

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on May 17, 2007. The "Folleto Informativo" drafted in Spanish language is the only official document.*

# FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER CONSUMER SPAIN AUTO 07-1 ASSET-BACKED SECURITIES

**€ 2,040,000,000**

			<b>S&amp;P</b>	<b>Fitch</b>
<b>Class A</b>	€ 1,902,000,000	3M EURIBOR + with a maximum margin of 0.16%	AAA	AAA
<b>Class B</b>	€ 78,000,000	3M EURIBOR + with a maximum margin of 0.40%	A	A
<b>Class C</b>	€ 20,000,000	3M EURIBOR + with a maximum margin of 0.75%	BBB	BBB
<b>Class D</b>	€ 40,000,000	3M EURIBOR + with a maximum margin of 3.50%	CCC-	CC

**BACKED BY CREDIT RIGHTS ASSIGNED BY**



**LEAD MANAGERS OF THE ISSUE**



**UNDERWRITERS**



**Paying Agent**



**Promoted and Administered by:**



**SANTANDER DE TITULIZACIÓN,  
S.G.F.T., S.A.**

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This document is the information prospectus (hereinafter, the "Information Prospectus" or the "Prospectus") for the FONDO DE TITULIZACIÓN DE ACTIVOS, SANTANDER CONSUMER SPAIN AUTO 07-1 (hereinafter the "Fund") approved and registered with the Comisión Nacional del Mercado de Valores (Spanish Securities Market Commission, hereinafter, the "CNMV") on 17 May 2007, in accordance with the provisions of Regulation 809/2004, which includes the following:

1. A description of the main risk factors related to the issue, the securities and the assets which support the issue (hereinafter, the "Risk Factors");
2. A registration document for the securities, drafted in accordance with Annex VII of Regulation 809/2004 (hereinafter the "Registration Document");
3. A note on the securities drafted in accordance with Annex XIII of Regulation 809/2004 (hereinafter, the "Securities Note"); and
4. An additional module to the Securities Note drafted by following the module stipulated in Annex VIII of Regulation 809/2004 (hereinafter, the "Additional Building Block").
5. A glossary of definitions (hereinafter the "Definitions").

## **RISK FACTORS**

### **I. Risk factors specific to the Fund:**

#### **(i) Risk of insolvency of the Fund:**

If the Fund is unable to meet its payment obligations on a generalised basis, the provisions of article 11 of Royal Decree 926/1998 will apply: that is, the Management Company, after informing the CNMV, will proceed with the orderly liquidation of the Fund, in accordance with the rules established in this regard in this Prospectus.

The Fund will only be liable for the performance of its obligations up to the amount of its assets.

#### **Absence of legal status of the Fund:**

The Fund lacks legal status. Consequently, the Management Company must carry out its administration and representation and comply with the obligations legally established in relation to the Fund. It will be liable to the Bondholders and the remaining ordinary creditors of the Fund up to the limit of its net worth in the event of breach of said obligations.

#### **Limitation of actions against the Management Company:**

The Bondholders and the other ordinary creditors of the Fund will only be able to bring an action against the Management Company of the Fund in the case of non-compliance with its functions or failure to observe the provisions of the Deed of Establishment or in this Prospectus.

#### **(ii) Compulsory replacement of Management Company:**

In accordance with articles 18 and 19 of Royal Decree 926/1998, the Management Company will be replaced in the event it is held to be insolvent. If in this case four (4) months have elapsed since the occurrence of the cause for the replacement and no other management company has been appointed, an Early Liquidation of the Fund and an Early Redemption of the Bonds will occur.

#### **(iii) Applicability of the Insolvency Act:**

In the event that Santander Consumer is held to be insolvent vis-à-vis its creditors, in its capacity as Administrator, the Fund, acting through the Management Company, will have a right of separation in respect of the assigned Credit Rights. Notwithstanding the foregoing, this right of separation will not necessarily extend to the money received by Santander Consumer, in its capacity as Administrator, and held thereby on behalf of the Fund prior to the date of insolvency since, given its fungible nature, it could be affected by the results of the insolvency proceedings according to majority interpretation of article 80 of the Insolvency Act. For the purpose of mitigating the indicated risk certain mechanisms are contemplated, as described in sections 3.4.4, 3.4.5 and 3.7.1 (5) of the Additional Building Block.

In the event of insolvency of the Management Company, it must be replaced in accordance with the provisions of article 19 of Royal Decree 926/1998.

