Europea de Titulización
Sociedad Gestora de Fondos de Titulización

Hecho Relevante de VALENCIA HIPOTECARIO 4 Fondo de Titulización de Activos

En virtud de lo establecido en el apartado 4.1.4. del Módulo Adicional a la Nota de Valores del Folleto Informativo de **VALENCIA HIPOTECARIO 4 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 27 de marzo de 2009, comunica que ha confirmado las calificaciones de las siguientes Series de Bonos emitidos por **VALENCIA HIPOTECARIO 4 Fondo de Titulización de Activos**:
    - **Serie A**: **AAA**, perspectiva negativa (anterior **AAA**, perspectiva estable)

  Asimismo, Fitch comunica que ha bajado las calificaciones de las restantes Series de Bonos:

    - **Serie B**: **A-**, perspectiva negativa (anterior **A**, perspectiva estable)
    - **Serie C**: **BB**, perspectiva negativa (anterior **BBB**, perspectiva estable)
    - **Serie D**: **CC**/RR4 (anterior **CCC**)

  Se adjunta la comunicación emitida por Fitch Ratings.

Madrid, 27 de marzo de 2009.

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FitchRatings
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FITCH DOWNGRADES THREE VALENCIA HIPOTECARIO TRANCHES; REVISES OUTLOOKS; ASSIGNS RECOVERY RATINGS

Fitch Ratings-London/Madrid-27 March 2009: Fitch Ratings has today downgraded three and affirmed 11 tranches of the Valencia Hipotecario series following a performance review. The collateral was originated by Banco de Valencia. The rating actions are as follows:

Valencia Hipotecario 1, Fondo de Titulizacion de Activos
Class A (ISIN ES0382744003): affirmed at 'AAA'; Outlook Stable
Class B (ISIN ES0382744011): affirmed at 'AA-' (AA minus): Outlook Stable
Class C (ISIN ES0382744029): affirmed at 'BBB+'; Outlook revised to Stable from Positive

Valencia Hipotecario 2, Fondo de Titulizacion de Hipotecario
Class A (ISIN ES0382745000): affirmed at 'AAA'; Outlook Stable
Class B (ISIN ES0382745018): affirmed at 'A+'; Outlook Stable
Class C (ISIN ES0382745026): affirmed at 'BBB+'; Outlook revised to Negative from Stable
Class D (ISIN ES0382745034): revised to 'CCC' from 'CCC-' (CCC minus); assigned a 'RR2' Recovery Rating

Valencia Hipotecario 3, Fondo de Titulizacion de Activos
Class A2 (ISIN ES0382746016): affirmed at 'AAA'; Outlook Stable
Class B (ISIN ES0382746024): affirmed at 'A+'; Outlook Stable
Class C (ISIN ES0382746032) affirmed at 'BBB'; Outlook revised to Negative from Stable
Class D (ISIN ES0382746040): affirmed at 'CCC'; assigned a 'RR3' Recovery Rating

Valencia Hipotecario 4, Fondo de Titulizacion de Activos
Class A (ISIN ES0382717009): affirmed at 'AAA'; Outlook revised to Negative from Stable
Class B (ISIN ES0382717017): downgraded to 'A-' (A minus) from 'A'; Outlook revised to Negative from Stable
Class C (ISIN ES0382717025) downgraded to 'BB' from 'BBB'; Outlook revised to Negative from Stable
Class D (ISIN ES0382717033): downgraded to 'CC' from 'CCC'; assigned a 'RR4' Recovery Rating

The downgrade of three tranches of Valencia Hipotecario 4 reflects the sharp increase of delinquencies above Fitch's initial expectations at closing. This upward trend of arrears is expected to continue in coming quarters. Valencia Hipotecario 2 and 3 are more seasoned transactions and although their initial performance has been good, in the last 12 months arrears have started to trend upward, prompting Valencia Hipotecario 2 and 3's class C rating Outlook to be revised to Negative. Valencia Hipotecario 1 is the most seasoned deal and its arrears have remained low which is reflected in the affirmation of its tranches.

Valencia Hipotecario 4 loans that are more than three months in arrears as a percentage of the current collateral reached 4.11% only five quarters after closing. Since only 15 months has elapsed since closing and defaults are defined as loans more than 18 months in arrears, no defaults have been recorded as yet. The current level of delinquencies suggests that defaults will be above the agency's initial expectations. Fitch believes that increasing unemployment in Spain will cause delinquencies to rise further. As a consequence of increasing delinquencies and defaults, the transaction's reserve fund (RF) is likely to draw in coming quarters. Fitch anticipates the RF will be used beyond initial expectations at closing.

With 38 and 27 months of seasoning since closing, Valencia Hipotecario 2 and 3 defaults are still low. Cumulative net defaults as a percentage of the current collateral stand at 0.24% and 0.07%, respectively. However, Valencia Hipotecario 2 and 3 loans more than three months in arrears as a percentage of the current collateral rose in February 2009 to 1.71% and 1.42% from 0.21% and 0.04% 18 months ago, respectively. It is likely that the rising amount of loans in arrears will roll to defaults, resulting in the RF of both deals having to be drawn. As opposed to Valencia Hipotecario 4, the RF drawn is not expected to be significant and will occur later in the transactions life after credit enhancement levels have increased.

The good performance of Valencia Hipotecario 1 has meant that deal performance triggers have not been breached enabling its RF to amortise and the note pay down to switch to pro rata. As a result, the CE of all classes will remain constant until the RF reaches its floor, which is why the deal's tranches have a Stable Outlook. On the other hand, delinquencies above the performance trigger of 1% will not allow the RF of the other transactions of the series to amortise.

All the transactions had a weighted original loan-to-value (WAOLTV) at closing below 70% which should limit losses, especially for the most seasoned deals that gained some house price appreciation. The strong franchise of the originator in the Valencia region resulted in all the transactions having a significant concentration in Valencia and in Murcia. The poorer performance of Valencia Hipotecario 4 is explained by the fact that 82.4% of the pool by volume was originated in 2006 and 2007, at the peak of the market. Additionally 13.7% of the pool was granted to Spanish non-residents and 13.0% to borrowers with short employment histories.

Fitch has employed its credit cover multiple methodology in reviewing the deals in order to assess the level of credit support available to each class of notes.

The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' Long-Term Rating category, or categories below 'B'. For further information, please see the report entitled "Definitions of Ratings and Other Scales, March 2009", which is available on the agency's subscriber website, www.fitchresearch.com

Rating Outlooks for European structured finance tranches provide forward-looking information to the market. An Outlook indicates the likely direction of any rating change over a one- to two-year period. For further information on Rating Outlooks, please see Fitch's "Scanning the Horizon -Rating Outlooks in European Structured Finance" report, dated 1 June 2007, which is available on the agency's public website, www.fitchratings.com. Further commentary and performance data on the transactions is also available from Fitch's subscriber site, www.fitchresearch.com.

For topical commentary on the European structured finance market, along with global capital markets coverage, please see www.fitchratings.com/capitalmarkets.

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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. A broad overview of Fitch's RR methodology as it relates to specific sectors, including a Case Study webcast, can be found at www.fitchratings.com/recovery.