

Rating Action: HIPOCAT 11, FTA

Moody's places on review for downgrade ratings on 13 Spanish RMBS transactions

Approx. EUR 20 billion of debt securities affected.

London, 05 June 2009 -- Moody's Investors Service has today placed under review for possible downgrade all classes of Notes issued by the following Spanish RMBS transactions (the "Affected Transactions"):

- BANCAJA series: BANCAJA 10, FTA; and BANCAJA 11, FTA.
- HIPOCAT series: HIPOCAT 10, FTA; HIPOCAT 11, FTA; and HIPOCAT 12, FTA.
- MADRID RMBS series: MADRID RMBS I, FTA; MADRID RMBS II, FTA; and MADRID RMBS III, FTA.
- Santander Hipotecario series: FTA Santander Hipotecario 2; FTA Santander Hipotecario 3; and FTA Santander Hipotecario 4.
- TDA CAM series: TDA CAM 9; and TDA CAM 10.

A complete list of all 75 affected tranches put under review for downgrade can be found at the end of this press release.

These rating actions reflect Moody's concern about continued worsening performance of the mortgage loan collateral backing the notes, as well as Moody's negative sector outlook for Spanish RMBS. They account also for the weakened macro-economic environment in Spain, in particular the increasing unemployment rate which is expected to rise to at least 20% by 2010.

Over the last twelve months, Moody's has taken rating actions on these Affected Transactions. The collateral performance has, however, deteriorated further with an unanticipated pace. All Affected Transactions are currently performing outside of Moody's expectations. The Affected transactions placed under review for possible downgrade closed between 2006 and 2007 with the pools exhibiting riskier features, such as high loan-to-value ratios, higher risk products and geographical concentration in coastal regions.

These 13 Affected Transactions are showing rapidly increasing levels of delinquent loans and cumulative artificial write-offs. Sudden increases in loan write-offs are to a large extent attributed to the acceleration of delinquent loans into write-off category as well as to property acquisitions performed by the servicers. Moody's has already previously expressed concerns over the future performance of the transactions given the rapid performance deterioration of these relatively low seasoned transactions and the uncertainties relating to timing and amount of future recoveries.

BANCAJA series:

Reported loans in arrears for more than three months reached 6.75 % and 7.0% of current pool balance in Bancaja 10 and 11 at the end of April 2009. Cumulative write offs (either being declared as defaulted by the originator or being overdue for more than 12 months) remain low at 0.23% and 0.30% of original pool balance respectively. But, Moody's observed that the share of loans between 12 and 18 months overdue almost doubled since Moody's took a rating action on the notes issued by Bancaja 10 and 11 in February 2009. Loans between 12 to 18 months in arrears currently stand at 0.96% and 1.20% of original pool balance for Bancaja 10 and Bancaja 11 respectively, up from 0.52% and 0.69% at the end of January 2009.

HIPOCAT series:

As of April 2009, loans more than 3 months in arrears increased to 4.97%, 9.03% and 7.97% in Hipocat 10, Hipocat 11 and Hipocat 12 respectively. Cumulative write offs rose sharply since Moody's took rating action on the notes issued by Hipocat 10, 11 and 12 in April 2009. Cumulative write off (either being declared as defaulted by the originator or being overdue for more than 18 months) rose to 3.30%, 5.29% and 7.0% of original pool balance of Hipocat 10, 11 and 12 respectively, up from 0.44%, 0.31% and 0.14% at the end of January 2009.

MADRID RMBS series:

At the end of March 2009, loans more than 3 months in arrears increased to 6.01% and 6.38% of the current pool balance of Madrid RMBS I and II. Arrears in Madrid RMBS III reached 5.68% at the end of April 2009. Cumulative write offs (either being declared as defaulted by the originator or being overdue for more than 6 months) increased to 8.48%, 10.20% and 10.92% in Madrid RMBS I, II and III. Moody's observed that cumulative write offs more than doubled since Moody's last rating review in November 2008, when cumulative write-offs stood at 3.19%, 4.64% and 2.98% in Madrid RMBS I, II and III respectively (end of September 2008).

SANTANDER HIPOTECARIO series:

At the end of April 2009, loans in arrears by more than three months reached 2.27%, 5.63% and 9.67% in FTA Santander 2, 3 and 4 respectively. Moody's observed that cumulative write offs more than doubled since taking rating action on the notes issued by FTA Santander 2, 3 and 4 in November 2008. Cumulative write offs to-date (either being declared as defaulted by the originator or being overdue for more than 18 months) increased to 1.80% of the original balance of FTA Santander 2, 4.40% for FTA Santander 3 and 5.52% for FTA Santander 4, up from 0.66 %, 1.57% and 1.72% corresponding to October 2008 respectively.

