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COMUNICACIÓN DE HECHO RELEVANTE

SOL-LION, 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 23 de diciembre de 2014, donde se llevan a cabo las siguientes actuaciones:

- Bono A, **calificación afirmada como AA (sf)**

- Bono B, **calificación subida a A+ (sf) desde A (sf)**

- Bono C, **calificación bajada a BBB (sf) desde A- (sf)**

En Madrid, a 23 de diciembre de 2014

Ramón Pérez Hernández
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RatingsDirect®

Various Rating Actions Taken In Spanish RMBS Transaction SOL-LION Following Criteria Updates

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OVERVIEW

- We have reviewed SOL-LION by conducting our credit and cash flow analysis under our updated Spanish RMBS criteria and our updated criteria for rating single-jurisdiction securitizations above the sovereign foreign currency rating.
- Our updated RAS criteria constrain our ratings on all classes of notes in this transaction.
- Following our review, we have taken various rating actions in the transaction.
- SOL-LION is a Spanish RMBS transaction that securitizes a portfolio of first-ranking residential mortgage loans originated by ING Bank (Madrid Branch).

MADRID (Standard & Poor's) Dec. 23, 2014--Standard & Poor's Ratings Services today took various credit rating actions in SOL-LION, Fondo de Titulizacion de Activos.

Specifically, we have:
- Affirmed our 'AA (sf)' rating on the class A notes;
- Raised to 'A+ (sf)' from 'A (sf)' our rating on the class B notes; and
- Lowered to 'BBB (sf)' from 'A- (sf)' our rating on the class C notes (see list below).

Upon publishing our updated criteria for Spanish residential mortgage-backed securities (RMBS criteria) and our updated criteria for rating

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single-jurisdiction securitizations above the sovereign foreign currency rating (RAS criteria), we placed those ratings that could potentially be affected "under criteria observation" (see "Italian And Spanish RMBS And Covered Bond Program Ratings Placed Under Criteria Observation," and "Italy And Spain RMBS Methodology And Assumptions," both published on Sept. 18, 2014, and "Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance," published on Sept. 19, 2014).

Following our review of this transaction, our ratings that could potentially be affected by the criteria are no longer under criteria observation.

Today's rating actions follow our credit and cash flow analysis of the most recent transaction information that we have received on the November 2014 payment date. Our analysis reflects the application of our RMBS criteria and our RAS criteria.

Under our RAS criteria, we applied a hypothetical sovereign default stress test to determine whether a tranche has sufficient credit and structural support to withstand a sovereign default and so repay timely interest and principal by legal final maturity.

Our RAS criteria designate the country risk sensitivity for RMBS as 'moderate'. Under our RAS criteria, this transaction's notes can therefore be rated four notches above the sovereign rating, if they have sufficient credit enhancement to pass a minimum of a "severe" stress. However, as all six of the conditions in paragraph 48 of the RAS criteria are met, we can assign ratings in this transaction up to a maximum of six notches (two additional notches of uplift) above the sovereign rating, subject to credit enhancement being sufficient to pass an "extreme" stress (see "Understanding Standard & Poor's Rating Definitions," published on June 3, 2009 for our definitions of severe and extreme levels of economic stress).

As our long-term rating on the Kingdom of Spain is 'BBB', our RAS criteria cap at 'AA (sf)' the maximum potential rating in this transaction for the class A notes. The maximum potential rating for all other classes of notes is 'A+ (sf)'.

Credit enhancement has increased for all classes of notes since closing in 2009. This is due to a steady pay down of the collateral and an increase in the reserve fund, following the transaction's restructuration in July 2010.

Class	Available credit enhancement (%)	Credit enhancement at closing (%)
A	9.60	5.50
B	6.30	3.50
C	3.01	1.50

This transaction features an amortizing reserve fund, which currently represents 3.01% of the outstanding performing balance of the mortgage assets.

The reserve has been at its target level since closing.

Total arrears have steadily increased since closing, to 0.68% from 0.00%. However, they remain very low. Severe delinquencies of more than 90 days at 0.40% are lower for this transaction than our Spanish RMBS index (see "Spanish RMBS Index Report Q1 2014: Collateral Performance Continues To Deteriorate Despite Signs Of Economic Recovery," published on June 6, 2014). Defaults in this transaction are defined as loans that are in arrears for more than 18 months. As of the latest interest payment date in November 2014, cumulative defaults were only 0.32% of the initial pool's balance.

SOL-LION has interest deferral triggers, which divert interest in the transaction so that, in bad economic conditions, the more senior notes amortize before the payment of the interest on the subordinated classes of notes. The first interest deferral trigger is set at 7.50% of cumulative defaults over the initial balance. We do not expect the trigger to be breached over the next 18 months because cumulative defaults are still low.

After applying our RMBS criteria to this transaction, our credit analysis results show a decrease in the weighted-average foreclosure frequency (WAFF) and an increase in the weighted-average loss severity (WALS) for each rating level.

Rating level	WAFF (%)	WALS (%)
AAA	9.30	24.50
AA	6.90	20.75
A	5.65	14.71
BBB	4.12	11.70
BB	2.63	9.74
B	2.20	8.08

The decrease in the WAFF is mainly due to the original loan-to-value ratios and the different adjustments that we apply to seasoned loans under our RMBS criteria. The increase in the WALS is mainly due to the application of our revised market value decline assumptions. The overall effect is an increase in the required credit coverage for each rating level.

