

Rating Lowered To 'D (sf)' On Class D Notes In Spanish RMBS Transaction Bancaja 11

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OVERVIEW

- As of the last payment date on April 27, the class D notes have defaulted on their interest payment.
- Consequently, we have lowered to 'D (sf)' our rating on the class D notes.
- Bancaja 11 closed in July 2007 and is collateralized by first-ranking mortgages originated by Bancaja. Following the consolidation of Bancaja into Bankia, Bankia is now acting as servicer of the underlying collateral.

MADRID (Standard & Poor's) May 25, 2012--Standard & Poor's Ratings Services today lowered to 'D (sf)' from 'CCC (sf)' its credit rating on Bancaja 11, Fondo de Titulizacion de Activos's class D notes. Our ratings on the other classes of notes are unaffected (see list below).

On March 15, 2012, we took various rating actions on Bancaja 11 (see "Various Rating Actions Taken On Bancaja 10 And Bancaja 11's Spanish RMBS Notes Following Review"). Among those rating actions, we lowered our rating on the class D notes to 'CCC (sf)' from 'B (sf)', stating that the class D notes would fail to pay timely interest on the April 2012 interest payment date (IPD), due to a breach of the interest-deferral trigger for this class.

Bancaja 11 features a structural mechanism that traps excess spread to provide protection from defaults to the more senior classes of notes. When the balance of cumulative defaults reaches a certain percentage of the initial collateral balance (the interest-deferral trigger), these structural mechanisms alter the priority of payments, so as to shut off interest payments to the class of notes related to that trigger.

As per the trustee's data in relation to the April 27 IPD, cumulative defaults account for 5.74% of the closing portfolio balance, versus trigger levels of 5.62% for the class D notes, 7.4% for the class C notes, and 10.9% for the class B notes. As a consequence, the class D notes failed to pay timely interest as reflected in our rating on that class.

We have therefore lowered our rating on the class D notes to 'D (sf)'. The other rated classes in this transaction are not affected by today's rating action.

At closing, the class D rating was 'BB (sf)', and our analysis at that time resulted in a required credit coverage of 0.35% for that rating level, while the class D notes benefited from the credit enhancement provided by the reserve fund, which was equal to 1.15% of the securitized portfolio. Based on the latter evolution of the portfolio's credit quality, we revised our default and loss assumptions for the underlying collateral. This contributed to an increase in the required credit coverage for the class D notes, and this increase was not offset by the evolution of the transaction's structural features; the credit enhancement available to the class D notes decreased due to the depletion of the reserve fund and constant weakening of the performing balance available to service the notes.

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>.

RELATED CRITERIA AND RESEARCH

- European Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, March 14, 2012
- Various Rating Actions Taken On Bancaja 10 And Bancaja 11's Spanish RMBS Notes Following Review, March 15, 2012
- Principles Of Credit Ratings, Feb. 16, 2011
- Methodology: Credit Stability Criteria, May 3, 2010
- Global Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, Nov. 4, 2011

RATINGS LIST

Class	Rating
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Rating Lowered To 'D (sf)' On Class D Notes In Spanish RMBS Transaction Bancaja 11

To	From
Bancaja 11, Fondo de Titulización de Activos €2.023 Billion Floating-Rate Notes	

Rating Lowered

D	D (sf)	CCC (sf)
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Ratings Unaffected

A2	A (sf)
A3	A (sf)
B	BB (sf)
C	B (sf)
E	D (sf)

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