

May 13, 2009

## Ratings On TDA 25's Class A To C Notes Placed On CreditWatch Negative; Class D Notes Lowered

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MADRID (Standard & Poor's) May 13, 2009—Standard & Poor's Ratings Services today placed on CreditWatch negative its credit ratings on the class A, B, and C notes issued by TDA 25, Fondo de Titulizacion de Activos (TDA 25). At the same time, we lowered the rating on the class D notes. The rating on the class NAS-I0 notes is affirmed (see list below).

Our credit analysis of the most recent transaction information that we have received showed that the credit enhancement available for TDA 25's class A, B, and C notes might not be sufficient to maintain the current ratings.

The reserve fund has been fully depleted due to defaults and low levels of available excess spread. TDA 25 features a structural mechanism that traps excess spread to provide for gross defaults, and due and unpaid principal of nondefaulted loans. Levels of available excess spread in the first three years after closing are limited due to the NAS-I0 class of notes, which pay a coupon senior in the waterfall based on a notional amount related to the class A notes. The NAS-I0 class matures in September 2009 and we have consequently affirmed our rating on that class.

If gross cumulative defaults reach the level of a trigger for deferral of interest, set at 3.9% of the initial balance of the pool for the class D notes, the interest on this class will be paid after amortization of the senior classes. On the March interest payment date (IPD), cumulative defaults

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as a percentage of the initial balance of the pool were 2.89%. With the current level of 90+ day delinquencies (including the outstanding balance of defaulted loans) standing at 14.51% (well above the average of the Spanish residential mortgage-backed securities market), in our view, deferral of interest on the class D notes could happen as soon as the next IPD. Therefore, we have lowered our rating on the class D notes.

The triggers for deferral of interest on the class B and C notes are set at gross cumulative default levels of 6.4% and 4.9%, respectively. We have placed our ratings on these classes on CreditWatch negative, while we assess any increased likelihood of these levels being reached. We expect to resolve these CreditWatch placements after the June IPD.

We have seen limited recoveries to date, due to the length of the foreclosure period. The originators of this transaction are two Spanish financial entities: Banco Gallego, S.A., and Unión de Crédito para la Financiación Mobiliaria e Inmobiliaria, Credifimo, E.F.C., S.A.U. (Credifimo). The loans, mainly originated in Andalucia, Madrid, and Galicia, have first-ranking securities and were for the purpose of property acquisition.

RELATED RESEARCH

- Ratings Lowered On Class B, C, And D Notes In TDA 25's Spanish RMBS Transaction (published on Oct. 24, 2008)
- Methodology And Assumptions: Update To The Criteria For Rating Spanish Residential Mortgage-Backed Securities (published on Jan. 6, 2009)

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RATINGS LIST

Class	To	Rating	From
TDA 25, Fondo de Titulizacion de Activos €265 Million Residential Mortgage-Backed Floating-Rate Notes			

RATING LOWERED

D	CCC	B
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RATINGS PLACED ON CREDITWATCH NEGATIVE

A	AAA/Watch Neg	AAA
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B	BBB/Watch Neg	BBB
C	BB/Watch Neg	BB

RATING AFFIRMED

NAS-IO AAA

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