TDA CAM series:

For the TDA CAM series, reported arrears - for loans in arrears for more than three months- reached 5.32% in TDA CAM 9 and 10.02% in TDA CAM 10 at end of April and March 2009 respectively. According to the last performance reports, cumulative write offs reached 1.90% of original pool balance in TDA CAM 10 and 1.60% in TDA CAM 9, up from 0.29% and 0.32% in the reporting period of Q3-08, at the time of Moody's rating review.

RESERVE FUND AND INTEREST DEFERRAL TRIGGER

The increase in the volume of artificial write-offs ultimately resulted in draws to reserve fund in almost all Spanish RMBS under review for possible downgrade (the only exception being TDA CAM 10). The reserve funds of Madrid RMBS I, II and III and FTA Santander Hipotecario 3 and 4, and Hipocat 12 have been fully drawn. In the case of Madrid RMBS II and III, the increase in the volume of loans being written-off (being over due for more than 6 months) resulted in the breach of interest deferral triggers. Interest payments on the Class E in Madrid RMBS II and Class E and D in Madrid RMBS III were diverted to pay down senior notes as of the last interest payment date.

PRINCIPAL DEFICIENCY LEDGER

Six out of the 13 Affected Transactions have unpaid Principal Deficiencies Ledgers (PDL). Madrid RMBS I, Madrid RMBS II and Madrid RMBS III have seen PDLs of EUR 67.1 million, EUR 81.6 million and EUR 148.6 million, respectively at the end of March 2009. The unpaid PDLs in Madrid RMBS II and III exceed the size of the Class D and Class E and the unpaid PDL in Madrid RMBS I is currently greater than the size of the most junior Class E. Santander Hipotecario 3 and 4 have seen PDLs of EUR 76.3 Million, EUR 43.1 Million respectively (end of April 2009). The unpaid PDL in Santander Hipotecario 3 and 4 currently exceed the size of the two most junior classes, Class E and Class F. From the Hipocat series, Hipocat 12 has EUR 18.3 Million in unpaid PDL as of March 2009.

Moody's expects that as part of this new rating review, we will revisit our lifetime loss expectations for all 13 transactions to reflect the collateral performance to date as well as its negative outlook for the Spanish housing market, in the context of a weakening macro-economic environment. Moody's will also try to obtain additional information to revise its MILAN Aaa credit enhancement requirements as well as more details on how the respective servicers are managing defaults and repossessions. The loss expectation with the MILAN Aaa credit enhancement are key parameters used by Moody's to calibrate its loss distribution curve, which is one of the core inputs in the cash-flow model it uses to rate RMBS transactions.

The rating reviews will be concluded over course of the next three to six months following a detailed review and remodeling with updated performance data of each transaction. In the meantime, Moody's will continue to closely monitor the performance of the portfolios.

Complete rating actions are as follows:

Issuer: BANCAJA 10, FTA

- Class A2, Aa1 Placed Under Review for Possible Downgrade; previously on 18 February 2009 Downgraded to Aa1

- Class A3, Aa1 Placed Under Review for Possible Downgrade; previously on 18 February 2009 Downgraded

to Aa1

- Class B, Baa2 Placed Under Review for Possible Downgrade; previously on 18 February 2009 Downgraded to Baa2

- Class C, B1 Placed Under Review for Possible Downgrade; previously on 18 February 2009 Downgraded to B1

- Class D, Caa1 Placed Under Review for Possible Downgrade; previously on 18 February 2009 Downgraded to Caa1

Last rating action was on 18 February 2009.

Issuer: BANCAJA 11, FTA

- Class A1, Aa1 Placed Under Review for Possible Downgrade; previously on 6 May 2009 Downgraded to Aa1

- Class A2, Aa2 Placed Under Review for Possible Downgrade; previously on 18 February 2009 Downgraded to Aa2

- Class A3, Aa2 Placed Under Review for Possible Downgrade; previously on 18 February 2009 Downgraded to Aa2

- Class B, Ba1 Placed Under Review for Possible Downgrade; previously on 18 February 2009 Downgraded to Ba1

- Class C, B1 Placed Under Review for Possible Downgrade; previously on 18 February 2009 Downgraded to B1

- Class D, Caa2 Placed Under Review for Possible Downgrade; previously on 18 February 2009 Downgraded to Caa2

Last rating action was on 18 February 2009.

