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Dirección General de Mercados e Inversores  
C/ Edison 4  
Madrid

## **COMUNICACIÓN DE OTRA INFORMACIÓN RELEVANTE**

### **TDA 29, 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 29 de octubre de 2020, donde se llevan a cabo las siguientes actuaciones:

- Clase A2, afirmado como **A+sf; perspectiva estable.**
- Clase B, afirmado como **BBB+sf; perspectiva estable.**
- Clase C, afirmado como **BB-sf; perspectiva negativa.**
- Clase D, afirmado como **CCCsf.**

En Madrid, a 5 de noviembre de 2020

Ramón Pérez Hernández  
Consejero Delegado

29 Oct 2020 | Affirmation

## Fitch Affirms 3 TDA Spanish RMBS Transactions

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Fitch Ratings-Madrid-29 October 2020:

Fitch Ratings has affirmed three TDA Spanish RMBS transactions. The Outlook on TDA 29's class C notes has been revised to Negative from Stable. All other Outlooks are Stable. A full list of rating actions is detailed below.

TDA 30, FTA

----Serie A ES0377844008; Long Term Rating; Affirmed; AAsf; Rating Outlook Stable

TDA 29, FTA

----Class A2 ES0377931011; Long Term Rating; Affirmed; A+sf; Rating Outlook Stable

----Class B ES0377931029; Long Term Rating; Affirmed; BBB+sf; Rating Outlook Stable

----Class C ES0377931037; Long Term Rating; Affirmed; BB-sf; Rating Outlook Negative

----Class D ES0377931045; Long Term Rating; Affirmed; CCCsf

TDA 26-Mixto, FTA - Series 2

----Class 2-A ES0377953056; Long Term Rating; Affirmed; A+sf; Rating Outlook Stable

----Class 2-B ES0377953064; Long Term Rating; Affirmed; A-sf; Rating Outlook Stable

----Class 2-C ES0377953072; Long Term Rating; Affirmed; CCCsf

### Transaction Summary

The transactions comprise fully amortising Spanish residential mortgages originated and serviced by Banco de Sabadell, SA (BBB-/Stable/F3) and Banca March (not rated) for TDA 26 Mixto Series 2 (TDA 26-2) 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

Payment Interruption Risk Constrains TDA 26-2 and 29

TDA 26-2 and TDA 29 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 should an alternative servicer arrangement need to be implemented. As a result, Fitch continues to cap the notes' ratings 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.

#### Resilient to COVID-19 Additional Stresses

In its analysis of the transactions, Fitch has applied additional stresses in conjunction with its European RMBS Rating Criteria in response to the coronavirus outbreak and the recent legislative developments in Catalonia. Fitch anticipates a generalised weakening in Spanish borrowers' ability to keep up with mortgage payments due to a spike in unemployment and vulnerable self-employed borrowers.

Performance indicators such as the level of three months plus arrears excluding defaults (standing at 0.5% and 0.9% for TDA 26-2 and TDA 29 as of August 2020 and at 1.3% for TDA 30 as of September 2020) could deteriorate in the following months and therefore Fitch has also incorporated a 10% increase to the weighted average foreclosure frequency (WAFF) of the portfolios (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 at [www.fitchratings.com](http://www.fitchratings.com)).

As outlined in "Fitch Ratings Coronavirus Scenarios: Baseline and Downside Cases", we also consider a downside coronavirus scenario for sensitivity purposes whereby a more severe and prolonged period of stress is assumed. Under this scenario, Fitch's analysis accommodates a 15% increase to the portfolio weighted average foreclosure frequency (WAFF) and a 15% decrease to the WA recovery rates. The notes could be downgraded by up to three notches in this scenario.

Fitch's analysis of TDA 26-2 is subject to the portfolio loss floor and TDA 29 analysis is subject to a performance adjustment factor floor of 100%, which reflects the repurchase of some defaulted loans in the past by the originator as per the agency's criteria.

#### Sufficient Credit Enhancement

The affirmations reflect our view that CE protection is sufficient to mitigate the risks associated with our base-case coronavirus scenario. For TDA 29 and TDA 30, the note amortisation switched back to sequential on the latest interest payment date due to the slight under funding of the reserve fund in the case of TDA 29 and the breach of the three months plus arrears (excluding defaults) trigger level in the case of TDA 30.

The revision of the Outlook on TDA 29's class C notes reflects their greater susceptibility to the increased risk of collateral underperformance, given their junior ranking in the revenue and principal funds allocation and their limited CE.

#### 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) is 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. The swap is a total return swap that guarantees an excess margin of 55bp. Not modelling it leaves the transaction exposed to excess spread reduction.

#### Low Take-up Rates on Payment Holidays

Fitch does not expect the COVID-19 emergency support measures introduced by the Spanish government for borrowers in vulnerability to negatively impact the SPV's liquidity positions, given the low take-up rate of payment holidays in the transactions, ranging between 3.2%, 4.3% and 4.4% of the outstanding portfolio balances for TDA 26-2, 29 and 30, respectively, as of September 2020 (versus the Spanish national average of around 9%). Additionally, the high portfolio seasoning of around 14-15 years and the large share of floating-rate loans with low interest rates are strong mitigating factors against macroeconomic uncertainty.

#### 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.

TDA 26-2 and 29 have an Environmental, Social and Governance (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 change to the rating.

#### 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. The ratings could be upgraded by three notches if the likelihood of a downside scenario trajectory reduces.
- For the senior notes in TDA 26-2 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 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 deteriorates macroeconomic fundamentals and the mortgage market in Spain beyond Fitch's current base case. CE ratios cannot fully compensate the credit losses and cash flow stresses associated with the current ratings scenarios, all else being equal. To approximate this scenario, a rating sensitivity has been conducted by increasing default rates by 15% and cutting recovery expectations by 15%, which would imply downgrades of up to one category for the notes.
- For TDA 30's class A notes' rating, the transaction's liquidity position weakens 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>.

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.

#### ESG Considerations

TDA 26-Mixto, FTA - Series 2: Transaction & Collateral Structure: 5

TDA 29, FTA: Transaction & Collateral Structure: 5

TDA 30, FTA: Transaction Parties & Operational Risk: 5

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit [www.fitchratings.com/esg](http://www.fitchratings.com/esg)

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### **Applicable Criteria**

[European RMBS Rating Criteria \(pub. 22 May 2020\) \(including rating assumption sensitivity\)](#)  
[Fitch Ratings Interest Rate Stress Assumptions for Structured Finance and Covered Bonds \(Excel\) \(pub. 06 Dec 2019\)](#)  
[Global Structured Finance Rating Criteria \(pub. 17 Jun 2020\) \(including rating assumption sensitivity\)](#)  
[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 \(pub. 23 Sep 2020\)](#)  
[Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria \(pub. 06 Dec 2019\)](#)

### **Applicable Model**

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, v1.6.4 (1)

### **Additional Disclosures**

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