

**Otra Información Relevante de**      **RURAL HIPOTECARIO VII FONDO DE TITULIZACION**  
**DE ACTIVOS**

En virtud de lo establecido en el Folleto Informativo de **RURAL HIPOTECARIO VII FONDO DE TITULIZACION DE ACTIVOS** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES la presente información relevante:

- La Agencia de Calificación **Fitch Ratings** (“Fitch”), con fecha 8 de junio de 2020, comunica que ha descendido la siguiente calificación asignada a la Serie de Bonos emitidos por el Fondo:

- **Serie C:**      **Asf**, perspectiva negativa      (anterior, **A+sf**)

Se adjunta la comunicación emitida por Fitch.

Madrid, 18 de junio de 2020.

08 Jun 2020 | Downgrade

# Fitch Downgrades 20 Spanish RMBS Tranches on Societe Generale Rating Action

---

Fitch Ratings-Madrid-08 June 2020:

Fitch Ratings has downgraded 20 Spanish RMBS tranches of 15 transactions, reflecting the recent corresponding rating downgrade of Societe Generale, S.A. (A-/Stable/F1; deposit rating A), as the RMBS ratings are capped by the bank rating. Thirteen of the tranches have been removed from Rating Watch Negative (RWN) while the other seven tranches remain on RWN. A full list of rating actions is below.

TDA CAM 4, FTA

----Class B ES0377991015; Long Term Rating; Downgrade; Asf; RO:Sta

Rural Hipotecario VI, FTA

----Class C ES0374306027; Long Term Rating; Downgrade; Asf; RO:Sta

AyT Genova Hipotecario III, FTH

----Class B ES0370143010; Long Term Rating; Downgrade; Asf; RO:Sta

Rural Hipotecario X, FTA

----Class B ES0374275016; Long Term Rating; Downgrade; Asf; RW: Neg

CAJA INGENIEROS TDA 1, FTA

----Class A2 ES0364376014; Long Term Rating; Downgrade; Asf; RO:Sta

----Class B ES0364376022; Long Term Rating; Downgrade; Asf; RO:Sta

----Class C ES0364376030; Long Term Rating; Downgrade; Asf; RO:Sta

Rural Hipotecario XV, FTA

----Class B ES0323977019; Long Term Rating; Downgrade; Asf; RO:Sta

AyT Genova Hipotecario IV, FTH

----Class B ES0370150015; Long Term Rating; Downgrade; Asf; RO:Sta

Rural Hipotecario XVI, FTA

----Class B ES0323978017; Long Term Rating; Downgrade; Asf; RW: Neg

AyT Genova Hipotecario VI, FTH

----Class C ES0312349030; Long Term Rating; Downgrade; Asf; RW: Neg

Rural Hipotecario XIV, FTA

----B ES0374268011; Long Term Rating; Downgrade; Asf; RW: Neg

TDA 26-Mixto, FTA - Series 1

----Class 1-C ES0377953031; Long Term Rating; Downgrade; Asf; RO:Sta

Rural Hipotecario VII, FTA

----Class C ES0366366039; Long Term Rating; Downgrade; Asf; RW: Neg

Rural Hipotecario XI, FTA

----Class C ES0323975021; Long Term Rating; Downgrade; Asf; RW: Neg

GAT ICO-FTVPO 1, FTH

----C (CA) ES0341068056; Long Term Rating; Downgrade; Asf; RO:Sta

----C (CM) ES0341068064; Long Term Rating; Downgrade; Asf; RO:Sta

----C (CP) ES0341068072; Long Term Rating; Downgrade; Asf; RO:Sta

----C (CT) ES0341068080; Long Term Rating; Downgrade; Asf; RO:Sta

Rural Hipotecario XII, FTA

----Class C ES0323976029; Long Term Rating; Downgrade; Asf; RW: Neg

## Transaction Summary

The transactions are securitisations of Spanish residential mortgages.

## KEY RATING DRIVERS

### Excessive Counterparty Risk

The downgrade and removal from RWN on 13 tranches of eight Spanish RMBS transactions reflect the recent downgrade of the deposit rating of Societe Generale S.A., which is the SPV account bank provider for these transactions (See "Fitch Downgrades SG's Long-Term IDR to 'A-'; off RWN; Outlook Stable" dated 28-May-2020). The affected tranches are exposed to excessive counterparty risk as a very material component of each tranche's credit enhancement (CE) protection is provided by the cash reserves held by the account bank. This is in line with Fitch's Structured Finance and Covered Bonds Counterparty Rating Criteria.