Following the application of our RAS criteria and our RMBS criteria, we have determined that our assigned rating on each class of notes in this transaction should be the lower of (i) the rating as capped by our RAS criteria and (ii) the rating that the class of notes can attain under our RMBS criteria. In this transaction, the ratings on all classes of notes are constrained by the rating on the sovereign.

We consider that available credit enhancement for the class A notes is sufficient to pass an "extreme" stress and that all six conditions in paragraph 48 of the RAS criteria are met. Consequently, our rating on this class of notes can be a maximum of six notches above the sovereign rating. We have therefore affirmed our 'AA (sf)' rating on the class A notes.

Although the available credit enhancement for the class B notes can also pass an "extreme" stress, our criteria cap the rating on this class of notes at 'A+ (sf)', four notches above the sovereign rating, because not all of the conditions in paragraph 48 of the RAS criteria are met. We have therefore raised to 'A+ (sf)' from 'A (sf)' our rating on the class B notes.

Although the available credit enhancement for the class C notes is commensurate with an 'A- (sf)' rating under our RMBS criteria, it is not sufficient to pass a "severe" stress. Consequently, our rating on this class of notes cannot be rated above the rating on the sovereign. We have therefore lowered to 'BBB (sf)' from 'A- (sf)' our rating on the class C notes.

We also consider credit stability in our analysis (see "Methodology: Credit Stability Criteria," published on May 3, 2010). To reflect moderate stress conditions, we adjusted our WAFF assumptions by assuming additional arrears of 8% for one-year and three-year horizons, for both 30-90 days and 90+ days arrears. This did not result in our rating deteriorating below the maximum projected deterioration that we would associate with each relevant rating level, as outlined in our credit stability criteria.

In our opinion, the outlook for the Spanish residential mortgage and real estate market is not benign and we have therefore increased our expected 'B' foreclosure frequency assumption to 3.33% from 2.00%, when we apply our RMBS criteria, to reflect this view (see "Outlook Assumptions For The Spanish Residential Mortgage Market," published on Sept. 18, 2014). We base these assumptions on our expectation of modest economic growth, continuing high unemployment, and further falls in house prices for the remainder of 2014, which will then level off in 2015.

On the back of improving but still depressed macroeconomic conditions, we don't expect the performance of the transactions in our Spanish RMBS index to improve in 2014.

We expect severe arrears in the portfolio to remain at their current levels, as there are a number of downside risks. These include weak economic growth, high unemployment, and fiscal tightening. On the positive side, we expect interest rates to remain low for the foreseeable future.

ING Bank N.V. (Madrid Branch) (not rated and formerly ING Direct N.V., Spanish Branch) is the servicer, bank account provider, and swap provider. We have applied our criteria for assessing bank branch creditworthiness and we have assumed that the long-term issuer credit rating on ING Bank (Madrid Branch) would be 'A', the same as ING Bank N.V. (see "Assessing Bank Branch Creditworthiness," published on Oct. 14, 2013).

We consider that the downgrade language in the transaction documents mitigates commingling risk in the transaction. As a result, we have not considered commingling risk in our cash flow analysis. ING Bank (Madrid Branch) in its role as the swap provider and bank account provider, does not constrain our ratings on any of the classes of notes.

SOL-LION is a Spanish RMBS transaction, which securitizes a pool of first-ranking mortgage loans originated by ING Bank (Madrid Branch). The mortgage loans are mainly located in the regions of Madrid, Catalonia, and Andalusia, and the transaction comprises loans granted to prime borrowers.

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
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RELATED CRITERIA AND RESEARCH

Related criteria

- Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- Methodology And Assumptions For Ratings Above The Sovereign--Single-Jurisdiction Structured Finance, Sept. 19, 2014
- Italy And Spain RMBS Methodology And Assumptions, Sept. 18, 2014
- Assessing Bank Branch Creditworthiness, Oct. 14 2013
- Methodology Applied To Bank Branch-Supported Transactions, Oct. 14, 2013
- Europe Asset Isolation And Special-Purpose Entity Criteria--Structured Finance, Sept. 13, 2013
- Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- Methodology: Credit Stability Criteria, May 3, 2010
- Understanding Standard & Poor's Rating Definitions, June 3, 2009

Related research

- Standard & Poor's Ratings Definitions, Nov. 20, 2014
- Italian And Spanish RMBS And Covered Bond Program Ratings Placed Under Criteria Observation, Sept. 18, 2014
- Outlook Assumptions For The Spanish Residential Mortgage Market, Sept. 18, 2014
- Credit Conditions: Europe Decelerates (Again) Amid Rising Geopolitical Risks, Sept. 16, 2014
- Ratings Affirmed In Spanish RMBS Transaction SOL-LION Due To Stable Performance, July 25, 2014

- European Structured Finance Scenario And Sensitivity Analysis 2014: The Effects Of The Top Five Macroeconomic Factors, July 8, 2014
- Global Structured Finance Scenario And Sensitivity Analysis: Understanding The Effects Of Macroeconomic Factors On Credit Quality, July 2, 2014
- Spanish RMBS Index Report Q1 2014: Collateral Performance Continues To Deteriorate Despite Signs Of Economic Recovery, June 6, 2014

RATINGS LIST

Class	Rating To	Rating From
SOL-LION, Fondo de Titulizacion de Activos		
€4.5 Billion Mortgage-Backed Floating-Rate Notes		
Rating Affirmed		
A	AA (sf)	
Rating Raised		
B	A+ (sf)	A (sf)
Rating Lowered		
C	BBB (sf)	A- (sf)

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