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Ratings On Classes B To E Notes In TDA 27 Placed On CreditWatch Negative

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OVERVIEW

- In our view, the most recent transaction information we have received shows that the current and potential performance of the underlying collateral pool might be insufficient to maintain the current ratings.
- We placed classes B to E on CreditWatch negative.
- TDA 27, Fondo de Titulizacion de Activos is a Spanish RMBS transaction that closed on Dec. 22, 2006.

MADRID (Standard & Poor's) Sept. 11, 2009--Standard & Poor's Ratings Services today placed on CreditWatch negative its credit ratings on the class B, C, D, and E notes issued by TDA 27, Fondo de Titulizacion de Activos (TDA 27). The ratings on the class A1, A2, A3, F, and NAS-IO notes are unaffected (see list below).

Our credit analysis, based on the most recent transaction information we have received, showed a continuous deterioration of the performance of the underlying collateral. This has increased the likelihood of negative rating actions on the affected classes.

In particular, if gross cumulative defaults reach a trigger level whereby interest might be deferred (set as a percentage of the initial pool balance), the interest on the subordinated classes of notes will be paid only after amortization of the senior classes. As of the end of July, gross cumulative

defaults as a percentage of the initial pool balance were 1.99%. This level has increased significantly over the past few interest payment dates (IPDs). At the end of 2008, gross cumulative defaults represented 0.74% of the initial collateral balance.

The deferral of interest triggers on classes B, C, D, and E are set at gross cumulative default levels of 11.40%, 8.60%, 5.50%, and 4.20%, respectively. We observe that the current level of 90+ day delinquencies, plus gross cumulative defaults as a percentage of the initial collateral balance, is 5.53%.

We have consequently placed our ratings on these classes on CreditWatch negative, while we assess any increased likelihood of these levels being breached. In addition, we note that the reserve fund has nearly depleted due to defaults and low levels of available excess spread. After the June IPD, the reserve fund had reduced to only 0.16% of the outstanding collateral balance. We believe that a large proportion of severe delinquencies may default, causing further draws. Available credit enhancement may then become insufficient to maintain the current ratings.

While we have seen limited recoveries to date, due to the length of the foreclosure period in the Spanish jurisdiction, we believe that the risk of interest deferrals will drive any ratings movements on subordinated classes of notes over the near to medium term.

The originators of this transaction are four Spanish financial entities: Caixa d'Estalvis de Terrassa, Caja General de Ahorros de Granada, Caja Vital Kutxa, and Unión de Crédito para la Financiación Mobiliaria e Inmobiliaria, Credifimo, E.F.C., S.A.U. (Credifimo). The loans were mainly originated in Andalucia, Catalonia, and Madrid.

RELATED RESEARCH

- Methodology And Assumptions: Update To The Criteria For Rating Spanish Residential Mortgage-Backed Securities, Jan. 6, 2009

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RATINGS LIST

Class	Rating
To	From
TDA 27, Fondo de Titulizacion de Activos	
€930.0 Million Residential Mortgage-Backed Floating-Rate And €0.6 Million Floating-Rate Notes	

Ratings On Classes B To E Notes In TDA 27 Placed On CreditWatch Negative

RATINGS PLACED ON CREDITWATCH NEGATIVE

B	AA/Watch Neg	AA
C	A/Watch Neg	A
D	BBB-/Watch Neg	BBB-
E	BB-/Watch Neg	BB-

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