Except in the event of breach of the parties, the structure of the contemplated securitisation transaction does not allow that cash be part of the asset base of the

Management Company, as amounts payable to the Fund must be paid, on the terms contemplated in this Prospectus, into the accounts opened in the name of the Fund by the Management Company (which when opening accounts acts not just as agent of the Fund but as its legal representative).

Notwithstanding the foregoing, insolvency of any of the participants (whether Santander Consumer, the Bank, the Management Company or any other counterparty of the Fund) could affect their contractual relationships with the Fund.

**(iv) Breach of contract by third parties:**

The Fund has formalised different contracts with third parties to provide certain services with regard to the Bonds. Therefore, the bondholders may be damaged if any of the above mentioned parties does not fulfil its obligations assumed by virtue of the contracts with third parties.

The contracts signed by the Management Company on behalf of the Fund are described in section 3.1 of the Additional Building Block.

**II. Specific risk factors of the Credit Rights backing the issue:**

**(i) Risk of non-payment of the Credit Rights:**

The holders of Bonds issued against the Fund will assume the risk of non-payment of the Credit Rights pooled therein.

Santander Consumer, E.F.C., S.A. (hereinafter "Santander Consumer") bears no liability whatsoever for non-payment by the Debtors, whether of principal, interest or of any other sum they may owe by virtue of the Credit Rights. The Assignor will only be liable for the existence and lawfulness of the Credit Rights at the time of the assignment and on the terms and conditions stated in the Prospectus, as well as for the legal status pursuant to which the assignment is made.

The Management Company and the Assignor in section 2.2.8 of the Additional Building Block warrant that the Loans that are to be assigned to the Fund have no pending instalments, nor are there Nonperforming Loans.

**(ii) Risk of prepayment of the Credit Rights:**

The Credit Rights pooled into the Fund are susceptible to being prepaid when the Debtors prepay, on the terms contained in each loan agreement from which the Credit Rights derive, the portion of principal pending amortisation.

**(iii) Liability:**

The Bonds issued by the Fund do not represent an obligation of the Management Company or the Assignor. The flow of funds used to meet the obligations to which the Bonds give rise is insured or guaranteed solely under the specific circumstances and up to the limits described under section 2 of the Additional Building Block. With the exception of these guarantees, there are no others granted by any public or private entity, including the Assignor, the Management Company or any affiliate company or investee company of any of the above. The Credit Rights pooled into the Fund and the rights they carry with them constitute the sole source of income of the Fund and, therefore, of payments to the titleholders of its liabilities.

**(iv) Protection:**

An investment in Bonds may be affected, inter alia, by a deterioration of the general economic conditions which has an adverse effect on the payments on the Credit Rights which back the issue of the Fund. In the event that non-payments should reach an elevated level, they could reduce, or even eliminate, the protection against losses in the Loan portfolio enjoyed by the Bonds as a result of the existence of the credit enhancements described under section 3.4.2 of the Additional Building Block. The foregoing considerations notwithstanding, the Bondholders have their risk mitigated by the Order of Priority of Payments described under section 3.4.6.(1)(b) of the Additional Building Block.

**(v) Geographical Concentration Risk**

As specified in section 2.2.2.1 h) of the Additional Building Block, the Autonomous Communities representing the greatest concentration of residence of debtors for the loans selected for assignment to the Fund upon its establishment are, by percentage of unmatured outstanding principal, as follows: Andalusia (27.89%), the Canary Islands (11.36%) and Catalonia (11.02%), together representing 50.27%.

In addition, the following Global Requirements are established regarding the geographical concentration by Autonomous Communities, which must be satisfied on an overall basis by the Credit Rights, including the Additional Credit Rights, in order to be assigned to the Fund.

- On the date of assignment the Outstanding Balance of the Credit Rights corresponding to the Debtors of a given Autonomous Community will not exceed twenty-eight percent (28.00%) of the total Outstanding Balance of the Credit Rights.
- - On the date of assignment the Outstanding Balance of the Credit Rights corresponding to the Debtors of the three (3) autonomous communities with the highest amount of loans (Outstanding Balance) may not exceed sixty percent (60.00%) of the total Outstanding Balance of the Credit Rights.

**III. Risk factors specific to the securities:**

**(i) Limited liquidity:**

There is no guarantee that trading in the Bonds with a minimum frequency or volume will occur in the market.

There is no commitment for intervention in secondary trading on the part of any entity, thereby giving liquidity to the Bonds through the offering of consideration.

