

Hecho Relevante de

HIPOCAT 11, 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 **HIPOCAT 11, Fondo de Titulización de Activos** se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación **Moody's Investors Service**, con fecha 18 de diciembre de 2009, comunica que ha bajado la calificación asignada a las siguientes Series de Bonos emitidos por **HIPOCAT 11, Fondo de Titulización de Activos**:

- **Serie A2:** **A2** (anterior Aa2)
- **Serie A3:** **A2** (anterior Aa2)
- **Serie B:** **B1** (anterior Baa1)
- **Serie C:** **Ca** (anterior B2)

Adjuntamos la comunicación emitida por Moody's Investors Service.

Barcelona, 22 de diciembre de 2009

Carles Fruns Moncunill
Director General

Rating Action: HIPOCAT 10, FTA

Moody's Downgrades several Spanish RMBS notes issued by Hipocat 10, 11 and 12

Approximately EUR 2.5 billion of debt securities affected

London, 18 December 2009 -- Moody's Investors Service announced today that it has downgraded the ratings of:

- one senior note and all the junior notes issued by Hipocat 10, Fondo de Titulización de Activos (Hipocat 10)
- all senior and junior notes issued by Hipocat 11, Fondo de Titulización de Activos (Hipocat 11)
- all senior and junior notes issued by Hipocat 12, Fondo de Titulización de Activos (Hipocat 12)

Moody's has maintained on review for possible downgrade:

- two senior notes issued by Hipocat 10, Fondo de Titulización de Activos (Hipocat 10)

Last rating action date for Hipocat 10, 11 and 12 was 5 June 2009, when the deals were put under review for possible downgrade given deterioration in credit trends. A detailed list of the rating actions is provided at the end of this press release.

Today's rating action was prompted by the prolonged deterioration and worse-than-expected performance of the collateral backing the notes. The downgrades also reflect Moody's negative sector outlook for Spanish RMBS and the weakening of the macro-economic environment in Spain, including the expected increase in unemployment rates projected for 2009 and 2010 as well as the deterioration of the Spanish housing market.

Hipocat 10, 11 and 12 closed in July 2006, March 2007 and December 2007 respectively. The transactions are backed by portfolios of first-ranking mortgage loans originated by Caixa Catalunya (A3/P-2) and secured on residential properties located in Spain, for an overall balance at closing of EUR 1.5 billion, EUR 1.6 billion and EUR 1.6 billion, respectively. The three deals consist of the securitisation of the first drawdown of Caixa Catalunya's flexible mortgage loan. The product, named "Crédito Total" offers the possibility of withdrawing additional funds up to the minimum of the original loan-to-value (LTV) or 80% LTV and enjoying grace periods of interest and principal. The pools include a large share of loans with LTV over 80%, currently representing 38%, 40% and 46% of the pool balance in Hipocat 10, 11 and 12 respectively. The pool concentration in Catalonia represented about 70% of the three pool balances at closing. Currently, between 25% and 30% of the portfolio balance in the three Hipocat transactions corresponds to loans granted to non-Spanish nationals. Only a limited share of the securitized loans has been originated via broker, representing a maximum of 4% of original pool balance in Hipocat 12.

Moody's had already taken action on the three transactions in April 2009. But, the collateral performance has deteriorated further with an unanticipated pace. All three Hipocat transactions are currently performing outside of Moody's expectations as of the last rating review. Moody's observed a rapid increase in the share of loans being written-offs. Cumulative write-offs rose to 2.8%, 6.9% and 8.1% of original pool balance in Hipocat 10, Hipocat 11 and Hipocat 12 respectively. The rapidly increasing levels of delinquent and defaulted loans ultimately resulted in draws to reserve fund in all three transactions and build-up in unpaid Principal Deficiencies Ledgers (PDL) in Hipocat 11 (EUR 18.2 million) and Hipocat 12 (EUR 3.5 million) as at the last payment date.

INCREASED IN "WRITE-OFFS" ASSOCIATED WITH "DACION EN PAGO"

The weak performance of the three Hipocat deals has been mainly driven by the high loan-to-value (LTVs) ratios of the securitised mortgage loans and by the exposure to borrowers without Spanish citizenship affected by difficult economic conditions such as increasing unemployment and declining house prices. Moody's performed a loan-by-loan analysis of all delinquent and written-off loans in the three Hipocat RMBS. The write-off rate for loans granted to non-Spanish national (calculated as the written-off loan amount divided by original pool balance of loans originated to non-Spanish borrowers) is between 6 to 7 times the write-off rates of loans granted to Spaniards.

