

**Hecho Relevante de**

**BANCAJA 4 FONDO DE TITULIZACION HIPOTECARIA**

En virtud de lo establecido en el apartado 5.3 del Capítulo III del Folleto Informativo de **BANCAJA 4 FONDO DE TITULIZACION HIPOTECARIA** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación **Moody’s Investors Service (Moody’s)**, con fecha 16 de mayo de 2011, comunica que ha confirmado la calificación asignada a la siguiente Serie de Bonos emitidos por el Fondo:
  - **Serie A: Aaa (sf)** (anterior **Aaa (sf)**, bajo revisión para posible descenso)

Las calificaciones asignadas a las restantes Series de Bonos permanecen sin cambios.

- **Serie B: A2 (sf)**
- **Serie C: Baa2 (sf)**

Se adjunta la comunicación emitida por Moody’s.

Madrid, 17 de mayo de 2011.

Mario Masiá Vicente  
Director General

**Rating Action: Moody's downgrades ratings on senior notes issued by Bancaja 3, 7 and FTPYME Bancaja 3**

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Global Credit Research - 16 May 2011

London, 16 May 2011 – Moody's Investors Service has today downgraded to Aa1 from Aaa the ratings of senior notes in Bancaja 3, FTA and Bancaja 7, FTA, and Moody's has downgraded to Aa2 from Aaa the ratings of senior notes in FTPYME Bancaja 3, FTA. At the same time, Moody's confirmed the Aaa rating of the senior notes in Bancaja 4, FTA.

A detailed list of the rating actions appears at the end of this press release.

**RATINGS RATIONALE**

Moody's downgraded the senior notes in Bancaja 3 & 7 and FTPYME Bancaja 3 because of lack of back-up servicing arrangement and insufficient liquidity to support payments on the rated tranches in the event of servicer disruption. Today's ratings actions conclude the rating review of the transactions, following the implementation on 2 March 2011 of Moody's rating guidance entitled "Global Structured Finance Operational Risk Guidelines: Moody's Approach to Analyzing Performance Disruption Risk."

**Lack of back-up servicing arrangement**

Moody's actions reflect the fact that there is no back-up servicer in place and no trigger to appoint a back-up servicer if the credit quality of the servicer, Bancaja (Baa1/P-2 on review for downgrade), deteriorates. Although the lack of a back up servicer means that the transactions are not consistent with our new operational risks guidance, we note that Europea de Titulización SGFT (Edt), the management company, will coordinate the appointment of replacement servicer if the primary servicer is not able to perform its duties. EdT also acts as an independent cash manager and will be able to use available funds, including reserve funds, to support timely payments on the notes in case of a temporary servicer disruption. In taking its ratings actions, Moody's has considered the benefit of an independent cash manager and back-up servicer facilitator to help support continuity of payment in case of servicer default.

**Insufficient liquidity in Bancaja 3 & 7 and FTPYME Bancaja 3**

Moody's downgrades reflect the low level of liquidity in three of the transactions. All four of the transactions have no liquidity facility, so the sole source of external liquidity to ensure continuity of payment on the notes in case of servicer disruption is the reserve funds. The reserve funds represent currently 1.1%, 1.8% and 1.2% of pool balance for Bancaja 3, 4 and 7, respectively, and 0% of pool balance in FTPYME Bancaja 3.

Moody's downgrade of the ratings of the senior notes in Bancaja 3 and 7 and FTPYME Bancaja 3 reflects Moody's view that current liquidity levels in these transactions are insufficient to support interest payments on the notes in the event of a servicer disruption. Under the revised operational guidance, 6-9 months of senior interest and costs, approximately equal to 2% of pool balance, is sufficient for payment continuity on highly rated securities.

While Moody's downgraded the Aaa notes in Bancaja 3 & 7 by one notch, it downgraded the Class A3(G) notes in FTPYME Bancaja 3 by two notches. The FTPYME Bancaja 3 transaction has depleted its reserve fund and therefore has higher risk of payment disruption than the other two transactions. Nonetheless, the government of Spain guarantees Class A3(G), resulting in Moody's decision to downgrade the rating on the notes to Aa2.

Moody's, however, confirmed the ratings of senior notes in Bancaja 4 because this transaction has sufficient liquidity. The reserve fund in Bancaja 4 has reached its floor and will increase over time as a percentage of the outstanding pool balance, reaching 2% if the pool's performance remains stable.

**SENIOR RATINGS REMAINING EXPOSED TO BANCAJA'S RATING**

Under the operational risks guidance, a downgrade of the servicer into the Baa3/Ba range will impact the ratings of the senior notes in Bancaja 3, 4 and 7 and the underlying rating of the senior notes in FTPYME Bancaja 3 as there is no trigger in place to appoint a back-up servicer.

**EXPOSURE TO BANCAJA ACTING AS SWAP COUNTERPARTY**

Bancaja acts as a swap counterparty in these transactions. Following Bancaja's downgrade to Baa1 on 25 March, the swap agreement requires Bancaja to seek a replacement or guarantor and continue posting collateral until a replacement or guarantor is found. Bancaja has informed Moody's that Bancaja is posting the required amount of collateral and is actively looking for a replacement or guarantor for the swaps. Moody's will monitor the compliance of the transactions against the current Moody's framework (see "Framework for De-Linking Hedge Counterparty Risks from Global Structured Finance Cash Flow Transactions Moody's Methodology", published 18 October 2010). Non-compliance with the swap criteria will impact the ratings of the notes.

**RATING METHODOLOGIES**

The primary rating methodology used in rating Spanish RMBS is Moody's Updated Methodology for Rating Spanish RMBS, published in July 2008.

The primary rating methodology used in rating Spanish ABS is Refining the ABS SME Approach: Moody's Probability of Defaults Assumptions in the Rating Analysis of Granular Small and Mid-Sized Enterprise Portfolios in EMEA, published in March 2009.

Moody's ratings address the expected loss posed to investors by the legal final maturity of the notes. The rating agency's ratings address only the credit risks associated with the transaction. Moody's has not addressed non-credit risks, which may have a significant effect on yield to investors.

Moody's Investors Service did not receive or take into account a third party due diligence report on the underlying assets or financial instruments related to the monitoring of this transaction in the past six months.

#### LIST OF RATING ACTIONS

##### RMBS:

Issuer: Bancaja 3 Fondo de Titulizacion de Activos

...EUR500.1MABond, Downgraded to Aa1 (sf); previously on Mar 2, 2011 Aaa (sf) Placed Under Review for Possible Downgrade

Issuer: BANCAJA4 FONDO DE TITULIZACION HIPOTECARIA

...EUR970.5MACertificate, Confirmed at Aaa (sf); previously on Mar 2, 2011 Aaa (sf) Placed Under Review for Possible Downgrade

Issuer: BANCAJA7 FONDO DE TITULIZACION DE ACTIVOS

...EUR1670.2MA2 Bond, Downgraded to Aa1 (sf); previously on Mar 2, 2011 Aaa (sf) Placed Under Review for Possible Downgrade

##### ABS:

Issuer: FTPYME BANCAJA3

...EUR153.9MA3(G) Bond, Downgraded to Aa2 (sf); previously on Mar 2, 2011 Aaa (sf) Placed Under Review for Possible Downgrade

#### REGULATORY DISCLOSURES

The ratings have been disclosed to the rated entity or its designated agents and issued with no amendment resulting from that disclosure.

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