ABS/Spain
New Issue

FTA Santander Consumer Spain 07-2

Ratings

Class	Amount (EURm)	Legal Final Maturity	Rating[b]	CE (%)
A	929.0	Aug 2022	AAA	9.10
B	27.0	Aug 2022	AA+	6.40
C	17.5	Aug 2022	A+	4.65
D	26.5	Aug 2022	BBB+	2.00
E[a]	20.0	Aug 2022	CCC	n.a.

[a] Uncollateralised notes issued to finance the creation of the reserve fund at closing date. Initial reserve fund is equivalent to 2% of the original collateral balance (see *Reserve Fund*)

[b] Each rated class in the transaction has a Stable Outlook

Analysts
Lynnette Withfield
+44 20 7417 4372
lynnette.withfield@fitchratings.com

Juan García
+34 91702 5771
juan.garcia@fitchratings.com

Performance Analytics
Renaud Untereiner
+44 20 7664 2059
renaud.untereiner@fitchratings.com
abssurveillance@fitchratings.com

Related Research

The following special reports provide additional detail on Fitch's rating approach to, and the performance of, the ABS market; all are available at www.fitchratings.com:

- *"European Consumer ABS Rating Criteria (Europe – ABS)"*, 11 Oct 2006
- *"Eye on Europe – The Fitch European Consumer ABS Performance Index 2007 (Vol II)", 31 Aug 2007*
- *Tyre Tracks Fitch European Auto ABS Index – Aug 2007", 23 Aug 2007*

Amended

This report, originally published on 20 September 2007, is being republished to reflect the accurate closing date of 21 September 2007 within the Key Information table on the last page of the report.

Summary

This transaction is a securitisation of auto and consumer loans (the collateral) originated in Spain by Santander Consumer, E.F.C., S.A (Santander Consumer or the seller), a wholly-owned and fully integrated subsidiary of Santander Consumer Finance (SCF, rated 'AA/F1+' Stable Outlook). Fitch Ratings has assigned final ratings to the notes issued by FTA Santander Consumer Spain 07-2 (the issuer, or SPV) as indicated at left. The issuer is legally represented and managed by Santander de Titulización S.G.F.T., S.A. (the sociedad gestora), a limited-liability company incorporated under the laws of Spain, whose activities are limited to the management of securitisation funds.

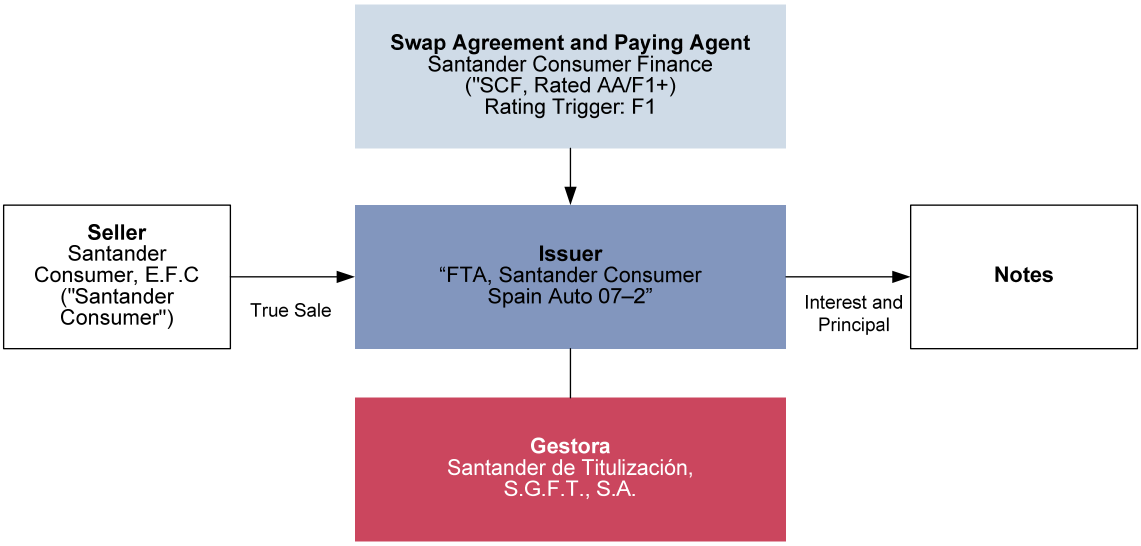
This is the fourth ABS securitisation transaction to be brought to the market by SCF. The previous transaction closed in May 2007 and the related new issue report, entitled *"FTA Santander Consumer Spain Auto 07-1"*, is available at www.fitchresearch.com. This transaction has a revolving period of two years after which the notes will amortise on a sequential basis.

