

C. N. M. V.  
Dirección General de Mercados e Inversores  
C/ Edison 4  
Madrid

## **COMUNICACIÓN DE HECHO RELEVANTE**

### **TDA CAM 7, FONDO DE TITULIZACIÓN DE ACTIVOS**

**Actuaciones sobre las calificaciones de los bonos por parte de Fitch Ratings.**

Titulización de Activos, Sociedad Gestora de Fondos de Titulización, S.A. comunica el siguiente Hecho Relevante:

- I. Respecto al fondo de referencia, adjuntamos nota de prensa publicada por Fitch Ratings, con fecha 28 de julio de 2017, donde se llevan a cabo las siguientes actuaciones:
  - Bono A2, **confirmado como BBB- (sf) perspectiva revisada a positiva desde estable.**
  - Bono A3, **confirmado como BBB- (sf) / perspectiva revisada a positiva desde estable.**
  - Bono B, **confirmado como CCC (sf), recuperación estimada revisada del 90% desde el 70%.**

En Madrid, a 28 de julio de 2017

Ramón Pérez Hernández  
Consejero Delegado



## Fitch Takes Rating Actions on 11 TDA CAM RMBS Transactions

Fitch Ratings-Madrid/London-28 July 2017: Fitch Ratings has affirmed 27 tranches, upgraded five tranches, downgraded three tranches and revised the Outlooks on six tranches of 11 TDA CAM transactions. A full list of rating actions is available at the end of this commentary.

The series of Spanish RMBS transactions comprise residential mortgages originated by Banco CAM (now Banco de Sabadell).

### KEY RATING DRIVERS

#### Error Correction

The downgrade of TDA CAM 11's class A2, A3 and A4 notes to 'A+sf' from 'AA-sf' follows the correction of an error that occurred during the last annual surveillance review on 4 August 2016. In accordance with Fitch's structured finance counterparty criteria, the notes' ratings should have remained capped at the 'Asf' rating category level, the highest achievable rating category considering the SPV account bank replacement trigger defined within the transaction documents of 'BBB'/F2'.

#### Stable Asset Performance

The securitised mortgage portfolios have built some substantial seasoning of between 10 and 17 years. Consequently, the weighted average current loan-to-value (LTV) ratios have dropped to between 29% and 58%, compared with the weighted average original LTV of around 75%. This supports Fitch's view that credit performance will remain stable in the near term. All transactions have reported marginal increases in cumulative defaults and stable arrears over the last 12 months. As of the end of May 2017, three months plus arrears remained below the Spanish RMBS average of 0.86% across all TDA CAM transactions.

The revision of the Outlook on TDA CAM 1-3's senior tranches to Positive reflects the Positive Outlook on the highest achievable structured finance rating of 'AA+sf' in Spain following the sovereign rating action on 21 July 2017. Fitch expects TDA CAM 6, 8 and 9 will continue bringing down default provisioning requirements in the short to medium term, as fewer default entries are expected in the upcoming periods.

#### Portfolio Risky Attributes

Fitch has applied a 15% increase to the base foreclosure frequency assumption for loans located in regions that represent each more than 35% of the portfolio balance, such as Valencia, which has exposure that ranges between 62% and 32% across the transactions. Additionally, the portfolios include between 14%-27% of second home loans, which are considered riskier than mortgages for the acquisition of the borrower's first home and are subject to an increased foreclosure frequency of 50%.

#### Payment Interruption Risk

Fitch views TDA CAM 5-9 as exposed to payment interruption risk as the available structural mitigants (ie. the reserve funds that are below the target level between 0% and 83% as of the last reporting periods) are insufficient to fully cover stressed senior fees, net swap payments and stressed note interests in the event of a servicer disruption. As a result, Fitch has established a rating cap on the notes at 'Asf' unless payment interruption risk is sufficiently mitigated. This constitutes a variation from our Structure Finance and Covered Bonds Counterparty Criteria, as the collection account bank (Banco Sabadell) is not rated by Fitch.

The revision of the Outlook on TDA CAM 7 senior and mezzanine tranches to Positive mainly reflects the improving balance of the transaction reserve fund, which stands at around 30% of its target amount after being fully depleted for almost three years. Thus, Fitch views payment interruption risk on this transaction as gradually reducing.

