

C. N. M. V.  
Dirección General de Mercados e Inversores  
C/ Edison 4  
Madrid

## **COMUNICACIÓN DE OTRA INFORMACIÓN RELEVANTE**

### **TDA 26-MIXTO, FONDO DE TITULIZACIÓN DE ACTIVOS**

#### **Actuaciones sobre las calificaciones de los bonos por parte de Fitch Ratings.**

Titulización de Activos, Sociedad Gestora de Fondos de Titulización, S.A. comunica la siguiente información relevante:

I. Respecto al fondo de referencia, adjuntamos nota de prensa publicada por Fitch Ratings, con fecha 10 de junio de 2020, donde se llevan a cabo las siguientes actuaciones:

- Bono 1-A2, afirmado como **A+(sf); perspectiva estable.**
- Bono 1-B, afirmado como **A+(sf); perspectiva estable.**
- Bono 1-c, afirmado como **A(sf); perspectiva estable.**
- Bono 1-D, afirmado como **CCC(sf).**
- Bono 2-A, afirmado como **A+(sf); perspectiva estable.**
- Bono 2-B, afirmado como **A-(sf); perspectiva estable.**
- Bono 2-C, afirmado como **CCC(sf).**

En Madrid, a 11 de junio de 2020

Ramón Pérez Hernández  
Consejero Delegado

# Fitch Affirms 4 TDA Spanish RMBS Transactions

11 JUN 2020 10:07 AM

Fitch Ratings - Madrid - 10-Jun-2020 Fitch Ratings has affirmed 12 tranches of four TDA Spanish RMBS transactions, and removed one tranche from Rating Watch Negative (RWN). The Outlooks are Stable.

RATING ACTIONS					
ENTITY		RATING			PRIOR
TDA 26-Mixto, FTA - Series 1					
Class 1-A2 ES0377953015	LT	A+sf	●	Affirmed	A+sf ●
Class 1-B ES0377953023	LT	A+sf	●	Affirmed	A+sf ●
Class 1-C ES0377953031	LT	Asf	●	Affirmed	Asf ●
Class 1-D ES0377953049	LT	CCCsf		Affirmed	CCCsf
TDA 30, FTA					
Serie A ES0377844008	LT	AAsf	●	Affirmed	AAsf ◆
TDA 29, FTA					
Class A2 ES0377931011	LT	A+sf	●	Affirmed	A+sf ●
Class B ES0377931029	LT	BBB+sf	●	Affirmed	BBB+sf ●
Class C ES0377931037	LT	BB-sf	●	Affirmed	BB-sf ●
Class D ES0377931045	LT	CCCsf		Affirmed	CCCsf
TDA 26-Mixto, FTA - Series 2					
Class 2-A ES0377953056	LT	A+sf	●	Affirmed	A+sf ●
Class 2-B ES0377953064	LT	A-sf	●	Affirmed	A-sf ●
Class 2-C ES0377953072	LT	CCCsf		Affirmed	CCCsf

## TRANSACTION SUMMARY

The transactions comprise fully amortising Spanish residential mortgages originated and serviced by Banco de Sabadell, SA (BBB/RWN/F2) and Banca March (not rated) for TDA 26 Mixto (Series 1 and Series 2) and TDA 29, and by Banca March only for TDA 30. Credit enhancement (CE) consists of overcollateralisation from the assets and cash reserves.

## KEY RATING DRIVERS

### Resilient to COVID-19 Stresses

The affirmation and Stable Outlooks on all the tranches reflect their resilience to higher projected losses, as CE ratios are able to mitigate the risks associated with the COVID-19 crisis. Fitch has made assumptions about the spread of coronavirus and the economic impact of the related containment measures. As a base-case (most likely) scenario, Fitch assumes a global recession in 1H20, driven by sharp economic contractions in major economies with a rapid spike in unemployment, followed by a recovery that begins in 3Q20 as the health crisis subsides. We expect a generalised weakening in borrowers' ability to keep up with mortgage payments in Spain.

Commentary describing Fitch's credit views and analytical approach as a consequence of coronavirus is available within the reports "Fitch Ratings Coronavirus Scenarios: Baseline and Downside Cases -- Update" and "Global SF Rating Assumptions Updated to Reflect Coronavirus Risk" at <https://www.fitchratings.com/>.

Moreover, analytical notes relevant for EMEA RMBS transactions are discussed in the commentary "Fitch Ratings' Approach for Addressing Coronavirus-Related Risks for EMEA RMBS" dated 15 April 2020.

### Payment Continuity Expected for TDA 30

The removal of the RWN on TDA 30's class A notes reflects Fitch's assessment that payment continuity on the notes is expected even under a scenario of servicer disruption. Transaction liquidity sources should be sufficient to keep on paying transaction costs, net swap payments and interest due on the senior notes while an alternative servicing arrangement was implemented.

This assessment also considers the potential liquidity pressure on transaction cash reserves due to COVID-19 disruption as mortgage payment moratoriums to vulnerable borrowers are being offered in Spain. Data received from the transaction trustee indicates that around 2.5% of the loans in the portfolio are currently subject to a payment moratorium of both interest and principal with a typical duration of three months. We placed this tranche on RWN on 16 April 2020 (see "Fitch Puts 85 Spanish & Portuguese RMBS Tranches on RWN on Coronavirus Shock").

