

Hecho Relevante de

MBS BANCAJA 3 Fondo de Titulización de Activos

En virtud de lo establecido en el apartado 4 del Módulo Adicional a la Nota de Valores del Folleto Informativo de **MBS BANCAJA 3 Fondo de Titulización de Activos** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación **Fitch Ratings (“Fitch”)**, con fecha 6 de agosto de 2010, comunica que ha confirmado las calificaciones de las siguientes Series de Bonos emitidos por **MBS BANCAJA 3 Fondo de Titulización de Activos**:

- **Serie A2:** **AAA**, perspectiva estable
- **Serie B:** **AA**, perspectiva estable
- **Serie C:** **A**, perspectiva negativa (anterior **A**, perspectiva estable)
- **Serie E:** **CC/RR5** (anterior **CC**, perspectiva estable)

Asimismo, Fitch comunica que ha bajado la calificación asignada a la restante Serie de Bonos:

- **Serie D:** **BB+**, perspectiva negativa (anterior **BBB+**, perspectiva estable)

Se adjunta la nota de prensa emitida por Fitch Ratings.

Madrid, 9 de agosto de 2010.

Mario Masiá Vicente
Director General



Tagging Info

Fitch Downgrades 5 Tranches of MBS Bancaja Series Transactions Ratings

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Fitch Ratings-London-06 August 2010: Fitch Ratings has downgraded five and affirmed 16 tranches from the MBS Bancaja, Fondo de Titulizacion de Activos series (MBS Bancaja) Spanish RMBS transactions originated by Caja de Ahorros de Valencia, Castellon y Alicante (Bancaja). The downgrades were from the more recent MBS Bancaja 3 and 4 transactions due to deterioration in performance of the underlying assets.

Performance of MBS Bancaja 1 has remained stable over the past one year. Arrears have increased marginally, but loans in arrears for three or more months are only approximately 1% of the current pool balance, indicating a limited pipeline of new defaults. Credit enhancement levels have grown as the reserve fund has stopped amortising due to a breach of the performance trigger for loans in arrears by more than three months. Although there has been no reserve fund draws to date, Fitch expects some modest draws may occur.

Although MBS Bancaja 2 has utilised its reserve fund during the last two quarters, the low levels of arrears suggest future defaults should remain low. Current credit enhancement levels provide sufficient support for the rated notes.

MBS Bancaja 1, 2 and 3 contain a sizable portion of commercial loans which carry higher risk of default and Fitch has stressed these as part of its analysis by assuming higher default levels and lower recoveries than the residential loans in the pool.

In comparison with the two more seasoned transactions, MBS Bancaja 3 contains more loans with a higher loan-to-value (LTV) ratio, along with a high portion of second homes and commercial properties. Although there has been a slight reserve fund draw in March 2010, the transaction was able to replenish the fund to its target level. However, current high levels of arrears, in comparison with the earlier transactions, and increases in the volume of period defaults are a concern for this transaction. In particular, the class D notes do not have sufficient credit support to maintain a 'BBB' range rating and have been downgraded to 'BB+'.

MBS Bancaja 4, despite not having any commercial properties, has seen increased arrears levels and a high volume of defaults compared with the earlier three transactions. This has limited the excess spread levels generated by the collateral portfolio and resulted in reserve fund draws. Currently the reserve fund is reduced to EUR17.7m from its target of EUR23.1m. Like MBS Bancaja 3, this pool contains high numbers of self-certified, second-home borrowers that are vulnerable to the changes within interest rates and overall affordability. The portfolio comprises loans originated around the peak of the Spanish housing market, which have shown weak performance across nearly all Spanish RMBS transactions.

Following the downgrade of Caja de Ahorros de Valencia, Castellon y Alicante (Bancaja) by Fitch to 'BBB-/F3' from 'BBB+/'F2' on 1 June 2010, Fitch was informed that remedial actions have been taken to mitigate the exposure to Bancaja. Bancaja is the interest rate swap counterparty for Bancaja 3 and 4 transactions. For further information on the remedial action please refer to Fitch's public commentary titled "No Impact on Bancaja and Banco de Valencia SF Deals from Downgrade", published on 3 August 2010.

