

**Hecho Relevante de**

**HIPOCAT 10, Fondo de Titulización de Activos**

Se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES el presente hecho relevante:

- La Agencia de Calificación **Standard & Poor's**, con fecha 24 de marzo de 2011, comunica que ha tomado las siguientes decisiones respecto a la calificación asignada a las Series de Bonos emitidos por **HIPOCAT 10, Fondo de Titulización de Activos**:
- Rating Affirmed:
  - **Serie C:**           **D** (anterior D)
  - **Serie D:**           **D** (anterior D)
- Rating Kept on creditwatch negative:
  - **Serie A4:**       **AAA Watch neg.** (anterior AAA Watch neg.)
- Rating lowered and Kept on creditwatch negative:
  - **Serie A2:**       **AA Watch neg.** (anterior AAA Watch neg.)
  - **Serie A3:**       **AA Watch neg.** (anterior AAA Watch neg.)
- Rating lowered:
  - **Serie B:**       **CCC-** (anterior CCC Watch neg.)

Adjuntamos la comunicación emitida por Standard & Poor's.

Barcelona, 28 de marzo de 2011

Carles Fruns Moncunill  
*Director General*

## Various Rating Actions Taken On Spanish RMBS Transactions Hipocat 10 And 11

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### OVERVIEW

- We placed or kept our ratings on six Hipocat Spanish RMBS deals on CreditWatch negative in July 2010 due to potential reporting issues for this shelf of transactions. As of today, and after having received updated and what we believe correct information, we are in a position to resolve the CreditWatch negative placement on the affected notes.
- We received confirmation from the trustee that the underestimation affected Hipocat 10 and 11, and as a consequence we downgraded them in July 2010.
- Today, following a credit analysis, we have affirmed our ratings in Hipocat 11 and, based on a further deterioration of the performance of the assets securitized, we have lowered our ratings on classes A2, A3, and B in Hipocat 10.
- Our rating on Hipocat 10's class A4 notes is unchanged, as their legal final maturity will be in April 2012.
- At the same time, we have kept the affected classes of notes on CreditWatch negative due to counterparty exposure.
- Hipocat 10 and 11 are Spanish RMBS transactions that securitize loans originated by CatalunyaCaixa.

LONDON (Standard & Poor's) March 24, 2011--Standard & Poor's Ratings Services today took various rating actions on Hipocat 10, Fondo de Titulización de Activos and Hipocat 11, Fondo de Titulización de Activos.

Specifically, we have:

- Lowered our ratings on Hipocat 10's class A2, A3, and B notes, and kept

classes A2 and A3 on CreditWatch negative due to our updated counterparty criteria;

- Affirmed our ratings on Hipocat 10's class C and D notes, and left the ratings on the class A4 notes unchanged, but kept them on CreditWatch negative due to our updated counterparty criteria; and
- Affirmed our ratings on Hipocat 11's class A2, A3, B, C, and D notes (see list below).

In July 2010, we placed or kept our ratings in six Hipocat Spanish RMBS deals on CreditWatch negative because of reporting issues that resulted from, what we understood, incorrectly reported cumulative defaults in two of the Hipocat transactions (see below) by the trustee.

Since July 2010, we have had several conversations with the trustee and the originator: We have gone with them through the detailed information that they provided and have received written confirmation on the accuracy of the data that they have given to us. Following these discussions and confirmation, we were able to conclude that the error was limited to Hipocat 10 and 11, and that the rest of the Hipocat deals that we rate are not affected. As a result, we understand that the updated performance information we have received is correct, and we are able today to run our credit and cash flow models with the updated data from the trustee.

Today's rating actions follow a credit review of the Hipocat 10 and 11 transactions and are due to a combination of negative factors and stresses on the transactions.

The performance deterioration and special characteristics of the assets securitized--with a level of defaulted loans (defined as loans in arrears for more than 18 months) over the total outstanding balance of the pool of 1.11% in Hipocat 10 and 1.74% in Hipocat 11, both in January 2011--are not offset by a potential increase in credit enhancement; This is because, despite the seasoning of these transactions, in both cases the reserve funds have fully been depleted.

Moreover, both transactions are experiencing a lack of amortization in the most senior notes. In the case of Hipocat 10, the class A4 notes are not affected and all the amounts due to be paid are being held in an amortization account until April 2012, which will be the final legal maturity of these notes.

These transactions include a deferral-of-interest trigger for the subordinated notes, based on cumulative defaults as a percentage of the initial collateral balance. The current cumulative default levels and trigger levels (both as a percentage of the initial collateral balance), taking into account the updated information that we have received from the trustee so far, are as follows:

HIPOCAT 10

- Current cumulative default level: 9.01% on the January 2011 payment date, up from 6.59% a year before.