### No Credit to TDA 30 Swap

Fitch has not given credit to the interest rate swap arrangement in TDA 30, as the ratings of the hedge provider Banco Santander SA (A-/Negative/F2) are not in line with the contractually defined applicable minimum eligibility triggers of 'A' and 'F1', and transaction parties have confirmed no restructuring or remedial actions will be implemented.

### Payment Interruption Risk in TDA 26 and TDA 29

The TDA 26 (Series 1 and Series 2) and TDA 29 transactions remain exposed to payment interruption risk in the event of a servicer disruption, as the available structural mitigants (i.e. cash reserve funds that can be depleted by losses) are deemed insufficient to cover stressed senior fees, net swap payments and senior note interest due amounts while an alternative servicer arrangement was implemented. As a result, Fitch continues to cap the notes' rating at 'A+sf'. Although one of the collection account banks, Banca March, is not rated by Fitch, the rating cap of 'A+sf' acknowledges the bank's established retail franchise, the availability of bank ratings by other internationally recognised agencies, and robust banking sector supervision in Spain.

Fitch's analysis of TDA 26 (Series 1 and Series 2) portfolios is subject to the minimum lifetime credit loss expectation as per the agency's criteria. The performance adjustment factor of 100% on TDA 26 Series 1 reflects the repurchase of some defaulted loans in the past by the originators.

#### Excessive Counterparty Exposure in TDA 26 Series 1

TDA 26 Series 1's class C notes are capped at 'Asf', equivalent to its SPV account bank provider's Long-Term Deposit Rating (Société Generale, S.A, 'A'). The rating cap reflects the excessive counterparty dependency on the SPV account bank holding the cash reserves, as the sudden loss of these funds would imply a downgrade of 10 or more notches in accordance with Fitch's Criteria.

#### ESG Considerations – Governance

TDA 30 has an Environmental, Social and Governance (ESG) Relevance Score of 5 for Transaction Parties & Operational Risk as the hedge provider is not in line with the contractually defined minimum eligibility triggers and transaction parties have confirmed no restructuring or remedial actions will be implemented, which has a negative impact on the credit profile and is highly relevant to the rating resulting in a change to the rating of one category.

### **RATING SENSITIVITIES**

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

- CE ratios increase as the transactions deleverage, able to fully compensate the credit losses and cash flow stresses commensurate with higher rating scenarios.
- For the senior notes in TDA 26 (Series 1 and Series 2) and TDA 29, improved liquidity protection against a servicer disruption event. This because the ratings are capped at 'A+sf' because of unmitigated payment interruption risk.
- For TDA 26 Series 1's class C notes, an upgrade of Société Generale's Long Term Deposit Rating could increase the maximum achievable rating, since the notes' rating is capped at the counterparty rating.
- For TDA 30's class A notes' rating, an enhanced counterparty arrangement with respect to the hedging agreement in line with Fitch's Structured Finance and Covered Bonds Counterparty Rating Criteria.

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

- A longer-than-expected coronavirus crisis that weakens macroeconomic fundamentals and the mortgage market in Spain beyond Fitch's current base case. CE ratios cannot fully compensate 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 30% and haircutting recovery expectations by 30%, which would imply a downgrade of between one and two rating categories for most of the notes.
- For TDA 30's class A notes' rating, transaction liquidity positions weaken due to large take ups on mortgage payment moratoriums and new defaults as a consequence of the coronavirus crisis.

### **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. 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 ongoing monitoring. Fitch did not undertake a review of the information provided about the underlying asset pool ahead of the transactions' initial closing. The subsequent performance of the transaction 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, 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**

The rating of TDA 26 Series 1's class C notes is directly linked to its SPV account bank provider's Long-Term Deposit Rating due to excessive counterparty dependency.

### **ESG CONSIDERATIONS**

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of 3, meaning ESG issues are credit neutral or have only a minimal credit impact on the transactions, either due to their nature or the way in which they are being managed.

TDA 30 has an ESG Relevance Score of 5 for Transaction Parties & Operational Risk as the hedge provider is not in line with the contractually defined minimum eligibility triggers and transaction parties have confirmed no restructuring or remedial actions will be implemented, which has a negative impact on the credit profile and is highly relevant to the rating resulting in a change to the rating of one category.

### **FITCH RATINGS ANALYSTS**

Surveillance Analyst

Beatriz Gomez Crespo

Associate Director

+34 91 702 5775

Fitch Ratings Spain - Madrid

Paseo de la Castellana 31 9ºB

Madrid 28046

Committee Chairperson

Juan David Garcia

Senior Director

+34 91 702 5774

### **Media relations**

Athos Larkou

London

+44 20 3530 1549

athos.larkou@thefitchgroup.com

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

### **Applicable Criteria**

European RMBS Rating Criteria (pub.22-May-2020)(includes rating assumption sensitivity)

Exposure Draft: Global Structured Finance Rating Criteria (pub.13-May-2020)

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

Global Structured Finance Rating Criteria (pub.02-May-2019)(includes rating assumption sensitivity)

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)

Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria (pub.06-Dec-2019)

### **Applicable Models**

Multi-Asset Cash Flow Model, v2.8.0 (1 (<https://www.fitchratings.com/site/re/974410>))

ResiGlobal Model: Europe, v1.6.3 (1 (<https://www.fitchratings.com/site/re/974410>))

### **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)

([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)

(<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)

(<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.

### **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> (<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.

## **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.