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Dirección General de Mercados e Inversores  
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Madrid

## **COMUNICACIÓN DE HECHO RELEVANTE**

### **TDA 29, FONDO DE TITULIZACIÓN DE ACTIVOS Actuaciones sobre las calificaciones de los bonos por parte de Fitch 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 Fitch Ratings, con fecha 31 de julio de 2012, donde se llevan a cabo las siguientes actuaciones:

- Clase A1, **AA-(sf)** / **mantenida la perspectiva de revisión negativa.**
- Clase A2, de **AA-(sf)** / **perspectiva negativa a BBB(sf).**
- Clase B, de **BBB(sf)** / **perspectiva negativa a B(sf).**
- Clase C, de afirmado como **CCC(sf).**
- Clase D, afirmado como **CC(sf).**

En Madrid, a 31 de julio de 2012

Ramón Pérez Hernández  
Director General



Tagging Info

## **Fitch Takes Rating Actions on TDA 29** Ratings Endorsement Policy

31 Jul 2012 9:20 AM (EDT)

Fitch Ratings-London/Madrid-31 July 2012: Fitch Ratings has taken rating actions on TDA 29, Fondo de Titulizacion de Activos (TDA 29) as follows:

Class A1 (ISIN ES0377931003): 'AA-sf'; maintained on RWN)  
Class A2 (ISIN ES0377931011): downgraded to 'BBBsf'; from 'AA-sf' Outlook Negative;  
Class B (ISIN ES0377931029): downgraded to 'Bsf'; from 'BBBsf', Outlook Negative  
Class C (ISIN ES0377931037): affirmed at 'CCCs'; Recovery Estimate of 10%  
Class D (ISIN ES0377931045): affirmed at 'CCsf'; Recovery Estimate of 0%

The downgrades reflect Fitch's concern with the overall credit worsening of the underlying portfolio of residential mortgage loans, in particular a recent rise in arrears and the low level of recoveries evidenced to date.

TDA 29 is a securitisation of residential mortgage loans originated by Banca March (unrated by Fitch) and Banco Guipuzanco (now Banco Sabadell, 'BBB'/RWN/'F3').

In Fitch's view, the worsening macroeconomic environment is having an impact on borrower affordability in TDA 29. As of April 2012, the level of borrowers in arrears by more than three months as a percentage of collateral balance had risen to 1.75% compared to 1.19% in April 2011. The frequency of defaults, defined as loans in arrears by more than 12 months, has also risen during the year. As of April 2012, cumulative gross defaults were at 2% of initial balance with 41% of these defaults occurring within the past 12 months.

The management company, Titulizacion de Activos, provided Fitch with information on Banco Guipuzcano-originated loans that have defaulted. The information suggests on average a 65% recovery rate on defaulted loans, after repossession and subsequent sale of the property backing the loan. As a result, the agency capped the recovery rate assumption at 65% on Banco Guipuzcano's portion of the pool in its base case stress environment.

Additionally, Fitch has assumed a more conservative recovery assumption on defaulted Banca March loans, by increasing its standard market value decline assumptions by 10%. This is supported by historical data on foreclosures from the bank.

The excess spread generated in the deal has been insufficient to clear period default provisioning requirements. This has led to repeated reserve fund draws, and in April 2012 it stood at 35% of its target amount. With the current pipeline of potential defaults now higher than 2011 and recoveries as low as 65%, Fitch expects further reserve fund draws to occur, further diminishing credit enhancement available to the notes. This was a driver of the downgrades of the class A2 and class B notes.

The agency has not downgraded the class A1 notes as it expects these notes to be paid in full at the next quarterly payment date. The notes have been maintained on RWN as the account banks, Banco Santander and Banco Espanol de Credito S.A. (both rated 'BBB+'/'F2') are no longer eligible to support the current rating under Fitch's structured finance counterparty criteria, without implementing appropriate remedial actions. The agency has been informed of the management company's intentions to put in place appropriate remedies, which are expected to be fully implemented in the upcoming days. The agency will continue to monitor the progress and may take rating actions accordingly (see "Fitch places 212 Spanish SF Tranches on RWN" dated 16 July 2012 at [www.fitchratings.com](http://www.fitchratings.com)).

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Additional information is available on [www.fitchratings.com](http://www.fitchratings.com). The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Sources of information- in addition to those mentioned in the applicable criteria, the sources of information used to assess these ratings were Investor Reports and recovery data provided by Titulizacion de Activos S.G.F.T., S.A.

Applicable criteria, 'Global Structured Finance Rating Criteria' dated 04 August 2011' EMEA Residential Mortgage Loss Criteria' dated 7 June 2012, 'EMEA Residential Mortgage Loss Criteria Addendum - Spain' dated 24 July 2012 'Counterparty Criteria for Structured Finance Transactions' and 'Counterparty Criteria for Structured Finance transactions: Derivative Addendum', dated 30 May 2012 are available at [www.fitchratings.com](http://www.fitchratings.com).

**Applicable Criteria and Related Research:**

Global Structured Finance Rating Criteria  
EMEA Residential Mortgage Loss Criteria  
EMEA Criteria Addendum - Spain  
Counterparty Criteria for Structured Finance Transactions  
Counterparty Criteria for Structured Finance Transactions: Derivative Addendum

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