

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

## **COMUNICACIÓN DE HECHO RELEVANTE**

### **TDA IBERCAJA 7, 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 25 de julio de 2013, donde se llevan a cabo las siguientes actuaciones:

- Bono A, afirmado como **BBB (sf)**.
- Bono B, de **BB (sf)** a **BB- (sf)**.
- Bono C, de **CCC- (sf)** a **D (sf)**.

En Madrid, a 28 de octubre de 2014

Ramón Pérez Hernández  
Director General

# RatingsDirect®

---

## Ratings Lowered On Spanish RMBS Transaction TDA Ibercaja 7's Class B And C Notes; Rating Affirmed On Class A Notes

**Surveillance Credit Analyst:**

Rocio Romero, Madrid (34) 91-389-6968; rocio.romero@standardandpoors.com

**Secondary Contact:**

Virginie Couchet, Madrid (34) 91-389-6959; virginie.couchet@standardandpoors.com

### OVERVIEW

- We have reviewed TDA Ibercaja 7's performance, including the transaction's structural features, portfolio credit quality evolution, and counterparty risk.
- Based on the latest available investor report from the trustee (dated June 2013), the underlying portfolio is still experiencing credit quality deterioration that is only partially offset by the transaction's structural features.
- The issuer failed to pay interest on the class C notes. We have therefore lowered our rating to 'D (sf)' from 'CCC- (sf)' on this class of notes.
- Following our analysis, we have lowered to 'BB- (sf)' from 'BB (sf)' our rating on the class B notes and affirmed our 'BBB (sf)' rating on the class A notes.
- TDA Ibercaja 7 is a Spanish RMBS transaction, which closed in December 2009 and securitizes a portfolio of first-ranking mortgage loans granted to individuals resident in Spain.

MADRID (Standard & Poor's) July 25, 2013--Standard & Poor's Ratings Services today lowered its credit ratings on TDA Ibercaja 7, Fondo de Titulizacion de Activos' class B and C notes for performance reasons. At the same time, we have affirmed our rating on the class A notes (see list below).

Today's rating actions follow our review of the transaction's performance and

its structural features, based on the trustee's latest available investor report (dated June 2013), and the application of our relevant criteria for conducting our credit, cash flow, and counterparty risk analysis (see "Related Criteria").

TDA Ibercaja 7 has experienced increasing delinquencies. In particular, long-term arrears excluding defaults (defined in this transaction as loans in arrears for more than 18 months) represent 0.60% of the outstanding collateral balance. Gross cumulative defaults represent 0.25% of TDA Ibercaja 7's initial collateral balance. While currently limited, compared with other Spanish residential mortgage-backed securities (RMBS) transactions of similar vintages, we expect the securitized portfolio's credit quality to deteriorate further due to difficult Spanish macroeconomic conditions and a depressed housing market. In our opinion, these factors will increase long-term delinquencies, defaults, and expected losses in the transaction. In our view, the transaction's structural features can only partially mitigate the expected credit deterioration.

The increase in long-term delinquencies, stemming from an increase in long-term arrears rolling into defaults, and the year-on-year decrease in Spanish house prices, are increasing our assumptions of the portfolio's foreclosure frequency and the expected losses suffered from those defaulted assets. With regard to the transaction's structural features, the increase in available credit enhancement has been limited for the class B notes as the performing collateral balance and amount of cash available to the transaction have reduced in line with further portfolio credit quality deterioration.

On the last interest payment date (IPD), the reserve fund was marginally drawn for the first time to provision for defaulted loans. The reserve fund represents 4.29% of the outstanding balance of the class A and B notes. Our cash flow analysis indicates that the class B notes cannot maintain the currently assigned rating, as we expect that the portfolio credit quality will deteriorate further and the reserve fund will continue to be depleted accordingly.

The notes' priority of payments is currently sequential and based on a combined interest and principal waterfall. We expect the class A and B notes to continue to repay sequentially as pro rata amortization triggers have not been reached. The class A notes benefit from available credit enhancement of 9.1%, based on the level of the performing collateral balance and the amount of cash available to the transaction, while the class B notes' available credit enhancement is 3.12%.

The interest deferral trigger for the class B notes is set at 10% of cumulative defaults of the original portfolio balance, with defaults defined in this transaction as assets being in arrears for more than 18 months. This interest deferral trigger will only benefit the class A notes late in the transaction's life.

