C. N. M. V.
Dirección General de Mercados e Inversores
Pº Castellana, 19
Madrid

COMUNICACIÓN DE HECHO RELEVANTE

MADRID RMBS 2 TDA , FONDO DE TITULIZACIÓN DE ACTIVOS
Descenso calificación bonos por parte de Moody`s

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

Respecto al fondo de referencia, adjuntamos nota de prensa publicada por Moody`s con fecha 11 de septiembre, donde se baja la calificación de:

- Bono A3, de **Aa2** a **A1**
- Bono B, de **A2** a **Ba1**
- Bono C, de **Baa2** a **Caa2**
- Bono D, de **Ba3** a **C**
- Bono E, de **B3** a **C**

En Madrid a 14 de septiembre de 2009

Ramón Pérez Hernández
Director General

Rating Action: **MADRID RMBS I, FTA**

Moody's Downgrades several Spanish RMBS notes issued by Madrid RMBS I, II and III

Approximately EUR 4.6 billion of debt securities affected

London, 11 September 2009 -- Moody's Investors Service announced today that it has downgraded the ratings of:

- all the notes issued by Madrid RMBS I, FTA (Madrid RMBS I)

- all the notes issued by Madrid RMBS II, FTA (Madrid RMBS II), except the most senior outstanding A2 notes, which maintain a Aaa rating

- all the notes issued by Madrid RMBS III, FTA (Madrid RMBS III)

- Last rating action date for Madrid RMBS I, Madrid RMBS II and Madrid RMBS III: 5 June 2009

Today's rating action was prompted by the prolonged deterioration and worse-than-expected performance of the collateral backing the notes. The downgrades also reflect Moody's negative sector outlook for Spanish RMBS and the weakening of the macro-economic environment in Spain, including the expected increase in unemployment rates projected for 2009 and 2010.

Madrid RMSB I, II and III closed in November 2006, December 2006 and July 2007 respectively. The transactions are backed by portfolios of first-ranking mortgage loans originated by Caja Madrid (A1/P-1) and secured on residential properties located in Spain. Pool balances at closing were EUR 2 billion, EUR 1.8 billion and EUR 3.0 billion in Madrid RMBS I, II and III respectively. At closing the collateral consisted of loans with loan-to-value ratios (LTV) over 80%. These high LTV loans represent over 94% of the outstanding pool balance in all three transactions as of June 2009. The pools are concentrated in the region of Madrid, representing 70%, 67% and 56% of current pool balance in Madrid RMBS I, II and III respectively. A significant share of the securitised mortgage loans has been originated via regulated brokers, representing about 50% of current pool balance in all three transactions at the end of June 2009. Currently, between 37% and 40% of the portfolio balance in the three Madrid RMBS transactions corresponds to loans granted to non-Spanish nationals. Concentrations of loans originated via regulated brokers and loans granted to non-Spanish nationals are among the risk characteristics that result in higher credit enhancement requirement for a given rating under Moody's updated methodology for rating Spanish RMBS.

Moody's had already taken action on the three deals in November 2008. The asset performance has continued to deteriorate so much that the transactions are currently performing outside of Moody's revised expectations as of the latest review. Moody's observed that cumulative write-offs (loans either being declared as defaulted by the originator or being overdue for more than 6 months) have increased between two to five times since Moody's last rating review, when cumulative write-offs stood at 3.19%, 4.64% and 2.98% in Madrid RMBS I, II and III respectively (data as of end of September 2008). The cumulative write-offs are currently equal to 11.4%, 13.3% and 13.2% of the original portfolio balance in Madrid RMBS I, II and III respectively (data as of end of July 2009). The 90+ delinquencies (excluding outstanding write-offs) correspond to approximately 4.15%, 4.33% and 4.67% of the current portfolio balance in Madrid I, II and III respectively.