Issuer: FTA SANTANDER HIPOTECARIO 2

- Class A, Aa1 Placed Under Review for Possible Downgrade; previously on 12 December 2008 Downgraded to Aa1

- Class B, Aa3 Placed Under Review for Possible Downgrade; previously on 12 December 2008 Downgraded to Aa3

- Class C, A3 Placed Under Review for Possible Downgrade; previously on 12 December 2008 Downgraded to A3

- Class D, Ba1 Placed Under Review for Possible Downgrade; previously on 12 December 2008 Downgraded to Ba1

- Class E, B3 Placed Under Review for Possible Downgrade; previously on 12 December 2008 Downgraded to B3

- Class F, Ca Placed Under Review for Possible Downgrade; previously on 12 December 2008 Downgraded to Ca

Last rating action was on 12 December 2008.

Issuer: FTA SANTANDER HIPOTECARIO 3

- Class A1, Aa1 Placed Under Review for Possible Downgrade; previously on 14 November 2008 Downgraded to Aa1

- Class A2, Aa1 Placed Under Review for Possible Downgrade; previously on 14 November 2008 Downgraded to Aa1

- Class A3, Aa1 Placed Under Review for Possible Downgrade; previously on 14 November 2008 Downgraded to Aa1

- Class B, A3 Placed Under Review for Possible Downgrade; previously on 14 November 2008 Downgraded to A3

- Class C, Baa3 Placed Under Review for Possible Downgrade; previously on 14 November 2008 Downgraded to Baa3

- Class D, Ba3 Placed Under Review for Possible Downgrade; previously on 14 November 2008 Downgraded to Ba3

- Class E, B3 Placed Under Review for Possible Downgrade; previously on 14 November 2008 Downgraded to B3

- Class F, Ca Placed Under Review for Possible Downgrade; previously on 2 April 2007 Assigned Ca

Last rating action was on 14 November 2008.

Issuer: FTA SANTANDER HIPOTECARIO 4

- Class A1, Aa2 Placed Under Review for Possible Downgrade; previously on 14 November 2008 Downgraded to Aa2

- Class A2, Aa2 Placed Under Review for Possible Downgrade; previously on 14 November 2008 Downgraded to Aa2

- Class A3, Aa2 Placed Under Review for Possible Downgrade; previously on 14 November 2008 Downgraded to Aa2

- Class B, A3 Placed Under Review for Possible Downgrade; previously on 14 November 2008 Downgraded to A3

- Class C, Baa3 Placed Under Review for Possible Downgrade; previously on 14 November 2008 Downgraded to Baa3

- Class D, Ba3 Placed Under Review for Possible Downgrade; previously on 14 November 2008 Downgraded to Ba3

- Class E, B3 Placed Under Review for Possible Downgrade; previously on 14 November 2008 Downgraded to B3

- Class F, Ca Placed Under Review for Possible Downgrade; previously on 2 October 2007 Assigned Ca

Last rating action was on 14 November 2008.

Issuer: HIPOCAT 10, FTA

- Class A2, Aa1 Placed Under Review for Possible Downgrade; previously on 2 April 2009 Downgraded to Aa1

- Class A3, Aaa Placed Under Review for Possible Downgrade; previously on 6 July 2006 Assigned Aaa

- Class A4, Aaa Placed Under Review for Possible Downgrade; previously on 6 July 2006 Assigned Aaa

- Class B, A2 Placed Under Review for Possible Downgrade; previously on 2 April 2009 Downgraded to A2

- Class C, Ba3 Placed Under Review for Possible Downgrade; previously on 2 April 2009 Downgraded to Ba3

Last rating action was on 2 April 2009.

Issuer: HIPOCAT 11, FTA

- Class A2, Aa2 Placed Under Review for Possible Downgrade; previously on 20 May 2009 Downgraded to Aa2

- Class A3, Aa2 Placed Under Review for Possible Downgrade; previously on 2 April 2009 Downgraded to Aa2

- Class B, Baa1 Placed Under Review for Possible Downgrade; previously on 2 April 2009 Downgraded to Baa1

- Class C, B2 Placed Under Review for Possible Downgrade; previously on 2 April 2009 Downgraded to B2

Last rating action was on 2 April 2009.

Issuer: HIPOCAT 12, FTA

- Class A, Aa2 Placed Under Review for Possible Downgrade; previously on 2 April 2009 Downgraded to Aa2

- Class B, Baa2 Placed Under Review for Possible Downgrade; previously on 2 April 2009 Downgraded to Baa2

- Class C, B3 Placed Under Review for Possible Downgrade; previously on 2 April 2009 Downgraded to B3

Last rating action was on 2 April 2009.

