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Bulletin:

S&P Comments On Remedies Implemented In Various Securitizations Following Bancaja's Downgrade

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MADRID (Standard & Poor's) Dec. 3, 2008—Standard & Poor's Ratings Services said today that it has completed part of its review of the exposure to counterparty risk in 10 deals originated by Caja de Ahorros de Valencia, Castellon y Alicante (Bancaja; see list below). The ratings on the notes issued in these deals remain unaffected.

This review is as a result of the downgrade on Sept. 23 of the long- and short-term counterparty credit ratings on Bancaja to 'A-/A-2' from 'A/A-1'. Among the various roles Bancaja performs in the deals listed below, it acted (at closing) as treasury account provider and paying agent in all 10 transactions, and as liquidity line provider in one (FTPYME Bancaja 3, Fondo de Titulizacion de Activos). The current review covers these roles, but not Bancaja's role as swap provider for some of the 10 deals.

With a short-term rating of 'A-2', Bancaja is now ineligible under our current counterparty criteria for the roles of treasury account provider and liquidity line provider. Therefore, Bancaja implemented some remedies, which we considered, and following our analysis, the ratings in the listed deals remain unaffected.

Bancaja has been replaced by either Banco Popular Espanol, S.A. (AA-/Negative/A-1+) or Banco de Sabadell S.A. (A+/Negative/A-1) as treasury account provider in all these transactions. The two banks are rated high enough to perform this role according to our current counterparty criteria.

For FTPYME BANCAJA 3, a deposit in favor of the fund was opened for the maximum available amount under the liquidity line held at Confederacion Espanola de Cajas de Ahorros (AA-/Negative/A-1+).

Bancaja will maintain its role as paying agent in all 10 transactions.

Bancaja also acts as swap counterparty provider for some of the deals listed below. Higher rated tranches in these transactions are currently on CreditWatch negative following the publication of our new criteria on the eligibility of 'A-2' institutions as swap counterparties (see "31 European Securitizations On Watch Neg, 1 Australian Deal Cut Due To 'A-2' Counterparty Risk" published on Nov. 27).

The related criteria article referenced above, titled "Revised Framework for applying Counterparty and Supporting Party Criteria", and the related research update on Bancaja, titled "Spanish Bank Bancaja Downgraded To 'A-/A-2' On Weakening Asset Quality; Outlook Negative," are available to subscribers of RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at www.ratingsdirect.com. The criteria article can also be found on Standard & Poor's Web site at www.standardandpoors.com. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44)20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow (7) 495-783-4017.

LIST OF CHANGES IN TREASURY ACCOUNT PROVIDER

Bancaja 5 Fondo de Titulizacion de Activos
€1 Billion Mortgage-Backed Floating-Rate Notes

Treasury Account

To: Banco Popular Espanol, S.A. (AA-/Negative/A-1+)
From: Caja de Ahorros de Valencia, Castellon y Alicante (A-/Negative/A-2)

Bancaja 6 Fondo de Titulizacion de Activos
€2.08 Billion Mortgage-Backed Floating-Rate Notes

Treasury Account

To: Banco Popular Espanol, S.A. (AA-/Negative/A-1+)
From: Caja de Ahorros de Valencia, Castellon y Alicante (A-/Negative/A-2)

Bancaja 7 Fondo de Titulizacion de Activos
€1.9 Billion Mortgage-Backed Floating-Rate Notes

Treasury Account

To: Banco Popular Espanol, S.A. (AA-/Negative/A-1+)
From: Caja de Ahorros de Valencia, Castellon y Alicante (A-/Negative/A-2)

Bancaja 10 Fondo de Titulizacion de Activos
€2.631 Billion Mortgage-Backed Floating-Rate Notes

Treasury Account

To: Banco de Sabadell S.A. (A+/Negative/A-1)
From: Caja de Ahorros de Valencia, Castellon y Alicante (A-/Negative/A-2)

Bancaja 11 Fondo de Titulizacion de Activos
€2.022 Billion Mortgage-Backed Floating-Rate Notes

Treasury Account

To: Banco de Sabadell S.A. (A+/Negative/A-1)
From: Caja de Ahorros de Valencia, Castellon y Alicante (A-/Negative/A-2)

Bancaja 12 Fondo de Titulizacion de Activos
€2.1 Billion Mortgage-Backed Floating-Rate Notes

Treasury Account

To: Banco Popular Espanol, S.A. (AA-/Negative/A-1+)
From: Caja de Ahorros de Valencia, Castellon y Alicante (A-/Negative/A-2)

MBS Bancaja 5 Fondo de Titulizacion de Activos
€1.85 Billion Mortgage-Backed Floating-Rate Notes

Treasury Account

To: Banco Popular Espanol, S.A. (AA-/Negative/A-1+)
From: Caja de Ahorros de Valencia, Castellon y Alicante (A-/Negative/A-2)

FTPYME Bancaja 3, Fondo de Titulizacion de Activos
€900 Million Mortgage-Backed Floating-Rate Notes

Treasury Account

To: Banco Popular Espanol, S.A. (AA-/Negative/A-1+)
From: Caja de Ahorros de Valencia, Castellon y Alicante (A-/Negative/A-2)

FTPYME Bancaja 6, Fondo de Titulizacion de Activos
€1.028 Billion Mortgage-Backed Floating-Rate Notes

Treasury Account

To: Banco Popular Espanol, S.A. (AA-/Negative/A-1+)

From: Caja de Ahorros de Valencia, Castellon y Alicante (A-/Negative/A-2)

CM Bancaja 1, Fondo de Titulizacion de Activos

€556.2Billion Mortgage-Backed Floating-Rate Notes

Treasury Account

To: Banco Popular Espanol, S.A. (AA-/Negative/A-1+)

From: Caja de Ahorros de Valencia, Castellon y Alicante (A-/Negative/A-2)

LIST OF DEPOSIT MADE FOR LIQUIDITY LINE FACILITY

FTPYME Bancaja 3, Fondo de Titulizacion de Activos

€900 Million Mortgage-Backed Floating-Rate Notes

Liquidity Line Provider

Caja de Ahorros de Valencia, Castellon y Alicante (A-/Negative/A-2) with a deposit in name of the fund for the maximum amount of the liquidity line available held at Confederacion Espanola de Cajas de Ahorros

(AA-/Negative/A-1+)

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