Moody's performed a loan-by-loan analysis of all delinquent and written-off loans in the three Madrid RMBS. This analysis highlighted that loans originated to non-Spanish borrowers have a significantly greater write-off rate than loans originated to Spanish nationals. In Madrid II and III, the write-off rate for loans granted to non-Spanish national (calculated as the written-off loan amount divided by original pool balance of loans originated to non-Spanish borrowers) is between 6 to 7 times the write-off rates of loans granted to Spaniards. Coincidently, loans originated via regulated brokers are experiencing significantly higher write-offs than loans originated by Caja Madrid's branches. The write-off rate of broker originated loans is about 3 times higher that the write-off rate of mortgage loans originated by Caja Madrid. This analysis also highlighted that loans in negative equity (i.e. loan where the outstanding debt is exceeding the indexed property value according to Moody's estimations) show a write-off rate between 1.5-2 times higher than the write-off rate of loans which are not in negative equity. In Madrid RMBS I, about 18% of the mortgage pool is currently in negative equity, compared to 15% in Madrid RMBS II and 30% in Madrid RMBS III.

The rapidly increasing levels of delinquent and written-off loans have resulted in the full depletion of the reserve funds and build-up in unpaid Principal Deficiencies Ledgers (PDL) in all three Madrid RMBS transactions. According to the latest investor cash flow statements released in late August, unpaid PDLs currently stand at EUR43.1m, EUR52.1m and EUR145.2m. Unpaid PDLs currently exceed the size of the Class E notes in Madrid I, and the Class E and D in Madrid RMBS II and III. Moody's anticipates that the weakening of the economic conditions will continue to cause high arrears and write-offs. Available funds in both transactions will ultimately increase as recoveries from written-off loans are collected. However, the pace at which loans are moving from arrears into write-offs suggests that current unpaid PDLs will not be completely cured. The amortization of the mezzanine and junior notes is likely to remain sequential as a consequence of the breach of pro-rata amortization triggers. Additionally, the increase in the volume of loans being written-off has resulted in the breach of the interest deferral triggers in Madrid RMBS II and Madrid RMBS III. Interest deferral triggers on junior notes in Madrid RMBS I have not been breached at this stage. Interest payments on the Class E in Madrid RMBS II and Class E and D in Madrid RMBS III were diverted to pay down senior notes as of the last interest payment date.

Moody's has revised its loss expectation for Madrid RMBS I, II and III to reflect the collateral performance to date as well as Moody's negative outlook for the Spanish housing market, in the context of a weakening macro-economic environment. Following an updated loan-by-loan analysis, and on the basis of the performance experienced by the portfolio so far, Moody's has updated the portfolio's expected loss assumption from a range of 2.4%-3.0% to 7% of original balance in Madrid RMBS I and II and 8% of original balance in Madrid RMBS III. Moody's has also assessed loan-by-loan information for the outstanding portfolios to determine the credit support consistent with target rating levels and the volatility of the distribution of future losses. As a result, Moody's has revised its MILAN Aaa credit enhancement (MILAN Aaa CE) assumptions to 22% for all three Madrid RMBS transactions. The loss expectation and the Milan Aaa CE are the two key parameters used by Moody's to calibrate its loss distribution curve, which is one of the core inputs in the cash-flow model it uses to rate RMBS transactions. The current available credit enhancement for the Aaa classes (including subordination and reserve fund and taking into consideration the amount of unpaid PDLs) is equal to 12.1%, 11.2% and 6.0% in, respectively Madrid RMBS I, II and III as at the latest investor cash flow statements released in August.

In Madrid RMBS II and III, Class A2 and A3 amortise sequentially. However, sequential amortization reverts to pro-rata if the outstanding amount of loans more than six months in arrears exceeds 25% of the original notes balance. The ratio of written-off loan balance to the original notes balance is currently at 7.9% and 9.4% in Madrid RMBS II and Madrid RMBS III respectively. Moody's considers the risk of breaching this trigger in Madrid RMBS III to be no longer commensurate with a Aaa rating. Given the higher seasoning and relatively better credit performance of Madrid RMBS II collateral, Moody's expects Class A2 to be repaid in priority to Class A3 in most of the default scenarios, and therefore maintains Aaa rating for the Class A2.

