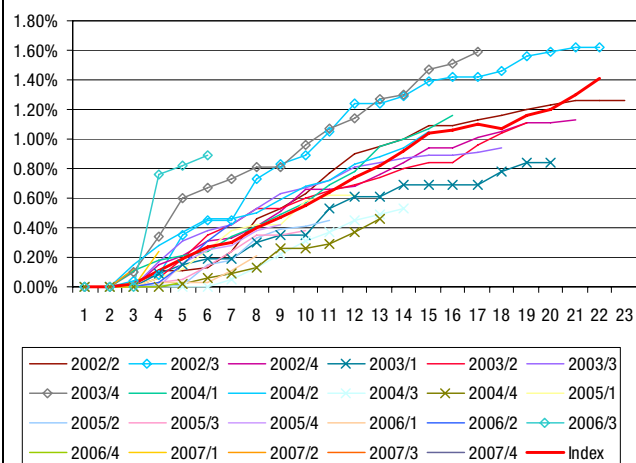
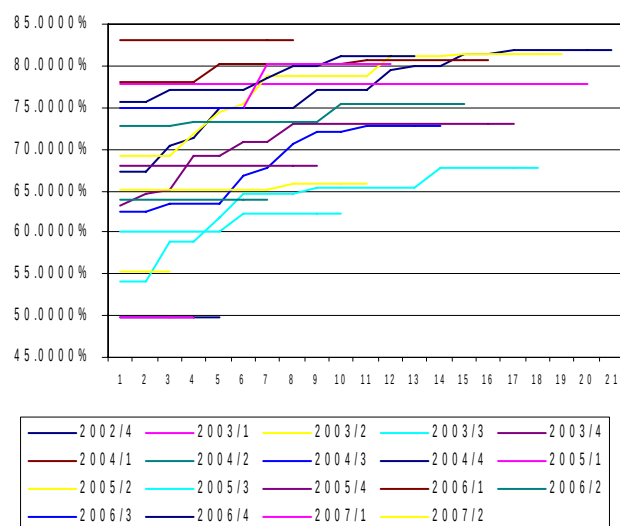


Chart 9:
Recovery on arrears 90+ days



The levels of recoveries from VPO loans reported by BBVA are low compared with those reported by market peers. This fact could be for technical reasons, from differences in the accounting of recoveries, or a reflection of the real underlying performance. As the originator was unable to fully explain it, recoveries have been stressed by assuming House Price Stress Rates similar to those we assume for Spanish free market properties.

Assumptions and definitions: Note that other values within a range of the notional amount listed below may result in the same ratings.

Spread compression / margin analysis	Guaranteed margin via the interest rate swap (WA coupon on the notes + 40 bps)
WA asset margin at closing	N/A (the interest rate for VPO loans is determined by the government)
Asset Interest Reset date	Annually, on the date of publication by the government
Liabilities reset date	Quarterly on Determination Date
Interest on Cash	Three-month Euribor – 10 bps
Stressed Fees	30 bps
Actual Fees	2.5 bps
PDL Definition	18 months
Default Definition	18 months

Modelling Approach:

Loss Distribution: The first step in the analysis is to determine a loss distribution of the pool of mortgages to be securitised. Due to the large number of loans and supporting historical data, Moody's uses continuous distribution to approximate the loss distribution: the lognormal distribution.

In order to determine the shape of the curve, two parameters are needed: (i) the expected loss; and (ii) the volatility around this expected loss. These parameters are derived from two important sources: (i) historical loss data; and (ii) the loan-by-loan model.

Moody's has been provided with loss data with respect to the originator's mortgage book, which is used in addition to other applicable and relevant data to extrapolate expected losses for the loan pool. Examples of data include market and sector-wide performance, the performance of other securitisations, and other originators' data.

To obtain volatility under "stressed" scenarios, Moody's takes into account historical data. However, observed historical volatility may not be significant (e.g. insufficient or incomplete data) or representative for the future (being based only on previous economic environments).

Consequently, Moody's determines a number representing the enhancement required for a pool of mortgages to obtain a rating consistent with Aaa under highly stressed conditions. This enhancement number (the "MILAN Aaa CE" number) is produced using a loan-by-loan model, which looks at each loan in the pool individually. Based on its individual characteristics (such as loan-to-value or other identified drivers of risk), it will then produce a benchmark CE number. This assumes stressed recovery rates (through house price decline), time to recovery, interest rates and costs to foreclosure. The weighted-average benchmark CE will then be adjusted according to the positive and negative characteristics of each loan or of the pool as a whole to produce the MILAN Aaa CE.