The ratings are based on the quality of the collateral, the available credit enhancement (CE), Santander Consumer's underwriting and servicing capabilities, the integrity of the transaction's legal and financial structure, and the sociedad gestora's administrative capabilities. The ratings address payment of interest on the notes according to the terms and conditions of the documentation, subject to a deferral trigger on the class B, C and D notes, as well as the repayment of principal on each note by legal final maturity.

The class E notes was issued to finance the cash reserve fund; because these notes are ultimately likely to default, their ratings are supported by the expected recovery rate, which is the amount investors are likely to receive during the life of the transaction as a proportion of their original investment.

Initial CE for the class A notes, equivalent to 9.10% of the original collateral balance, is provided by the subordination of classes B, C and D notes plus a reserve fund of 2.00%. Similarly, initial CE for the class B notes, equivalent to 6.40% of the original collateral balance, is provided by the subordination of the class C and D notes plus the reserve fund, initial CE for the class C notes, equivalent to 4.65% of the original collateral balance, is provided by the subordination of the class D notes plus the reserve fund, and initial CE for the class D notes is provided only by the reserve fund.

Structure Diagram



Source: Transaction documents

■ Credit Committee Highlights

1. Santander Consumer Spain 07-2 is backed by a portfolio of fixed rate loans granted to individuals and companies resident in Spain.

2. The collateral pool was divided between auto and consumer loans and base case default rates were determined analysing static 90 day delinquency data and written-off loans across vintages dating back to first quarter 2003.

3. Fitch determined a recovery base case of 50.00% after analysing historical recovery data covering the period from Q103 to Q207 and derived default base case assumption of 2.69%.

4. The agency used its VECTOR ABS model as a quantitative tool to derive rating default rates (RDR) and rating recovery rates (RRR) for the various stress scenarios (see *Credit Analysis*).

5. Fitch analysed the early amortisation triggers with reference to historical information provided and the performance of SCF's previous transactions. Fitch's view is that the early amortisation triggers, along with the eligibility criteria, will adequately maintain the quality and performance of the collateral during the revolving period (see *Revolving Period and Early Amortisation Events*).

6. The SPV will enter into a hedging agreement with SCF. The swap will provide the issuer with a guaranteed margin of 275bps in excess of Euribor and the weighted average (WA) margin payable on the notes. This has been incorporated within Fitch's cash flow analysis (see *Swap Agreement*).

7. At closing, the cash reserve was funded with an amount equal to 2.00% of the initial receivables balance. The amount will amortise to a minimum of 0.88% of the initial receivables during the amortisation phase (see *Reserve Fund*).

■ Structure

The issuer is a limited-liability SPV incorporated under the laws of Spain whose sole purpose is to acquire auto and consumer loans from Santander Consumer, as collateral for the issuance of floating-rate notes.

Santander Consumer will act as servicer of the collateral, while SCF is the account bank and swap counterparty and Banco Santander Central Hispano (Santander, 'AA/F1+') is the paying agent. However, for the protection of investors, if Santander Consumer is unable at some future point to continue to service the collateral, the sociedad gestora will appoint a replacement administrator suitably rated in accordance with Spanish securitisation law and Fitch's commingling criteria (see "*Commingling Risk in Structured Finance Transactions*", dated 9 June 2004 and available at www.fitchratings.com).

