

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

## **COMUNICACIÓN DE HECHO RELEVANTE**

### **TDA IBERCAJA 7, FONDO DE TITULIZACIÓN DE ACTIVOS Actuaciones sobre las calificaciones de los bonos por parte de Standard and Poors Global Ratings.**

Titulización de Activos, Sociedad Gestora de Fondos de Titulización, S.A. comunica el siguiente Hecho Relevante:

I. Respecto al fondo de referencia, adjuntamos nota de prensa publicada por Standard and Poor's Global Ratings, con fecha 9 de julio de 2018, donde se llevan a cabo las siguientes actuaciones:

- Bono A, afirmado como **AA+ (sf)**.
- Bono B, afirmado como **BB (sf)**; **eliminada la perspectiva de revisión positiva**.
- Bono C, afirmado como **D (sf)**.

En Madrid a 12 de julio de 2018

Ramón Pérez Hernández  
Consejero Delegado

## All Ratings Affirmed In TDA Ibercaja 7 Spanish RMBS Transaction Following Review

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OVERVIEW

- On March 23, 2018, we raised our unsolicited long-term sovereign rating on Spain to 'A-' from 'BBB+'.
- Following the sovereign upgrade, on April 6, 2018, we raised our long-term issuer credit rating on Banco Santander, the swap counterparty and bank account provider for TDA Ibercaja 7.
- On April 17, 2018, we revised our outlook assumptions for the Spanish residential mortgage market to benign to reflect the improved Spanish residential mortgage and real estate market, and lowered our projected losses at the 'B' rating level for the archetypal Spanish pool.
- On April 24, 2018, we placed on CreditWatch positive our ratings on the class B notes issued by TDA Ibercaja 7, as we needed to conduct a full analysis to determine the impact of these recent events.
- Following our review of this transaction under our relevant criteria, we have affirmed our ratings on all tranches and resolved our CreditWatch placement on the class B notes.
- TDA Ibercaja 7 is a Spanish RMBS transaction, which closed in December 2009.

MADRID (S&P Global Ratings) July 9, 2018--S&P Global Ratings today affirmed and removed from CreditWatch positive its credit rating on TDA Ibercaja 7, Fondo de Titulizacion de Activos' class B notes. At the same time, we affirmed our ratings on the class A and C notes (see list below).

Today's rating actions follow the application of our relevant criteria and our full analysis of the most recent transaction information that we have received, and reflect the transaction's current structural features (see "Related Criteria"). We have also considered our updated outlook assumptions for the Spanish residential mortgage market (see "Outlook Assumptions For The Spanish Residential Mortgage Market," published on April 17, 2018).

Our structured finance ratings above the sovereign (RAS) criteria classify the sensitivity of this transaction as moderate (see "Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions," published on Aug. 8, 2016). Therefore, after our March 23, 2018 upgrade of Spain to 'A-' from 'BBB+', the highest rating that we can assign to the seniormost tranche in this transaction is six notches above the Spanish sovereign rating, or 'AAA (sf)', if certain conditions are met (see "Spain Long-Term Ratings Raised To 'A-' On Economic Growth And Budgetary Consolidation; Outlook Positive"). For all the other tranches, the highest rating that we can assign is four notches above the sovereign rating.

The swap counterparty is Banco Santander S.A. (A/Stable/A-1). The remedial actions defined in the swap counterparty agreement were not followed in the past and therefore the maximum rating the notes can achieve in this transaction is 'A (sf)', the long-term issuer credit rating (ICR) on the swap counterparty, unless we delink our ratings on the notes from those on the counterparty (see "Counterparty Risk Framework Methodology And Assumptions," published on June 25, 2013).

Banco Santander S.A. replaced Citibank International PLC (Madrid branch) as the bank account provider in this transaction on June 29, 2018. As per our counterparty criteria, the downgrade language in the transaction documents is commensurate with a maximum 'AA+ (sf)' rating on the notes.

Our European residential loans criteria, as applicable to Spanish residential loans, establish how our loan-level analysis incorporates our current opinion of the local market outlook (see "Methodology And Assumptions: Assessing Pools Of European Residential Loans," published on Aug. 4, 2017). Our current outlook for the Spanish housing and mortgage markets, as well as for the overall economy in Spain, is benign. Therefore, we revised our expected level of losses for an archetypal Spanish residential pool at the 'B' rating level to 0.9% from 1.6%, in line with table 87 of our European residential loans criteria, by lowering our foreclosure frequency assumption to 2.00% from 3.33% for the archetypal pool at the 'B' rating level (see "Guidance: Methodology And Assumptions: Assessing Pools Of European Residential Loans," published on April 17, 2018).

After applying our European residential loans criteria to this transaction, the overall effect in our credit analysis results is a decrease in the required credit coverage for each rating level compared with our previous review, mainly driven by our revised foreclosure frequency.

