

**Announcement: FTPYME TDA CAM 2, FTA**

**Moody's updates on impact of CAM's long-term rating downgrade on Spanish ABS and RMBS**

Madrid, October 28, 2008 -- On 5 August 2008, Moody's Investors Service downgraded Caja de Ahorros del Mediterráneo (CAM) to A2/P-1/C, negative outlook from A1/P-1/C+, under review for possible downgrade (the "Downgrade").

This update relates to the ratings assigned to notes issued by the following Spanish ABS and RMBS issuers (the "Issuers"), each of which is a party to a swap agreement (a "Swap Agreement") with CAM as counterparty:

RMBS Issuers with CAM as swap counterparty:

- TDA CAM 1, FTA; TDA CAM 2, FTA; TDA CAM 3, FTA; TDA CAM 4 FTA; TDA CAM 5, FTA; TDA CAM 6, FTA; and TDA CAM 7, FTA.

ABS Issuers with CAM as swap counterparty:

- FTPYME TDA CAM 2, FTA; and FTPYME TDA CAM 4, FTA.

Pursuant to the Swap Agreements, CAM is required to take suitable remedial action within 10 or 30 days, depending on the transaction, of its rating being downgraded below A1. Following the Downgrade, CAM has chosen to take remedial action by way of posting collateral. Moody's understands that CAM has transferred cash collateral to the treasury account of each Issuer and that such collateral is re-sized on a weekly basis in an amount equal to the mark-to-market value of the relevant Swaps Agreement.

The present collateral arrangements are not governed by a market-standard credit support documents. Therefore, they do not comply with Moody's criteria for de-linking swap counterparty risks ("Moody's Framework") -- see Moody's Report, "Framework for De-Linking Hedge Counterparty Risks from Global Structured Finance Cashflow Transactions", May 2007. Further, the Swap Agreements do not contain certain other provisions that are necessary to fully comply with Moody's Framework.

Moody's understands that CAM intends to amend the Swap Agreements to achieve substantial compliance with Moody's Framework, including the insertion of provisions to (i) regulate the collateral arrangements (by way of a market-standard "Anexo III" or "CSA" depending on the transaction) and (ii) require CAM to take steps to find a replacement counterparty or guarantor upon downgrade of its ratings below A3/P-2.

Over the coming weeks, Moody's will closely monitor the situation and in case the anticipated amendments to the Swap Agreements are not put in place, review the impact of the limited de-linkage between CAM and each Issuer. Moody's will update the market accordingly to its findings.

- Last rating action date for TDA CAM 1, FTA: no rating action since closing in March 2003.
- Last rating action date for TDA CAM 2, FTH: no rating action since closing in July 2003.
- Last rating action date for TDA CAM 3, FTH: no rating action since closing in January 2004.
- Last rating action date for TDA CAM 4, FTH: no rating action since closing in February 2005.
- Last rating action date for TDA CAM 5, FTA: no rating action since closing in October 2005.
- Last rating action date for TDA CAM 6, FTA: no rating action since closing in March 2006.
- Last rating action date for TDA CAM 7, FTA: no rating action since closing in October 2006.
- Last rating action date for FTPYME TDA CAM 2, FTA: no rating action since closing in November 2004.

- Last rating action date for FTPYME TDA CAM 4, FTA: no rating action since closing in December 2006.

Moody's monitors FTPYME TDA CAM 2 FTA and FTPYME TDA CAM 4, as described in the report: "Moody's Approach to Rating Granular SME Transactions in Europe, Middle East and Africa", June 2007. Moody's monitors the RMBS transactions mentioned above as described in the reports: "Moody's Approach to Rating Spanish RMBS: The "Milan" Model", March 2005, and "Moody's Updated Methodology for Rating Spanish RMBS", July 2008.

For more information on these transactions, please visit Moody's website at [www.moody.com](http://www.moody.com) or contact our Client Service Desk in London (+44-20-7772 5454).

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