



## Class C Rating Lowered In Spanish Auto ABS Deal BBVA Finanzia Autos 1; Class A And B Notes Placed On Watch Neg

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**OVERVIEW**

- We have observed that the credit quality of BBVA Finanzia Autos 1's underlying portfolio has significantly deteriorated.
- This has resulted in our default estimates increasing, meaning that the current credit enhancement level may not be commensurate with our current ratings on the class A, B, and C notes.
- We have therefore lowered our rating on the class C notes to 'CCC (sf)' from 'BB- (sf)', and placed on CreditWatch negative our ratings on the class A and B notes for credit reasons.
- The deal, originated by Finanzia Banco de Credito S.A., is backed by a portfolio of Spanish loans granted to purchase new and used cars.

MADRID (Standard & Poor's) April 1, 2011--Standard & Poor's Ratings Services today lowered its credit rating on BBVA Finanzia Autos 1, Fondo de Titulizacion de Activos' class C notes to 'CCC (sf)' from 'BB- (sf)' and placed on CreditWatch negative its credit ratings on the class A and B notes (see list below).

These rating actions follow the ongoing significant deterioration in the reported credit quality of BBVA Finanzia Autos 1's underlying portfolio.

On Feb. 1, 2010, we lowered our ratings on all classes of notes in BBVA Finanzia Autos 1 following our credit and cash flow analysis.

Based on the latest investor reports, the transaction experienced a rapid increase in defaulted loans--defined in this transaction as loans more than 12 months in arrears--during 2010.

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A rapid increase in defaulted loans may also trigger a deferral in interest payments on the class C notes. The issuer defers interest payments on this class if the cumulative amount of defaulted loans is more than 8.5% of the original collateral balance. As per the latest investor report in February 2011, the cumulative amount of defaulted loans comprised 6.28% of the original collateral balance.

Since April 2010, the reserve fund has been fully depleted due to the rising default levels. Finally, as of the last payment date, the fund accumulated €2.7 million of principal deficiency, which is the difference between the remaining principal receipts and the amount of the notes outstanding.

We will monitor any steps the servicer takes to address this credit risk and we will conduct a credit and cash flow analysis to assess whether our ratings on the class A and B notes are appropriate. We then intend to resolve the CreditWatch placements affecting the class A and B notes following this analysis.

Finanzia Banco de Credito S.A.--the consumer finance arm of Banco Bilbao Vizcaya Argentaria S.A.--originated the transaction, which closed in April 2007. The revolving period ended in April 2008, one year ahead of the scheduled date, because the delinquency rate was higher than the trigger threshold level.

**RELATED CRITERIA AND RESEARCH**

- Principles Of Credit Ratings, Feb. 16, 2011
- Counterparty And Supporting Obligations Update, Jan. 13, 2011
- Counterparty and Supporting Obligations Methodology and Assumptions, Dec. 6, 2010
- Credit Stability Criteria, May 3, 2010
- Ratings Lowered On All Tranches Of BBVA Finanzia Autos 1's Spanish Auto ABS Transaction, Feb. 1, 2010
- Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Default Modeling For European Consumer Asset-Backed Securitizations, June 23, 2003
- European Consumer Finance Criteria, March 10, 2000

Related articles are available on RatingsDirect. Criteria, presales, servicer evaluations, and ratings information can also be found on Standard & Poor's Web site at [www.standardandpoors.com](http://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) 495-783-4011.

**RATINGS LIST**

Class	To	Rating	From
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BBVA Finanzia Autos 1, Fondo de Titulizacion de Activos			
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€800 Million Asset-Backed Floating-Rate Notes

Rating Lowered

C                    CCC (sf)                    BB- (sf)

Ratings Placed On CreditWatch Negative

A                    AA+ (sf)/Watch Neg                    AA+ (sf)

B                    A- (sf)/Watch Neg                    A- (sf)

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