

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

### **COMUNICACIÓN DE HECHO RELEVANTE**

#### **EMPRESAS HIPOTECARIO TDA CAM 3, FONDO DE TITULIZACIÓN DE ACTIVOS Actuaciones sobre las calificaciones de los bonos por parte de Standard & Poor's.**

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 & Poor's, con fecha 19 de abril del 2013, donde se llevan a cabo las siguientes actuaciones:

- Serie A2, de **A- (sf) / perspectiva de revisión negativa a BBB+ (sf)**
- Serie B, **afirmada B+ (sf)**
- Serie C, **afirmada CCC- (sf)**

En Madrid, a 23 de abril de 2013

Ramón Pérez Hernández  
Director General

## RatingsDirect®

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# Various Rating Actions Taken In Empresas Hipotecario TDA CAM 3 Following European SME CLO Criteria Update

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### OVERVIEW

- We have reviewed the performance of Empresas Hipotecario TDA CAM 3, using data from the January 2013 trustee report, and have performed our credit and cash flow analysis applying our updated European SME CLO criteria and our 2012 counterparty criteria.
- On Jan. 17, 2013, when our updated European SME CLO criteria became effective, we placed on CreditWatch negative our rating on the class A2 notes.
- Today, we have lowered to 'BBB+ (sf)' from 'A- (sf)' our rating on the class A2 notes.
- At the same time, we have affirmed our 'B+ (sf)' and 'CCC- (sf)' ratings on the class B and C notes, respectively.
- Empresas Hipotecario TDA CAM 3 is a cash flow CLO transaction that securitizes loans to SMEs. The collateral pool comprises secured loans. The transaction closed in July 2006.

LONDON (Standard & Poor's) April 19, 2013--Standard & Poor's Ratings Services today took various rating actions in Empresas Hipotecario TDA CAM 3, Fondo de Titulizacion de Activos.

Specifically, we have

- Lowered to 'BBB+ (sf)' from 'A- (sf)' and removed from CreditWatch negative our rating on the class A2 notes; and

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- Affirmed our 'B+ (sf)' and 'CCC- (sf)' ratings on the class B and C notes, respectively (see list below).

Today's rating actions follow the application of our updated criteria for European collateralized loan obligations (CLOs) backed by small and midsize enterprises (SMEs) and our 2012 counterparty criteria, as well as our assessment of the transaction's performance using the January 2013 trustee report (the most recent report available to us at the time of our analysis) and portfolio data as of December 2012 (see "European SME CLO Methodology And Assumptions," published on Jan. 10, 2013, and "Counterparty Risk Framework Methodology And Assumptions," published on Nov. 29, 2012).

On Jan. 17, 2013, when our updated European SME CLO criteria became effective, we placed on CreditWatch negative our rating on the class A2 notes (see "Ratings On 100 Tranches In 33 European SME CLO Transactions Placed On CreditWatch Negative Following Criteria Update," published on Jan. 17, 2013).

#### CREDIT ANALYSIS

Based on our review of the current pool and since our previous review in July 2012, the pool has experienced further defaults and the obligor concentration risk to the pool has further increased due to the further deleveraging of loans (see "Ratings Lowered In Three Of Banco CAM's Spanish SME Securitizations," published on July 23, 2012).

The underlying pool is highly seasoned with a pool factor (the percentage of the pool's outstanding aggregate principal balance in comparison with the closing date) of less than 25%.

We have applied our updated European SME CLO criteria to determine the scenario default rates (SDRs) for this transaction.

We categorize the originator as moderate (based on tables 1, 2, and 3 in our criteria), which factored in Spain's Banking Industry Country Risk Assessment (BICRA) score (as the country of origin for these SME loans is Spain). This resulted in a downward adjustment of one notch to the 'b+' archetypical European SME average credit quality assessment to determine loan-level rating inputs and applying the 'AAA' targeted corporate portfolio default rates. As a result, our average credit quality assessment of the current pool is 'b'.

We further applied a portfolio selection adjustment of minus three notches to the 'b' credit quality assessment. As a result, our average credit quality assessment of the pool to derive the 'AAA' SDR was 'ccc'.

We have applied this approach as we were not provided with the internal credit scores upon request, therefore we assumed that each loan in the portfolio had a credit quality that is equal to our average credit quality assessment of the portfolio.