Principal proceeds from the underlying collateral will be used to purchase additional loan receivables until the payment date falling in November 2009 inclusive, after which the revolving period is scheduled to end and amortisation of the notes to commence.

Key Information

Portfolio Characteristics
(As of 9 August 2007)

Number and Type of Loans: 120,096 Auto and Consumer loans

Total Collateral Amount: EUR1,096m

Weighted Average (WA) Annual Interest Rate: 7.98%

WA Remaining Term to Maturity: 5.3 years

Structure

Issuer: Santander Consumer Spain 07-2,FTA

Total Issued Amount: EUR1,020m

Management Company: Santander de Titulización SGFT, S.A.

Seller: Santander Consumer, E.F.C., S.A. (Santander Consumer)

Account Bank: Santander Consumer Finance, S.A. (SCF, rated 'AA/F1+')

Swap Counterparty: SCF

Paying Agent: Banco Santander (Santander, rated 'AA/F1+')

Closing Date: 21 September 2007

Scheduled Maturity: August 2019

Legal Final Maturity: August 2022

A treasury account, held in the name of the issuer at SCF, will receive all amounts in favour of the issuer on a monthly basis and will be used to centralise all the cash management of the transaction. The amount deposited in the Treasury Account will generate interest at a rate equal to the 3 month Euribor rate applicable to the notes. The issuer will also open a Principal Collections Account with SCF which will be used to purchase additional assets during the revolving period. All amounts standing to the credit of the Principal Collections Account will generate interest at a rate equal to the 3-month Euribor rate applicable to the notes.

If the Short-Term Rating of SCF, as account bank, is downgraded below 'F1', the sociedad gestora will take one of the following steps within 30 calendar days: (i) obtain from a third-party entity with a satisfactory rating a first demand guarantee for the amounts deposited in the GIC account; (ii) transfer the GIC accounts to another entity rated at least 'F1'. If neither of the above are possible, the *sociedad gestora* should invest the balance of the treasury account temporarily, and until the next payment date, in fixed-income assets ("qualified investments"). An 'F1' rating is sought for qualified investments maturing within 30 days, and a rating of 'F1+' for longer periods.

Revolving Period

During the 24-month revolving period, Santander Consumer will retain the right to sell additional loan receivables to the SPV on a quarterly basis. The issuer will only purchase additional receivables that meet the eligibility criteria outlined in the *Collateral* section below (see *Key Eligibility Criteria*). The principal allocated to receivables purchases will be equivalent to the positive difference between the outstanding classes A to D note balance and the non-defaulted collateral.

The revolving period will end on the earlier of the payment date (falling in November 2009 inclusive) and the date on which an early amortisation event has occurred.

Early Amortisation Events

Key early amortisation events include:

- Any interest due under the Classes of Notes A to D remain unpaid two days after the relevant Payment Date;
- The cumulative balance of defaulted loans (defined as those 12 months in arrears) that exceeds a given percentage of the original collateral on a stipulated payment date, as shown in the table below:

Payment Date (%)

1	0.31
2	0.63
3	0.94
4	1.25
5	1.57
6	1.88
7	2.19
8	2.50

Source: Fitch, transaction documents

- The originator becomes insolvent, involved in any type of bankruptcy procedures or its license to carry out business is revoked;
- Santander Consumer ceases to be the Administrator of the portfolio
- The principal outstanding balance of Delinquent Loans is greater than 1.50% of the total principal outstanding balance excluding defaulted loans,
- The Required Cash Reserve Amount is not at its required level on the current Payment Date;
- During two consecutive Payment Dates, the aggregate outstanding balance of Outstanding Loans is less than 90.00% of the outstanding balance of the notes excluding defaulted loans;

- On any Payment Date, the aggregate outstanding balance of Outstanding loans is less than 80.00% of the outstanding balance of the notes excluding defaulted loans;
- In the event that a new fiscal regulation was introduced in Spain making the sale of additional assets excessively cumbersome for Santander Consumer;
- The Swap Agreement is terminated and no acceptable replacement has been provided within 15 working days

Given the incorporation of these triggers and the excess spread available under the swap agreement, the agency expects the quality of the collateral and the overall financial strength of the issuer to be maintained through the revolving period until amortisation of the collateral.

