

C. N. M. V.  
Dirección General de Mercados e Inversores  
C/ Edison 4  
Madrid

## **COMUNICACIÓN DE HECHO RELEVANTE**

### **TDA 25, FONDO DE TITULIZACIÓN DE ACTIVOS (En proceso de liquidación) Actuaciones sobre las calificaciones de las series de bonos por parte de Fitch Ratings.**

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 Fitch Ratings con fecha 31 de octubre 2019, donde se llevan a cabo las siguientes actuaciones:

- Serie A, afirmado como **C (sf)**.
- Serie B, afirmado como **C (sf)**.
- Serie C, afirmado como **C (sf)**.
- Serie D, afirmado como **C (sf)**.

En Madrid, a 04 de noviembre de 2019

Ramón Pérez Hernández  
Consejero Delegado

31 Oct 2019 | Rating Watch

## Fitch Places 4 tranches of 3 Spanish RMBS on Rating Watch Negative

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Fitch Ratings-Madrid-31 October 2019:

Fitch Ratings has placed four tranches of three Spanish non-conforming RMBS transactions TDA 25, FTA (TdA 25), TDA 27, FTA (TdA 27) and TDA 28, FTA (TdA 28) on Rating Watch Negative, while affirming 13 other tranches.

### Transaction Summary

The three transactions comprise residential mortgage loans originated and serviced by multiple banks. A full list of rating actions can be found below.

### KEY RATING DRIVERS

#### Swap Termination Payment

The swap counterparty of the three transactions (J.P. Morgan Chase Bank, N.A.) has presented to the trustee an early swap termination notice, driven by the SPV liquidation process implemented since 2012 (TdA 25 and TdA 28) and 2016 (TdA 27) and the steps taken in furtherance of it. J.P. Morgan is requesting a termination payment under each of swap of EUR9.7 million, EUR16.9 million and EUR15.8 million for TdA 25, TdA 27 and TdA 28 respectively, which will rank senior in the waterfall of payments even ahead of class A notes interest. The transactions' trustee has not yet confirmed the date when these payments will be made, nor the precise amount to be paid, as it is still conducting its legal assessment.

The swap termination payment amounts would be substantially larger than the available funds of each transaction on each single quarterly interest payment date. Therefore, if termination payments become due, it would mean that no interest or principal repayments on the securitisation notes would be made during a period of time estimated to be between three and seven quarters. Today's RWN reflects the increased uncertainty about timely payment of interest on TdA 27's class A2 to B notes and TdA 28's class A notes, and the growing expectation of ultimate principal shortfalls. Resolution of the RWN is directly linked to the resolution of the swap termination process, which may take longer than six months.

## Accelerated Liquidation

The trustee has initiated an accelerated liquidation process for TdA 25 and TdA 28 as of July 2019 and October 2019 respectively that implies a final liquidation date will occur shortly. As stated in the transaction documents, the process is now subject to a competitive process in which the best of at least five different bids has to be accepted.

## Large Principal Deficiency Ledgers (PDLs)

Current notes' amortisation deficits remain elevated and continue to widen as reserve funds are fully depleted and new defaults cannot be provisioned for with available excess spread. Currently, PDLs represent approximately 59%, 19% and 43% of the outstanding collateralised notes balance for TdA 25, TdA 27 and TdA 28 respectively. Three-month plus arrears (excluding defaults) as a percentage of the current pool balances remain below 1% in all cases as of the latest reporting date.

Cumulative gross defaults are high but show signs of flattening, ranging between 11.5% for TdA 27 and 29.8% for TdA 28 relative to the initial portfolio balances as of the latest reporting periods. Defaults are defined as loans in arrears for more than 12 months. These high levels of cumulative defaults are above the average 6% for other Spanish RMBS rated by Fitch as of September 2019, and are partly explained by poor origination standards as a significant part of these portfolios was underwritten by Credifimo, a specialised lender targeting mainly non-prime low income borrowers.

## RATING SENSITIVITIES

Final outcomes of the swap termination process may affect current rating levels, especially if there is no possibility to defer the payment termination amounts.

TdA 27's class A2 notes rating is sensitive to the application of a pro-rata amortisation mechanism together with the class A3 notes, which is activated when the balance of late-stage arrears is greater than 6% of the non-defaulted collateral. If this trigger is breached, a downgrade of the class A2 notes is likely.

## USE OF THIRD PARTY DUE DILIGENCE PURSUANT TO SEC RULE 17G -10

Form ABS Due Diligence-15E was not provided to, or reviewed by, Fitch in relation to these rating actions.

