

March 5, 2009

## Ratings Lowered On Class B And C Notes In TDA CAM 10's Spanish RMBS Transaction

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MADRID (Standard & Poor's) March 5, 2009—Standard & Poor's Ratings Services today lowered and removed from CreditWatch negative its credit ratings on the class B and C notes issued by TDA CAM 10, Fondo de Titulizacion de Activos. The ratings on the class A and D notes remain unaffected (see list below).

Today's rating actions follow a full credit and cash flow analysis of the most recent transaction information that we have received. Our analysis showed that the credit enhancement available for TDA CAM 10's class B and C notes is insufficient to maintain the current ratings, due to increased default and loss assumptions.

At 7.62% of the current portfolio, the level of 90+ day delinquencies including defaulted loans is well above the average for other Spanish residential mortgage-backed securities (RMBS) transactions that we rate with a similar seasoning. This level represents a quadrupling of severe delinquencies over the past six months.

The transaction features a structural mechanism that traps excess spread to provide for defaults. Defaults in this transaction are defined as arrears greater than 12 months. Furthermore, when the cumulative default rate in this transaction reaches a certain percentage of the initial collateral balance, the priority of payments changed to stop interest payments to the related class of notes.

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According to the last investor report, the level of cumulative defaults as a percentage of the closing collateral balance was 0.26%. If all loans currently in arrears for more than 90 days were to ultimately become 12 months past due, cumulative defaults would rise to a level of 7.5%. The trigger level for deferral of interest amounts is set at 6.75% for the class C notes.

Recent performance data combined with the portfolio characteristics suggest that delinquencies and defaults will continue to increase over the next few quarters.

The ratings on the class A notes are unaffected by today's actions but remain on CreditWatch negative, where they were placed on Nov. 27, 2008, due to exposure to an 'A-2' rated derivative counterparty (see "Related Research" below). Remedial actions have now been proposed and the issuer has replaced the interest swap counterparty. We are currently in the process of reviewing whether these actions are in line with our counterparty criteria.

The notes, issued in December 2007, are backed by a portfolio of residential mortgage loans secured over properties in Spain. The loans were originated and are serviced by Caja de Ahorros del Mediterráneo (CAM).

RELATED RESEARCH

- Methodology And Assumptions: Update To The Criteria For Rating Spanish Residential Mortgage-Backed Securities (published on Jan. 6, 2009)
- Methodology: Updated Counterparty Criteria For Derivatives: Eligibility Of 'A-2' Counterparties Removed In 'AAA' Transactions (published on Oct. 22, 2008)
- 31 European Securitizations On Watch Neg, 1 Australian Deal Cut Due To 'A-2' Counterparty Risk (published on Nov. 27, 2008)

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	From
	To	
TDA CAM 10, Fondo de Titulizacion de Activos		
€1,423.5 Million Residential Mortgage-Backed Floating-Rate Notes		

Rating Lowered And Removed From CreditWatch Negative

B	BBB-	A-/Watch Neg
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C                      B                                      BBB-/Watch Neg

Ratings Unaffected

A1                      AAA/Watch Neg  
A2                      AAA/Watch Neg  
A3                      AAA/Watch Neg  
A4                      AAA/Watch Neg  
D                        CCC-

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