- Trigger levels: Class B (11%) and class C (7%).

The trigger for the class C notes has been hit since the April 2010 payment date and because of this, interest on this class is deferred until after the amortization of principal, and as a consequence the notes have defaulted.

The trigger for the class B notes has not been hit yet, but given the increasing trend of cumulative defaults, in our opinion it is likely that it will be hit in the near future.

#### HIPOCAT 11

- Current cumulative default level: 14.79% on the January 2011 payment date, up from 10.25% a year before.
- Trigger levels: Class B (13.20%) and class C (8.90%).

The trigger for both the class C and B notes have been hit since the January 2010 and October 2010 payment dates, respectively. Because of this, interests on these classes have been deferred until after the amortization of principal, and as a consequence the notes have defaulted.

Taking into account the portfolios' credit deterioration and applying our cash flow analysis to the outstanding capital structure, we have taken today's rating actions on the affected classes.

The two transactions' collateral pools comprise the first draws of credit lines granted to individuals to buy a residential property. The first draw ranks pari passu with subsequent draws, which can increase the amount drawn up to a maximum amount that represents 80% of the original property value at loan origination. Additionally, if the performance of the borrower is strong enough and none of his products with CatalunyaCaixa is in arrears, this product may have a principal and payment holiday option of 12 consecutive months, with a maximum period of 36 months. We have stressed these features in our analysis.

On Jan. 18, 2011, we updated the CreditWatch status of the ratings on these classes of notes when our updated counterparty criteria became effective (see "EMEA Structured Finance CreditWatch Actions In Connection With Revised Counterparty Criteria").

The class A2, A3, and A4 notes in Hipocat 10 will remain on CreditWatch negative for counterparty reasons.

Regarding exposure to heightened counterparty risk, some existing transaction documentation may no longer satisfy our counterparty criteria. We will review this documentation and we intend to resolve this element of the CreditWatch placement before the criteria's transition date of July 18, 2011 (see "Counterparty and Supporting Obligations Methodology and Assumptions," published Dec. 6, 2010).

Hipocat 10 and 11 are Spanish residential mortgage-backed securities (RMBS) transactions that securitize loans originated by CatalunyaCaixa, a Spanish

savings bank whose home market is established in the Catalunya region. The transactions closed in July 2006 and March 2007, respectively.

RELATED CRITERIA AND RESEARCH

- Principles Of Credit Ratings, Feb. 16, 2011
- EMEA Structured Finance CreditWatch Actions In Connection With Revised Counterparty Criteria, Jan. 18, 2011
- Counterparty and Supporting Obligations Methodology and Assumptions, Dec. 6, 2010
- Five Hipocat Spanish RMBS Deals On CreditWatch Negative Due To Operational Issues In the Transaction Reports, July 15, 2010
- Criteria For Rating Spanish Residential Mortgage-Backed Securities, March 1, 2002
- Methodology And Assumptions: Update To The Criteria For Rating Spanish Residential Mortgage-Backed Securities, Jan. 6, 2009
- Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Update To The Cash Flow Criteria For European RMBS Transactions, Jan. 6, 2009
- Cash Flow Criteria For European RMBS Transactions, Nov. 20, 2003

Related articles are available on RatingsDirect. Criteria, presales, servicer evaluations, and ratings information can also be found on Standard & Poor's Web site at [www.standardandpoors.com](http://www.standardandpoors.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) 495-783-4011.

RATINGS LIST

Class	To	Rating	From
Hipocat 10, Fondo de Titulización de Activos			
€1.526 Billion Residential Mortgage-Backed Floating-Rate Notes			

RATINGS AFFIRMED

C	D (sf)
D	D (sf)

RATING KEPT ON CREDITWATCH NEGATIVE

A4	AAA (sf)/Watch Neg	AAA (sf)/Watch Neg
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RATINGS LOWERED AND KEPT ON CREDITWATCH NEGATIVE

A2	AA (sf)/Watch Neg	AAA (sf)/Watch Neg
A3	AA (sf)/Watch Neg	AAA (sf)/Watch Neg

RATING LOWERED

B	CCC- (sf)	CCC (sf)/Watch Neg
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*Various Rating Actions Taken On Spanish RMBS Transactions Hipocat 10 And 11*

Hipocat 11, Fondo de Titulización de Activos

€1.628 Billion Residential Mortgage-Backed Floating-Rate Notes

RATINGS AFFIRMED AND REMOVED FROM CREDITWATCH NEGATIVE

A2 BBB-(sf) BBB-(sf)/Watch Neg

A3 BBB-(sf) BBB-(sf)/Watch Neg

RATINGS AFFIRMED

B D (sf)

C D (sf)

D D (sf)

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