Modelling assumption: The MILAN Aaa CE number and the expected loss form the basis of rating committee discussions and are used to derive the lognormal distribution of the pool losses.

The standard deviation of the distribution is found by setting the expected loss of the area of the lognormal distribution beyond the MILAN Aaa CE equal to the expected loss that is consistent with the idealised expected loss of a Aaa tranche.

Tranching of the Notes: Once the loss distribution of the pool under consideration has been computed, a cash flow model is used to assess the impact of the transaction's structural features. It calculates the average lives and losses experienced by the notes for every loss scenario for the portfolio. Based on these numbers, the expected loss and the weighted-average lives of the notes are calculated as weighted averages based on the probabilities of the respective scenarios. The expected loss on each tranche, together with the notes' weighted-average life, determines the rating, which is consistent with Moody's target losses for each rating category.

The rating of the notes is therefore based on an analysis of:

- The characteristics of the mortgage pool backing the notes
- The relative roll-rate levels and arrears in this type of lending, compared with conventional lending
- Sector-wide and originator-specific performance data
- Protection provided by credit enhancement and liquidity support against defaults and arrears in the mortgage pool
- The roles of the swap and hedging providers
- The legal and structural integrity of the issue

The specific characteristics of this pool (high proportion of low-income borrowers), combined with the uncertainty inherent in the sector and a deteriorating economic environment, gives a MILAN Aaa CE in excess of that which would be driven by the model outcome.

Treatment of Concerns:

In addition to the issues summarised in Strengths and Concerns, the following concerns were also addressed:

- **Loans in Arrears:** Based on the pool cut as of June 2009, 3.24% of loans were in arrears between 0 and 30 days on the pool cut-off date. However, the loan eligibility criteria establish that no loans are delinquent (0 days) at the transaction closing date.
- **Previous arrears history:** Information about historical arrears was not provided for the majority of borrowers in the pool. A 20% default penalty was applied. The loan eligibility criteria establish that no loans have been in arrears 90 for days or more during the 12 months before the transaction closing date.
- **Mitigants for above risk:**
- Credit enhancement levels

Benchmark Analysis

Performance Relative to Sector: In Moody's view, the historical performance of 90+ days delinquencies provided by BBVA is as strong as that of other originators in the VPO sector. However, recoveries compare negatively with the peer group.

The first stand-alone transaction of VPO loans was released at the end of 2008, so there is not yet enough information on the monitoring side for these transactions.

Benchmark Table

Deal Name	BBVA RMBS 8	AyT ICO-FTVPO Caixa Galicia I	Bancaja-BVA VPO 1	AyT ICO-FTVPO I
Closing date	17 July 2009	12 June 2009	7 April 2009	17 March 2009
Information from	Provisional pool as of 25 June 2009	Provisional pool as of 18 May 2009	Provisional pool as of 28 February 2009	Provisional pool as of 6 February 2009
Originator	BBVA	Caixa Galicia	Bancaja (85%) Banco Valencia (15%)	Caja Navarra (29%) Caja Granada (33%) Caixanova (19%) Caja Ontinyent (19%)
Servicer	BBVA	Caixa Galicia	Bancaja (85%) Banco Valencia (15%)	Caja Navarra (29%) Caja Granada (33%) Caixanova (19%) Caja Ontinyent (19%)
Voted MILAN Aaa	6.40%	5.60%	7.35%	4.80%
Voted EL	1.60%	1.40%	1.90%	1.20%
PORTFOLIO STRATIFICATION				
Avg. Current LTV	65.7%	57.3%	67.7%	70.5%
% Current LTV > 70%	33.0%	12.9%	35.0%	34.6%
% Current LTV > 80%	0.00%	0.0%	12.8%	5.3%
% Current LTV > 90%	0.00%	0.0%	8.4%	2.4%
Avg. Current LTV indexed*	55.3	55.2%	63.5%	54.5%
% Self Employed	7.5%*	No data provided	Not publicly available	Not publicly available
% Non-owner Occupied (Includes: Partial Owner)	0.0%*	0.0%	Not publicly available	1.0%
% currently in Arrears	3.2%	2.4%	7.0%	5.6%
Max regional concentration	Madrid (33%)	Galicia (85%)	Valencia (76%)	Navarra (29%)
PORTFOLIO DATA				
Current Balance	1,401,904,125 (100% VPO)	166,915,558 (100% VPO)	436,675,565 VPO sub-pool: 359,169,592 (82%) Free market sub-pool: 77,505,973 (18%)	438,802,668 VPO sub-pool: 354,870,442 (81%) Free market sub-pool: 83,932,226 (19%)
Average Loan	60,976	59,826	56,955	55,029
Borrower top 10 (as % of pool bal)	0.1%	0.6%	1.1%	0.9%
WA interest rate	4.9%	5.0%	5.0%	5.1%
% Subsidised	64.1%	100%	73.9%	80.3%
Average seasoning in years	3.7	3.3	4.2	4.2
Average time to maturity in years	16.6	17.3	18.9	22.2
Average House Price stress rate***	45.4%	29.1%	33.5%	29.5%
Average House Price change*	19.6%	4.1%	7.4%	12.4%
STRUCTURAL FEATURES				
Notes Payment Frequency	Quarterly	Quarterly	Quarterly	Quarterly
Aaa subordination including reserve fund (RF) and excluding Excess Spread (XS)	8.00%	11.48%	6.58%	10.91%
RF at Closing ^{ss}	2.00%	7.85%	1.95%	3.60%
RF Fully Funded at Closing?	Yes	Yes	Yes	Yes
RF Floor ^{ss}	1.00%	3.93%	0.98%	1.10%
Hedge in place	Yes	Yes	Yes	Yes
Swap rate or guaranteed XS (if applicable)	0.40% guaranteed XS	0.10% guaranteed XS	0.50% guaranteed XS	0.10% guaranteed XS
Principal to pay interest?	Yes	Yes	Yes	Yes

