

Hecho Relevante de RURAL HIPOTECARIO VII FONDO DE TITULIZACIÓN DE ACTIVOS

En virtud de lo establecido en el Folleto Informativo de **RURAL HIPOTECARIO VII FONDO DE TITULIZACIÓN DE ACTIVOS** (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 6 de julio de 2016, comunica que ha bajado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:

- **Serie B: Baa1 (sf)** (anterior **A3 (sf)**, revisión posible bajada)
- **Serie C: B1 (sf)** (anterior **Ba2 (sf)**, revisión posible bajada)

Asimismo, Fitch ha confirmado la calificación asignada a la restante Serie de Bonos:

- **Serie A1: Aa2 (sf)**

Se adjunta la comunicación emitida por Moody’s.

Madrid, 7 de julio de 2016.

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Rating Action: Moody's takes rating actions in two Spanish RMBS transactions

Global Credit Research - 06 Jul 2016

London, 06 July 2016 -- Moody's Investors Service has today upgraded the ratings of three notes in the Spanish RMBS Caixa Penedes 2 TDA, FTA, and downgraded the ratings of two notes in Rural Hipotecario VII, FTA. In addition, the rating of the A1 note in Rural Hipotecario VII, FTA has been affirmed. Please see below the details of these rating actions.

Issuer: CAIXA PENEDES 2 TDA, FTA

...EUR726.3M A Notes, Upgraded to Aa2 (sf); previously on May 14, 2016 Aa3 (sf) Placed Under Review for Possible Downgrade

...EUR7.2M B Notes, Upgraded to Baa1 (sf); previously on May 14, 2016 Baa2 (sf) Placed Under Review for Possible Downgrade

...EUR16.5M C Notes, Upgraded to B1 (sf); previously on May 14, 2016 B3 (sf) Placed Under Review for Possible Downgrade

Issuer: RURAL HIPOTECARIO VII, FTA

...EUR957.1M A1 Notes, Affirmed Aa2 (sf); previously on Jul 10, 2015 Affirmed Aa2 (sf)

...EUR19.2M B Notes, Downgraded to Baa1 (sf); previously on May 14, 2016 A3 (sf) Placed Under Review for Possible Downgrade

...EUR23.7M C Notes, Downgraded to B1 (sf); previously on May 14, 2016 Ba2 (sf) Placed Under Review for Possible Downgrade

-Today's upgrades reflect an increase of the excess spread available in the transaction due to the presence of fixed interest loans in the collateralised pool.

-Today's downgrades reflect the increased likelihood of performance triggers being breached switching the amortisation of the notes to sequential.

-Today's affirmation reflects that the credit enhancement available is commensurate with the current rating.

-Today's rating action concludes the review of five notes placed on review for on the 14 May 2016 (please see this link

http://www.moodys.com/viewresearchdoc.aspx?docid=PR_348796 .)

RATINGS RATIONALE

-Increased excess spread available

Today's upgrades in Caixa Penedes 2 TDA, FTA are driven by an updated information on the collateralized pool. Moody's reviewed recent servicer report which provided updated information on the type of interests paid by the mortgages in the pool. The reference market rate "IRPH Cajas" was withdrawn in 2013 and loans could switch to either a fixed rate of interest, "EURIBOR" or "IRPH entidades". Many loans switched to payment of a fixed-rate interest. Based on the last servicer report, approximately 32% of the collateralized pool is comprised of fixed interest loans which pay a weighted average interest of 3.75%. Interest received from fixed rate loans above interest due to the swap counterparty is available for the Fondo to distribute in the transaction.

We have considered the risk of future increases in the market interest rates in the short and medium term to assess the risk of this 32% of the pool being partially unhedged. There is a basis swap (floating-floating) in place which uses the non-defaulted pool of loans, including the fixed interest ones, as the notional.

-Performance triggers

In Rural Hipotecario VII, FTA the amortisation type of Class B and C is subject to performance triggers based on arrears. As of the last payment date, the 90 days+ delinquencies were higher than 1% which prompted the Class C note to amortise sequentially. Moody's has reassessed its assumptions on the likelihood of these performance triggers being breached.

Revision of Key Collateral Assumptions:

As part of the rating action, Moody's reassessed its lifetime loss expectations for the portfolio reflecting the collateral performance to date.

The performance in both transactions is in line with Moody's expectation.

Moody's kept the expected loss assumptions at 2% as a percentage of original pool for Caixa Penedes 2 TDA, FTA and at 1% for Rural Hipotecario VII, FTA.

Moody's has also assessed loan-by-loan information as a part of its detailed transaction review to determine the credit support consistent with target rating levels and the volatility of future losses. As a result, Moody's has maintained the portfolio credit Milan assumption at 10% for Caixa Penedes 2 TDA, FTA, and at 7.5% for Rural Hipotecario VII, FTA.

The principal methodology used in these ratings was "Moody's Approach to Rating RMBS Using the MILAN Framework" published in January 2015. Please see the Ratings Methodologies page on www.moody.com for a copy of this methodology.

The analysis undertaken by Moody's at the initial assignment of these ratings for RMBS securities may focus on aspects that become less relevant or typically remain unchanged during the surveillance stage. Please see Moody's Approach to Rating RMBS Using the MILAN Framework for further information on Moody's analysis at the initial rating assignment and the on-going surveillance in RMBS.

Factors that would lead to an upgrade or downgrade of the ratings:

Factors or circumstances that could lead to an upgrade of the ratings include (1) performance of the underlying collateral that is better than Moody's expected, (2) deleveraging of the capital structure and (3) improvements in the credit quality of the transaction counterparties and (4) a decrease in sovereign risk.

Factors or circumstances that could lead to a downgrade of the ratings include (1) an increase in sovereign risk (2) performance of the underlying collateral that is worse than Moody's expected, (3) deterioration in the notes' available credit enhancement and (4) deterioration in the credit quality of the transaction counterparties.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions of the disclosure form.

The analysis relies on an assessment of collateral characteristics to determine the collateral loss distribution, that is, the function that correlates to an assumption about the likelihood of occurrence to each level of possible losses in the collateral. As a second step, Moody's evaluates each possible collateral loss scenario using a model that replicates the relevant structural features to derive payments and therefore the ultimate potential losses for each rated instrument. The loss a rated instrument incurs in each collateral loss scenario, weighted by assumptions about the likelihood of events in that scenario occurring, results in the expected loss of the rated instrument.

Moody's quantitative analysis entails an evaluation of scenarios that stress factors contributing to sensitivity of ratings and take into account the likelihood of severe collateral losses or impaired cash flows. Moody's weights the impact on the rated instruments based on its assumptions of the likelihood of the events in such scenarios occurring.

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from

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