

Otra Información relevante de

HIPOCAT 8 FONDO DE TITULIZACIÓN DE ACTIVOS

En virtud de lo establecido en el Folleto Informativo de **HIPOCAT 8, FONDO DE TITULIZACIÓN DE ACTIVOS** (el “Fondo”) se comunica a la COMISIÓN NACIONAL DEL MERCADO DE VALORES la presente información relevante:

La Agencia de Calificación **Fitch Ratings** (“Fitch”), con fecha 21 de agosto de 2020, comunica que ha afirmado las calificaciones asignadas a las siguientes Series de Bonos emitidos por el Fondo:

- **Serie A2: A+sf**, perspectiva estable
- **Serie B: A+sf**, perspectiva estable
- **Serie C: A+sf**, perspectiva estable
- **Serie D: BBsf**, perspectiva estable

Se adjunta la comunicación emitida por Fitch.

Madrid, 22 de septiembre de 2020.



## Additional Rating Details

RATED ENTITY / DEBT	RATING TYPE	RATING	RATING ACTION	DATE	IDENTIFIERS	OTHER DETAILS	CONTACTS
DEAL: Hipocat 6, FTA CLASS: Class A	Long Term Rating	AAAsf Rating Outlook Stable PRIOR: AAAsf Rating Outlook Stable	Affirmed	21-Aug-2020 PRIOR: 27-Feb-2020	ISIN: ES0345782009	COUNTRY: SPAIN SECTOR: Prime RMBS CURRENCY: EUR ORIG BALANCE: 787.600.000	Surveillance Rating Analyst Ricardo Garcia Carmona
DEAL: Hipocat 6, FTA CLASS: Class B	Long Term Rating	AAAsf Rating Outlook Negative PRIOR: AAAsf Rating Outlook Stable	Affirmed	21-Aug-2020 PRIOR: 27-Feb-2020	ISIN: ES0345782017	COUNTRY: SPAIN SECTOR: Prime RMBS CURRENCY: EUR ORIG BALANCE: 15.700.000	Surveillance Rating Analyst Ricardo Garcia Carmona
DEAL: Hipocat 6, FTA CLASS: Class C	Long Term Rating	A+sf Rating Watch Negative PRIOR: A+sf	Rating Watch Maintained	21-Aug-2020 PRIOR: 16-Apr-2020	ISIN: ES0345782025	COUNTRY: SPAIN SECTOR: Prime RMBS CURRENCY: EUR ORIG BALANCE: 34.000.000	Surveillance Rating Analyst Ricardo Garcia Carmona
DEAL: Hipocat 7, FTA CLASS: Class A2	Long Term Rating	AAAsf Rating Outlook Stable PRIOR: AAAsf Rating Outlook Stable	Affirmed	21-Aug-2020 PRIOR: 11-Mar-2020	ISIN: ES0345783015	COUNTRY: SPAIN SECTOR: Prime RMBS CURRENCY: EUR ORIG BALANCE: 1.148.300.000	Surveillance Rating Analyst Ricardo Garcia Carmona
DEAL: Hipocat 7, FTA CLASS: Class B	Long Term Rating	AAAsf Rating Outlook Stable PRIOR: AAAsf	Affirmed	21-Aug-2020 PRIOR: 11-Mar-2020	ISIN: ES0345783023	COUNTRY: SPAIN SECTOR: Prime RMBS CURRENCY: EUR ORIG BALANCE: 21.700.000	Surveillance Rating Analyst Ricardo Garcia Carmona
DEAL: Hipocat 7, FTA CLASS: Class C	Long Term Rating	A+sf Rating Outlook Stable PRIOR: A+sf	Affirmed	21-Aug-2020 PRIOR: 11-Mar-2020	ISIN: ES0345783031	COUNTRY: SPAIN SECTOR: Prime RMBS CURRENCY: EUR ORIG BALANCE: 42.000.000	Surveillance Rating Analyst Ricardo Garcia Carmona
DEAL: Hipocat 7, FTA CLASS: Class D	Long Term Rating	BBB+sf Rating Outlook Stable PRIOR: BBB+sf	Affirmed	21-Aug-2020 PRIOR: 11-Mar-2020	ISIN: ES0345783049	COUNTRY: SPAIN SECTOR: Prime RMBS CURRENCY: EUR ORIG BALANCE: 28.000.000	Surveillance Rating Analyst Ricardo Garcia Carmona