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Rating level	WAFF (%)	WALS (%)
AAA	14.71	37.52
AA	10.10	32.65
A	7.63	24.61
BBB	5.69	20.23
BB	3.77	17.21
B	2.29	14.56

WAFF--Weighted-average foreclosure frequency. WALS--Weighted-average loss severity.

Credit enhancement for TDA Ibercaja 7's class A and B notes has increased to 14.4% and 5.7%, respectively, from 13.0% and 5.1%, due to the sequential amortization of the notes--not all the conditions for pro rata amortization have yet been met. Moreover, the reserve fund has been subject to slight draws, and totaled 99% of its required amount as of the latest interest payment date. The class C notes were issued at closing to fund the reserve fund.

Following the application of our criteria, we have determined that our assigned ratings on the classes of notes in this transaction should be the lower of (i) the rating as capped by our RAS criteria, (ii) the rating as capped by our counterparty criteria, or (iii) the rating that the class of notes can attain under our European residential loans criteria.

Taking into account the results of our credit and cash flow analysis and the application of our European residential loans criteria, we consider that the class A notes can withstand stresses at six notches above the current rating on the sovereign without giving benefit to the swap counterparty. Therefore, our rating on the class A notes continues to be delinked from our long-term ICR on Banco Santander as the swap provider. However, the rating on the class A notes is capped by the downgrade language of the bank account at 'AA+'. Therefore, we have affirmed our 'AA+ (sf)' rating on the class A notes.

Our rating on the class B notes is not capped by our RAS analysis, as the application of our European residential loans criteria, including our updated credit figures, determines a rating below our unsolicited 'A-' long-term sovereign rating on Spain. We believe that the current available credit enhancement for the class B notes is commensurate with a 'BB (sf)' rating. We have therefore affirmed and removed from CreditWatch positive our 'BB (sf)' rating on the class B notes.

We have affirmed our 'D (sf)' rating on the class C notes because they continue to experience interest shortfalls. This class of notes was issued at closing to fund the reserve fund.

TDA Ibercaja 7 is a Spanish residential mortgage-backed securities (RMBS) transaction, which closed in December 2009. Ibercaja Banco originated the

pool, which comprises loans granted to prime borrowers secured over residential properties in Spain.

#### RELATED CRITERIA

- Criteria - Structured Finance - General: Methodology And Assumptions: Assessing Pools Of European Residential Loans, Aug. 4, 2017
- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- Criteria - Structured Finance - General: Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions, Aug. 8, 2016
- Criteria - Structured Finance - General: Structured Finance Temporary Interest Shortfall Methodology, Dec. 15, 2015
- Criteria - Structured Finance - General: Methodology: Criteria For Global Structured Finance Transactions Subject To A Change In Payment Priorities Or Sale Of Collateral Upon A Nonmonetary EOD, March 2, 2015
- Criteria - Structured Finance - General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- General Criteria: Methodology: Timeliness Of Payments: Grace Periods, Guarantees, And Use Of 'D' And 'SD' Ratings, Oct. 24, 2013
- Criteria - Structured Finance - General: Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Criteria - Structured Finance - General: Global Derivative Agreement Criteria, June 24, 2013
- Criteria - Structured Finance - General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- General Criteria: Methodology: Credit Stability Criteria, May 3, 2010
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Structured Finance - General: Standard & Poor's Revises Criteria Methodology For Servicer Risk Assessment, May 28, 2009

#### RELATED RESEARCH

- Spanish RMBS Index Report Q1 2018, May 24, 2018
- Ratings On 213 Tranches In 82 Spanish RMBS Transactions Placed On CreditWatch Positive, April 24, 2018
- Outlook Assumptions For The Spanish Residential Mortgage Market, April 17, 2018
- Guidance: Methodology And Assumptions: Assessing Pools Of European Residential Loans, April 17, 2018
- Reduced Funding Risks Lead To Upgrades At Several Spanish Banks, April 6, 2018
- Spain Long-Term Ratings Raised To 'A-' On Economic Growth And Budgetary Consolidation; Outlook Positive, March 23, 2018
- 2017 EMEA RMBS Scenario And Sensitivity Analysis, July 6, 2017
- Ratings Raised On TDA Ibercaja 7's Class A And B Spanish RMBS Notes Following Review; Class C Rating Affirmed, Feb. 24, 2017
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16

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RATINGS LIST

Class	Rating
To	From

TDA ibercaja 7, Fondo de Titulización de Activos  
€2.07 Billion Floating-Rate Notes  
Rating Affirmed And Removed From CreditWatch Positive

B	BB (sf)	BB (sf)/Watch Pos
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Ratings Affirmed

A	AA+ (sf)
C	D (sf)

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