

December 16, 2008

Ratings Lowered On MADRID RMBS IV's Class C, D, And E Notes

Surveillance Credit Analyst:

Rocio Romero Castillo, Madrid (34) 91-389-6968; rocio_romero@standardandpoors.com

MADRID (Standard & Poor's) Dec. 16, 2008—Standard & Poor's Ratings Services today lowered and removed from CreditWatch negative its credit ratings on the class D and E notes issued by MADRID RMBS IV, Fondo de Titulizacion de Activos.

At the same time, the rating on the class B notes was placed on CreditWatch negative, and the rating on the class C notes was lowered and kept on CreditWatch negative. We also affirmed the rating on the class A notes (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. The results of our analysis showed that the credit enhancement available for Madrid RMBS IV's class C to E notes was insufficient to maintain the current ratings.

The notes, issued in December 2007, are backed by portfolio of residential mortgage loans secured over residential properties in Spain. The loans were originated and are serviced by Caja de Ahorros y Monte de Piedad de Madrid (A+/Negative/A-1).

At 9.60% of the current pool, the level of 90+ day delinquencies less than a year after closing is well above the average for other Spanish residential mortgage-backed securities (RMBS) transactions with a similar seasoning. In our view, the combination of the relatively high level of 90+ day delinquencies and the limited equity in those loans is likely to lead to further defaults and potentially reduced recoveries.

Defaults in this transaction are defined as arrears greater than 12 months. Given the limited time elapsed, cumulative defaults as a percentage of the initial collateral balance is only 0.12%. The transaction features a structural mechanism that traps excess spread to provision for defaults. As a result of this structural feature, the transaction drew €3.3 million of its cash reserve on the latest interest payment date. Given the current high level of severe delinquencies in the transaction, we think further drawings under the cash reserve are likely going forward.

Interest will be deferred on class E, and only paid after amortization of the senior classes, when cumulative defaults reach 8.19% of the initial balance. The relative likelihood of nonpayment of interest was considered in our analysis.

Further information on this transaction is available to subscribers of RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at www.ratingsdirect.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) 495-783-4017.

RATINGS LIST

MADRID RMBS IV, Fondo de Titulizacion de Activos
€2.4 Billion Mortgage-Backed Floating-Rate Notes

Class	To	Rating	From
-------	----	--------	------

RATINGS LOWERED AND REMOVED FROM CREDITWATCH NEGATIVE

D	BB		BBB/Watch Neg
E	B		BB/Watch Neg

RATING LOWERED AND KEPT ON CREDITWATCH NEGATIVE

C	A-/Watch Neg		A/Watch Neg
---	--------------	--	-------------

RATINGS PLACED ON CREDITWATCH NEGATIVE

B	AA/Watch Neg		AA
---	--------------	--	----

RATINGS AFFIRMED

A1	AAA		
A2	AAA		

Additional Contact:

Structured Finance Europe; StructuredFinanceEurope@standardandpoors.com

Copyright © 2008 Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (S&P). S&P and/or its third party licensors have exclusive proprietary rights in the data or information provided herein. This data/information may only be used internally for business purposes and shall not be used for any unlawful or unauthorized purposes. Dissemination, distribution or reproduction of this data/information in any form is strictly prohibited except with the prior written permission of S&P. Because of the possibility of human or mechanical error by S&P, its affiliates or its third party licensors, S&P, its affiliates and its third party licensors do not guarantee the accuracy, adequacy, completeness or availability of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. S&P GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall S&P, its affiliates and its third party licensors be liable for any direct, indirect, special or consequential damages in connection with subscriber's or others use of the data/information contained herein. Access to the data or information contained herein is subject to termination in the event any agreement with a third-party of information or software is terminated.

Analytic services provided by Standard & Poor's Ratings Services (Ratings Services) are the result of separate activities designed to preserve the independence and objectivity of ratings opinions. The credit ratings and observations contained herein are solely statements of opinion and not statements of fact or recommendations to purchase, hold, or sell any securities or make any other investment decisions. Accordingly, any user of the information contained herein should not rely on any credit rating or other opinion contained herein in making any investment decision. Ratings are based on information received by Ratings Services. Other divisions of Standard & Poor's may have information that is not available to Ratings Services. Standard & Poor's has established policies and procedures to maintain the confidentiality of non-public information received during the ratings process.

Ratings Services receives compensation for its ratings. Such compensation is normally paid either by the issuers of such securities or third parties participating in marketing the securities. While Standard & Poor's reserves the right to disseminate the rating, it receives no payment for doing so, except for subscriptions to its publications. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

Any Passwords/user IDs issued by S&P to users are single user-dedicated and may ONLY be used by the individual to whom they have been assigned. No sharing of passwords/user IDs and no simultaneous access via the same password/user ID is permitted. To reprint, translate, or use the data or information other than as provided herein, contact Client Services, 55 Water Street, New York, NY 10041; (1)212.438.9823 or by e-mail to: research_request@standardandpoors.com.