The sudden increase in loan write-offs is to a large extent attributed to the acceleration of delinquent loans into write-off category, most specifically when the servicer resorts to "dacion en pago". "Dacion en pago" is a voluntary agreement whereby the borrower hands over the possession of the property to the lender to clear the outstanding mortgage debt. With "dacion en pago", the lender avoids legalistic repossession and effectively agrees not to pursue the debtor if the funds arising from the sale of the property are lower than the outstanding mortgage debt. According to the information received from the gestora, about 83% of the cumulative write offs in Hipocat 12 relate to "dacion en pago", compared to 68% in Hipocat 11 and 50% in Hipocat 10. We understand that "dacion en pago" is offered to borrowers where access to the assets of the defaulted borrowers may be complex or to unemployed borrowers with no additional assets available to repay the outstanding debt after the repossession process. According to the loan-by-loan data, between 72% and 76% of all "daciones en pago" in the three Hipocat series were granted to non-Spanish nationals.

RECOVERIES ON PROPERTIES ACQUIRED ACHIEVED VIA "COMPRA-VENTA"

When Moody's placed the three Hipocat transactions under review in June 2009, we had concerns about the share of properties acquired in the Fondos following "dacion en pago". The share of acquired properties in certain Hipocat 10, 11 and 12 had turned out to be material, representing 2.8%, 5% and 7.3% of original pool balance in July. We commented on the negative aspects of holding properties in a depressing housing market, as it would delay recoveries and may lead to higher loss severity. However, we have received positive data from Caixa Catalunya about the level of recoveries achieved on the sale of acquired properties in the three Fondos. We understand that Caixa Catalunya has facilitated the sale of the acquired properties gone through "dacion en pago" to real estate companies (owned by the lender) or external investors via "compra-venta" (a cash acquisition with property sale proceeds flowing back to the Fondos). In the three Hipocat series, the recoveries on the properties sold via "compra-venta" have reached an average recovery rate of over 70% (calculated as the property sale price divided by outstanding debt at time of acquisition). Available funds in the three Hipocat transactions are ultimately improving as properties being acquired are sold via "compra-venta" -- as was observed for Hipocat 12. Recoveries rose to about 70% of cumulative write-offs in Hipocat 12, 20% in Hipocat 11 and 60% in Hipocat 10 as at the last interest payment date. We expect Hipocat 10 and 11 to benefit fully of higher recoveries achieved through compra-venta from next reporting date. However, the pace at which loans are moving into arrears and defaults suggests that the transactions will remain under stress and cash reserve will not be replenished.

AMORISATION OF THE NOTES

In Hipocat 11, Class A2 and A3 amortise sequentially following breach of trigger - with the aggregated outstanding amount of A2 and A3 notes being greater than the outstanding balance of loans less than 90 days in arrears. Moody's expect that even if the trigger is cured in a short time horizon, Class A2 would not be fully redeemed by July 2013 in which case 25% of available funds for Aaa amortization would be applied to Class A2 amortisation and 75% to Class A3 amortisation and therefore it is not clear that all the outstanding Class A2 would redeem in priority to Class A3.

Hipocat 10 provides for the amortization of the Class A notes to switch to pro rata subject to a performance trigger - to be hit if the outstanding balance of loans more than 18 months in arrears exceeds 25% of the initial pool balance. Moody's considers this trigger very unlikely to be breached, as the outstanding balance of loans more than 18 months in arrears is currently 1.5% of outstanding pool balance. Class A4 has a planned amortisation and, on any IPD, EUR 12.5 million are deposited and retained in a dedicated account for the repayment of this class which will be amortised with a bullet payment at the legal maturity on April 2012. A total of EUR58.2 million are currently retained in the Withholding Principal Account held at Caja de Ahorros y Pensiones de Barcelona (Aa2/P-1). A liquidity facility, provided by Calyon Spanish branch, is in place to ensure payment of this series at its maturity date. From October 2009 onwards all remaining available funds in excess to the amount retained to pay class A4 notes are applied to repay class A2 and A3 notes. However these two classes do not follow a pro-rata amortisation, instead 50% of the available funds are used to amortise A3 and 50% to amortise A2. Moody's expects that Class A4 and A3 will be redeemed before Class A2 and has therefore taken rating action only on class A2 notes.

The amortization between the senior, mezzanine and junior notes in all three transactions is expected to remain sequential for the remaining life of the deals given breach of triggers (90d+ arrears exceeding 1.5% of current pool balance).

REVISED LIFETIME LOSSES AND MILAN Aaa CE

Moody's has reassessed its lifetime loss expectation for Hipocat 10, 11 and 12 to account for the collateral performance to date as well as our expectations for these transactions in the context of a current macroeconomic environment in Spain. On the basis of the rapid deterioration in credit trends in all three transactions, we have updated the portfolio expected loss assumption to 4.0% of original balance in Hipocat 10, 8% of original balance in Hipocat 11 and 8.8% of original balance in Hipocat 12.