DEAL: Hipocat 8, FTA CLASS: Class A2	Long Term Rating	A+sf Rating Outlook Stable PRIOR: A+sf Rating Outlook Stable	Affirmed	21-Aug-2020 PRIOR: 27-Feb- 2020	ISIN: ES0345784013	COUNTRY: SPAIN SECTOR: Prime RMBS CURRENCY: EUR ORIG BALANCE: 1.155.500.000	Surveillance Rating Analyst Ricardo Garcia Carmona
DEAL: Hipocat 8, FTA CLASS: Class B	Long Term Rating	A+sf Rating Outlook Stable PRIOR: A+sf Rating Outlook Stable	Affirmed	21-Aug-2020 PRIOR: 27-Feb- 2020	ISIN: ES0345784021	COUNTRY: SPAIN SECTOR: Prime RMBS CURRENCY: EUR ORIG BALANCE: 26.200.000	Surveillance Rating Analyst Ricardo Garcia Carmona
DEAL: Hipocat 8, FTA CLASS: Class C	Long Term Rating	A+sf Rating Outlook Stable PRIOR: A+sf	Affirmed	21-Aug-2020 PRIOR: 27-Feb- 2020	ISIN: ES0345784039	COUNTRY: SPAIN SECTOR: Prime RMBS CURRENCY: EUR ORIG BALANCE: 35.600.000	Surveillance Rating Analyst Ricardo Garcia Carmona
DEAL: Hipocat 8, FTA CLASS: Class D	Long Term Rating	BBsf Rating Outlook Stable PRIOR: BBsf	Affirmed	21-Aug-2020 PRIOR: 27-Feb- 2020	ISIN: ES0345784047	COUNTRY: SPAIN SECTOR: Prime RMBS CURRENCY: EUR ORIG BALANCE: 32.700.000	Surveillance Rating Analyst Ricardo Garcia Carmona



## RATING ACTION COMMENTARY

# Fitch Takes Rating Actions on 3 Spanish Hipocat FTA RMBS

Fri 21 Aug, 2020 - 9:46 ET

Fitch Ratings - Madrid - 21 Aug 2020: Fitch Ratings has taken multiple rating actions on three Hipocat FTA RMBS transactions in Spain, including affirming 10 tranches and removing five of them from Rating Watch Negative (RWN). A full list of rating actions is below.

### RATING ACTIONS

ENTITY/DEBT	RATING			PRIOR
Hipocat 6, FTA				
● Class A ES0345782009	LT	AAAsf Rating Outlook Stable	Affirmed	AAAsf Rating Outlook Stable
● Class B ES0345782017	LT	AAAsf Rating Outlook Negative	Affirmed	AAAsf Rating Outlook Stable
● Class C ES0345782025	LT	A+sf Rating Watch Negative	Rating Watch Maintained	A+sf Rating Watch Negative

[VIEW ADDITIONAL RATING DETAILS](#)

BBB+



## TRANSACTION SUMMARY

The transactions comprise residential mortgages originated by Catalunya Banc S.A. (now part of Banco Bilbao Vizcaya Argentaria, S.A., (BBVA); BBB+/Stable/F2) and serviced by BBVA.

## KEY RATING DRIVERS

### COVID-19 Additional Stress Assumptions

In its analysis of the transactions, Fitch has tested additional stress scenarios, in conjunction with its European RMBS Rating Criteria, in response to the coronavirus outbreak and the recent legislative developments in Catalonia (see: EMEA RMBS: Criteria Assumptions Updated due to Impact of the Coronavirus Pandemic, and Spain RMBS: Criteria Assumptions Updated Due to Decree Law in Catalonia).

### Low Take-up Rates on Payment Holidays

Fitch does not expect the COVID-19 emergency-support measures introduced by the Spanish government for vulnerable borrowers to negatively impact the SPV's liquidity position, given the low take-up rate of payment holidays in the transactions at between 1.2% and 2% of the portfolio balance as of May 2020 (versus the Spanish national average of around 9%).

### Expected Asset Performance Deterioration

Fitch anticipates a weakening of the Spanish borrowers' ability to keep up with mortgage payments due to a spike in unemployment and vulnerable self-employed borrowers. As a result, performance indicators such as the levels of arrears (currently below 1% for the three transactions) could increase in the following months. We have therefore performed an arrears sensitivity, which consists of increasing the default rate by 10%.