### VARIATION FROM CRITERIA

#### Rating Cap Due to Payment Interruption Risk

According to Fitch's Structure Finance and Covered Bonds Counterparty Criteria, the maximum achievable rating for transactions exposed to payment interruption risk is five notches above the rating of the collection account bank, so long as the bank is a regulated institution in a developed market. The collection account bank in TDA CAM 5 to 9 transactions is not rated by Fitch, but the maximum achievable rating for these transactions of 'Asf' is based on the established retail franchise of Banco Sabadell, the public credit ratings of Banco Sabadell from recognised international rating agencies, and the robust banking sector supervision in Spain.

### RATING SENSITIVITIES

The rating of the class A tranches of TDA CAM 1 to 3 are sensitive to changes in Spain's Country Ceiling of 'AA+' and consequently changes to the highest achievable 'AA+sf' rating for Spanish structured finance notes.

A weakening of the Spanish macroeconomic environment, especially employment conditions, or an abrupt shift in interest rates could jeopardise the ability of the underlying borrowers to meet their payment obligations. This could have negative rating implications, especially for junior tranches that are less protected by structural credit enhancement.

#### USE OF THIRD-PARTY DUE DILIGENCE PURSUANT TO RULE 17G-10

Form ABS Due Diligence-15E was not provided to, or reviewed by, Fitch in relation to this rating action.

#### DATA ADEQUACY

Fitch has checked the consistency and plausibility of the information it has received about the performance of the asset pools and the transactions. There were no findings that affected the rating analysis except for missing current information about the origination channels. Fitch has assumed for TDA CAM 5 to 9 that 10% of the portfolio is originated via brokers, due to the broker origination share in other TDA CAM 11 and 12 transactions and the historical evidence of a gradual introduction of broker origination at some retail banks in Spain during the last decade. Fitch has not reviewed the results of any third party assessment of the asset portfolio information or conducted a review of origination files as part of its ongoing monitoring.

Fitch did not undertake a review of the information provided about the underlying asset pools ahead of the transactions' initial closing. The subsequent performance of the transactions over the years is consistent with the agency's expectations given the operating environment and Fitch is therefore satisfied that the asset pool information relied upon for its initial rating analysis was adequately reliable.

Overall, Fitch's assessment of the information relied upon for the agency's rating analysis according to its applicable rating methodologies indicates that it is adequately reliable.

#### SOURCES OF INFORMATION

The information below was used in the analysis.

Loan-by-loan data provided by European Data Warehouse as at:

- February 2017 for TDA CAM 4, 11 and 12
- March 2017 for TDA CAM 2, 3, 5, 6 and 9
- April 2017 for TDA CAM 7 and 8
- May 2017 for TDA CAM 1

Transaction reporting provided by Titulizacion de Activos SGFT dated since closing and until:

- End of March 2017 for TDA CAM 4, 11 and 12
- End of April 2017 for TDA CAM 2, 3, 5, 6 and 9
- End of May 2017 for TDA CAM 7 and 8
- End of June 2017 for TDA CAM 1.

#### MODELS

ResiEMEA. (<https://www.fitchratings.com/jsp/creditdesk/ToolsAndModels.faces?context=2&detail=135>)

EMEA RMBS Surveillance Model. ([https://www.fitchratings.com/web\\_content/pages/rmbs/emea-rmbs-surveillance-model.htm](https://www.fitchratings.com/web_content/pages/rmbs/emea-rmbs-surveillance-model.htm))

EMEA

Cash Flow Model. ([https://www.fitchratings.com/web\\_content/pages/sf/emea-cash-flow-model.htm](https://www.fitchratings.com/web_content/pages/sf/emea-cash-flow-model.htm))

The rating actions are as follows:

#### TDA CAM 1

Class A (ES0338448006) affirmed at 'AA+sf', Outlook revised to Positive from Stable

Class B (ES0338448014) affirmed at 'Asf', Outlook Stable

#### TDA CAM 2

Class A (ES0338449004) affirmed at 'AA+sf', Outlook revised to Positive from Stable

