

Ratings On 27 Tranches In 22 Spanish Transactions Placed On CreditWatch Negative After Downgrade Of 3 Spanish Banks

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OVERVIEW

- On Dec. 6, 2010, we updated the criteria we use for assessing counterparty risk.
- The concept of counterparty replacement in a structured finance security is the overarching principle behind our counterparty criteria.
- The most significant changes in the new criteria are the analytical components in a replacement framework, such as replacement and remedy language, replacement time frames, collateral posting levels, eligible collateral, and documentation.
- If an ineligible counterparty does not replace itself with an eligible counterparty and if, in our view, there are no mitigating factors, we would likely lower the rating on the supported securities.
- On Feb. 22, we lowered our ratings on three Spanish banks: Banco Popular Espanol, S.A, Confederacion Espanola de Cajas de Ahorros, and Caja de Ahorros y Pensiones de Barcelona, which act as counterparties in various transactions.
- In our view, the exposure to counterparty risk has increased and we have thus placed or kept on CreditWatch negative our ratings on 27 tranches in 22 Spanish transactions in accordance with our updated counterparty criteria.

LONDON (Standard & Poor's) March 11, 2011--Standard & Poor's Ratings Services today placed or kept on CreditWatch negative its credit ratings on 27 tranches

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in 22 Spanish transactions for counterparty reasons.

Today's rating action follow the downgrade of Spanish banks, which act as counterparties in these transactions (see "Negative Rating Actions Taken On Four Spanish Banks In The Context Of A Difficult 2011," published on Feb. 22, 2011).

The complete list of public ratings affected by today's rating actions is available in "Spanish Structured Finance CreditWatch Actions In Connection With Revised Counterparty Criteria—March 11, 2011," published today.

On Jan. 18, we placed on CreditWatch negative all "affected" classes of notes in structured finance transactions when our updated counterparty criteria became effective (see "EMEA Structured Finance CreditWatch Actions In Connection With Revised Counterparty Criteria"). Among other things, the affected classes had a rating the same as or lower than one rating level above the issuer credit rating (ICR) on the lowest-rated counterparty to which they are exposed (see "Counterparty And Supporting Obligations Methodology And Assumptions," published on Dec. 6, 2010).

On the Jan. 18 effective date, we did not place or keep these 27 ratings on CreditWatch negative as they were not affected at that time. However, following the downgrade of the Spanish banks, which in some cases are the lowest-rated counterparty in these transactions, the ratings on these 27 tranches are now above the ICR on the lowest-rated counterparty to which they are exposed.

We have therefore placed or kept our ratings on these 27 tranches on CreditWatch negative.

We intend to resolve these CreditWatch placements by the transition date of July 18, 2011.

RELATED CRITERIA AND RESEARCH

- Spanish Structured Finance CreditWatch Actions In Connection With Revised Counterparty Criteria—March 11, 2011, March 11, 2011
- Negative Rating Actions Taken On Four Spanish Banks In The Context Of A Difficult 2011, Feb. 22, 2011
- Ratings On 1,974 EMEA Structured Finance Tranches Placed On CreditWatch Negative After Counterparty Criteria Update, Jan. 18, 2011
- Counterparty And Supporting Obligations Update, Jan. 13, 2011
- CreditWatch Placements Likely Following Application Of New Counterparty Criteria To European Structured Finance, Dec. 23, 2010
- Credit FAQ: Standard & Poor's Explains Process For Applying Updated Counterparty Criteria, Dec. 14, 2010
- Counterparty And Supporting Obligations Methodology And Assumptions, Dec. 6, 2010
- Recent Global Financial Disruption Reinforces Counterparty Risk As A Key Securitization Exposure, Nov. 4, 2010

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Related Criteria And Research

Spanish Structured Finance CreditWatch Actions In Connection With Revised Counterparty Criteria—March 11, 2011

On Dec. 6, 2010, we updated the criteria we use for assessing counterparty risk (see "Counterparty And Supporting Obligations Methodology And Assumptions"). On Feb. 22, 2011, we lowered our ratings on three Spanish banks, which act as counterparties in various transactions. Based on our analysis, under the updated criteria we have placed or kept on CreditWatch negative 27 affected Spanish structured finance ratings.

The table below provides the transaction names, series, and ratings for the affected Spanish transactions. For the related media release, see "Ratings On 27 Tranches In 22 Spanish Transactions Placed On CreditWatch Negative After Downgrade Of 3 Spanish Banks," published on March 11, 2011."

Please click on "View Expanded Table" to see further information on the counterparties, our rating on them, and their respective roles.

