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COMUNICACIÓN DE HECHO RELEVANTE

MADRID RMBS III, FONDO DE TITULIZACIÓN DE ACTIVOS
Actuaciones sobre las calificaciones de los bonos por parte de Moody's Investors Service.

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

I. Respecto al Fondo arriba mencionado adjuntamos nota de prensa publicada por Moody's Investors Service el día 30 de mayo de 2013, donde se lleva a cabo la siguiente actuación:

- Bono A2, de **Baa1 (sf) / en revisión para bajada de calificación** a **Baa3 (sf).**

- Bono A3, de **Baa1 (sf) / en revisión para bajada de calificación** a **Baa3 (sf).**

- Bono B, de **B1 (sf) / en revisión para bajada de calificación** a **B3 (sf).**

En Madrid a 31 de mayo de 2013

Ramón Pérez Hernández
Director General

MOODY'S
INVESTORS SERVICE

Rating Action: Moody's downgrades seven notes, confirms one note and upgrades one note in four Spanish RMBS transactions

Global Credit Research - 30 May 2013

London, 30 May 2013 -- Moody's Investors Service has today downgraded the ratings of seven notes, confirmed the rating of one note and upgraded the rating of one note in four Spanish residential mortgage-backed securities (RMBS) transactions: Hipotebansa X, Hipotebansa XI, Madrid RMBS III and Madrid RMBS IV. Insufficiency of credit enhancement to address sovereign risk and revision of key collateral assumptions have prompted today's downgrade action.

Today's rating action concludes the review of eight notes placed on review on 23 November 2012, following Moody's revision of key collateral assumptions for the entire Spanish RMBS market. This rating action also concludes the review of one note placed on review on 2 July 2012, following Moody's downgrade of Spanish government bond ratings to Baa3 from A3 on 13 June 2012.

For a detailed list of affected ratings, see towards the end of the ratings rationale section.

RATINGS RATIONALE

Today's rating action primarily reflects the insufficiency of credit enhancement to address sovereign risk and revision of key collateral assumptions. Moody's confirmed the ratings of securities whose credit enhancement and structural features provided enough protection against sovereign risk, counterparty risk and revision of collateral assumptions.

The determination of the applicable credit enhancement driving today's rating actions reflects the introduction of additional factors in Moody's analysis to better measure the impact of sovereign risk on structured finance transactions (see "Structured Finance Transactions: Assessing the Impact of Sovereign Risk", 11 March 2013). This report is available on www.moodys.com and can be accessed via the following link http://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBS_SF319988

-- Additional Factors Better Reflect Increased Sovereign Risk

Moody's has supplemented its analysis to determine the loss distribution of securitised portfolios with two additional factors, the maximum achievable rating in a given country (the local currency country risk ceiling) and the applicable portfolio credit enhancement for this rating. With the introduction of these additional factors, Moody's intends to better reflect increased sovereign risk in its quantitative analysis, in particular for mezzanine and junior tranches.

The Spanish country ceiling, and therefore the maximum rating that Moody's will assign to a domestic Spanish issuer including structured finance transactions backed by Spanish receivables, is A3. Moody's Individual Loan Analysis Credit Enhancement (MILAN CE) represents the required credit enhancement under the senior tranche for it to achieve the country ceiling. By lowering the maximum achievable rating for a given MILAN, the revised methodology alters the loss distribution curve and implies an increased probability of high loss scenarios.

--Revision of Key Collateral Assumptions

During its review Moody's increased its Milan assumption in Madrid RMBS III and Madrid RMBS IV to 40% and 35% respectively. The revised Milan CE reflect the exposure to high LTV loans, loans originated by broker and loans to non-Spanish residents. Moody's maintained the current MILAN CE assumptions of 10% in Hipotebansa X and Hipotebansa XI.

In all four transactions, Moody's maintained the Expected Loss assumptions at 0.50%, 0.40% , 14% and 10% of original pool balance in Hipotebansa X, Hipotebansa XI, Madrid RMBS III and Madrid RMBS IV respectively.

-- Amortization of senior notes in Madrid RMBS III and Madrid RMBS IV

In Madrid RMBS III and Madrid RMBS IV, the class A notes are currently amortizing sequentially. In Madrid RMBS IV, sequential amortization reverts to pro-rata if the outstanding amount of loans more than 12 months in arrears (net of recoveries) exceeds 25% of the original notes balance. In Madrid RMBS III, the sequential amortization reverts to pro-rata if the cumulative amount of defaulted loans exceeds 25% of the original notes balance.

In Madrid RMBS IV, the outstanding balance of defaulted loans, net of recoveries, represents currently 7.51% of original pool balance, well below the trigger level. Under the current expected loss assumptions, Moody's does not expect this trigger to be breached in Madrid RMBS IV. As a result, Class A1 is expected to be repaid in priority to Class A2 in most of the default scenarios, and therefore Moody's has upgraded to A3 (sf) the rating for the Class A1.

In Madrid RMBS III, the cumulative amount of defaulted loans represents currently 19.22% of original pool balance compared to a 25% trigger level. Under the current expected loss assumptions, Moody's believes it is very likely that the trigger will be breached. Moody's rates both senior notes Baa3 (sf) given that Class A2 is expected to be repaid pro-rata with Class A3 in several default scenarios.