### COVID-19 Stresses

The RWN on the remaining seven tranches of seven Spanish RMBS reflects the high probability of downgrade as a result of the coronavirus pandemic, due to insufficient CE to compensate for additional projected losses on the portfolios as a result of weaker economic conditions, and larger-than-average exposure to self-employed borrowers who are viewed as the most vulnerable in the current crisis due to income volatility and rapid job losses.

These tranches were placed on RWN on 16 April 2020 (see "Fitch Puts 85 Spanish & Portuguese

RMBS Tranches on RWN on Coronavirus Shock" on [www.fitchratings.com](http://www.fitchratings.com)), and we expect to resolve the RWN within the next five months. Additional information about the rating approach in the current circumstances of COVID-19 crisis can be found in "Fitch Ratings' Approach for Addressing Coronavirus-Related Risks for EMEA RMBS" dated 15 April 2020.

The Stable Outlook on the other 13 tranches reflects sufficient protection provided by CE to absorb additional projected losses as a result of COVID-19 and its economic impact in Spain. As a base-case (most likely) scenario, Fitch assumes a global recession in 1H20, driven by sharp economic contractions in major economies with a rapid spike in unemployment, followed by a recovery in 3Q20 as the crisis subsides.

ESG Influence: Caja Ingenieros TDA 1 has an ESG Relevance Score of 5 for "Transaction Parties & Operational Risk" due to excessive counterparty exposure, which has a negative impact on the credit profile, and is highly relevant to the rating, contributing to today's downgrade by one notch.

Rural Hipotecario XII has an ESG Relevance Score of 5 for "Transaction Parties & Operational Risk" due to modification of account bank replacement triggers after transaction closing, which has a negative impact on the credit profile, and is highly relevant to the rating.

## RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

- A rating upgrade on Societe Generale S.A. deposit rating would result in a similar rating action on the junior notes, which are capped by the bank rating because of excessive counterparty risk.
- Increasing CE ratios would result in a similar rating action on the junior notes, as the transactions deleverage to fully compensate the credit losses and cash flow stresses that are commensurate with higher rating scenarios, all else being equal. This is in connection with the notes that remain on RWN, due to a weaker asset performance outlook or a large exposure to self-employed borrowers.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

- A rating downgrade on Societe Generale S.A. deposit rating would result in a similar rating action on the junior notes, which are capped by the bank rating because of excessive counterparty risk.
- A longer-than-expected coronavirus crisis that weakens macroeconomic fundamentals and the mortgage market in Spain beyond Fitch's current base case. Insufficient CE ratios to fully compensate the credit losses and cash flow stresses associated with the current ratings, all else

being equal. This is in connection with the notes that remain on RWN, due to a weaker asset performance outlook or a large exposure to self-employed borrowers.

## ESG CONSIDERATIONS

Caja Ingenieros TDA 1 has an ESG Relevance Score of 5 for "Transaction Parties & Operational Risk" due to excessive counterparty exposure.

Rural Hipotecario XII has an ESG Relevance Score of 5 for "Transaction Parties & Operational Risk" due to modification of account bank replacement triggers after transaction closing.

Except for the matters discussed above, the highest level of ESG credit relevance, if present, is a score of 3. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity(ies), either due to their nature or to the way in which they are being managed by the entity(ies). For more information on Fitch's ESG Relevance Scores, visit [www.fitchratings.com/esg](http://www.fitchratings.com/esg).

## Best/Worst Case Rating Scenario

International scale credit ratings of Structured Finance transactions have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of seven notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of seven notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAAsf' to 'Dsf'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>.

## USE OF THIRD PARTY DUE DILIGENCE PURSUANT TO SEC RULE 17G -10

Form ABS Due Diligence-15E was not provided to, or reviewed by, Fitch in relation to this rating action.

## DATA ADEQUACY

Fitch has checked the consistency and plausibility of the information it has received about the performance of the asset pools and the transactions. There were no findings that affected the rating analysis. Fitch has not reviewed the results of any third-party assessment of the asset

portfolio information or conducted a review of origination files as part of its ongoing monitoring.