Furthermore, in no case may the Fund repurchase the Bonds from the Bondholders, although they may indeed be redeemed early in their entirety, in the case of Early Liquidation of the Fund, on the terms established under section 4.4.c.1)(i) of the Registration Document.

**(ii) Yield:**

The calculation of the average life, return and duration of the Bonds is subject, inter alia, to hypotheses relating to prepayment rates of the Credit Rights which may not materialise, as well as future market interest rates, given the variable nature of the nominal interest rates. Compliance with the rate of prepayment of the loans is also determined by a variety of geographic, economic and social factors such as seasonal



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variation, market interest rates, the sectorial distribution of the portfolio and general economic activity.

**(iii) Default interest:**

In no event will the existence of delays in payment of interest or repayment of principal to the Bondholders result in accrual of default interest in their favour.

**(iv) Term:**

The calculation of the average life and term of the Bonds of each Class indicated in section 4.10 of the Securities Note is subject, amongst other assumptions, to estimates of the prepayment and non-performing loan rates of the Assets which may or may not be fulfilled. Fulfilment of the prepayment rate of the Assets is influenced by a variety of economic and social factors that hinder their predictability, such as the evolution of market interest rates, the economic situation of the Debtors and the overall level of economic activity.

**(v) Bond ratings:**

The credit risk of the Bonds issued with a charge to the Fund has been evaluated by the rating agencies Fitch Ratings España S.A./Standard & Poor's España, S.A.

The final ratings assigned may be revised, suspended or withdrawn at any time by those rating agencies in view of any information that becomes known to them.

Their ratings are not and can in no way be interpreted to be an invitation, recommendation or solicitation to investors to carry out any type of transaction in respect of the Bonds and, in particular, to acquire, hold, charge or sell the Bonds.

**(vi) Lower ranking of interest payments:**

This Prospectus and the rest of the supplementary documentation relating to the Bonds provide that the ranking of interest payments on the Class B and C Bonds will be downgraded in the event there arise the circumstances provided for in section 3.4.6(c) of the Additional Building Block.

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## **REGISTRATION DOCUMENT**

This Registration Document has been prepared according to Annex VII of Regulation (EC) 809/2004 and was approved by the CNMV on 17 May 2007.

## **1 PERSONS RESPONSIBLE**

### **1.1 Persons responsible for the information appearing in the Registration Document.**

MS. MARÍA JOSÉ OLMEDILLA GONZÁLEZ, acting in her capacity as Secretary of the Board of Directors, by virtue of the powers expressly conferred upon her by the Board of Directors at its meeting of 30 March 2007, for and on behalf of SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A., having its registered offices at Ciudad Grupo Santander, Avda. de Cantabria s/n, 28660, Boadilla del Monte (Madrid), assumes responsibility for the information contained in this Registration Document.

SANTANDER DE TITULIZACION, S.G.F.T., S.A. is the promoter of the securitisation fund FONDO DE TITULIZACION DE ACTIVOS, SANTANDER CONSUMER SPAIN AUTO 07-1 and will be responsible for the administration and legal representation thereof.

### **1.2 Declaration by those responsible for the Registration Document.**

MS. MARÍA JOSÉ OLMEDILLA GONZÁLEZ, having taken all reasonable care to ensure that such is the case, represents that the information given in the Registration Document is, to the best of her knowledge, in accordance with the facts and does not omit anything likely to affect its content.

## **2. AUDITORS OF THE FUND**

### **2.1 Name and address of the auditors of the Fund (together with membership in any relevant professional body).**

In accordance with the provisions of section 4.4 of this Registration Document, the Fund lacks historical financial information.

However, during the term of the Fund, the annual accounts will be audited on an annual basis by the auditors.

The Board of Directors of the Management Company, at its meeting on 30 March 2007 at which the establishment of this Fund was resolved, appointed the following accounting firm as the Fund's Statutory Auditors: Deloitte, S.L., whose data are set forth in section 5.2 h) of this Registration Document.

### **2.2 Fiscal years and statutory filing of annual financial statements.**

The fiscal year of the Fund will coincide with the calendar year. However, and as an exception, the first fiscal year will start on the Date of Establishment of the Fund, and the last fiscal year will finish on the expiration date of the Fund.

The Management Company will file the Fund's annual financial statements with the CNMV, together with the auditors' report in respect thereof, within four (4) months following the closing date of the Fund's fiscal year (i.e. prior to 30 April of each year).

The Fund's annual financial statements and the corresponding auditors' report will be filed with the Commercial Register on an annual basis.