Amortisation of the Notes

Principal allocated to the amortisation of the notes on any payment date is capped at the difference between the balance outstanding on the A to D notes and the balance of non-defaulted collateral (ie performing and up to 12 months in arrears). Payments will be made subject to the availability of funds, according to the priority of payments.

Principal payment on the notes is expected to begin in February 2010 and will fall quarterly thereafter (or earlier if an early amortisation event is triggered). The class A, B, C and D notes will amortise sequentially on a pass-through basis.

SCF has subscribed the class E notes at closing. Within the cash flow analysis conducted by Fitch, only the most conservative amortisation scenario has been considered, which restricts the principal amortisation to the funds released by the reserve fund.

Clean-up Call

All the notes are subject to a clean-up call option when less than 10% of the initial collateral remains outstanding and the notes can be redeemed according to the established priority of payments. The clean-up call can only be exercised if all the notes are redeemed in their entirety.

Priority of Payments

On each quarterly payment date the combined priority of payments will be:

1. expenses, taxes and servicing fees;
2. net payments under the swap agreement (if applicable);
3. class A interest;
4. class B interest (if not deferred);
5. class C interest (if not deferred);
6. class D interest (if not deferred);
7. purchase of new loans prior to the expiry of the revolving period, and principal due on the A to D notes in order of seniority during the amortisation phase (see *Amortisation of the Notes*);
8. class B interest if deferred, which will occur if the cumulative outstanding balance of defaulted loans exceeds 16.12% of the initial portfolio balance and Class A notes have not been fully amortised.
9. class C interest if deferred, which will occur if the cumulative outstanding balance of defaulted loans exceeds 12.0% of the initial portfolio balance and Class A and B notes have not been fully amortised;
10. class D interest if deferred, which will occur if the cumulative outstanding balance of defaulted loans exceeds 10.3% of the initial portfolio balance and Class A to C notes have not been fully amortised;
11. replenishment of the reserve fund (see *Reserve Fund*);
12. class E interest;
13. class E principal;
14. Swap termination payment resulting from counterparty default;
15. Subordinated amounts;
16. Excess to originator.

Deferred interest amounts will accrue the ordinary interest rate of the respective series of notes until the next payment date, but will not be charged with any penalty interest rate. The structure will cover ordinary and extraordinary expenses using the excess spread guaranteed by the swap agreement (see *Swap Agreements*).

Reserve Fund

A reserve fund equivalent to 2.0% of the original collateral balance (EUR20m) was funded at closing through the issuance of the class E. During the amortising period the reserve fund will be permitted to reduce to the higher of i) 2.0% of the outstanding balance of the notes and ii) the lower of A) 1.76% of the initial cash reserve; and B) the higher of 3.52% of the outstanding balance of the A to D notes and a minimum amount equal to 0.88% of the original A to D note balance.

This amortisation is subject to the following conditions:

- the balance of delinquent loans (more than 90 days in arrears) not exceeding 2.0% of the outstanding collateral balance excluding defaulted loans;

- the cumulative balance of defaulted loans (defined as those 12 months in arrears) that exceeds a given percentage of the original note balance on a stipulated payment date, as shown in the table below:

Payment Date	(%)
1	0.00
2	0.11
3	0.22
4	0.32
5	0.43
6	0.53
7	0.64
8	0.74
9	0.85
10	0.95
11	1.06
12	1.16
13	1.27
14	1.37
15	1.48
16	1.58
17	1.69
18	1.79
19	1.90
20	2.00

Source: Fitch, transaction documents

- the reserve fund being replenished to its required amount on the previous payment date;
- in the event of early amortisation, two years having passed since closing.

