Moody's Investors Service

Global Credit Research
Rating Action
5 DEC 2008

Rating Action: TDA CAM 9 FONDO DE TITULIZACIÓN DE ACTIVOS

Moody's downgrades 14 Spanish RMBS notes issued by TDA CAM 6, 7, 8, 9 and 10

EUR2.9 billion of debt securities affected.

Frankfurt, December 05, 2008 -- Moody's Investors Service has today downgraded 14 classes of Notes issued by TDA CAM 6, FTA, TDA CAM 7, FTA, TDA CAM 8, FTA, TDA CAM 9, FTA and TDA CAM 10, FTA; all these Spanish RMBS transactions closed between 2006 and 2007. A complete list of rating actions can be found at the end of this press release. For TDA CAM 10, FTA, today's rating actions conclude the rating review that was initiated on 23 July 2008.

The downgrade was prompted by all the portfolios showing worse-than-expected collateral performance, leading to above market average delinquencies. In addition, the collateral backing TDA CAM 10, FTA, comprises a large proportion of loans with a loan-to-value (LTV) over 80%. The weighted-average LTV ratio for TDA CAM 10, FTA was 77.3% as of the end of September 2008.

The principal methodology used in rating the transaction was "Moody's Updated Methodology for Rating Spanish RMBS", published in July 2008, which can be found found at www.moodys.com in the Credit Policy & Methodologies directory, in the Ratings Methodologies subdirectory. Other methodologies and factors that may have been considered in the process of rating this issue can also be found in the Credit Policy & Methodologies directory. As explained in the press release issued on July 2008 in relation to the methodology update, the refinements to Moody's Spanish MILAN model result in higher credit enhancement levels for Spanish RMBS pools, especially those with riskier features, such as higher LTV ratios and higher-risk products. TDA CAM 10, FTA was one of the deals flagged by Moody's as having such features.

As of the end of October 2008, the transactions have shown the following performance levels:

- TDA CAM 6, FTA (closed in March 2006): Cumulative defaults are equal to 1.19% of the original pool balance (ratio: "Cum Def/OB"), and the 90+ arrears (excluding outstanding defaults) are approximately 4.21% of the current pool balance (ratio: "90+/CB")

- TDA CAM 7, FTA (closed in October 2006): Cum Def/OB of 0.84%, and 90+/CB of 3.96%;

- TDA CAM 8, FTA (closed in March 2007): Cum Def/OB of 0.50%, and 90+/CB of 2.92%;

- TDA CAM 9, FTA (closed in July 2007): Cum Def/OB of 0.29%, and 90+/CB of 4.86%;

- TDA CAM 10, FTA (closed in December 2007): Cum Def/OB none so far, but 90+/CB of 6.88%.

The reserve fund for each transaction has been at its target level so far as excess spread has fully covered artificial write-offs of loans which were more than 12 months delinquent. However, Moody's assumes that especially for the more recent TDA CAM transactions, the reserve funds are likely to be drawn over time, if performance indicators do not improve. The artificial write-off mechanism is typical for Spanish RMBS transactions. It speeds up the off-balance sheet treatment of a non-performing loans compared to waiting for the "natural write-off". Thus, the amount of notes collateralised by non-performing loans is minimised, and, consequently, the negative carry. Moody's expects that available funds will increase as recoveries from written-off loans are collected.

Following an updated loan-by-loan analysis, and on the basis of the performance experienced by the portfolio so far, Moody's has updated the portfolio's expected loss assumption modelled:

- TDA CAM 6, FTA, from a range of 0.60%-0.70% to 1.60%-1.80%,

- TDA CAM 7, FTA, from a range of 0.65%-0.75% to 1.70%-1.90%,

- TDA CAM 8, FTA, from a range of 0.55%-0.65% to 1.50%-1.70%,

- TDA CAM 9, FTA, from a range of 0.70%-0.90% to 1.80%-2.00%, and

- TDA CAM 10, FTA, from a range of 1.10%-1.30% to 2.70%-2.90%.

All figures are a percentage of the original pool balance. Moody's has further raised its credit support expectations for the rating levels assigned.

For TDA CAM 9, FTA and TDA CAM 10, FTA, today's rating action also affected the Class A notes. We therefore briefly summarise the amortization profile of the Class A notes as well as the existing Class A notes pro-rata amortization trigger.