## DATA ADEQUACY

Fitch has checked the consistency and plausibility of the information it has received about the performance of the asset pools and the transactions. There were no findings that affected the rating analysis. Fitch has not reviewed the results of any third-party assessment of the asset portfolio information or conducted a review of origination files as part of its ongoing monitoring.

Fitch did not undertake a review of the information provided about the underlying asset pools ahead of the transactions' initial closing. The subsequent performance of the transactions over the years is consistent with the agency's expectations given the operating environment and Fitch is therefore satisfied that the asset pool information relied upon for its initial rating analysis was adequately reliable.

Overall, Fitch's assessment of the information relied upon for the agency's rating analysis according to its applicable rating methodologies indicates that it is adequately reliable.

## SOURCES OF INFORMATION

Loan-by-loan data provided by Titulizacion de Activos S.G.F.T. as at:

August 2019 for TDA 25 and TDA 27

June 2019 for TDA 28

Issuer and servicer reports provided by Titulizacion de Activos S.G.F.T. as at:

September 2019 for TDA 25, TDA 27 and TDA 28

## MODELS

<https://www.fitchratings.com/site/structuredfinance/rmbs/resiglobal>

<https://www.fitchratings.com/site/structuredfinance/emeacfm>

## ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of 3. This means ESG issues are credit-neutral or have only a minimal credit impact on the transactions,

either due to their nature or to the way in which they are being managed.

TDA 25, FTA has an ESG Relevance Score of 4 for Transaction & Collateral Structure due to payment interruption risk, which has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors. In addition, it has an ESG Relevance Score of 4 for Transaction Parties & Operational Risk due to a swap termination process, which has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

TDA 27, FTA has an ESG Relevance Score of 4 for Transaction & Collateral Structure due to payment interruption risk, which has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors. In addition, it has an ESG Relevance Score of 4 for Transaction Parties & Operational Risk due to a swap termination process, which has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

TDA 28, FTA has an ESG Relevance Score of 4 for Transaction & Collateral Structure due to payment interruption risk, which has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors. In addition, it has an ESG Relevance Score of 4 for Transaction Parties & Operational Risk due to a swap termination process, which has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

TDA 28, FTA has an ESG Relevance Score of 4 for Data Transparency & Privacy due to the historical default data presented by the originators not entirely reflecting the risk attributes of the securitised pool, which has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

TDA 25, FTA

----Class A ES0377929007; Long Term Rating; Affirmed; Csf

----Class B ES0377929015; Long Term Rating; Affirmed; Csf

----Class C ES0377929023; Long Term Rating; Affirmed; Csf

----Class D ES0377929031; Long Term Rating; Affirmed; Csf

TDA 27, FTA

----Class A2 ES0377954013; Long Term Rating; Rating Watch On; Bsf; RW: Neg

----Class A3 ES0377954021; Long Term Rating; Rating Watch On; CCCsf; RW: Neg

----Class B ES0377954039; Long Term Rating; Rating Watch On; CCsf; RW: Neg

----Class C ES0377954047; Long Term Rating; Affirmed; Csf

----Class D ES0377954054; Long Term Rating; Affirmed; Csf

----Class E ES0377954062; Long Term Rating; Affirmed; Csf  
----Class F ES0377954070; Long Term Rating; Affirmed; Csf  
TDA 28, FTA  
----Class A ES0377930005; Long Term Rating; Rating Watch On; CCsf; RW: Neg  
----Class B ES0377930013; Long Term Rating; Affirmed; Csf  
----Class C ES0377930021; Long Term Rating; Affirmed; Csf  
----Class D ES0377930039; Long Term Rating; Affirmed; Csf  
----Class E ES0377930047; Long Term Rating; Affirmed; Csf  
----Class F ES0377930054; Long Term Rating; Affirmed; Csf

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Additional information is available on [www.fitchratings.com](http://www.fitchratings.com)

**Applicable Criteria**

[European RMBS Rating Criteria \(pub. 25 Oct 2019\)](#)

[Fitch Ratings Interest Rate Stress Assumptions for Structured Finance and Covered Bonds \(pub. 28 Oct 2019\)](#)

[Global Structured Finance Rating Criteria \(pub. 02 May 2019\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria \(pub. 18 Apr 2019\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum \(pub. 18 Apr 2019\)](#)

[Structured Finance and Covered Bonds Country Risk Rating Criteria \(pub. 23 Oct 2018\)](#)

## **Additional Disclosures**

[Dodd-Frank Rating Information Disclosure Form](#)

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