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Dirección General de Mercados e Inversores  
C/ Edison 4  
Madrid

## **COMUNICACIÓN DE HECHO RELEVANTE**

### **SOL-LION, FONDO DE TITULIZACIÓN DE ACTIVOS Actuaciones sobre las calificaciones de los bonos por parte de Fitch Ratings.**

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 Fitch Ratings, con fecha 13 de mayo de 2014, donde se llevan a cabo las siguientes actuaciones:

- Bono A: **AA-(sf); mantenida la perspectiva de revisión positiva.**
- Bono B: **ascendida a A(sf) desde A-(sf); perspectiva estable.**
- Bono C: **ascendida a BBB(sf) desde BBB-(sf); perspectiva estable.**

En Madrid, a 14 de mayo de 2014

Ramón Pérez Hernández  
Director General



## Fitch Upgrades Sol-Lion, FTA Ratings Endorsement Policy

13 May 2014 12:15 PM (EDT)

Fitch Ratings-London-13 May 2014: Fitch Ratings has upgraded Sol-Lion, FTA's class B and C notes, as follows.

Class A (ISIN ES0317104000) 'AA-sf'; maintained on Rating Watch Positive (RWP)

Class B (ISIN ES0317104018) upgraded to 'Asf' from 'A-sf'; Outlook Stable

Class C (ISIN ES0317104026) upgraded to 'BBBs' from 'BBB-sf'; Outlook Stable

The transaction is a securitisation of residential mortgage loans originated in Spain by ING Direct (now absorbed by ING Bank NV, rated A+/Negative/F1+).

### KEY RATING DRIVERS

#### Solid Asset Performance

The upgrades reflect the continued strong asset performance. As of the latest interest payment date (IPD), three month plus arrears (excluding defaults) stood at 0.4% of the current collateral balances, well below Fitch's Spanish RMBS index of 2.3% as of March 2014. Cumulative gross defaults (defined as loans in arrears by more than 18 months) stood at 0.3% of initial pool balance, much lower than the Fitch's Spanish RMBS index of 4.3%. The transaction's performance can be attributed to the low weighted average current loan to value of 42%, and high seasoning (weighted average seasoning 93 months as of March 2014)

#### Maturity Extensions

Fitch understands that 1.3% of the current outstanding loans have benefited from a maturity extension. To account for the weaker credit profile of these borrowers, Fitch has assumed a higher probability of default on these loans. Despite the additional stresses applied, the credit enhancement (CE) available to the rated tranches was deemed sufficient to withstand higher rating stresses.

#### Sufficient Excess Spread

Under the swap agreement, the issuer receives annualised gross excess spread of 50bps from the guaranteed margin. Although the excess spread level is low, thus far it has been sufficient to fully provision for defaulted loans, leaving the reserve fund fully funded. Given the low pipeline of late-stage arrears, Fitch expects performance to remain stable and thus no reserve fund draw is expected over the coming year. This view is reflected in the Stable Outlook on the class B and C notes.

#### Further Build-up in Credit Enhancement

The notes are currently amortising sequentially and not expected to revert to pro-rata paydown, which combined with fully funded reserve fund, has allowed CE for the class B and C notes to build up to 5.8% and 2.8%, respectively, compared with 4.2% and 2% at close. The analysis showed that the available CE for the class B and C notes is sufficient to withstand higher rating stresses, resulting in the upgrades by one notch to 'Asf' and 'BBBs'

### RATING SENSITIVITIES

All counterparty roles, including collateral servicer, swap provider, and SPV account bank are performed by ING Bank NV. A downgrade of ING Bank NV to below 'A/F1', in the absence of appropriate mitigating actions, could result in negative rating actions on the notes.

The class A notes have been maintained on RWP pending further review of the criteria assumptions for rating scenarios beyond 'AA-sf'.

An increase in defaults and associated pressure on excess spread levels and reserve funds beyond Fitch's expectations could result in negative rating actions.

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Additional information is available at [www.fitchratings.com](http://www.fitchratings.com).

In addition to those mentioned in the applicable criteria, the sources of information used to assess these ratings were Investor and Servicer Reports and loan-by-loan level data provided by Titulizacion de Activos S.G.F.T., S.A.

Fitch's analysis of Representations, Warranties & Enforcement Mechanisms can be found in the special report "Representations, Warranties, and Enforcement Mechanisms in Global Structured Finance Transactions dated 17 April 2012 at [www.fitchratings.com](http://www.fitchratings.com). Individual Representations, Warranties, and Enforcement Mechanism reports are available for all structured finance transactions.

Applicable criteria, 'Global Structured Finance Rating Criteria' dated 24 May 2013, 'Counterparty Criteria for Structured Finance and Covered Bonds' dated 13 May 2013, 'Counterparty Criteria for Structured Finance and Covered Bonds: Derivative Addendum' dated 13 May 2013, 'EMEA Criteria Addendum - Spain- Amended' dated 20 March 2013, 'EMEA Residential Mortgage Loss Criteria' dated 6 June 2013, 'EMEA RMBS Cash Flow Analysis Criteria' dated 6 June 2013, 'EMEA RMBS Master Rating Criteria' dated 6 June 2013 and 'Global Criteria for Lenders' Mortgage Insurance in RMBS' dated 31 July 2013 are available at [www.fitchratings.com](http://www.fitchratings.com).

**Applicable Criteria and Related Research:**

Global Structured Finance Rating Criteria

Counterparty Criteria for Structured Finance and Covered Bonds

Counterparty Criteria for Structured Finance and Covered Bonds: Derivative Addendum

EMEA Criteria Addendum - Spain - Amended

EMEA Residential Mortgage Loss Criteria

EMEA RMBS Cash Flow Analysis Criteria

EMEA RMBS Master Rating Criteria

Global Criteria for Lenders' Mortgage Insurance in RMBS

**Additional Disclosure**

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