Swap Agreements

The issuer has entered into a swap agreement with SCF (the swap counterparty). Firstly, this mitigates against the interest rate mismatch, whereby the receivables yield fixed rate interest but the notes pay floating rate interest. Secondly, the swap provides a guaranteed margin to the issuer, therefore isolating the issuer from the risk of margin compression on the receivables. Thirdly, the swap covers the servicing costs in the event that a replacement servicer is appointed.

Under this contract, the SPV will pay the interest actually received from the collateral and will, in return, receive three-month Euribor plus the weighted average margin on the A-D notes, plus a guaranteed margin of 2.75%. The notional will be, as a minimum, the balance of performing and delinquent loans up to 90 days in arrears.

The interest rate swap has been taken into account in the agency's cash flow modelling.

The swap is an important component of the structure. The following trigger protects the structure from deterioration in the credit quality of the swap counterparty:

If the swap counterparty is downgraded below 'A/F1', it will, within 30 calendar days, take one of the following steps:

- find an entity rated at least 'A/F1' to guarantee its obligations under the swap agreement;
- find a replacement counterparty rated at least 'A/F1'; or
- cash- or security-collateralise its obligations in an amount sufficient to satisfy existing Fitch criteria.

For details of the method used to calculate the collateral amount see *"Counterparty Risk in Structured Finance Transactions: Hedge Criteria"*, dated 1 August 2007 and available at www.fitchratings.com.

Collateral

At closing, the final portfolio had an outstanding balance of EUR1,000m. This comprises auto and consumer loans granted to individuals and companies in Spain.

These loans are selected from the provisional portfolio which, as at 09 August 2007, had the following main characteristics (percentages express the proportion of the outstanding balance):

1. an average original balance of EUR10,993;
2. an average outstanding balance of EUR9,127;
3. 100% with monthly amortisation and fixed rates;
4. WA interest of 7.98%;
5. WA seasoning of nine months;
6. WA time to maturity of 5.3 years;
7. 95.83% granted to individuals;
8. auto and consumer loans accounted for 70.85% and 29.15%, respectively;
9. 23.70% concentrated in the region of Andalusia, followed by the Canary Islands (18.39%), Catalonia (11.78%), Madrid (10.77%) and Valencia (6.76%).

Key Eligibility Criteria

During the revolving period, the eligibility criteria stipulates, among other things, that:

- the loans must have been originated by Santander Consumer in the normal course of its business, and were granted to individuals and companies in Spain for the purpose of a vehicle purchase or general consumer purposes;

- no loans may have been granted to Santander Consumer employees or managers;
- each loan must have made at least one payment and have no delinquencies,
- the loans may not allow for interest deferral options or balloon payments and must be denominated in euros, with an outstanding balance between EUR500 and EUR100,000;
- the loans must amortise monthly through direct transfer, and have a latest maturity date of August 2019;
- all loans must have a maximum original term of 132 months;
- all loans must bear fixed interest rates equal to or greater than 5%;
- for auto loans the outstanding balance of the loans must be for an original amount lower than the value of the purchased vehicle;
- the loan must not be renegotiated;
- at a portfolio level, the following requirements must be met:
  - The concentration per borrower over the aggregate portfolio must be not more than 0.10%.
  - The loans with an outstanding balance higher than EUR50,000 must not represent more than 1.50% of the outstanding balance of the aggregate portfolio.
  - The Spanish region with the highest concentration must not exceed 30.00% of the outstanding aggregate balance.
  - The three Spanish regions with the highest concentration must not exceed 62.00%of the outstanding aggregate balance.
  - The WA remaining life of the portfolio does not exceed seven years.
  - The outstanding balance of loans with a remaining life higher than [108] months does not exceed 5.75% the outstanding balance of the aggregate portfolio
  - The outstanding balance of additional consumer loans, which are not auto loans, does not exceed [30]% of the outstanding balance of the additional portfolio.
  - The outstanding balance of additional auto loans granted to purchase new vehicles represents at least 80% of the outstanding balance of the additional portfolio of auto loans.
  - The outstanding balance of additional loans granted to enterprises must not be higher than 5.00% of the outstanding balance of the additional portfolio.
  - The outstanding balance of auto loans granted to purchase cars represents at least 88% of the outstanding balance of the additional portfolio of auto loans.
  - The outstanding balance of additional loans with an original time to maturity lower than one year must not exceed 1.00% of the outstanding balance of the additional portfolio.
  - The outstanding balance of the additional loans with an interest rate higher than the reference rate of the Notes in the last Payment Date (Euribor 3 months) plus a margin of 10.00% must be lower than 3.50% of the outstanding balance of the additional portfolio.
  - The outstanding balance of the additional loans with an interest rate higher than the reference rate of the Notes in the last Payment Date (Euribor 3 months) plus a margin of 6.50% must be lower than 20.00% of the outstanding balance of the additional portfolio.
  - On each Offer Date the outstanding balance of loans granted to self-employed borrowers must not be higher than 14.00% of the outstanding balance of the aggregate portfolio.