Fitch did not undertake a review of the information provided about the underlying asset pools ahead of the transactions' initial closing. The subsequent performance of the transactions over the years is consistent with the agency's expectations given the operating environment and Fitch is therefore satisfied that the asset pool information relied upon for its initial rating analysis was adequately reliable.

Overall, Fitch's assessment of the information relied upon for the agency's rating analysis according to its applicable rating methodologies indicates that it is adequately reliable.

#### REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

#### PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

The ratings are capped by Societe Generale S.A.'s rating.

#### Contacts:

Surveillance Rating Analyst

Beatriz Gomez Crespo,

Associate Director

+34 91 702 5775

Fitch Ratings Spain - Madrid

Paseo de la Castellana 31 9ºB

Madrid 28046

Surveillance Rating Analyst

Paula Nafria, FRM

Analyst

+34 91 076 1985

Fitch Ratings Spain - Madrid

Paseo de la Castellana 31 9ºB

Madrid 28046

Surveillance Rating Analyst

Pablo Rubio,  
Analyst  
+34 91 076 1984  
Fitch Ratings Spain - Madrid  
Paseo de la Castellana 31 9ºB  
Madrid 28046

Surveillance Rating Analyst  
Marcos Meier,  
Analyst  
+34 91 702 5776  
Fitch Ratings Spain - Madrid  
Paseo de la Castellana 31 9ºB  
Madrid 28046

Surveillance Rating Analyst  
Alberto Faraco Peinado, CFA  
Director  
+34 91 702 5778  
Fitch Ratings Spain - Madrid  
Paseo de la Castellana 31 9ºB  
Madrid 28046

Surveillance Rating Analyst  
Ricardo Garcia Carmona,  
Director  
+34 91 702 5772  
Fitch Ratings Spain - Madrid  
Paseo de la Castellana 31 9ºB  
Madrid 28046

Committee Chairperson  
Juan David Garcia,  
Senior Director  
+34 91 702 5774

Media Relations: Athos Larkou, London, Tel: +44 20 3530 1549, Email:  
[athos.larkou@thefitchgroup.com](mailto:athos.larkou@thefitchgroup.com)

Additional information is available on [www.fitchratings.com](http://www.fitchratings.com)

### **Applicable Criteria**

[European RMBS Rating Criteria \(pub. 22 May 2020\) \(including rating assumption sensitivity\)](#)

[Global Structured Finance Rating Criteria \(pub. 02 May 2019\) \(including rating assumption sensitivity\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria \(pub. 29 Jan 2020\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum \(pub. 29 Jan 2020\)](#)

[Structured Finance and Covered Bonds Country Risk Rating Criteria \(pub. 06 Feb 2020\)](#)

[Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria \(pub. 06 Dec 2019\)](#)

### **Additional Disclosures**

[Dodd-Frank Rating Information Disclosure Form](#)

[Solicitation Status](#)

[Endorsement Status](#)

[Endorsement Policy](#)

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK:

[HTTPS://WWW.FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://www.fitchratings.com/understandingcreditratings). IN ADDITION, THE FOLLOWING [HTTPS://WWW.FITCHRATINGS.COM/RATING-DEFINITIONS-DOCUMENT](https://www.fitchratings.com/rating-definitions-document) DETAILS FITCH'S RATING DEFINITIONS FOR EACH RATING SCALE AND RATING CATEGORIES, INCLUDING DEFINITIONS RELATING TO DEFAULT. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. DIRECTORS AND SHAREHOLDERS RELEVANT INTERESTS ARE AVAILABLE AT [HTTPS://WWW.FITCHRATINGS.COM/SITE/REGULATORY](https://www.fitchratings.com/site/regulatory). FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH RATINGS WEBSITE.

Copyright © 2020 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing

and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any

time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001. Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

---

**ENDORSEMENT POLICY** - Fitch's approach to ratings endorsement so that ratings produced outside the EU may be used by regulated entities within the EU for regulatory purposes, pursuant to the terms of the EU Regulation with respect to credit rating agencies, can be found on the [EU Regulatory Disclosures](#) page. The endorsement status of all International ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for all structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.