

**Material Event
concerning**

VALENCIA HIPOTECARIO 1 FONDO DE TITULIZACIÓN DE ACTIVOS

Pursuant to Chapter III, section III.5.2 of the Prospectus for **VALENCIA HIPOTECARIO 1 Fondo de Titulización de Activos** (the “Fund”) notice is given to the COMISIÓN NACIONAL DEL MERCADO DE VALORES of the following material event:

- The Rating Agency Fitch Ratings (“**Fitch**”) has advised in connection with the credit rating assigned to **Banco de Valencia** (“**Banco de Valencia**”) that on June 1, 2010 it downgraded the long-term rating to **BBB** from **BBB+**, with stable outlook, and downgraded the short-term rating to **F3** from **F2**.
- This circumstance is reported because Banco de Valencia is Fund counterparty under the financial transactions and services referred to below:
 - (i) Interest Swap Agreement.
 - (ii) Mortgage Loan Servicing and Pass-Through Certificate Custody Agreement.

Madrid, June 2, 2010.

Mario Masiá Vicente
General Manager