If any receivable fails to meet the eligibility criteria, the seller will have 15 days in which to substitute or repurchase the receivables concerned, at a price equal to the sum of principal outstanding plus any interest accrued on the loans in question.

Origination and Servicing

Santander Consumer, E.F.C., S.A (Santander Consumer) is a wholly-owned and fully integrated subsidiary of Santander Consumer Finance (SCF, rated ‘AA/F1+’), which in turn is a wholly-owned and fully integrated subsidiary of Banco Santander Central Hispano (Santander, ‘AA/F1+’), the parent of Spain’s largest banking group. The Short-Term and Issuer Default Ratings of SCF are in line with those of its parent and reflect the benefits it enjoys as an integral part of the group in a strategically important business.

Furthermore, SCF is itself the parent bank of the leading consumer-finance group, with large market shares in various countries across Europe. At end-Q207, lending was mainly distributed geographically as follows: Germany 36%; Spain and Portugal 30%; Italy 12%; Norway and Sweden 7%; USA 6.6%; and Poland 4%. It is one of the leaders in the auto loan credit segment. Car financing is its core activity, accounting for some 67% of total lending, followed by consumer finance at around 18% (mainly credit cards).

Santander Consumer’s asset quality is sound and the entity has robust risk-management systems in place.

Specific scoring systems are used in each country and the company follows a very thorough recovery process.

The main underwriting and servicing guidelines are summarised below:

- Santander Consumer benefits from clear underwriting and monitoring manuals. Approximately 85% of the entire seller's auto loan business is originated through car dealers (car brokers' centres). Applications may also be made by telephone or online, and ultimately are approved by the Santander Consumer network, which consists of more than 279 branches and 6,442 employees. A specialised call centre, Konecta, which is part-owned by Santander Group, deals with around 75% of the underwriting.
- The credit approval process involves different levels of credit authority with specific and clearly defined approval limits. Authority levels required for underwriting the loan rise as the credit risk amount increases.
- As part of its underwriting process, Santander Consumer uses an in-house credit-scoring tool that was first developed in 1989 and has evolved into a sophisticated instrument in line with Basel II requirements. Four different scoring systems apply, one for new, one for used cars, one for consumer loans and one for direct clients. The scoring model takes the following factors into consideration: client profile, the provision of personal data (detailing, for example, the applicant's job status, financial strength and credit history), and the product type.
- Monitoring and risk management focus on the preservation of the quality of Santander Consumer, E.F.C.'s credit portfolio through timely and comprehensive information, a system of automatic alerts and specialised surveillance committees.
- Loans in arrears are initially managed by Konecta, which creates a file and keeps a record of the measures taken. Recoveries of loans that are 90 days delinquent and those that enter into legal procedures (contencioso) are outsourced to another Santander Consumer Finance Group company called Reintegra S.A. Recoveries are dealt with by different committees depending on the amount of the default.

