

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

## **COMUNICACIÓN DE HECHO RELEVANTE**

### **MADRID RMBS IV, FONDO DE TITULIZACIÓN DE ACTIVOS Perspectiva positiva en bonos por parte de Standard & Poors**

Titulización de Activos, Sociedad Gestora de Fondos de Titulización, S.A. comunica el siguiente Hecho Relevante:

Respecto al fondo de referencia, adjuntamos nota de prensa publicada por Standard & Poors, con fecha 1 de Octubre por la cual se establece perspectiva positiva y confirmación de calificación para las siguientes series:

- Serie A1, perspectiva positiva
- Serie A2, perspectiva positiva
- Serie B, perspectiva positiva
- Serie C, BB (confirmación)
- Serie D, B (confirmación)
- Serie E , B- (confirmación)

En Madrid a 1 de Octubre de 2010

Ramón Pérez Hernández  
Director General

## Ratings Placed On CreditWatch Positive In Spanish RMBS Transaction MADRID RMBS IV

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OVERVIEW

- We have conducted a credit review of MADRID RMBS III, FTA and MADRID RMBS IV, FTA.
- As a result, we have placed on CreditWatch positive our ratings on classes A1, A2, and B in MADRID RMBS IV and affirmed the ratings on classes C, D, and E. We have also affirmed our ratings on MADRID RMBS III's class A2, A3, and B notes.
- Caja de Ahorros y Monte de Piedad De Madrid (Caja Madrid) originated the loans backing both transactions, which closed in 2007.

MADRID (Standard & Poor's) Oct. 1, 2010--Standard & Poor's Ratings Services today placed on CreditWatch positive its credit ratings on MADRID RMBS IV, Fondo de Titulizacion de Activos' class A1, A2, and B notes. At the same time, we affirmed the ratings on Madrid RMBS IV's class C, D, and E notes and MADRID RMBS III, Fondo de Titulizacion de Activos' class A2, A3, and B notes. The ratings on Madrid RMBS III's class C, D, and E notes remain unaffected (see list below).

Today's rating actions follow our credit analysis of both transactions based on information as of Aug. 31, 2010.

In our opinion, the performance and credit enhancement for MADRID RMBS III is commensurate with the current ratings on the notes. Following interest payment defaults on Feb. 24, 2010 and May 22, 2009, we previously lowered the ratings on the class C, D, and E notes to 'D (sf)' (see "Rating Lowered To 'D' On Subordinated Notes In MADRID RMBS III," published on Feb. 24, 2010"). This was because the amount of cumulative defaulted loans over the original note balance reached a certain level, which changed the priority of payments to

## *Ratings Placed On CreditWatch Positive In Spanish RMBS Transaction MADRID RMBS IV*

postpone interest payments to the related class of notes and divert these funds to amortize the most senior class of notes. We have therefore affirmed our ratings on the class A2 and A3 notes. Given that the actual level of cumulative defaults is 15.28% and the trigger for the class B notes is set at 20.30%, we have also affirmed the rating on this class of notes.

Despite the fact that there have previously been a number of reserve draws in Madrid RMBS IV, the reserve fund was partially replenished in August 2010 and now stands at 52% of its current required level. The transaction was restructured in July 2010, which included an increase of the required reserve fund to €145,941,412.31 from €82,560,000.00. Based on this, we have concluded that the credit enhancement is sufficient to maintain the current ratings on the class C, D, and E notes. Given the relatively high level of credit enhancement available for the class A1, A2, and B notes, we have placed them on CreditWatch positive pending a cash flow analysis.

The securitized portfolios of both transactions comprise mortgages granted to individuals for the acquisition of residential properties with a loan-to-value ratio higher than 80%. Caja de Ahorros y Monte de Piedad de Madrid (Caja Madrid) originated the loans.

### RELATED CRITERIA AND RESEARCH

- Rating Lowered To 'D' On Subordinated Notes In MADRID RMBS III, Feb. 24, 2010
- Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Methodology And Assumptions: Update To The Criteria For Rating Spanish Residential Mortgage-Backed Securities, Jan. 6, 2009
- New Issue: Madrid RMBS IV, Fondo de Titulización de Activos, April 14, 2008
- New Issue: Madrid RMBS III, Fondo de Titulización de Activos, Dec. 10, 2007
- Criteria for Rating Spanish Residential Mortgage-Backed Securities, March 1, 2002

Related articles are available on RatingsDirect. Criteria, presales, servicer evaluations, and ratings information 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
MADRID RMBS IV, Fondo de Titulización de Activos €2.4 Billion Mortgage-Backed Floating-Rate Notes	

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RATINGS PLACED ON CREDITWATCH POSITIVE

A1	AA- (sf)/Watch Pos	AA- (sf)
A2	AA- (sf)/Watch Pos	AA- (sf)
B	A- (sf)/Watch Pos	A- (sf)

RATINGS AFFIRMED

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

MADRID RMBS III, Fondo de Titulizacion de Activos  
€3 Billion Mortgage-Backed Floating-Rate Notes

RATINGS AFFIRMED

A2	AA (sf)
A3	AA (sf)
B	B (sf)

RATINGS UNAFFECTED

C	D (sf)
D	D (sf)
E	D (sf)

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