

[Tagging Info](#)**Fitch Assigns Negative Outlook to Empresas Hipotecario TDA CAM 3, Class C** [Ratings](#)

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Fitch Ratings-London/Madrid/Paris-19 September 2008: Fitch Ratings has today assigned Empresas Hipotecario TDA CAM 3 FTA Class C tranche, rated 'BBB', a Negative Outlook. This transaction is a Spanish small- and medium-sized enterprise (SME) collateralised debt obligations (CDOs) transaction and the rating action is part of an ongoing review of outstanding SME CDO transactions.

Fitch reiterates that the Negative Rating Outlook is not a downgrade nor is the tranche being placed on Rating Watch Negative. The current level of credit support is sufficient to justify the current rating; however, the agency has a negative view on the long-term performance of the class.

Current 90+ day delinquencies have increased to 2% of the current portfolio (as at end-July 2008) from a low 0.2% at end-April 2008. In addition, the transaction closed in June 2006, and has not benefited from de-leveraging to the same degree as older vintage transactions. The transaction's exposure to real estate and related sectors is also relatively high at 47%, which remains a concern. Finally, the current level of credit enhancement of 2.7% for Class C compares unfavourably with the 90+ day delinquency trend when projected forward over the next 24 months.

In a special report published on 8 May 2008, Fitch highlighted macro-economic trends and concerns specific to Spanish SME CDOs which, it believes, places these notes at increased risk for downgrade over the long term. The special report, titled 'Rating Outlooks in Spanish SME CDOs', is available on the agency's subscriber website, www.fitchresearch.com.

As of 17 September 2008, Fitch maintains outstanding ratings on 57 Spanish SME CDO transactions, consisting of 253 tranches of securities and representing EUR35bn of outstanding debt. With the rating actions referenced above, Fitch presently has 19 tranches on Negative Outlooks, representing EUR1.3bn of debt.

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