Set-Off Risk

The issuer could be affected by the set-off rights of borrowers with deposits in accounts held with Santander Consumer.

However, this risk is mitigated as the seller commits itself in the documentation to remedying such a circumstance if it arises at any point during the life of the transaction or, if it cannot be remedied, to pay the issuer the amount set-off, plus accrued interest. According to Spanish law, the set-off risk should cease to be valid after the other party (ie borrowers) receives notification of the assignment of the receivable, or following the bankruptcy of one of the parties.

The transaction documents stipulate that if the seller becomes insolvent, or if the sociedad gestora considers it appropriate, the seller will be required to notify the obligors within three days and provide them with new payment instructions.

■ Credit Analysis

When rating this transaction Fitch applied consumer ABS methodology as described in the criteria report "*European Consumer ABS Rating Criteria*" and available at www.fitchratings.com. The main quantitative tools for this are the Fitch Default VECTOR ABS model (VECTOR ABS), and the agency's cash flow model.

Default Base Case

Fitch was provided with static 90-day delinquency data for the period Q103 to Q207.

The transaction documents define a defaulted receivable as one that is delinquent for 12 months. Fitch derived default curves, assuming that borrowers who have not made a payment 270 days after the due date should be considered defaulted - a conservative assumption that was necessitated by the available data. The agency extrapolated cumulative default rates for years 6 to 10 in order to account for the full term of the loans. Separate data was analysed for auto and consumer loans.

Fitch arrived at a base case cumulative default assumption of 2.69% after analysing the data provided.

Recovery Base Case

On the recovery side, Santander Consumer presented historical data from Q103 to Q207 for each stage in the recovery process. Fitch adopted a base case rate of 50.00% based on the breakdown of the collateral between auto and consumer loans. Fitch has taken the view that a 24-month recovery period, following default, is appropriate after observing historical recovery data.

Although Fitch recognises that the largest proportion of historical recoveries comes from negotiated rather than legal recovery proceedings, it notes that

Santander Consumer is entitled to commence legal action for the execution of the personal guarantee attached to every loan, which allows the bank to sell/auction the vehicle. Nevertheless, in the initial stage, most of the recoveries are expected to come from monitoring or legal actions against the borrowers, rather than from the sale of financed vehicles.

VECTOR ABS

The base-case default rate and base-case recovery rate were input to VECTOR ABS in order to calculate the default rate and recovery rate that would be expected at each rating level.

Based on one million scenario runs, the following rating default rates (RDR), rating recovery rates (RRR) and rating loss rates (RLR) were derived for the 'AAA', 'AA+', 'A+' and 'BBB+' rating scenarios:

VECTOR ABS Results

Rating	RDR (%)	RRR (%)
AAA	10.71	29.59
AA+	10.38	32.08
A+	8.36	37.78
BBB+	5.50	42.41
Base case	2.69	50.00

Source: Fitch

Prepayments

The base case prepayment rate was set at 13.0%, based upon historical data. Within the cash flow model Fitch applied stressed prepayment rates of 19.5% under a 'AAA' scenario, 18.9% at 'AA+', 17.3% at 'A+' and 16% at 'BBB+'.

Cash Flow Modelling

The agency's cash flow model was used to simulate the impact of defaults, recoveries and prepayments on the issuer's income, based on the assets to be acquired. The cash flows were tested to ascertain if they were sufficient to pay interest and principal on the different classes of notes when due in relevant rating scenarios. The model thereby took into account the different structural elements of the transaction.

The results were used to determine the appropriate credit enhancement levels for the respective classes of rated notes.

The agency took into account in its analysis the interest deferral mechanism in place on the class B, C and D notes. The triggers are designed to protect the higher rated notes in high stress scenarios. The class B, C and class D triggers were not breached when simulating 'AA+', 'A+' and 'BBB+' stress scenarios respectively.