* As per Moody's calculation, based on the provisional pool as of 28 April 2009 for BBVA RMBS 8 and as of 15 April 2009 for AyT ICO-FTVPO Caixa Galicia I.

*** As per Moody's Milan methodology for Aaa scenario. There is an additional stress on recoveries for BBVA RMBS 8.

^{ss} Of original note balance

Parameter Sensitivities¹

Parameter sensitivities for this transaction were calculated in the following manner: Moody's assumed 16 loss distributions derived from the combinations of MILAN Aaa Credit Enhancement: 6.4% (base case), 7.7% (base x 1.2), 9.0% (base x 1.4) and 10.2% (base x 1.6); and expected loss: 1.6% (base case), 2.4% (base x 1.5), 3.2% (base x 2) and 4.8% (base x 3). The 6.4% / 1.6% scenario represents the base-case assumptions used in the initial rating process.

The charts below show the parameter sensitivities for this transaction with respect to all Moody's-rated tranches.²

Table 2:
Tranche A

		MILAN Aaa CE Output			
		6.4%	7.7%	9.0%	10.2%
Median	1.6%	Aaa*	Aaa (0)	Aa1 (1)	Aa1 (1)
Expected	2.4%	Aaa (0)	Aaa (0)	Aa1 (1)	Aa2 (2)
Loss	3.2%	Aaa (0)	Aaa (0)	Aa2 (2)	Aa3 (3)
	4.8%	Aaa (0)	Aaa (0)	Aa3 (3)	A2 (5)

Table 3:
Tranche B

		MILAN Aaa CE Output			
		6.4%	7.7%	9.0%	10.2%
Median	1.6%	A1*	A2 (1)	A3 (2)	Baa1 (3)
Expected	2.4%	A3 (2)	Baa1 (3)	Baa2 (4)	Baa3 (5)
Loss	3.2%	Baa3 (5)	Ba1 (6)	Ba1 (6)	Ba2 (7)
	4.8%	B3 (11)	B3 (11)	B3 (11)	B3 (11)

Table 4:
Tranche C

		MILAN Aaa CE Output			
		6.4%	7.7%	9.0%	10.2%
Median	1.6%	Ba2*	Ba2(0)	Ba3 (1)	Ba3 (1)
Expected	2.4%	B3 (4)	B3 (4)	B3 (4)	<B3 (>4)
Loss	3.2%	<B3 (>4)	<B3 (>4)	<B3 (>4)	<B3 (>4)
	4.8%	<B3 (>4)	<B3 (>4)	<B3 (>4)	<B3 (>4)

Worst-case scenarios: At the time the rating was assigned, the model output indicated that Class A would have achieved the Aaa rating even if: (i) the expected loss was as high as 4.8%; (ii) MILAN Aaa CE was 7.7%; and (iii) all other factors remained the same. Class C would have achieved a Ba2 rating even if Aaa CE was as high as 7.7% and assuming the expected loss was kept at 1.6%. Class B would not have achieved a A1 rating.

