

Rating Action: HIPOCAT 11, FTA

Moody's Downgrades Spanish RMBS Notes issued by HIPOCAT 11

EUR 0.93 billion of debt securities affected

Madrid, May 20, 2009 -- Moody's Investors Service has today downgraded the ratings of the following notes issued by HIPOCAT 11, Fondo de Titulización de Activos ("Hipocat 11"):

- Class A2 Downgraded to Aa2 from Aaa, previously on April 2nd 2009 Confirmed at Aaa.

On 2 April 2009 Classes A3, B, C and D notes issued by Hipocat 11 were downgraded because of worse than expected collateral performance and Moody's methodology update for rating Spanish RMBS. Please refer to the press release issued on 2 April 2009 for details on this deal and on the actions taken on that date.

Hipocat 11 provides for the amortization profile of the Class A2 and A3 notes to switch from sequential to pro rata if on the Determination Date the ratio of (1) the Outstanding Balance of Non-Delinquent Mortgage Loans (this is those which are current or less than 90 days in arrears), increased by the Mortgage Loan Principal repayment income amount received during the collection period preceding the relevant Payment Date, to (2) the sum of the Outstanding Principal Balance of Class A1, A2 and A3, is less than or equal to 1.

On the Determination Date corresponding to the latest Payment Date, falling on the 15th of April, the trigger level was 0.96 - below the threshold of 1 - and therefore Class A2 and A3 started amortizing pro rata. Please note that the trigger level as of the January Payment Date was equal to 1.03 and not 1.04 as previously stated in the press release of the 2 of April 2009. The breach of this trigger could be cured during the life of the transaction, and the Class A could revert to its original amortization profile, if the performance of the collateral was to improve over time.

Today's rating action reflects Moody's revised opinion on the likelihood that Class A2 will be paid in priority to Class A3. In the press release issued on 2 April 2009, Moody's expressed its belief that the trigger may either not be breached or, in a scenario where it was breached, it could cure in time for Class A2 to redeem in priority to Class A3. For this reason, a rating action was taken only on Class A3 Notes. However, following the trigger breach, which took place earlier than anticipated, Moody's has subsequently revised its calculation of the amortization of the Class A2 and Class A3 notes. As such, Moody's now expects that even if the trigger cured in a short time horizon, Class A2 would not be fully redeemed by July 2013 in which case 25% of available funds for Aaa amortization would be applied to Class A2 amortisation and 75% to Class A3 amortisation and therefore it is not clear that all the outstanding Class A2 would redeem in priority to Class A3.

Moody's ratings address the expected loss posed to investors by the legal final maturity of the notes (January 2050). 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 monitors Hipocat 11 as described in the reports: "Moody's Approach to Rating Spanish RMBS: The "Milan" Model", March 2005, "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. The latest rating action on the notes issued by Hipocat 11 was taken by Moody's on 2 April 2009. Moody's will continue to monitor closely the performance of this transaction.

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

Madrid
Maria Turbica Manrique
Analyst
Structured Finance Group

Moody's Investors Service Espana, S.A.

JOURNALISTS: 44 20 7772 5456

SUBSCRIBERS: 44 20 7772 5454

CREDIT RATINGS ARE MOODY'S INVESTORS SERVICE, INC.'S (MIS) CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MIS DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. CREDIT RATINGS DO NOT CONSTITUTE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS ARE NOT RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. CREDIT RATINGS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MIS ISSUES ITS CREDIT RATINGS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

© Copyright 2009, Moody's Investors Service, Inc. and/or its licensors including Moody's Assurance Company, Inc. (together, "MOODY'S"). All rights reserved.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY COPYRIGHT LAW AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, such information is provided "as is" without warranty of any kind and MOODY'S, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The credit ratings and financial reporting analysis observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling.

MOODY'S hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MOODY'S have, prior to assignment of any rating, agreed to pay to MOODY'S for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,400,000. Moody's Corporation (MCO) and its wholly-owned credit rating agency subsidiary, Moody's Investors Service (MIS), also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually on Moody's website at www.moody's.com under the heading "Shareholder Relations - Corporate Governance - Director and Shareholder Affiliation Policy."