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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 Global Ratings con fecha 24 de febrero de 2017, donde se llevan a cabo las siguientes actuaciones:

- Bono A, a **AA+ (sf)** desde **AA- (sf)**.
- Bono B, a **BB (sf)** desde **BB- (sf)**.
- Bono C, **confirmado como D (sf)**.

En Madrid, a 12 de abril de 2017

Ramón Pérez Hernández
Consejero Delegado

Ratings Raised On TDA Ibercaja 7's Class A And B Spanish RMBS Notes Following Review; Class C Rating Affirmed

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OVERVIEW

- We have reviewed TDA Ibercaja 7 following stable collateral performance and improved credit enhancement.
- In error, we did not disclose the approach we have taken since our previous review in January 2016, to applying a reduced servicing fee stress to the cash flow analysis for this transaction. We clarify this approach in this article.
- Following our review, we have raised our ratings on the class A and B notes and affirmed our rating on the class C notes.
- TDA Ibercaja 7 is a Spanish RMBS transaction, which closed in December 2009.

MADRID (S&P Global Ratings) Feb. 24, 2017--S&P Global Ratings today raised its credit ratings on TDA Ibercaja 7, Fondo de Titulizacion de Activos' class A and B notes. At the same time, we have affirmed our 'D (sf)' rating on the class C notes (see list below).

Today's rating actions follow our credit and cash flow analysis of the most recent transaction information that we have received and reflect the transaction's structural features, and the application of our relevant criteria (see "Related 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 European residential loans criteria, to reflect this view (see "Outlook Assumptions For The Spanish Residential Mortgage Market," published on June 24, 2016, and "Methodology And Assumptions: Assessing Pools Of European Residential Loans," published on Dec. 23, 2016. On Feb. 6, 2017, we republished these criteria to clarify our approach to the modeling of stressed servicing fees in Spanish transactions in what is now table 74). We base these assumptions on our expectation that economic growth will mildly deteriorate, unemployment will remain high, and the increase in house prices will slow down in 2017 and 2018.

Delinquencies have been historically low, remaining most of the time at below 2.5% of the portfolio's outstanding balance. Cumulative defaults are below 2.0% of the portfolio's closing balance, well below our Spanish residential mortgage-backed securities (RMBS) index (see "Spanish RMBS Index Report Q3 2016 ," published on Dec. 13, 2016).

Ibercaja Banco S.A. (BB+/Positive/B) has a standardized, integrated, and centralized servicing platform. It is a servicer for a large number of Spanish RMBS transactions, and the historical performance of the Ibercaja transactions has outperformed our Spanish RMBS index. We believe that these factors should contribute to the likely lower cost of replacing the servicer, and we have therefore applied a lower floor to the stressed servicing fee, at 35 basis points (bps) instead of 50 bps in our cash flow analysis, in line with table 74 of our European residential loans criteria.

In error, we did not disclose our use of this lower stress since 2016 in the surveillance update we published on this transaction in January 2016. Applying a lower servicing stress has been our approach since 2014 when we determined that, consistent with our criteria for rating certain other European RMBS transactions which exhibit similarly strong asset performance and servicing platforms, we could apply a lower servicing fee stress in our cash flow analyses for certain Spanish RMBS transactions, which meet certain specified conditions. We clarified this approach in our updated European residential loans criteria and in this surveillance update.

Our credit analysis results have improved since our previous review (see " Various Rating Actions Taken In RMBS Transactions TDA Ibercaja 4, 5, 6, And 7 Following Sovereign Upgrade," published on Jan. 27, 2016). This is due to the higher seasoning of the pool and the lower current loan-to-value (LTV) ratio.

The notes are amortizing sequentially, increasing the transaction's available credit enhancement. The reserve fund has been subject to slight draws, and totals 99% of its required amount.

Banco Santander S.A. is the swap counterparty. The hedge agreement mitigates basis risk arising from the different indexes between the securitized assets and the notes. The swap counterparty pays to the issuer three-month Euro Interbank Offered Rate (EURIBOR) over the balance that the issuer receives, plus a margin of 65 bps, plus the servicing fees (if the servicer is replaced). Under our current counterparty criteria, we give benefit to this swap counterparty in our analysis at rating levels up to our long-term issuer-credit rating (ICR) on the corresponding swap counterparty (see " Counterparty Risk Framework Methodology And Assumptions," published on June 25, 2013). At higher levels, we model the basis risk as unhedged.

Under our structured finance ratings above the sovereign criteria (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 (see "Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions," published on Aug. 8, 2016).

Following the application of our relevant 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 European residential loans criteria.

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 weighted-average foreclosure frequency assumptions by assuming additional arrears of 8% for one-year and three-year horizons, for 30-90 days arrears, and 90+ days arrears. This did not result in our ratings deteriorating below the maximum projected deterioration that we would associate with each relevant rating level, as outlined in our credit stability criteria.

Taking into account the results of our credit and cash flow analysis, the application of our criteria, and the transaction's counterparties, we consider that the class A notes are able to withstand stresses at six notches above the rating on the sovereign without giving benefit to the swap counterparty. Therefore, our rating on the class A notes is delinked from our long-term ICR on Banco Santander. The available credit enhancement for the class B notes is commensurate with a higher rating than that currently assigned. We have therefore raised our ratings on these classes of notes. We have affirmed our 'D (sf)' rating on the class C notes because it continues to experience interest shortfalls.

TDA Ibercaja 7 is a Spanish RMBS transaction, which closed in December 2009. Ibercaja Banco originated the pool, which comprises loans granted to prime borrowers secured over residential properties in Spain.

RELATED CRITERIA

- Criteria - Structured Finance - General: Methodology And Assumptions: Assessing Pools Of European Residential Loans, Dec. 23, 2016
- Criteria - Structured Finance - General: Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions, Aug. 08, 2016
- Criteria - Structured Finance - General: Methodology: Criteria For Global Structured Finance Transactions Subject To A Change In Payment Priorities Or Sale Of Collateral Upon A Nonmonetary EOD, March 02, 2015
- Criteria - Structured Finance - General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 09, 2014
- General Criteria: Methodology Applied To Bank Branch-Supported Transactions, Oct. 14, 2013
- Criteria - Structured Finance - General: Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Criteria - Structured Finance - General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- General Criteria: Methodology: Credit Stability Criteria, May 03, 2010
- Criteria - Structured Finance - General: Standard & Poor's Revises Criteria Methodology For Servicer Risk Assessment, May 28, 2009

RELATED RESEARCH

- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- Spanish RMBS Index Report Q3 2016, Dec. 13, 2016
- Kingdom of Spain 'BBB+/A-2' Ratings Affirmed; Outlook Stable, Sept. 30, 2016
- Low Lending Rates Keep Europe's Housing Markets' Recovery On Track, Aug. 4, 2016
- Outlook Assumptions For The Spanish Residential Mortgage Market, June 24, 2016
- Various Rating Actions Taken In RMBS Transactions TDA Ibercaja 4, 5, 6, And 7 Following Sovereign Upgrade, Jan. 27, 2016
- 2015 EMEA RMBS Scenario And Sensitivity Analysis, Aug. 6, 2015

RATINGS LIST

Class	Rating	
	To	From

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

Ratings Raised

A	AA+ (sf)	AA- (sf)
B	BB (sf)	BB- (sf)

Rating Affirmed

C	D (sf)