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### **3. RISK FACTORS**

The risk factors specific to the Fund are those described under section I of the document included at the beginning of this Prospectus entitled "RISK FACTORS".

### **4. INFORMATION ABOUT THE ISSUER**

#### **4.1 Statement that the Issuer has been established as a securitisation fund.**

The Issuer is an asset securitisation fund established for the purpose of acquiring the Credit Rights assigned to the Fund by Santander Consumer, and issuing the Bonds.

The Fund will have open-end revolving assets and closed-end liabilities. Its assets will be comprised of the Initial Credit Rights, which it will acquire on the Date of Establishment, and the Additional Credit Rights, arising from the renewal of repaid Credit Rights, which it may acquire on each Payment Date during the Revolving Period, which will end on the Payment Date corresponding to 20 September 2009, unless early termination of such Revolving Period occurs as provided in section 2.2.2.2 of the Additional Building Block.

#### **4.2 Legal and commercial name of the Fund.**

The Fund will be established under the name FONDO DE TITULIZACION DE ACTIVOS, SANTANDER CONSUMER SPAIN AUTO 07-1, under Spanish law.

#### **4.3 Registration of Issuer.**

The establishment of the Fund and issue of the Bonds have as a prior requirement that they be registered in the official registers of the CNMV in Spain.

This Prospectus was registered with the CNMV on 17 May 2007.

Neither the establishment of the Fund nor the Bonds, which are issued and charged to its assets, will be registered in the Commercial Register, making use of the power contained in article 5.4 of Royal Decree 926/1998.

#### **4.4 Date of establishment and length of life of the Fund, except where indefinite.**

##### **a) Date of Establishment.**

The execution of the Deed of Establishment and, hence, the Date of Establishment of the Fund is scheduled for 21 May 2007.

The Deed of Establishment may not undergo any change except under exceptional circumstances and, as the case may be, in accordance with the conditions established by current regulations in force, and provided that the amendment does not impair the ratings assigned to the Bonds by the Rating Agencies or cause any damage to the Bondholders. The contents of said amendment will first be reported to the Rating Agencies and the CNMV, obtaining authorisation from the latter, if necessary.

The Management Company guarantees that the content of the Deed of Establishment will coincide with that of the Prospectus and that the Deed of

Establishment will coincide with the draft deed which has been submitted to the CNMV as a consequence of the registration of this Prospectus.

**b) Length of life of the Fund.**

It is expected that the Fund will operate from the Date of Establishment until the Legal Maturity Date, that is, until 20 September 2022, or, if this is not a Business Day, the following Business Day, without prejudice to the provisions of sections 4.4.c)c.1) y 4.4.c)c.2) below.

**c) Early liquidation of the Fund: Circumstances. Cancellation of the Fund. Actions for liquidation and cancellation of the Fund.**

**c.1) Early Liquidation: Circumstances.**

Notwithstanding the provisions of section b) above, the Management Company is empowered to proceed with the Early Liquidation of the Fund and, consequently, the Early Redemption of the Bonds on a Payment Date, on the terms established in this section, in the following circumstances:

- (i) When the Outstanding Balance of the Credit Rights is less than ten per cent (10%) of the Outstanding Balance of the Initial Credit Rights on the Date of Establishment of the Fund, provided that the payment obligations deriving from the Bonds of each Class may be paid and cancelled in full in accordance with the Order of Priority of Liquidation Payments.

Payment obligations derived from the Bonds of each Class on the date of Early Liquidation of the Fund will be considered to be the Outstanding Principal Balance of the Bonds on that date plus the interest accrued and unpaid up to that date. These amounts will be considered to be due and payable on that date.

- (ii) When, due to an event or circumstance of any foreign nature or not related to the development of the Fund, a substantial alteration or permanent impairment of the financial balance of the Fund required by article 5.6 of Act 19/1992 occurs. This includes circumstances such as the existence of a change in regulations or additional legislative developments, the establishment of withholding obligations or other situations that might permanently affect the financial balance of the Fund. In this case, after informing the CNMV, the Management Company will proceed to liquidate the Fund in an orderly manner in accordance with the rules set out in the Deed of Establishment and in this Prospectus.
- (iii) In the case contemplated in article 19 of Royal Decree 926/1998, which establishes the obligation to liquidate the Fund if four (4) months have elapsed since the event resulting in mandatory replacement of the Management Company because it was held to be insolvent, without a new management company willing to undertake management of the Fund having been found.

