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## **COMUNICACIÓN DE HECHO RELEVANTE**

### **FTPYME TDA CAM 7, FONDO DE TITULIZACIÓN DE ACTIVOS Descenso de 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 9 de abril, donde se baja la calificación de:

- Bono B, de **A2** a **Baa1**
- Bono C, de **Baa3** a **B1**

En Madrid a 12 de abril de 2010

Ramón Pérez Hernández  
Director General

**Rating Action: Moody's confirms senior and downgrades mezzanine and junior notes of FTPYME TDA CAM 7, FTA Spanish SME ABS**

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Global Credit Research - 09 Apr 2010

**EUR624.8 million of securities affected**

Milan, April 09, 2010 -- Moody's Investors Service has today confirmed Aaa ratings of the Series A1 and A3, and downgraded the ratings of Series B and C notes issued by FTPYME TDA CAM 7, FTA (FTPYME TDA CAM 7), to Baa1 and B1 from A2 and Baa3, respectively. A detailed list of the rating actions can be found at the end of this press release.

Today's rating action concludes the review for possible downgrade, which was initiated on 29 June 2009. All the affected classes were initially assigned definitive ratings by Moody's in August 2008.

Moody's initially placed the notes on review following the downgrade of Caja de Ahorros del Mediterraneo (CAM) from A2/P-1 to A3/P-2, and due to concerns on commingling risk and swap counterparty risk. The following actions have been taken to mitigate these risks: (i) portfolio collections are now being transferred weekly to the issuer's account compared to monthly until November 2009; and (ii) in September 2009 an annex III to the Spanish Private Banking Association Master Agreement (CMOF) documentation was signed, in line with Moody's swap framework. However, during the review process, the transaction's performance has slightly deteriorated and today's downgrades also take into account the weaker-than-expected collateral performance of the pool of loans backing the notes, which led to reserve fund draws over the past two quarters.

As part of its review, Moody's considered the potential for further performance deterioration in the current economic cycle, and the exposure of the transaction to the real estate sector (either through security in the form of a mortgage or debtors operating in these markets). The deterioration of the Spanish economy is reflected in Moody's negative sector outlook for Spanish SME securitisation transactions ("EMEAABS & RMBS: 2009 Review and 2010 Outlook", published in January 2010.).

**Collateral Performance**

Outstanding 90+ days delinquencies (i.e. the balance of loans with arrears for more than 90 days) were at 1.8% of the portfolio current balance, as of February 2010. The cumulative balance of defaulted loans expressed as a percentage of original balance is 1.5% (a loan is considered in default if it has been in arrears for more than 12 months). In addition, the reserve fund has been drawn on the last two payment dates, decreasing to 83% of its target balance in February 2010 (last payment date). To date, this transaction has been performing slightly worse than the Spanish SME index published by Moody's ("Spanish SME Q4 2009 Indices," March 2010).

**Revised Default Probability Assumptions**

Moody's first revised its assumption for the default probability (DP) of the Spanish SME debtors to an equivalent rating in the single B-range for debtors operating in the building and real estate sector, and in the low Ba-range for non-real-estate debtors. As of February 2010, the concentration in the building and real estate sector was approximately 20% of the pool balance based on loan-level data.

In addition, Moody's made DP adjustments to reflect the size of the debtors' companies, notching down its rating proxy on a portion of the debtors to reflect additional default risk associated with micro-sized SMEs (which represent a significant portion of the securitised portfolio).

Moody's equivalent rating for loans in arrears for more than 30 days was also notched down depending on the length of time the loans had been in arrears, and it was notched up for those performing loans not in the building and real estate sector originated prior to 2006, depending on their actual seasoning.

Following these adjustments, the portfolio's overall DP equivalent rating was assumed at Ba3/B1. As a result, considering an estimated weighted-average remaining life of 6 years, this translates into an increased cumulative mean default assumption of 16% of the current outstanding portfolio amount. Expressed as a percentage of the original portfolio balance, Moody's revised cumulative mean default rate is 15.7%, compared to an initial assumption of 11% at closing. Moody's also revised the coefficient of variation assumption to 36% from 42%, assuming an implied

asset correlation of around 5.5%, similar to the one assumed at closing.

#### Recovery And Other Rating Assumptions

Moody's has reviewed its initial mean recovery expectation to 65% from 53.5%, which takes into account the line-by-line analysis of the collateral characteristics backing the first-lien mortgage loans (67% of the current portfolio) as well as the lack of recovery data available. Stochastic recoveries were modelled assuming a 20% standard deviation.

The constant prepayment rate (CPR) assumption used in Moody's cash flow model has decreased to 5% from 6.5%.

#### Sensitivity Analysis

Moody's tested the sensitivity of results to recovery assumptions in a 50%-65% range.

With regards to commingling risk, Moody's has checked the resilience of the ratings assuming that 1.5 months of collections were lost upon default of the originator/servicer.

#### Securitised Portfolio Characteristics

FTPYME TDA CAM 7 is a securitisation fund, which purchased a pool of loans granted to Spanish SMEs by CAM. At closing, in August 2008, the portfolio consisted of 7,630 loans to 7,005 debtors. The loans were originated between 1996 and 2008, with a weighted-average seasoning of 1.9 years and a weighted-average remaining term of 17.9 years. Geographically, the pool was concentrated in Valencia (43%), Murcia (15%), and Cataluña (14%). At closing, the concentration in the real estate sector was around 20% of the original pool balance, which is slightly below the sector-average concentration in the SME ABS portfolios.

As of February 2010, there were 6,193 loans in the portfolio and the weighted-average remaining term was 17.5 years. The number of debtors were 5,756, of which around 60% were micro-SMEs and self-employed. The concentration levels per industry and region are similar to the levels at closing. The pool factor was 81%.

#### Moody's Rating And Methodologies

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 non-credit risks have not been addressed, but may have a significant effect on yield to investors.

Moody's initially analysed and currently monitors this transaction using the rating methodology for granular SME transactions in EMEA as described in the following Rating Methodology reports: "Refining the ABS SME Approach: Moody's Probability of Default Assumptions in the Rating Analysis of Granular Small and Mid-Sized Enterprise Portfolios in EMEA", March 2009; "Moody's Approach to Rating Granular SME Transactions in Europe, Middle East and Africa", June 2007; These reports are available on [www.moody's.com](http://www.moody's.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. Further information on Moody's analysis of this transaction is available on [www.moody's.com](http://www.moody's.com). 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.moody's.com/SFQuickCheck](http://www.moody's.com/SFQuickCheck).

Moody's is closely monitoring the transaction. To obtain a copy of Moody's New Issue Report or periodic Performance Overviews, please visit Moody's website at [www.moody's.com](http://www.moody's.com) or contact our Client Service Desk in London (+44-20-7772 5454)

#### Detailed rating actions

- EUR398.3 million series A1 notes due 2061, confirmed at Aaa; previously on 29 June 2009 placed under review for downgrade
- EUR123.5 million series A3 notes due 2061, confirmed at Aaa; previously on 29 June 2009 placed under review for downgrade
- EUR63.0 million series B notes due 2061, downgraded to Baa1 from A2; previously on 29 June 2009 placed under review for downgrade
- EUR40.0 million series C notes due 2061, downgraded to B1 from Baa3; previously on 29 June 2009 placed under review for downgrade

The rating of the EUR170.0 million series A2(CA) notes, Aaa, was not on review for possible downgrade as it benefits from the guarantee of the Government of Spain (Aaa) for interest and principal payments. Moody's has determined that the expected loss associated with series A2(CA) notes without the Spanish Government guarantee would still be consistent with a Aaa rating.

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