

February 18, 2009

## Ratings Lowered In TDA Pastor Consumo 1 Due To Deteriorating Collateral Performance

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MADRID (Standard & Poor's) Feb. 18, 2009—Standard & Poor's Ratings Services has today taken various rating actions on the notes issued by TDA Pastor Consumo 1, FTA. Specifically, we lowered and kept on CreditWatch negative the ratings on the class A and B notes, and lowered and placed on CreditWatch negative the ratings on the class C notes (see list below).

Today's rating actions are the result of deteriorating collateral performance leading to:

Increased delinquency levels putting pressure on the transaction's cash flows as a result of the swap mechanism in the transaction; and  
Default levels over the medium term being higher than previously anticipated.

As of the December 2008 interest payment date (IPD), the volume of loans in arrears for less than 90 days past due accounted for 23.77% of the pool balance. Under the total return swap mechanism in the transaction, the issuer pays all interest received from any collections during the quarter (potentially including any collections from loans in arrears) and receives interest equivalent to the weighted-average coupon on the notes, plus 2.5%, calculated on a notional equal to the performing balance of the assets. Consequently, the high level of technical arrears is now resulting in a material mismatch in payments paid from and received by the issuer.

We note that loans in arrears for more than 90 days have grown substantially since closing, and currently represent 3.25% of the pool balance. Early termination of the revolving period occurred on the July IPD when this ratio

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rose above 2.25%. Loans are defined as defaulted after 18 months; given the limited seasoning of this transaction, which closed in April 2007, the cumulative balance currently only represents 25 bps of the initial balance. However, we expect defaulted loans to increase significantly over the near term as delinquent loans roll into default.

Our analysis took into the account the increase in credit enhancement available to each class of notes due to pool amortization. However, in our view, the increase in credit enhancement was insufficient to maintain the original ratings that we assigned. The CreditWatch negative placements are pending further observation of the volatility of short-term arrears over the next quarter, and roll-rates of longer-term arrears into defaults. Classes A and B had previously reflected our concerns relating to Banco Pastor participating as swap counterparty in this transaction (see article below). However, our analysis now assumes that Banco Pastor will remain in the transaction or that the swap will be replaced on similar terms.

RELATED RESEARCH

- Updated Counterparty Criteria for Derivatives: Eligibility of 'A-2' Counterparties removed in 'AAA' transactions
- 31 European Securitizations On Watch Neg, 1 Australian Deal Cut Due To 'A-2' Counterparty Risk

Related articles are available on RatingsDirect. Criteria can also be found on Standard & Poor's Web site at [www.standardandpoors.com](http://www.standardandpoors.com). Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow (7) 495-783-4011.

RATINGS LIST

Class	Rating	
	To	From

TDA Pastor Consumo 1, Fondo de Titulizacion de Activos  
€300 Million Floating-Rate Notes

RATINGS LOWERED AND KEPT ON CREDITWATCH NEGATIVE

A	AA/Watch Neg	AAA/Watch Neg
B	A/Watch Neg	AA/Watch Neg

RATINGS LOWERED AND PLACED ON CREDITWATCH NEGATIVE

C	B/Watch Neg	BBB-
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**Additional Contact:**

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