Rating actions are as follows:

MBS Bancaja 1, Fondo de Titulizacion de Activos;

Class A (ISIN ES0361794003): affirmed at 'AAA'; Outlook Stable; assigned a Loss Severity rating of 'LS-1'

Class B (ISIN ES0361794011): affirmed at 'AAA'; Outlook Stable; assigned a Loss Severity rating of 'LS-1'

Class C (ISIN ES0361794029): affirmed at 'AA'; Outlook revised to Positive from Stable; assigned a Loss Severity rating of 'LS-1'

Class D (ISIN ES0361794037): affirmed at 'A-'; Outlook Stable; assigned a Loss Severity rating of 'LS-1'

MBS Bancaja 2, Fondo de Titulizacion de Activos;

Class A (ISIN ES0361795000): affirmed at 'AAA'; Outlook Stable; assigned a Loss Severity rating of 'LS-1'

Class B (ISIN ES0361795018): affirmed at 'AA'; Outlook revised to Stable from Positive; assigned a Loss Severity rating of

'LS-3'

Class C (ISIN ES0361795026): affirmed at 'A+'; Outlook revised to Stable from Positive; assigned a Loss Severity rating of 'LS-3'

Class D (ISIN ES0361795034): affirmed at 'BBB+'; Outlook revised to Stable from Positive; assigned a Loss Severity rating of 'LS-3'

Class E (ISIN ES0361795042): affirmed at 'BB+'; Outlook Stable; assigned a Loss Severity rating of 'LS-3'

Class F (ISIN ES0361795059): affirmed at 'CC'; assigned a Recovery Rating of 'RR5'

MBS Bancaja 3, Fondo de Titulizacion de Activos;

Class A2 (ISIN ES0361796016): affirmed at 'AAA'; Outlook Stable; assigned a Loss Severity rating of 'LS-1'

Class B (ISIN ES0361796024): affirmed at 'AA'; Outlook Stable; assigned a Loss Severity rating of 'LS-3'

Class C (ISIN ES0361796032): affirmed at 'A'; Outlook revised to Negative from Stable; assigned a Loss Severity rating of 'LS-3'

Class D (ISIN ES0361796040): downgraded to 'BB+' from 'BBB+'; Outlook Negative; assigned a Loss Severity rating of 'LS-3'

Class E (ISIN ES0361796057): affirmed at 'CC'; assigned a Recovery Rating of 'RR5'

MBS Bancaja 4, Fondo de Titulizacion de Activos;

Class A2 (ISIN ES0361797014): affirmed at 'AAA'; Outlook Stable; assigned a Loss Severity rating of 'LS-1'

Class A3 (ISIN ES0361797022): affirmed at 'AAA'; Outlook Stable; assigned a Loss Severity rating of 'LS-1'

Class B (ISIN ES0361797030): downgraded to 'A+' from 'AA'; Outlook Stable; assigned a Loss Severity rating of 'LS-3'

Class C (ISIN ES0361797048): downgraded to 'BBB+' from 'A+'; Outlook Negative; assigned a Loss Severity rating of 'LS-3'

Class D (ISIN ES0361797055): downgraded to 'BB' from 'BBB'; Outlook Negative; assigned a Loss Severity rating of 'LS-3'

Class E (ISIN ES0361797063): downgraded to 'CC' from 'CCC'; assigned a Recovery Rating of 'RR5'

Applicable criteria available at www.fitchratings.com: 'EMEA Residential Mortgage Loss Criteria Addendum - Spain,' dated 23 February 2010.

Fitch's Recovery Ratings (RR), introduced in 2005, are a relative indicator of creditor recovery on a given obligation in the event of a default. An overview of Fitch's RR methodology can be found at www.fitchratings.com/recovery.

Further commentary and performance data on the transaction are also available at www.fitchratings.com.

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Additional information is available at www.fitchratings.com.

Related Research:

EMEA Residential Mortgage Loss Criteria Addendum - Spain

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