As outlined in "Fitch Ratings Coronavirus Scenarios: Baseline and Downside Cases", we also consider a downside coronavirus scenario for sensitivity purpose whereby a more severe and prolonged period of stress is assumed. Under this scenario, Fitch's analysis accommodates a further 15% increase to the portfolio's weighted average foreclosure frequency (WAFF) and a 15% decrease to the WA recovery rates (see Ratings Sensitivity section).

## Rating Caps

Hipocat 6's class C rating remains capped at the SPV account bank provider rating (BNP Paribas Security Services, A+/RWN/F1) as the transaction's cash reserves held at this entity represent a material source of credit enhancement (CE) for this class of notes. The RWN on these notes mirrors that on BNP Paribas Security Services' Rating.

Hipocat 8's class A2, B and C notes remain exposed to payment interruption risk in the event of a servicer disruption, as the available structural mitigating features (ie cash reserve funds that can be depleted by losses) are deemed insufficient to sustainably cover senior fees, net swap payments and senior note interests under the most severe asset and cash-flow assumptions. As a result, Fitch continues to cap the notes' ratings at 'A+sf'.

## Notes off RWN

The affirmation and RWN resolution of Hipocat 7's class B, C and D notes and Hipocat 8's class C and D notes reflects our view that credit enhancement (CE) is sufficient to capture the additional risks associated with the COVID-19 crisis and the longer recovery timings on properties located in Catalonia. Most notes are assigned a Stable Rating Outlook. However, the Negative Outlook on Hipocat 6's class B notes reflects the risk of a worsening performance beyond the additional stresses mentioned above.

## Geographical Concentration to Catalonia

The securitised portfolios are exposed to the Region of Catalonia, ranging from around 70% (Hipocat 7) to around 85% (Hipocat 8). Within Fitch's credit analysis, and to address regional concentration risk, higher rating multiples are applied to the base FF assumption to the portion of the portfolios that exceeds 2.5x the population within this region, in line with Fitch's European RMBS Rating Criteria. In line with Fitch's "Spain RMBS: Criteria Assumptions Updated due to Decree Law in Catalonia", the analysis also incorporates increased foreclosure timing for future defaults secured by properties located in Catalonia to reflect the effects of the recently enacted Decree Law (DL) 17/2019.

## ESG Influence

Hipocat 8 has an ESG Relevance Score of '5' for Transaction & Collateral Structure due to payment interruption risk, which has a negative impact on the credit profile, and is highly relevant to the rating, resulting in a rating adjustment by more than one category.

## **RATING SENSITIVITIES**

Factors that could, individually or collectively, lead to positive rating action/upgrade:

-Stable to improved asset performance could lead to upgrades.

-Hipocat 6's class C notes rating is capped at the SPV account bank provider rating. An upgrade to the account bank rating could trigger a corresponding upgrade to these notes' rating.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

-A downgrade to the account bank rating of Hipocat 6 (currently on RWN) would also trigger a corresponding downgrade to the class C notes' rating.

-Weakening liquidity due to large take-ups on mortgage payment holidays and performance worse than our assumptions may lead to a downgrade.

-A longer-than-expected coronavirus crisis that erodes macroeconomic fundamentals and the mortgage market in Spain beyond Fitch's current base case. CE ratios unable to fully compensate the credit losses and cash flow stresses associated with the current rating scenarios, all else being equal. To approximate this scenario, a rating sensitivity has been conducted by increasing default rates by 15% and reducing recovery expectations by 15%, which would imply downgrades of between one and four notches for the class B, C and D notes.

## **BEST/WORST CASE RATING SCENARIO**

International scale credit ratings of Structured Finance transactions have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of seven notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of seven notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAAsf' to 'Dsf'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>.

## **USE OF THIRD PARTY DUE DILIGENCE PURSUANT TO SEC RULE 17G -10**

Form ABS Due Diligence-15E was not provided to, or reviewed by, Fitch in relation to this rating action.

### **DATA ADEQUACY**

Fitch has checked the consistency and plausibility of the information it has received about the performance of the asset pools and the transactions. There were no findings that affected the rating analysis. Fitch has not reviewed the results of any third-party assessment of the asset portfolio information or conducted a review of origination files as part of its monitoring.