Issuer: MADRID RMBS I, FTA

- Class A2, Aa1 Placed Under Review for Possible Downgrade; previously on 12 November 2008 Downgraded to Aa1

- Class B, A1 Placed Under Review for Possible Downgrade; previously on 12 November 2008 Downgraded to A1

- Class C, Baa2 Placed Under Review for Possible Downgrade; previously on 12 November 2008 Downgraded to Baa2

- Class D, Ba2 Placed Under Review for Possible Downgrade; previously on 12 November 2008 Downgraded to Ba2

- Class E, B1 Placed Under Review for Possible Downgrade; previously on 12 November 2008 Downgraded to B1

Last rating action was on 12 November 2008.

Issuer: MADRID RMBS II, FTA

- Class A2, Aaa Placed Under Review for Possible Downgrade; previously on 14 December 2006 Assigned Aaa

- Class A3, Aa2 Placed Under Review for Possible Downgrade; previously on 12 November 2008 Downgraded to Aa2

- Class B, A2 Placed Under Review for Possible Downgrade; previously on 12 November 2008 Downgraded to A2

- Class C, Baa2 Placed Under Review for Possible Downgrade; previously on 12 November 2008 Downgraded to Baa2

- Class D, Ba3 Placed Under Review for Possible Downgrade; previously on 12 November 2008 Downgraded to Ba3

- Class E, B3 Placed Under Review for Possible Downgrade; previously on 12 November 2008 Downgraded to B3

Last rating action was on 12 November 2008.

Issuer: MADRID RMBS III, FTA

- Class A1, Aaa Placed Under Review for Possible Downgrade; previously on 16 July 2007 Assigned Aaa
- Class A2, Aaa Placed Under Review for Possible Downgrade; previously on 16 July 2007 Assigned Aaa
- Class A3, Aa2 Placed Under Review for Possible Downgrade; previously on 12 November 2008 Downgraded to Aa2
- Class B, A2 Placed Under Review for Possible Downgrade; previously on 12 November 2008 Downgraded to A2
- Class C, Baa2 Placed Under Review for Possible Downgrade; previously on 12 November 2008 Downgraded to Baa2
- Class D, Ba2 Placed Under Review for Possible Downgrade; previously on 12 November 2008 Downgraded to Ba2
- Class E, B3 Placed Under Review for Possible Downgrade; previously on 12 November 2008 Downgraded to B3

Last rating action was on 12 November 2008.

Issuer: TDA CAM 9, FTA

- Class A1, Aaa Placed Under Review for Possible Downgrade; previously on 3 July 2007 Assigned Aaa
- Class A2, Aa1 Placed Under Review for Possible Downgrade; previously on 5 December 2008 Downgraded to Aa1
- Class A3, Aa1 Placed Under Review for Possible Downgrade; previously on 5 December 2008 Downgraded to Aa1
- Class B, A3 Placed Under Review for Possible Downgrade; previously on 5 December 2008 Downgraded to A3
- Class C, Ba2 Placed Under Review for Possible Downgrade; previously on 5 December 2008 Downgraded to Ba2
- Class D, Ca Placed Under Review for Possible Downgrade; previously on 3 July 2007 Assigned Ca

Last rating action was on 5 December 2008.

Issuer: TDA CAM 10, FTA

- Class A1, Aa1 Placed Under Review for Possible Downgrade; previously on 5 December 2008 Downgraded to Aa1
- Class A2, Aa1 Placed Under Review for Possible Downgrade; previously on 5 December 2008 Downgraded to Aa1
- Class A3, Aa1 Placed Under Review for Possible Downgrade; previously on 5 December 2008 Downgraded to Aa1
- Class A4, Aa1 Placed Under Review for Possible Downgrade; previously on 5 December 2008 Downgraded to Aa1
- Class B, Baa2 Placed Under Review for Possible Downgrade; previously on 5 December 2008 Downgraded to Baa2
- Class C, B3 Placed Under Review for Possible Downgrade; previously on 5 December 2008 Downgraded to B3

Last rating action was on 5 December 2008.

Moody's ratings address the expected loss posed to investors by the legal final maturity of the notes. Moody's ratings address only the credit risks associated with the transactions. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.

Moody's monitors the Affected Transactions as described in the reports: "Moody's Approach to Rating Spanish RMBS: The "Milan" Model", March 2005, "Moody's Updated Methodology for Rating Spanish RMBS", July 2008, and "Revising Default/Loss Assumptions Over the Life of an ABS/RMBS Transaction", December 2008. Moody's will continue to monitor closely the performance of these transactions.

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