Class B (ES0338449012) affirmed at 'Asf', Outlook Stable

#### TDA CAM 3

Class A (ES0377990009) affirmed at 'AA+sf', Outlook revised to Positive from Stable

Class B (ES0377990017) affirmed at 'Asf', Outlook Stable

#### TDA CAM 4

Class A (ES0377991007) upgraded to 'AAsf' from 'AA-sf', Outlook Stable  
Class B (ES0377991015) upgraded to 'BBBsf' from 'BBB-sf', Outlook Stable

**TDA CAM 5**

Class A (ES0377992005) upgraded to 'A-sf' from 'BBBsf', Outlook revised to Stable from Positive  
Class B (ES0377992013) affirmed at 'Bsf', Outlook Stable

**TDA CAM 6**

Class A3 (ES0377993029) affirmed at 'BBsf', Outlook Stable  
Class B (ES0377993037) affirmed at 'CCCsfs', Recovery Estimate (RE) revised to 70% from 60%

**TDA CAM 7**

Class A2 (ES0377994019) affirmed at 'BBB-sf', Outlook revised to Positive from Stable  
Class A3 (ES0377994027) affirmed at 'BBB-sf', Outlook revised to Positive from Stable  
Class B (ES0377994035) affirmed at 'CCCsfs', RE revised to 90% from 70%

**TDA CAM 8**

Class A (ES0377966009) affirmed at 'BB-sf', Outlook Stable  
Class B (ES0377966017) affirmed at 'CCCsfs', RE 90%  
Class C (ES0377966025) affirmed at 'CCsf', RE 0%  
Class D (ES0377966033) affirmed at 'CCsf', RE 0%

**TDA CAM 9**

Class A1 (ES0377955002) affirmed at 'Bsf', Outlook Stable  
Class A2 (ES0377955010) affirmed at 'Bsf', Outlook Stable  
Class A3 (ES0377955028) affirmed at 'Bsf', Outlook Stable  
Class B (ES0377955036) affirmed at 'CCCsfs', RE revised to 60% from 50%  
Class C (ES0377955044) affirmed at 'CCsf', RE 0%  
Class D (ES0377955051) affirmed at 'CCsf', Recovery Estimate 0%

**TDA CAM 11**

Class A2 (ES0377845013) affirmed at 'A+sf', Outlook Stable  
Class A3 (ES0377845021) affirmed at 'A+sf', Outlook Stable  
Class A4 (ES0377845039) affirmed at 'A+sf', Outlook Stable  
Class B (ES0377845047) upgraded to 'A+sf' from 'Asf', Outlook Stable  
Class C (ES0377845054) upgraded to 'B+sf' from 'Bsf'; Outlook Stable

**TDA CAM 12**

Class A2 (ES0377104015) downgraded to 'A+sf' from 'AA-sf', Outlook Stable  
Class A3 (ES0377104023) downgraded to 'A+sf' from 'AA-sf', Outlook Stable  
Class A4 (ES0377104031) downgraded to 'A+sf' from 'AA-sf', Outlook Stable  
Class B (ES0377104049) affirmed at 'A+sf', Outlook Stable  
Class C (ES0377104056) affirmed at 'Bsf'; Outlook Stable

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Additional information is available on [www.fitchratings.com](http://www.fitchratings.com)

**Applicable Criteria**

Criteria Addendum: Spain Residential Mortgage Assumptions (pub. 02 Dec 2016) (<https://www.fitchratings.com/site/re/891432>)  
 Criteria for Country Risk in Global Structured Finance and Covered Bonds (pub. 26 Sep 2016) (<https://www.fitchratings.com/site/re/881269>)  
 EMEA RMBS Rating Criteria (pub. 29 Nov 2016) (<https://www.fitchratings.com/site/re/891276>)  
 Global Structured Finance Rating Criteria (pub. 03 May 2017) (<https://www.fitchratings.com/site/re/897411>)  
 Structured Finance and Covered Bonds Counterparty Rating Criteria (pub. 23 May 2017) (<https://www.fitchratings.com/site/re/898537>)  
 Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum (pub. 23 May 2017) (<https://www.fitchratings.com/site/re/898538>)  
 Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria (pub. 17 Feb 2017) (<https://www.fitchratings.com/site/re/893890>)

**Additional Disclosures**

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