List Of CreditWatch Negative Placements

Issuer	Series	Class	Collateral type/segment	ISINS	Rating to	Rating from
RMBS						
AyT Colaterales Global Hipotecario FTA Caixa Laietana I	€170 million asset-backed notes series AyT Colaterales Global Hipotecario Caixa Laietana I	A	RMBS	ES0312273487	AA (sf)/Watch Neg	AA (sf)
AyT Colaterales Global Hipotecario FTA Caja Circulo I	€150 million mortgage-backed floating-rate notes	A	RMBS	ES0312273321	AA (sf)/Watch Neg	AA (sf)
AyT Colaterales Global Hipotecario FTA CCM I	€800 million mortgage-backed floating rate notes	A	RMBS	ES0312273248	AA (sf)/Watch Neg	AA (sf)
AyT ICO-FTVPO Caixa Galicia Fondo de Titulizacion de Activos	€160 million mortgage-backed floating-rate notes	B	RMBS	--	AA (sf)/Watch Neg	AA (sf)
AyT ICO-FTVPO CAJASOL, Fondo de Titulizacion de Activos	€115 million residential mortgage-backed floating-rate notes	B	RMBS	--	AA (sf)/Watch Neg	AA (sf)
AyT ICO-FTVPO III Fondo de Titulizacion de Activos	€110.8 million mortgage-backed floating rate notes series CAJA RIOJA	B	RMBS	ES0312289046	AA (sf)/Watch Neg	AA (sf)
AyT ICO-FTVPO III Fondo de Titulizacion de Activos	€133.2 million mortgage-backed floating rate notes series CAI	B	RMBS	ES0312289012	AA (sf)/Watch Neg	AA (sf)
Bancaja 5 Fondo de Titulizacion de Activos	€1 billion bonos de titulizacion	B	RMBS	ES0312884010	AA-(sf)/Watch Neg	AA-(sf)
Foncaixa Hipotecario 11, Fondo de Titulización de Activos	€6.5 billion asset-backed floating-rate Series 11	B	RMBS	ES0337790010	AA (sf)/Watch Neg	AA (sf)
Hipocat 15, Fondo de Titulizacion de Activos	€1.2 billion mortgage-backed floating-rate notes	B	RMBS	ES0345675013	AA (sf)/Watch Neg	AA (sf)/Watch Neg

List Of CreditWatch Negative Placements (cont.)						
Hipocat 7, Fondo de Titulizacion de Activos	€1.4 billion mortgage-backed floating-rate notes	C	RMBS	ES0345783031	AA-(sf)/Watch Neg	AA-(sf)/Watch Neg
Hipocat 8, Fondo de Titulizacion de Activos	€1.5 billion mortgage-backed notes	B	RMBS	ES0345784021	AA(sf)/Watch Neg	AA(sf)/Watch Neg
Hipocat 9, Fondo de Titulizacion de Activos	€1.016 billion residential mortgage-backed floating-rate notes	B	RMBS	ES0345721031	AA(sf)/Watch Neg	AA(sf)/Watch Neg
IM PASTOR 3, Fondo de Titulizacion Hipotecaria	€1 billion mortgage-backed floating-rate notes	A	RMBS	ES0347862007	AA(sf)/Watch Neg	AA(sf)
TDA CAM 7, Fondo de Titulizacion de Activos	€1.75 billion mortgage-backed floating-rate notes	A2	RMBS	ES0377994019	AA-(sf)/Watch Neg	AA-(sf)
TDA CAM 7, Fondo de Titulizacion de Activos	€1.75 billion mortgage-backed floating-rate notes	A3	RMBS	ES0377994027	AA-(sf)/Watch Neg	AA-(sf)
TDA CAM 9, Fondo de Titulizacion de Activos	€1.515 billion mortgage-backed floating-rate notes	A2	RMBS	ES0377955010	AA-(sf)/Watch Neg	AA-(sf)
TDA CAM 9, Fondo de Titulizacion de Activos	€1.515 billion mortgage-backed floating-rate notes	A3	RMBS	ES0377955028	AA-(sf)/Watch Neg	AA-(sf)
TDA CAM 9, Fondo de Titulizacion de Activos	€1.515 billion mortgage-backed floating-rate notes	A1	RMBS	ES0377955002	AA-(sf)/Watch Neg	AA-(sf)
ABS						
AyT Colaterales Global Empresas, Fondo de Titulizacion de Activos	€135 million Serie AyT Colaterales Empresas Banco Gallego I	A	SME	ES0312214200	AA(sf)/Watch Neg	AA(sf)
EMPRESAS HIPOTECARIO TDA CAM 5, Fondo de Titulizacion de Activos	€1.431 billion floating-rate notes	A2	SME	ES0330877012	AA-(sf)/Watch Neg	AA-(sf)
EMPRESAS HIPOTECARIO TDA CAM 5, Fondo de Titulizacion de Activos	€1.431 billion floating-rate notes	A3	SME	ES0330877020	AA-(sf)/Watch Neg	AA-(sf)
Foncaixa FTPYME 2, Fondo de Titulizacion de Activos	€1.176 billion floating-rate notes	B	SME	ES0337774022	AA(sf)/Watch Neg	AA(sf)
FTPYME Bancaja 3, Fondo de Titulizacion de Activos	€900 million floating-rate notes	B	SME	ES0304501036	AA-(sf)/Watch Neg	AA-(sf)
IM GRUPO BANCO POPULAR FTPYME I, Fondo de Titulizacion de Activos	€2.03 billion floating-rate notes	B	SME	ES0347844054	AA(sf)/Watch Neg	AA(sf)
IM GRUPO BANCO POPULAR FTPYME II, Fondo de Titulizacion de Activos	€2.039 billion floating-rate notes	B	SME	ES0347786032	A+(sf)/Watch Neg	A+(sf)
IM TERRASSA 1 FTGENCAT, Fondo de Titulización de Activos	€320 million floating-rate notes	B (G)	SME	ES0347863013	AA(sf)/Watch Neg	AA(sf)

RMBS—Residential mortgage-backed securities. ABS—Asset-backed securities. SME—Small and midsize enterprise.

Related Criteria And Research

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