Moody's ratings address the expected loss posed to investors by the legal final maturity of the notes. Moody's ratings address only the credit risks associated with the transaction. Other risks have not been addressed, but may have a significant effect on yield to investors.

LIST OF DETAILED RATING ACTIONS

Issuer: MADRID RMBS I, FONDO DE TITULIZACION DE ACTIVOS

....EUR1340M A2 Certificate, Downgraded to A1; previously on Jun 5, 2009 Aa1 Placed Under Review for Possible Downgrade

....EUR70M B Certificate, Downgraded to Ba1; previously on Jun 5, 2009 A1 Placed Under Review for Possible Downgrade

....EUR75M C Certificate, Downgraded to Caa2; previously on Jun 5, 2009 Baa2 Placed Under Review for Possible Downgrade

....EUR34M D Certificate, Downgraded to C; previously on Jun 5, 2009 Ba2 Placed Under Review for Possible Downgrade

....EUR21M E Certificate, Downgraded to C; previously on Jun 5, 2009 B1 Placed Under Review for Possible Downgrade

Issuer: Madrid RMBS II Fondo de Titulizacion de Activos

....EUR936M A2 Certificate, Confirmed to Aaa; previously on Jun 5, 2009 Aaa Placed Under Review for Possible Downgrade

....EUR270M A3 Certificate, Downgraded to A1; previously on Jun 5, 2009 Aa2 Placed Under Review for Possible Downgrade

....EUR63M B Certificate, Downgraded to Ba1; previously on Jun 5, 2009 A2 Placed Under Review for Possible Downgrade

....EUR67.5M C Certificate, Downgraded to Caa2; previously on Jun 5, 2009 Baa2 Placed Under Review for Possible Downgrade

....EUR30.6M D Certificate, Downgraded to C; previously on Jun 5, 2009 Ba3 Placed Under Review for Possible Downgrade

....EUR18.9M E Certificate, Downgraded to C; previously on Jun 5, 2009 B3 Placed Under Review for Possible Downgrade

Issuer: Madrid RMBS III FONDO DE TITULIZACION DE ACTIVOS

....EUR1575M A2 Certificate, Downgraded to Aa2; previously on Jun 5, 2009 Aaa Placed Under Review for Possible Downgrade

....EUR497M A3 Certificate, Downgraded to A3; previously on Jun 5, 2009 Aa2 Placed Under Review for Possible Downgrade

....EUR55.5M B Certificate, Downgraded to B1; previously on Jun 5, 2009 A2 Placed Under Review for Possible Downgrade

....EUR90M C Certificate, Downgraded to Ca; previously on Jun 5, 2009 Baa2 Placed Under Review for Possible Downgrade

....EUR72M D Certificate, Downgraded to C; previously on Jun 5, 2009 Ba2 Placed Under Review for Possible Downgrade

....EUR52.5M E Certificate, Downgraded to C; previously on Jun 5, 2009 B3 Placed Under Review for Possible Downgrade

Moody's initially analysed the transactions referred to in this press release using the rating methodology for Spanish RMBS transactions as described in the report "Moody's Approach to Rating Spanish RMBS: the 'Milan' Model", March 2005, and it monitors the performance of the transaction using rating methodologies described in the reports "Moody's Updated Methodology for Rating Spanish RMBS", July 2008, and "Revising Default/Loss Assumptions Over the Life of an ABS/RMBS Transaction", December 2008. These reports can be found at www.moodys.com in the Rating Methodologies sub-directory under the Research & Ratings tab. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found in the Rating Methodologies sub-directory on Moody's website. In addition, Moody's publishes a weekly summary of structured finance credit, ratings and methodologies, available to all registered users of our website, at www.moodys.com/SFQuickCheck.

London
Barbara Rismondo
VP - Senior Credit Officer
Structured Finance Group
Moody's Investors Service Ltd.
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

London
Carole Bernard
Asst Vice President - Analyst
Structured Finance Group
Moody's Investors Service Ltd.
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454