The transaction has a hedge mechanism, under which the swap counterparty

provides a margin of 65 basis points to the transaction based on the performing balance of the assets, while all of the interest received on the portfolio is transferred to the swap counterparty. Due to the low margin observed on the underlying collateral, the transaction relies on the support the swap agreement provides to be able to service the amounts due under the notes.

The transaction is exposed to the counterparty risk of Banco Santander S.A. (BBB/Negative/A-2) acting as bank account provider and swap counterparty. On Feb. 15, 2013, in accordance with our current counterparty criteria, we linked our rating on TDA Ibercaja 7's class A notes to our long-term issuer credit rating on Banco Santander, as bank account provider, and we consequently lowered our rating on the class A notes to 'BBB (sf)' from 'AA- (sf)' (see " Various Rating Actions Taken In Six Of Ibercaja Banco's Spanish RMBS Transactions For Counterparty Reasons," published on Feb. 15, 2013 and " Counterparty Risk Framework Methodology And Assumptions," published on June 25, 2013).

Taking into account the observed and expected portfolio credit quality deterioration, transaction's structural features, and counterparty risk, we have affirmed our 'BBB (sf)' rating on the class A notes and lowered to 'BB- (sf)' from 'BB (sf)' our rating on the class B notes.

We have lowered to 'D (sf)' from 'CCC- (sf)' our rating on the class C notes following the issuer's failure to pay interest on these notes on the most recent IPD.

Our ratings in this transaction address timely payment of interest and ultimate payment of principal.

TDA Ibercaja 7 is a Spanish RMBS transaction, which closed in December 2009 and securitizes a portfolio of first-ranking mortgage loans granted to individuals resident in Spain. The portfolio features loans granted to self-employed borrowers (15% of the outstanding portfolio) and broker-originated mortgages (6% of the outstanding portfolio), while 11% of the outstanding mortgages were granted for a purpose other than buying a residential property. Second homes account for 6.3% of the outstanding portfolio. The securitized portfolio features a seasoning of 75 months and is mainly exposed to geographic concentration in the regions of Madrid (34.4%), Aragon (15%), and Valencia (14.4%).

#### 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

- Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Methodology: Credit Stability Criteria, May 3, 2010
- Methodology And Assumptions: Update To The Cash Flow Criteria For European RMBS Transactions, Jan. 6, 2009
- Methodology And Assumptions: Update To The Criteria For Rating Spanish Residential Mortgage-Backed Securities, Jan. 6, 2009
- Cash Flow Criteria for European RMBS Transactions, Nov. 20, 2003
- Criteria for Rating Spanish Residential Mortgage-Backed Securities, March 1, 2002

##### Related Research

- The Eurozone Economy Shows Signs Of Stabilization, But Recovery Is Still Some Way Off, June 26, 2013
- Europe 2013: Recession Strikes Again, Feb. 25, 2013
- Various Rating Actions Taken In Six Of Ibercaja Banco's Spanish RMBS Transactions For Counterparty Reasons, Feb. 15, 2013
- Europe's Recession Is Still Dragging Down House Prices In Most Markets, Jan. 17, 2013
- Scenario Analysis: What's Driving Spanish Mortgage Arrears?, April 13, 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
- Spanish RMBS Index Report, published quarterly

#### RATINGS LIST

Class	Rating
To	From

TDA Ibercaja 7, Fondo de Titulizacion de Activos  
€2.07 Billion Floating-Rate Notes

Rating Affirmed

A                      BBB (sf)

Ratings Lowered

*Ratings Lowered On Spanish RMBS Transaction TDA Ibercaja 7's Class B And C Notes; Rating Affirmed On Class A Notes*

B	BB- (sf)	BB (sf)
C	D (sf)	CCC- (sf)

**Additional Contact:**

Structured Finance Europe; [StructuredFinanceEurope@standardandpoors.com](mailto:StructuredFinanceEurope@standardandpoors.com)

Copyright © 2014 Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgement as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.standardandpoors.com](http://www.standardandpoors.com) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) and [www.globalcreditportal.com](http://www.globalcreditportal.com) (subscription) and [www.spcapitaliq.com](http://www.spcapitaliq.com) (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).