Fitch did not undertake a review of the information provided about the underlying asset pools ahead of the transactions' initial closing. The subsequent performance of the transactions over the years is consistent with the agency's expectations given the operating environment and Fitch is therefore satisfied that the asset pool information relied upon for its initial rating analysis was adequately reliable.

Overall and together with the assumptions referred to above, Fitch's assessment of the information relied upon for the agency's rating analysis according to its applicable rating methodologies indicates that it is adequately reliable.

### **REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING**

The principal sources of information used in the analysis are described in the Applicable Criteria.

### **PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS**

Hipocat 6's class C notes 'A+sf' ratings are capped at BNP Paribas Security Services' Long Term Deposit Rating of 'A+'.

### **ESG CONSIDERATIONS**

Hipocat 8 has an ESG Relevance Score of '5' for Transaction & Collateral Structure



Except for the matters discussed above, the highest level of ESG credit relevance, if present, is a score of 3. This means ESG issues are credit-neutral or have only a minimal credit impact on the entities, either due to their nature or the way in which they are being managed. For more information on Fitch's ESG Relevance Scores, visit [www.fitchratings.com/esg](http://www.fitchratings.com/esg).

## **FITCH RATINGS ANALYSTS**

### **Ricardo Garcia Carmona**

Director

Surveillance Rating Analyst

+34 91 702 5772

Fitch Ratings Spain - Madrid

Paseo de la Castellana 31 9ºB Madrid 28046

### **Eberhard Hackel**

Senior Director

Committee Chairperson

+49 69 768076 117

## **MEDIA CONTACTS**

### **Athos Larkou**

London

+44 20 3530 1549

[athos.larkou@thefitchgroup.com](mailto:athos.larkou@thefitchgroup.com)

Additional information is available on [www.fitchratings.com](http://www.fitchratings.com)

## **APPLICABLE CRITERIA**

[Fitch Ratings Interest Rate Stress Assumptions for Structured Finance and Covered Bonds \(Excel\) \(pub. 06 Dec 2019\)](#)

[Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria \(pub. 06 Dec 2019\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria \(pub. 29 Jan 2020\)](#)

[Structured Finance and Covered Bonds Counterparty Rating Criteria: Derivative Addendum \(pub. 29 Jan 2020\)](#)

[Structured Finance and Covered Bonds Country Risk Rating Criteria \(pub. 06 Feb 2020\)](#)

## European RMBS Rating Criteria (pub. 22 May 2020) (including rating assumption sensitivity)

### APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Multi-Asset Cash Flow Model, v2.8.0 (1)

ResiGlobal Model: Europe, v1.6.3 (1)

### ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

[Solicitation Status](#)

[Endorsement Policy](#)

### ENDORSEMENT STATUS

Hipocat 6, FTA	EU Issued
Hipocat 7, FTA	EU Issued
Hipocat 8, FTA	EU Issued

### DISCLAIMER

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK:

[HTTPS://WWW.FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://www.fitchratings.com/understandingcreditratings). IN ADDITION, THE FOLLOWING [HTTPS://WWW.FITCHRATINGS.COM/RATING-DEFINITIONS-DOCUMENT](https://www.fitchratings.com/rating-definitions-document) DETAILS FITCH'S RATING DEFINITIONS FOR EACH RATING SCALE AND RATING CATEGORIES, INCLUDING DEFINITIONS RELATING TO DEFAULT. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. DIRECTORS AND SHAREHOLDERS RELEVANT INTERESTS ARE AVAILABLE AT [HTTPS://WWW.FITCHRATINGS.COM/SITE/REGULATORY](https://www.fitchratings.com/site/regulatory). FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH RATINGS WEBSITE.

[READ LESS](#)

## COPYRIGHT

Copyright © 2020 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product

of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001

Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

[READ LESS](#)

## SOLICITATION STATUS

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

## ENDORSEMENT POLICY

Fitch's approach to ratings endorsement so that ratings produced outside the EU may be used by regulated entities within the EU for regulatory purposes, pursuant to the terms of the EU Regulation with respect to credit rating agencies, can be found on the [EU Regulatory Disclosures](#) page. The endorsement status of all International ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for all structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.

---

Structured Finance   Structured Finance: RMBS   Europe   Spain

---