- (iv) When a payment default occurs or is expected to occur which is indicative of a serious and permanent imbalance in relation to any of the Bonds.
- (v) When thirty (30) months have elapsed from the date of the Final Maturity Date of the Fund even though there are still debits pending, that is to say, six (6) months prior to the Legal Maturity Date of the Fund.

Liquidation of the Fund will be first reported to the CNMV and, afterwards, to the Bondholders, in the manner contemplated by sections 4.b) of the Additional Building Block, at least thirty (30) Business Days in advance of the day on which Early Redemption is to take place, which must necessarily be on a Payment Date.

**c.2) Cancellation of the Fund.**

The cancellation of the Fund will take place (i) as a consequence of the payment in full of the Credit Rights, (ii) as a consequence of the full redemption of the Bonds, (iii) as a consequence of the Early Liquidation provided for in the section 4.4.c).1 above, (iv) due to the occurrence of the Legal Maturity Date, or (v) when the provisional ratings of the Bonds are not confirmed as being definitive prior to the start of the Subscription Period.

In the event that any of the situations described in the foregoing sections should occur, the Management Company will inform the CNMV and will initiate the pertinent formalities for cancellation of the Fund.

**c.3) Actions for the liquidation and cancellation of the Fund.**

So that the Fund, through its Management Company, may carry out the liquidation and cancellation of the Fund and, as the case may be, the Early Liquidation of the Fund and Early Redemption of the Bonds in those cases determined by section 4.4.c.1) above, and specifically so that the Fund will have sufficient Available Funds to meet its payment obligations, the Management Company, on behalf of the Fund, will proceed to carry out any or all of the following actions:

- (i) sell the Credit Rights remaining in the Fund for a price which may not be less than the sum of the principal pending payment plus the accrued and unpaid interest in respect of the Credit Rights pending repayment. For this purpose, the Management Company will request an offer from at least five (5) entities of those most active in the sale and purchase of similar assets, and may not sell them at a price less than the best offer received. The Assignor will have a right of first refusal to acquire said Credit Rights, on the conditions established by the Management Company at the time of the liquidation, in such manner that it will have preference over third parties to acquire the Credit Rights. In order to exercise the right of first refusal, the Assignor will have a period of five (5) Business Days from the date on which the Management Company notifies it of the conditions (price, form of payment, etc.) under which the transfer of the Credit Rights will proceed. The Assignor's offer must equal at least the best of the offers made by third parties.

In the event that no offer covers the value of the principal plus accrued and unpaid interest of the Credit Rights pending repayment, the Management Company will accept the best offer received for the Credit Rights which, in its judgment, covers the market value thereof. In order to set the market value, the Management Company may obtain from third party entities different from the above, such valuation reports as it deems necessary. In this case, the Assignor will also enjoy the right of first refusal described above, provided that its offer at least equals the best of those made by third parties.

This right of first refusal in no case implies an agreement or obligation of the Assignor to repurchase the Credit Rights; and/or

- (ii) cancel those contracts which are not necessary for the liquidation process of the Fund; and/or
- (iii) arrange a credit facility, draws from which will be paid into the Principal Account and used fully and immediately for Early Redemption of the Bond issue. The repayment of this credit facility will be guaranteed only by the flows of interest and principal derived from the Credit Rights to be repaid and the proceeds from the sale of the other assets that remain as assets of the Fund; and/or
- (iv) sell any assets of the Fund other than the Credit Rights and cash for a price not less than market value. In order to set the market value, the Management Company will request such valuation reports as it deems necessary from at least one entity specialising in the valuation or marketing of assets similar to those whose sale is intended, proceeding with the sale of the assets in question using the procedure which allows obtaining a higher price in the market.

The Management Company will immediately apply all amounts it has obtained from transfer of the Credit Rights and any other assets of the Fund to the payment of the various items, in the applicable manner, amount and Order of Priority of Liquidation Payments, as specified in section 3.4.6.(5) of the Additional Building Block, except for the amounts of the credit facility which will be used entirely for Early Redemption of the Bond issue. Early Redemption of all of the Bonds in any of the circumstances contemplated in section 4.4.c.1) above will be carried out for the Outstanding Principal Balance up to that date plus interest accrued and not paid up to the Early Redemption date, which must necessarily coincide with a Payment Date, after deducting, as the case may be, any withholding tax, and free of expenses for the holder, which amounts, for all legal purposes, will be deemed to be due and payable on this latter date.