TDA CAM 9, FTA:

Principal payments on Class A1, A2 and A3 notes are split as follows: As of the first interest payment date, 37% of the available funds will be distributed to Class A1 notes -- the remaining 63% to Class A2 notes. On the payment date when the Class A1 notes outstanding balance is lower than 37% of the available funds, Class A1 notes will be fully repaid. At this point, 77% of the remaining available funds will be used to amortise Class A2 notes and 23% to amortise Class A3 notes. This amortisation profile switches pro-rata, when the cumulative amount of loans more than 12 months in arrears exceeds 4% of the original portfolio balance. A potential pro-rata trigger breach was also considered in the review. However, Moody's believes that in certain scenarios this breach will be effective when the Class A1 notes have further amortised. The impact would be less severe in absolute terms for the Class A1 noteholder. Therefore the rating action only affected the Class A2 and Class A3 notes.

TDA CAM 10, FTA:

Class A1, A2, A3 and A4 notes amortise sequentially as of closing. Sequential amortisation of the Class A notes switches pro-rata, when the cumulative amount of loans more than 12 months in arrears exceeds 4% of the original portfolio balance. A potential pro-rata trigger breach was considered in the rating review -- based on a historical roll-rates analysis. In certain scenarios, Moody's expects that the trigger will be breached before Class A1 notes will be fully amortised. Therefore, the today's rating action affects all Class A notes.

On 4 November 2008, the Spanish Government announced a package of aid to assist unemployed, self-employed and pensioner borrowers through a form of mortgage subsidy aid. It is unclear how this package will be implemented, and also if it is implemented, how the transaction will be affected, although both liquidity and credit implications are possible on this portfolio. However, any implications on the ratings will ultimately depend on the actual financial aid conditions which are approved.

In all these transactions, the Originator - Caja de Ahorros del Mediterraneo (CAM), A2/P-1 - securitised a portfolio of first-ranking mortgage loans secured on residential properties in Spain, with geographical concentration in coastal regions. All the transactions include an interest rate swap to hedge interest rate risk in the transaction, securing a weighted-average interest rate on the notes plus 0.67% (for TDA CAM 6 and 7) or 0.65% (TDA CAM 8, 9 and 10) excess spread and covering the servicing fee if CAM is replaced as servicer.

Moody's ratings address the expected loss posed to investors by the legal final maturity of the notes. Moody's ratings address only the credit risks associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.

Moody's monitors all these transactions as described in the reports: "Moody's Approach to Rating Spanish RMBS: The "MILAN" Model", March 2005, and "Moody's Updated Methodology for Rating Spanish RMBS", July 2008. Moody's will continue to closely monitor the performance of the portfolios in the next quarterly periods. For more information on this transaction, please visit Moody's website at www.moodys.com or contact our Client Service Desk in London (+44-20-7772 5454).

LIST OF RATING ACTIONS

Issuer: TDA CAM 6, FTA

- Class B Notes due April 2043, downgraded from A2 to Baa2.

- Last rating action date for TDA CAM 6, FTA: No rating action since closing in March 2006.

Issuer: TDA CAM 7, FTA

- Class B Notes due February 2049, downgraded from A1 to Baa1.

- Last rating action date for TDA CAM 7, FTA: No rating action since closing in October 2006.

Issuer: TDA CAM 8, FTA

- Class A Notes due February 2049, Aaa affirmed;

- Class B Notes due February 2049, downgraded from Aa3 to A3; and

- Class C Notes due February 2049, downgraded from Baa1 to Ba1.

- Last rating action date for TDA CAM 8, FTA: No rating action since closing in March 2007.

Issuer: TDA CAM 9, FTA

- Class A1 Notes due April 2050, Aaa affirmed;

- Class A2 Notes due April 2050, downgraded from Aaa to Aa1;

- Class A3 Notes due April 2050, downgraded from Aaa to Aa1;

- Class B Notes due April 2050, downgraded from Aa3 to A3; and

- Class C Notes due April 2050, downgraded from Baa2 to Ba2.

- Last rating action date for TDA CAM 9, FTA: No rating action since closing in July 2007.

Issuer: TDA CAM 10, FTA

- Class A1 Notes due September 2060, downgraded from Aaa to Aa1;

- Class A2 Notes due September 2060, downgraded from Aaa to Aa1;

- Class A3 Notes due September 2060, downgraded from Aaa to Aa1;

- Class A4 Notes due September 2060, downgraded from Aaa to Aa1;

- Class B Notes due September 2060, downgraded from A3 to Baa2; and

- Class C Notes due September 2060, downgraded from Baa3 to B3.

- Last rating action date for TDA CAM 10, FTA: 23 July 2008.

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