

**Hecho Relevante de RURAL HIPOTECARIO XV FONDO DE TITULIZACION DE ACTIVOS**

En virtud de lo establecido en el Folleto Informativo de **RURAL HIPOTECARIO XV FONDO DE TITULIZACION DE ACTIVOS** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación **Fitch Ratings** (“Fitch”), con fecha 30 de enero de 2018, comunica que ha confirmado la calificación asignada a la siguiente Serie de Bonos emitidos por el Fondo:

- **Serie A:** **A+sf**, perspectiva estable

Asimismo, Fitch ha elevado la calificación asignada a la restante Serie de Bonos:

- **Serie B:** **Asf**, perspectiva estable (anterior **BBsf**)

Se adjunta la comunicación emitida por Fitch.

Madrid, 30 de enero de 2018.

José Luis Casillas González  
Apoderado

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Apoderada

## **Fitch Upgrades Rural Hipotecario XIV, XV and XVI's Class B Notes**

Fitch Ratings has upgraded Rural Hipotecario XIV, XV and XVI's class B notes and affirmed the class A notes as well as Rural Hipotecario XVII's Bond A, as follows: The notes have been removed from Rating Watch Evolving (RWE) and the Outlook on all tranches is Stable.

Rural Hipotecario XIV, FTA

Class A (ES0374268003); affirmed at 'A+sf'; off RWE; Outlook Stable

Class B (ES0374268011); upgraded to 'A-sf' from 'BBsf'; off RWE; Outlook Stable

Rural Hipotecario XV, FTA

Class A (ES0323977001); affirmed at 'A+sf'; off RWE; Outlook Stable

Class B (ES0323977019); upgraded to 'Asf' from 'BBsf'; off RWE; Outlook Stable

Rural Hipotecario XVI, FTA

Class A (ES0323978009); affirmed at 'A+sf'; off RWE; Outlook Stable

Class B (ES0323978017); upgraded to 'Asf' from 'BBsf'; off RWE; Outlook Stable

Rural Hipotecario XVII, FTA

Bond A (ES0305033005): affirmed at 'A+sf'; off RWE; Outlook Stable

The rating actions follow the application of the European RMBS Rating Criteria published on 27 October 2017.

The transactions comprise residential mortgage loans originated and serviced by multiple rural saving banks in Spain, that form part of the Rural Hipotecario RMBS series.

### **KEY RATING DRIVERS**

European RMBS Rating Criteria:

The application of the European RMBS Rating Criteria has generally led to a reduction in expected losses, leading to the upgrade of class B notes.

Rating Cap Due To Counterparty Arrangement:

For all transactions the notes' ratings are capped at 'A+sf' as the account bank replacement trigger is set at 'BBB+/'F2'. In line with Fitch's counterparty criteria, direct support counterparties rated 'BBB+/'F2' are eligible to support note ratings up to the 'Asf' category.

Increasing Credit Enhancement (CE):

The class A notes on all transactions are protected with significant levels of CE ranging between 21.2% and 36.8% as per the last payment date. As the transactions are amortising sequentially and due to the availability of non-amortising reserve funds, CE for all rated notes is expected to increase further.

Class B notes' credit enhancement consists solely of the amounts from the non-amortising cash reserve. As this exposure is present for more than 12 months, in line with Fitch's counterparty criteria, class B notes' rating is not viewed as sufficiently isolated to achieve ratings higher than the account bank's rating of 'A'.

Stable Asset Performance:

Due to seasoning, the weighted average current loan-to-value (LTV) ratios have dropped for all transactions below 60%, compared with the weighted average original LTV of around 70%.

The transactions continue to show sound asset performance as excess spread has so far been sufficient to cover defaulted amounts.

There are indications of the originators actively repurchasing outstanding defaulted amounts. We thus do not consider the reported default data as sufficiently reliable to give credit to past performance. In line with Fitch's European RMBS Rating Criteria, we addressed this by a capped Performance Adjustment Factor floor of 100% in the asset model.

#### Portfolio Risk Attributes:

All four transaction portfolios are exposed to substantial geographical concentration with the top 3 regions accounting for at least 80% of the collateral balance. Fitch applies higher foreclosure frequency rating multiples, where it deems that a regional concentration exists.

Additionally, all transactions have a significant exposure to self-employed borrowers, ranging between 14.9% for Rural Hipotecario XVII and 22.4% for XVI, which are considered high-risk borrowers and are subject to an increased foreclosure frequency assumption of 70%.

#### **RATING SENSITIVITIES**

The class A notes' ratings in all transactions could be upgraded to the maximum achievable rating for Spanish structured finance transactions of 'AAAsf' if the account bank replacement triggers were defined at the 'A or F1' level as specified in Fitch's counterparty criteria, all else being equal.

A worsening of the Spanish macroeconomic environment, especially employment conditions or an abrupt shift of interest rates could jeopardise the underlying borrowers' affordability. This could have negative rating implications, especially for junior tranches that are less protected by structural CE.

#### **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. 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.

- Servicer reports provided by Europea de Titulizacion – Sociedad Gestora de Fondos de Titulizacion since closing of the deals until November 2017 for Rural Hipotecario XIV and XV and January 2018 for Rural Hipotecario XVI and XVII.

- Loan Level Data dated November 2017 for Rural Hipotecario XIV and XV and January 2018 for Rural Hipotecario XVI and XVII were used to run the asset model and the relevant data sources were the European Datawarehouse.
- Discussions/updates from servicer dated April 2017.

## **MODELS**

The models below were used in the analysis. Click on the link for a description of the model.

[ResiEMEA.](https://www.fitchratings.com/site/structuredfinance/rmbs/resiemea)

[EMEA Cash Flow Model.](https://www.fitchratings.com/site/structuredfinance/emeacfm)

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