Class E Notes

The performance of the class E notes requires very favourable conditions for the collateral backing the series A to D notes. Fitch calculated an expected recovery rate after testing several cash flow scenarios commensurate with speculative-grade rating levels. The sensitivity analysis performed consisted of testing several variables that affect the release of the reserve fund and, consequently, the availability of interest and principal payments on the class E notes. Fitch ran multiple stress scenario assumptions, including:

- alternative timing of default assumptions: back-loaded, front-loaded and evenly spread defaults;
- alternative interest rates: increasing, low, and constant interest rate scenarios;
- prepayment speeds: high, low and average historical prepayment rates;
- the agency modelled high and low margin compression rates assuming that the bulk of prepayments are allocated to the higher-margin loans in the portfolio; and
- exercise of the clean-up call by the originator.

The 'CCC' rating on the class E notes is supported by the expected recovery rates. As default on the class E notes appears probable, Fitch projected the distribution of possible recovery rates - calculated as the present value of expected interest and principal payouts on the class E notes - using a discount factor of 8.0%. Based on the agency's calculation, the expected recovery rate was in the range of 50% of the initial note balance.

■ Performance Analytics

Fitch will monitor the transaction regularly and as warranted by events. Its structured finance performance analytics team ensures that the assigned ratings remain, in the agency's view, an appropriate reflection of the issued notes' credit risk. Details of the transaction's performance are available at www.fitchresearch.com.

Further information on this service is available at www.fitchratings.com.

Please call the Fitch analysts listed on the first page of this report for any queries regarding the initial analysis or the ongoing performance.

FTA Santander Consumer Spain 07-2 — Spain/Consumer ABS

Capital Structure

Series	Rating*	Size (%)**	Size (EURm)	Initial CE (%)	PMT freq	Legal Final Maturity
A	AAA	92.9	929.0	9.10	Quarterly	August 2022
B	AA+	2.70	27.0	6.40	Quarterly	August 2022
C	A+	1.75	17.5	4.65	Quarterly	August 2022
D	BBB+	2.65	26.5	2.00	Quarterly	August 2022
E***	CCC	2.00	20.0	n.a.		August 2022

* Each rated class in this transaction has a stable outlook.
**These percentages are expressed as a proportion of the initial collateral balance. Initial Reserve Fund size is 2.0% of the original collateral balance
*** Un-collateralised note issued to fund the creation of the reserve fund at closing date
Source: Fitch

Key Information

Closing date	21 September 2007	**Role**	Party (trigger)
Country of assets	Spain	**Issuer**	FTA, Santander Consumer Spain 07-2
Structure	24 month revolving period, followed by sequential amortisation	**Seller/servicer of the loans**	Santander Consumer, E.F.C., S.A
Type of assets	Auto and consumer loans	**Servicer of the notes**	Santander de Titulización S.G.F.T., S.A.
Currency of assets	EUR	**Swap counterparty**	Santander Consumer Finance, S.A ('A/F1')
Currency of notes	EUR	**Paying agent**	Banco Santander, S.A ('F1')
Primary analyst	lynnette.withfield@fitchratings.com	**GIC provider**	Santander Consumer Finance, S.A ('F1')
Secondary analyst	juan.garcia@fitchratings.com		
Performance analyst	renaud.utereiner@fitchratings.com		

Collateral: Pool Characteristics

As of 9 August 2007

Current principal balance (EURm)	1,096	WA seasoning (months)	9
Loans (#)	120,096	WA time to maturity (years)	5
Original average principal balance (EUR)	10,993.02	Highest geographical concentration (%)	23.70
Current average principal balance (EUR)	9,127,06	Top three geographical concentrations (%)	53.85
Linked to fixed interest rates (%)	100.0	Monthly amortising (%)	100.0
Linked to individuals resident in Spain (%)	95.83	Auto loans (%)	70.85
WA interest (%)	7.98	Consumer loans (%)	29.15
Loans granted to individuals (%)	95.83		

All percentages are expressed as a proportion of current collateral balance
Source: Transaction documents