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Dirección General de Mercados e Inversores  
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Madrid

## **COMUNICACIÓN DE OTRA INFORMACIÓN RELEVANTE**

### **TDA CAM 9, 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 el siguiente Información Relevante:

- I. Respecto al fondo de referencia, adjuntamos nota de prensa publicada por Fitch Ratings, con fecha 1 de diciembre de 2020, donde se llevan a cabo las siguientes actuaciones:
  - Bono A1, afirmado como **A+(sf); perspectiva estable.**
  - Bono A2, afirmado como **A+(sf); perspectiva estable.**
  - Bono A3, afirmado como **A+(sf); perspectiva estable.**
  - Bono B, afirmado como **BB+(sf); perspectiva estable.**
  - Bono C, afirmado como **CC(sf).**
  - Bono D, afirmado como **CC(sf).**

En Madrid, a 2 de diciembre de 2020

Ramón Pérez Hernández  
Consejero Delegado

01 DEC 2020

## Fitch Affirms TdA CAM 9, FTA

Fitch Ratings - Madrid - 01 Dec 2020: Fitch Ratings has affirmed TdA CAM 9, FTA with Stable Outlooks, as detailed below.

### Rating Actions

ENTITY/DEBT	RATING	RECOVERY	PRIOR
TDA CAM 9, FTA			
• Class A1 LT ES0377955002	A+sf ●	Affirmed	A+sf ●
• Class A2 LT ES0377955010	A+sf ●	Affirmed	A+sf ●
• Class A3 LT ES0377955028	A+sf ●	Affirmed	A+sf ●
• Class B LT ES0377955036	BB+sf ●	Affirmed	BB+sf ●

ENTITY/DEBT	RATING		RECOVERY	PRIOR
• Class C ES0377955044	LT	CCsf	Affirmed	CCsf
• Class D ES0377955051	LT	CCsf	Affirmed	CCsf

### RATINGS KEY OUTLOOK WATCH

POSITIVE	⊕	◊
NEGATIVE	⊖	◊
EVOLVING	◊	◆
STABLE	◉	

### Transaction Summary

The transaction comprises fully amortising Spanish residential mortgages serviced by Banco de Sabadell S.A. (BBB-/Stable/F3).

### KEY RATING DRIVERS

COVID-19 Additional Stresses Assumptions: Fitch expects a generalised weakening of Spanish borrowers' ability to keep up with mortgage payments linked to a spike in unemployment. We have applied additional stress scenario analysis in conjunction with the 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)

As outlined in Fitch Ratings Coronavirus Scenarios: Baseline and Downside Cases -- Update, 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 in the portfolio weighted average foreclosure frequency (WAFF) and a 15% decrease in the WA recovery rates (WARR).

Recovery Trends Clear PDL: The transaction's performance suffered significantly during 2011-2014 with high defaults resulting in a principal deficiency ledger (PDL) since 2012 and reaching more than EUR40 million by the end of 2014. Since then, increased recoveries (which are now close to 75% of cumulative

defaults) led to this PDL being cleared in full by December 2019. Additional recoveries throughout 2020 have begun to increase the reserve fund balance, which is now EUR1.6 million or 0.5% of the current notes' balance.

**Increasing Credit Enhancement:** Fitch expects credit enhancement (CE) for the notes to continue increasing in the short term, given the prevailing sequential amortisation between classes. For the class A-1, A-2, and A-3 notes, the pro-rata trigger of 4.0% of gross cumulative defaults (GCD) has been breached at 15.9% and is non-reversible. Consequently, these tranches are amortising pro-rata and share credit enhancement support from all other subordinated tranches. Fitch views these CE trends as sufficient to withstand the rating stresses.

**No Rating Impact from Payment Holidays:** Fitch does not expect the COVID-19 emergency support measures introduced by the Spanish government for vulnerable borrowers to negatively impact the issuer's liquidity position, given the moderate take-up rate of payment holidays in the transaction (7.9% as of September 2020 versus the Spanish national average of around 9%). Additionally, the high portfolio seasoning of around 14 years and the large share of floating-rate loans that benefit from the low interest rate scenario (around 96% of the current portfolio balance) are strong mitigants against macroeconomic uncertainty.

**Rating Caps:** The transaction is 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 is implemented. As a result, Fitch continues to cap the class A notes' rating at 'A+sf', five notches above Banco de Sabadell's Long-Term Issuer Default Rating. In addition, class B interest payment is subordinated to amounts required to credit the PDL due to a non-reversible GCD trigger breach. Fitch expects deferrals to occur for a long period in its expected case, curable only when the senior class A notes are fully redeemed. As a result, these notes are not compatible with an investment-grade category rating in accordance with our Global Structured Finance Rating Criteria.

**ESG Considerations - Governance:** TdA CAM 9 has 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 of one notch.

## **RATING SENSITIVITIES**

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

For all class A notes, improved liquidity protection against a servicer disruption event. This because the ratings are capped at 'A+sf' driven by unmitigated payment interruption risk.

For the class B notes, improved liquidity protection that results in no interest being deferred in Fitch's base case scenario. The interest paid for this class is subordinated to the PDL in the priority of payments and will defer interest once a PDL is recorded. The class B notes' rating is capped at 'BB+sf' due to this excessive deferral of interest.

For the class C notes, CE ratios increase as the transaction deleverages, and improved access to funds provided by the reserve fund as it is replenishing. Increased protection from the reserve that compensate the credit losses and cash flow stresses commensurate with higher rating scenarios, all else being equal. Finally, Fitch currently does not give credit to recoveries from outstanding defaults, given insufficient information on defaulted loans current balance in the loan-by-loan data provided. Additional credit from recoveries if Fitch received this information could result in an upgrade of up to one notch for the class C notes.

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, we conducted a rating sensitivity by increasing default rates by 15% and haircutting recovery expectations by 15%, which would imply downgrades between one and two notches for the class A and B notes.

As both collection account bank provider and servicer, a downgrade of Banco Sabadell's rating below 'BBB-' would result in a corresponding downgrade for the class A notes, as the rating of notes cannot be more than five notches above the long-term rating of the collection account bank or the servicer.

### **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 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, 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 CAM 9, FTA: Transaction & Collateral Structure: '5'

TdA CAM 9 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 change to the rating of one notch.

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 \(pub.22 May 2020\) \(including rating assumption sensitivity\)](#)

[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 \(pub.13 Nov 2020\)](#)

## **Applicable Models**

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

[Multi-Asset Cash Flow Model, v2.9.0 \(1\)](#)

[ResiGlobal Model: Europe, v1.6.4 \(1\)](#)

## **Additional Disclosures**

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