



Fitch Affirms GAT ICO FTVPO 1, FTH; off RWN

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Fitch Ratings-London/Madrid-20 January 2012: Fitch Ratings has affirmed GAT FTVPO 1, FTH, a Spanish RMBS transaction comprising loans originated by Catalunya Banc (formerly Caixa d'Estalvis de Catalunya, Tarragona i Manresa), Banco Mare Nostrum (formerly Caixa d'Estalvis del Penedes) and Unnim Banc (formerly Caixa d'Estalvis Unio de Caixes Manlleu, Sabadell i Terrassa), and removed the ratings from Rating Watch Negative (RWN), as follows:

Class AG (ISIN ES0341068007) affirmed at 'AAAsf'; off RWN; Outlook Stable
Class B (CA) (ISIN ES0341068015) affirmed at 'Asf'; off RWN; Outlook Stable
Class B (CM) (ISIN ES0341068023) affirmed at 'Asf'; off RWN; Outlook Stable
Class B (CP) (ISIN ES0341068031) affirmed at 'Asf'; off RWN; Outlook Stable
Class B (CT) (ISIN ES0341068049) affirmed at 'Asf'; off RWN; Outlook Stable

The ratings were placed on RWN on 6 October 2011, due to exposure to Banco de Sabadell ('BBB+/Negative/F2'), which until 12 January 2012 acted as the account bank and paying agent in the transaction (see "Fitch Places 14 Spanish SF Transactions On Rating Watch Negative Due To Counterparty Risk" dated 06 October 2011 at www.fitchratings.com). Fitch has been informed by the gestora, CX Catalunya Caixa Titulizacion SGFT, that the account bank and paying agent roles have now been moved to Instituto de Credito Oficial ('AA-/RWN/F1+').

The implementation of this remedial action adequately mitigates the counterparty risk that the transaction was exposed to following the downgrade of Banco de Sabadell. As the credit risk that was initially the cause of the RWN on the class A and B notes has been addressed in line with the transaction documentation requirements and is in line with Fitch's criteria, and no material changes in the performance of the underlying assets since the last review of the transaction in October 2011 were reported, the agency was able to affirm the existing ratings on the notes.

The agency notes, however, that the swap provider in the transaction is Confederacion Espanola de Cajas Ahorres (CECA; 'A'/RWN/F1'), which was placed on RWN following the action taken on the Spanish sovereign. Fitch expects the RWN on the bank to be resolved in the coming weeks (see 'Fitch Places 8 Spanish Banks on RWN Following Sovereign Action' dated 20 December 2011, available on www.fitchratings.com). Given the circumstances that led to the RWN, Fitch has decided to delay the assessment of the impact of CECA's ratings on GAT ICO FTVPO 1's ratings until the RWN on the entity has been resolved. While currently eligible under the terms of the relevant transaction documents, should the swap provider be downgraded, it would be contractually obliged to take remedial action within a specified period. This arrangement, which is conventional in structured finance transactions and underpins Fitch's rating analysis, is designed to mitigate counterparty risk. In the event of a downgrade of CECA, Fitch will monitor compliance with these requirements in the course of its ordinary surveillance of the transaction. In the event of inadequate mitigants being put in place following such a downgrade, GAT ICO FTVPO 1 could again be placed on RWN and potentially subject to a subsequent downgrade.

Lead Surveillance Analyst

Sanja Paic
Director
+44 20 3530 1282
Fitch Ratings Limited
30 North Colonnade
London E14 5GN

Secondary Analyst

Mirella Tinti
Analyst
+44 20 3530 1241

Committee Chairperson
Euan Gatfield
Managing Director
+44 20 3530 1157

Media Relations: Mark Morley, London, Tel: +44 0203 530 1526, Email: mark.morley@fitchratings.com; Sandro Scenga, New York, Tel: +1 212-908-0278, Email: sandro.scenga@fitchratings.com.

Additional information is available on www.fitchratings.com. The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Sources of information - in addition to those mentioned in the applicable criteria, the sources of information used to assess the ratings were investor reports.

Applicable criteria, 'Counterparty Criteria for Structured Finance Transactions' dated 14 March 2011 and 'Counterparty Criteria for Structured Finance Transactions Derivative Addendum' dated 14 March 2011 are available at www.fitchratings.com.

Applicable Criteria and Related Research:

[Counterparty Criteria for Structured Finance Transactions](#)

[Counterparty Criteria for Structured Finance Transactions: Derivative Addendum](#)

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