As part of its analysis, Moody's has also assessed loan-by-loan information for the outstanding portfolios to determine the credit support consistent with target rating levels and the volatility of the distribution of future losses. For this review, "Moody's Updated Methodology for Rating Spanish RMBS" was used. As a result, Moody's has revised its MILAN Aaa credit enhancement (MILAN Aaa CE) assumptions to 17% for Hipocat

10, 24% for Hipocat 11 and 29% for Hipocat 12. The loss expectation and the Milan Aaa CE are the two 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. Current credit enhancement under Aaa-rated Class A notes (including subordination and reserve fund and taking into consideration the amount of unpaid PDLs in Hipocat 11 and 12 and retained principal in the Withholding Principal Account in Hipocat 10) is 12.0%, 9.8% and 14.1% for Hipocat 10, 11 and 12 respectively as at the last payment date.

COUNTERPARTIES TO THE TRANSACTIONS

- Paying Agent

Caixa Catalunya was downgraded on 15 June 2009 from A2/P-1 to A3/P-2. Given Caixa Catalunya has been acting as paying agent in the transaction since closing, it is contemplated in the transaction documents that the gestora will need to find a P-1 rated replacement or guarantor upon the downgrade below P-1 of the paying agent within 30 days. However, Moody's understands that no remedial action has yet been taken in that respect. As a result, Moody's has maintained the rating of the Class A4 and A3 in Hipocat 10 under review for possible downgrade.

-Swap provider:

The three transactions benefit from an interest rate swap to hedge interest rate risk, securing weighted-average interest rate on the notes plus 0.65% excess spread and covering the servicing fee in case of servicer replacement, over a notional equal to the daily average outstanding amount of the loans not more than 90 days in arrears - excluding loans in grace period up to 35%, 16% and 14% of pool balance respectively. CECA (Confederación Española de Cajas de Ahorros, Aa3/P-1) acts as the swap counterparty for Hipocat 10 and Hipocat 11. Caixa Catalunya (A3/P-2) acts as swap counterparty in Hipocat 12 and, following the downgrade to P-2, is posting collateral according to the documentation.

- Issuer Account Bank:

For all three transactions, collections are paid to Caixa Catalunya (A3/P-2) and then transferred every 24 to 48 hours to the treasury account. In Hipocat 10 and Hipocat 11, the treasury account is held at Caja de Ahorros y Pensiones de Barcelona (Aa2/P-1). Following the downgrade of Caixa Catalunya (from A2/P-1 to A3/P-2), which holds the treasury account in Hipocat 12, it is contemplated in the transaction documents that the gestora will need to find a P-1 rated replacement or guarantor. However, Moody's understands that no remedial action has yet been taken in that respect.

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 transaction. Other risks have not been addressed, but may have a significant effect on yield to investors.

Moody's initially analysed the transactions referred to in this press release using the rating methodology for Spanish RMBS transactions as described in the report "Moody's Approach to Rating Spanish RMBS: the 'Milan' Model", March 2005, and it monitors the performance of the transaction using rating methodologies described in the reports "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. These reports can be found at www.moodys.com in the Rating Methodologies sub-directory under the Research & Ratings tab. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found in the Rating Methodologies sub-directory on Moody's website. In addition, Moody's publishes a weekly summary of structured finance credit, ratings and methodologies, available to all registered users of our website, at www.moodys.com/SFQuickCheck.

LIST OF DETAILED RATING ACTIONS

Issuer: HIPOCAT 10, FTA

Class A2 Notes, Downgraded to Aa2; previously on June 5, 2009 Aa1 Placed Under Review for Possible Downgrade

Class B Notes, Downgraded to Ba1; previously on June 5, 2009 A2 Placed Under Review for Possible Downgrade

Class C Notes, Downgraded to Ca; previously on June 5, 2009 Ba3 Placed Under Review for Possible Downgrade

Issuer: HIPOCAT 11, FTA

Class A2 Notes, Downgraded to A2; previously on June 5, 2009 Aa2 Placed Under Review for Possible

Downgrade

Class A3 Notes, Downgraded to A2; previously on June 5, 2009 Aa2 Placed Under Review for Possible Downgrade

Class B Notes, Downgraded to B1; previously on June 5, 2009 Baa1 Placed Under Review for Possible Downgrade

Class C Notes, Downgraded to Ca; previously on June 5, 2009 B2 Placed Under Review for Possible Downgrade

Issuer: HIPOCAT 12, FTA

Class A Notes, Downgraded to A2; previously on June 5, 2009 Aa2 Placed Under Review for Possible Downgrade

Class B Notes, Downgraded to B2; previously on June 5, 2009 Baa2 Placed Under Review for Possible Downgrade

Class C Notes, Downgraded to C; previously on June 5, 2009 B3 Placed Under Review for Possible Downgrade

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