Monitoring

Moody's will monitor the transaction on an ongoing basis to ensure that it continues to perform in the manner expected, including checking all supporting ratings and reviewing periodic servicing reports. Any subsequent changes in the rating will be publicly announced and disseminated through Moody's Client Service Desk.

Counterparty Rating Triggers	Condition	Remedies
Interest Rate Swap Counterparty	In accordance with Moody's swap guidelines*	
Issuer Account Bank	Loss of P-1	Replace
Collection Account Bank	Loss of Baa3	Commingling reserve will be deposited
Liquidity Facility Provider	Loss of P-1	Replace

* See Framework for De-Linking Hedge Counterparty Risks from Global Structured Finance Transactions Moody's Methodology, May 15 2006

Monitoring Report:

Data Quality:

- Investor report content is indicated in the transaction documentation.
- Key performance indicators used by the primary analysts to rate the transaction are included in the investor report (current and cumulative arrears 90+ days).
- No undertaking by EdT to provide Moody's with an updated pool cut on a periodic basis.
- The following useful data with respect VPO specific characteristics in the pool will not be available in the report:
 - Percentage of borrowers with subsidies
 - Number of subsidies under National Housing Plans that are due but not paid by the government
 - Liquidity facility available commitment
 - Number of subsidies received during the relevant payment period

Data Availability:

- Report provided by: EdT
- Timeline for Investor report is provided in the transaction documentation. A complete report is published at the end of each month.
- Frequency of publication of the investor report is higher than the frequency of the interest payment date.
- Investor reports are available on the management company website: www.edt-sg.com

Related Research

For a more detailed explanation of Moody's approach to this type of transaction, as well as similar transactions, please refer to the following reports:

Methodology Used:

- Moody's Updated Methodology For Rating Spanish Government Sponsored Housing (VPO) RMBS, January 2009 (SF151453)
- Cash Flow Analysis in EMEA RMBS: Testing Structural Features with the MARCO Model (Moody's Analyser of Residential Cash Flows), January 2006 (SF58290)

Issuer Profile

- Banco Bilbao Vizcaya Argentaria, S.A., October 2005

Credit Opinion

- Banco Bilbao Vizcaya Argentaria, S.A., May 2009

Performance Overview

- BBVA RMBS 7, FTA, May 2009
- BBVA RMBS 6, FTA, May 2009
- BBVA RMBS 4, FTA, June 2009
- BBVA RMBS 3, FTA, April 2009
- BBVA RMBS 2, FTA, April 2009
- BBVA RMBS 1, FTA, May 2009

Special Report

- Spanish RMBS Q4 2008 Indices, May 2008 (SF158204)
- Structural Features in the Spanish RMBS Market Artificial Write-Off Mechanisms: Trapping the Spread, January 2004 (SF29881)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

Appendix 1: Originator's Underwriting and Collection Practices

Originator Ability:

Sales and Marketing Practices:

- Almost all the loans to individual VPO borrowers are originated via subrogation from VPO developer loans. Both VPO subrogated and not-subrogated loans are originated through branches. Brokers do not originate VPO loans.
- BBVA has a dedicated commercial team (270 FTE) on origination of VPO loans to developers.
- No pricing strategy or special offers on these loans as many of their features are set in the government housing plan. The only feature that BBVA can modify is the maturity (normally 25 years), which could be extended by the lender.

Underwriting Policies and Procedures:

- Underwriting function is provided by 3,300 branches organised in 69 regional sub-areas, which are coordinated by seven regional areas.
- Authorisation level is based on the loan amount and scoring result, and varies by branch type and employee level. There are six employee levels that represent the degrees of experience.
- Given the low size of VPO loans (smaller than free market) and low LTV (less than 80% by law), most VPO loans are originated at branch level (as opposed to central office).
- Exceptions are very infrequent.
- From 2006 to 2009, the approval rate of VPO loans has been between 90.7% and 93.5%.
- Loan credit is analysed based on borrower payment capacity and borrower profile. All loans go through the scoring system and there are a number of filters including LTV, affordability and employment stability.
- Affordability takes into account net income in excess of estimated expenses. Expenses estimation takes into account the borrower social characteristics and additional borrower debt payments. Interest rate is not stressed. No haircut on variable income.
- Credit history and indebtedness checks are performed through CIRBE and ASNEF. Internal information on BBVA customer accounts is also searched.
- Sources of verification include payslips, national identity cards, employment contracts and tax return documents.