-- Different support provided by the reserve funds in Hipotebansa X and XI

The cashflows structures in Hipotebansa X and XI are similar, but the use of the reserve fund is different. The reserve funds in Hipotebansa X, supporting the A and B notes respectively, are to be used to guarantee timely payment to the swaps, the interests on the notes and can also be used to offset any principal losses on the final maturity of the notes. However, in Hipotebansa XI, the reserve funds is similar to a liquidity reserve as it is used to guarantee due payment of interest on the swap agreement of notes. The different support provided by the reserve funds in Hipotebansa X and XI contributes to different notes rating migration in both deals.

-- Exposure to Counterparty Risk

The conclusion of Moody's rating review takes into consideration the exposure to Bankia (Ba2, NP, uncertain) acting as collection account bank in Madrid RMBS III and Madrid RMBS IV. The revised ratings were not affected by the current exposure to this counterparty.

Moody's rating action takes into consideration the exposure to Banco Santander (Baa2/P2), the swap counterparty in Hipotebansa X and Hipotebansa XI and the exposure to Banco Bilbao Vizcaya Argentaria (Baa3/P3) acting as swap counterparty in Madrid RMBS IV. The rating agency has assessed the probability and effect of a default of the swap counterparties on the ability of the issuer to meet its obligations under the transactions. Additionally, Moody's has examined the effect of the loss of any benefit from the swap and any obligation the issuer may have to make a termination payment. In conclusion, these factors are not negatively affect the rating on the notes.

-- Other Developments May Negatively Affect the Notes

In consideration of Moody's new adjustments, any further sovereign downgrade would negatively affect structured finance ratings through the application of the country ceiling or maximum achievable rating, as well as potentially increased portfolio credit enhancement requirements for a given rating.

As the euro area crisis continues, the ratings of structured finance notes remain exposed to the uncertainties of credit conditions in the general economy. The deteriorating creditworthiness of euro area sovereigns as well as the weakening credit profile of the global banking sector could further negatively affect the ratings of the notes.

Moody's describes additional factors that may affect the ratings in "Approach to Assessing Linkage to Swap Counterparties in Structured Finance Cashflow Transactions: Request for Comment" (http://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBS_SF289772), both published on 2 July 2012.

METHODOLOGIES

The methodologies used in these ratings were "Moody's Approach to Rating RMBS Using the MILAN Framework" published in May 2013 and "The Temporary Use of Cash in Structured Finance Transactions: Eligible Investment and Bank Guidelines" published in March 2013. Please see the Credit Policy page on www.moodys.com for a copy of these methodologies.

In reviewing these transactions, Moody's used its cash flow model, ABSROM, to determine the loss for each tranche. The cash flow model evaluates all default scenarios that are then weighted considering the probabilities of the lognormal distribution assumed for the portfolio default rate. In each default scenario, Moody's calculates the corresponding loss for each class of notes given the incoming cash flows from the assets and the outgoing payments to third parties and noteholders. Therefore, the expected loss for each tranche is the sum product of (1) the probability of occurrence of each default scenario and (2) the loss derived from the cash flow model in each default scenario for each tranche.

As such, Moody's analysis encompasses the assessment of stressed scenarios.

In the context of the rating review, the transactions have been remodeled and some inputs have been adjusted to reflect the new approach described above.

LIST OF AFFECTED RATINGS

Issuer: HIPOTEBANSA 11 FONDO DE TITULIZACION DE ACTIVOS

....EUR1040.8M A Notes, Downgraded to Baa2 (sf); previously on Nov 23, 2012 Downgraded to Baa1 (sf) and Remained On Review for Possible Downgrade

....EUR21.2M B Notes, Downgraded to Caa1 (sf); previously on Nov 23, 2012 Downgraded to Baa3 (sf) and Remained On Review for Possible Downgrade

Issuer: HIPOTEBANSA X, FONDO DE TITULIZACION DE ACTIVOS

....EUR898.7M A Notes, Confirmed at Baa1 (sf); previously on Nov 23, 2012 Downgraded to Baa1 (sf) and Remained On Review for Possible Downgrade

....EUR18.3M B Notes, Downgraded to Ba3 (sf); previously on Nov 23, 2012 Downgraded to Baa2 (sf) and Remained On Review for Possible Downgrade

Issuer: Madrid RMBS III, FONDO DE TITULIZACION DE ACTIVOS

....EUR1575M A2 Notes, Downgraded to Baa3 (sf); previously on Nov 23, 2012 Downgraded to Baa1 (sf) and Remained On Review for Possible Downgrade

....EUR497M A3 Notes, Downgraded to Baa3 (sf); previously on Nov 23, 2012 Downgraded to Baa1 (sf) and Remained On Review for Possible Downgrade

....EUR55.5M B Notes, Downgraded to B3 (sf); previously on Jul 2, 2012 B1 (sf) Placed Under Review for Possible Downgrade

Issuer: MADRID RMBS IV, FONDO DE TITULIZACION DE ACTIVOS

....EUR1351.2M A1 Notes, Upgraded to A3 (sf); previously on Nov 23, 2012 Downgraded to Baa1 (sf) and Remained On Review for Possible Downgrade

....EUR835.2M A2 Notes, Downgraded to Baa2 (sf); previously on Nov 23, 2012 Downgraded to Baa1 (sf) and Remained On Review for Possible Downgrade

REGULATORY DISCLOSURES

Moody's did not receive or take into account a third-party assessment on the due diligence performed regarding the underlying assets or financial instruments related to the monitoring of these transactions in the past six months.

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

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