

June 12, 2009

Rating Raised On Class B Notes In Bancaja 7's Spanish RMBS Transaction

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OVERVIEW

-- Today's upgrade reflects good transactional performance, an updated assessment of the risk profile of the underlying portfolio, and higher credit enhancement levels.

-- We have raised to 'AA' from 'A' and removed from CreditWatch positive our rating on the class B notes, and affirmed the class A, C, and D notes.

-- Bancaja 7 is a Spanish RMBS transaction originated by Caja de Ahorros de Valencia, Castellon y Alicante to transfer risk associated with first-ranking mortgages secured over owner-occupied residential properties in Spain.

MADRID (Standard & Poor's) June 12, 2009--Standard & Poor's Ratings Services today raised and removed from CreditWatch positive its credit rating on the class B notes issued by Bancaja 7 Fondo de Titulizacion de Activos. At the same time, we affirmed our ratings on the class A, C, and D notes (see list below).

We initially placed the class B notes on CreditWatch positive on April 2.

Today's rating actions follow an updated credit analysis, based on the most recent loan-level information we have received on the underlying collateral. We factor structural characteristics, including levels of available credit enhancement, into our cash flow analysis.

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The results of our credit and cash flow analysis showed that class B notes can attain a higher rating and that we can affirm the ratings on the other notes at this stage.

As the transaction has become more seasoned, the portfolio risk measures have gradually improved. The weighted-average loan-to-value (LTV) ratio of the collateral has fallen since closing. In particular, the number of loans with a weighted-average LTV ratio above 80% has significantly decreased.

As of the latest interest payment date, long-term arrears in this transaction were 1.63% of the outstanding balance. Defaults remain low at 0.07% of the closing balance.

The cash reserve provides credit enhancement and it is at its required level.

RELATED RESEARCH

- Methodology And Assumptions: Update To The Criteria For Rating Spanish Residential Mortgage-Backed Securities (published on Jan. 6, 2009)
- Update To The Cash Flow Criteria For European RMBS Transactions (published on Jan. 6, 2009)

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. 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	To	Rating	From
Bancaja 7 Fondo de Titulizacion de Activos €1.9 Billion Mortgage-Backed Floating-Rate Notes			
			Rating Raised And Removed From CreditWatch Positive
B	AA		A/Watch Pos

Ratings Affirmed

A	AAA
C	BBB
D	BB

Additional Contact:

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