Collateral Valuation Policies and Procedures:

- Actual sales price is always the maximum legal price determined by the housing plan and based on the VPO property category.
- There is no valuation of the property at the time of subrogation. The lender takes comfort on the initial valuation of the property project by the independent valuation company at the time of originating the developer loan plus the tracking of the building works by their commercial agents during the property construction.
- Valuations in Spain are standardised by the Bank of Spain through sociedades de tasación.

Closing Policies and Procedures:

- BBVA has a specialised centre that handles all the paperwork and takes care of reconciliation of system data and origination files.
- External agents (Notary) normally perform the checks during deed registration.
- VPO loans follow the same process as free market loans.

Credit Risk Management:

- Bad loan performance is assessed relative to the characteristics of the loans in the branch in order to detect actual servicing weaknesses; the issue is passed onto the area servicing head.
- BBVA has a proactive approach towards risk throughout the whole life of the loan during the surveillance and origination process. Risk control is carried out by an experienced team using specialised, internally developed tools, which are approved by the Bank of Spain.

Originator Stability:

Quality Controls and Audits:

- Regular loan book audits at branch level and central risk department level.
- Audits of underwriting practices to policy compliance are performed on a regular basis by internal and external auditors as well as the Bank of Spain.
- The servicing collection activities are under the same code of conduct, internal and external auditing procedures as the rest of the activities of the bank.
- BBVA has a fraud prevention department. There is an internal code of conduct whereby, in case of suspicion, all employees know how to proceed and transfer the deal to the fraud prevention department for its analysis.

Regulated by:

- Bank of Spain

Management Strength and Staff Quality	– Staff has access to policies via the intranet. – BBVA has 225 direct employees to help with underwriting. Otherwise, the bank works closely with various external companies that help with some mechanical parts of the process, such as telephone calls. – Employees are trained on a continuous basis to meet area and market needs.
Technology	– Centralised system to list borrowers in arrears and new arrears daily, notify the branches and manage letters. – Integrated system for arrears management and reporting. – A back-up system is in place and there is currently work in progress on an improved system to reduce disaster recovery times. – Back-up servers are in a different location. – There is a contingency plan in place and quarterly tests on the back up system.
Servicer:	
# of Receivables per Collector:	– No data available
Staff Description:	– 225 employees in central offices dedicated to servicing. – Staff turnover varies depending on the phase. In the early stage of the arrears, the branch network and specialised employees are involved. The average tenure within the company in these departments is 3-4 years. For the late-stage arrears, there is a more specialised workforce with an experience of 15-20 years within the company, since more judicial and banking knowledge is needed. – Compensation is linked to collection performance through a bonus scheme.
Early Stage Arrears Practices:	– Automated alert and messaging system. Separate process for clients (six or more months of open account history) and no clients. – Branch employees are assigned delinquent borrowers to manage the arrears and foreclosure process. – Letter sent on day 11 or 21 for clients; calls made day 1 or short after the first non-payment, by the branch employee. – Arrangement of face-to-face meetings in the early arrears. – Workload prioritisation by the higher loan principal balance.
Late Stage Arrears Practices:	– Loan is passed to the late arrears and foreclosure team after 90 days. – Creation of a late arrears and foreclosure department as a separate centralised business unit (early 2008). – In-house legal team – Late-arrears management provided by central services after 90 days and until the case is filed to court. This is in addition to the arrears management activities of the branch.
Average Time to Repossess:	– 18 months, if property sold in auction. Estimated 2-3 years longer if property is acquired.
Loan Modifications:	– Loan modifications very limited with VPO loans. – Originator can modify the maturity of the VPO loan only. For securitised loans, the modification has to comply with certain conditions.

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- ¹ Sensitivities provide a quantitative, model-indicated calculation of the number of notches that a Moody's-rated structured finance security may vary if certain input parameters used in the initial rating process differed. The analysis assumes that the deal has not aged. It is not intended to measure how the rating of the security might migrate over time, but rather, how the initial rating of the security might differ as certain key parameters vary. For more information on V Score and the Parameter Sensitivity methodology for RMBS, please refer to 'V Scores and Parameter Sensitivities in the Major EMEA RMBS Sectors', published in April 2009.
- ² Results under base-case assumptions indicated by asterisk ' * '. Change in model-indicated rating (# of notches) is noted in parentheses.

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