We have reviewed historical originator default data, and have assessed Spain's

current market trends and developments, macroeconomic factors, and the way these factors are likely to affect the loan portfolio's creditworthiness.

As a result of this analysis, our 'B' SDR is 10.0%.

The SDRs for rating levels between 'B' and 'AAA' are interpolated in accordance with our European SME CLO criteria.

#### RECOVERY RATE ANALYSIS

At each liability rating level, we assumed a weighted-average recovery rate (WARR) by taking into consideration the asset type (secured/unsecured) and the country recovery grouping (see table 7 in "European SME CLO Methodology And Assumptions") and observed historical recoveries. We also factored in the actual recoveries from the historical defaulted assets to derive our recovery rate assumptions to be applied in our cash flow analysis.

As a result of this analysis, our WARR assumption in a 'A' scenario was 32.28%. The recovery rates at more junior rating levels were higher (as outlined in our criteria).

#### CASH FLOW ANALYSIS

We subjected the capital structure to various cash flow scenarios, incorporating different default patterns, recovery timings, and interest rate curves to generate the minimum break-even default rate (BDR) for each rated tranche in the capital structure. The BDR is the maximum level of gross defaults that a tranche can withstand and still fully repay the noteholders, given the assets and structure's characteristics. We then compared these BDRs with the SDRs outlined above.

#### COUNTERPARTY RISK

CECABANK S.A. (BB+/Negative/B) is the swap counterparty in this transaction. We have reviewed the swap counterparty's downgrade provisions, and, in our opinion, they do not fully comply with our 2012 counterparty criteria. Therefore, we conducted our cash flow analysis without giving benefit to the swap above a 'BBB-' rating level--our long-term issuer credit rating on the swap counterparty plus one notch.

The available credit enhancement for the class A2 notes is commensurate with a lower rating than that currently assigned. We have therefore lowered to 'BBB+ (sf)' from 'A- (sf)' and removed from CreditWatch negative our rating on the class A2 notes.

The available credit enhancement for the class B and C notes is commensurate with their current ratings. We have therefore affirmed our 'B+ (sf)' and 'CCC- (sf)' ratings on the class B and C notes, respectively.

Empresas Hipotecario TDA CAM 3 is a cash flow CLO transaction that securitizes

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STANDARD & POOR'S 17G-7 DISCLOSURE REPORT

SEC Rule 17g-7 requires an NRSRO, for any report accompanying a credit rating relating to an asset-backed security as defined in the Rule, to include a description of the representations, warranties and enforcement mechanisms available to investors and a description of how they differ from the representations, warranties and enforcement mechanisms in issuances of similar securities. The Rule applies to in-scope securities initially rated (including preliminary ratings) on or after Sept. 26, 2011.

If applicable, the Standard & Poor's 17g-7 Disclosure Report included in this credit rating report is available at <http://standardandpoorsdisclosure-17g7.com>

RELATED CRITERIA AND RESEARCH

Related Criteria

- European SME CLO Methodology And Assumptions, Jan. 10, 2013
- Counterparty Risk Framework Methodology And Assumptions, Nov. 29, 2012
- Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology And Assumptions, June 14, 2011
- Update To Global Methodologies And Assumptions For Corporate Cash Flow And Synthetic CDOs, Sept. 17, 2009

Related Research

- Europe 2013: Recession Strikes Again, Feb. 25, 2013
- Ratings On 100 Tranches In 33 European SME CLO Transactions Placed On CreditWatch Negative Following Criteria Update, Jan. 17, 2013
- The Curse Of The Three Ds: Triple Deleveraging Drags Europe Deeper Into Recession, July 30, 2012
- Ratings Lowered In Three Of Banco CAM's Spanish SME Securitizations, July 23, 2012
- European Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, March 14, 2012
- Global Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, Nov. 4, 2011

RATINGS LIST

Class	Rating
To	From

Empresas Hipotecario TDA CAM 3, Fondo de Titulizacion de Activos  
€750 Million Mortgage-Backed Floating-Rate Notes

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Rating Lowered And Removed From CreditWatch Negative

A2            BBB+ (sf)            A- (sf)/Watch Neg

Ratings Affirmed

B            B+ (sf)

C            CCC- (sf)

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