In the event that, once the Fund has been liquidated and all scheduled payments have been made pursuant to the Order of Priority of Liquidation Payments contemplated under section 3.4.6.(5) of the Additional Building Block, any remainder should exist or any judicial or notary proceedings brought as a consequence of the non-payment by any Debtor of the Credit Rights should remain pending resolution (all in accordance with the provisions of section 3.4.5.b) of the Additional Building Block), both the said remainder as well as the continuation and/or proceeds of the resolution of the proceedings cited above will inure to Santander Consumer's benefit.

In any case, the Management Company, acting for and on behalf of the Fund, will not proceed with cancellation of the Fund until it has proceeded with liquidation of the Credit Rights and any other remaining assets of the Fund and the distribution of the Fund's available funds, following the Order of Priority of Liquidation Payments contemplated under 3.4.6.(5) of the Additional Building Block.

Once a maximum period of six (6) months after the liquidation of the Credit Rights and any other remaining assets of the Fund and the distribution of the available funds has transpired, the Management Company will execute an official attestation before a notary public declaring (i) the Fund to be cancelled, as well as the causes contemplated in this Registration Document which motivated its cancellation, (ii) the procedure carried out for notifying the Bondholders and the CNMV, and (iii) the distribution of the available amounts from the Fund following the Order of Priority of Liquidation Payments contemplated under section 3.4.6.(5) of the Additional Building Block, and will comply with such further administrative formalities as may be applicable. Said notarised attestation will be sent by the Management Company to the CNMV.

In the event that the cause of termination stated under section 4.4.c.2)(v) above should occur, the establishment of the Fund as well as the Bond issue and the contracts executed by the Management Company, acting on behalf of the Fund, will be terminated, except for the Subordinated Loan Agreement, against which the establishment and issue expenses incurred by the Fund will be paid. Said termination will be reported forthwith to the CNMV and, once one (1) month after occurrence of the cause for termination of the establishment of the Fund has transpired, the Management Company will execute before a notary public the attestation which it will send to the CNMV, Iberclear, AIAF and the Rating Agencies, declaring the cancellation of the Fund and the cause thereof.

4.5 Domicile and legal form of the issuer, the legislation under which the issuer operates.

**a) Domicile of the Fund.**

The Fund lacks a registered office because it lacks separate legal status. For all purposes, the Fund's registered office is deemed to be that of the Management Company, to wit:

SANTANDER DE TITULIZACION, S.G.F.T., S.A.

Ciudad Grupo Santander

Avda. de Cantabria s/n

28660 Boadilla del Monte (Madrid)

Telephone: 91.289.32.89

**b) Legal status of the Fund.**

The Fund will be a separate property comprised of open-end revolving assets and closed-end liabilities, lacking legal status, in accordance with the provisions of article 4 of Royal Decree 926/1998. The Management Company is entrusted with the establishment, administration and legal representation of the Fund, with status as a



manager of third party business, the representation and defence of the interests of the bondholders and the rest of the ordinary creditors of the Fund.

**c) Legislation under which it operates and country of establishment.**

The Fund will be established in Spain under Spanish law.

In particular, the Fund will be established in accordance with (i) Royal Decree 926/1998 and provisions implementing it; (ii) Act 19/1992, with regard to anything not contemplated by Royal Decree 926/1998 and as applicable thereto; (iii) the Spanish Securities Market Act; (iv) Additional Provision Five of Act 3/94, and (v) such other legal and regulatory provisions as are in force and applicable from time to time.

This Prospectus was prepared pursuant to the standard forms contemplated in Regulation (EC) No. 809/2004.

**d) Tax regime of the Fund.**

There follows a brief summary of the general tax regulations applicable to the Fund. It must be understood to be without prejudice to the peculiarities of each local jurisdiction and the regulations that may apply at the time the corresponding income is obtained or declared.

The tax regime applicable to asset securitisation funds (Fondos de Titulización de Activos) consists of the general provisions contained in Royal Legislative Decree 4/2004 of 5 March 2004 approving the consolidated text of the Spanish Corporate Income Tax (Impuesto sobre Sociedades) and its implementing provisions, with the specific peculiarities arising from the provisions of Act 19/1992 of 7 July 1992 regulating Real Estate Investment Funds and Companies and Mortgage Backed Securitisation Funds (Sociedades y Fondos de Inversión Inmobiliaria y sobre Fondos de Titulización Hipotecaria), in Act 3/1994 and in Royal Decree 926/1998, which, in summary, establish the following fundamental principles:

- (i) The establishment of the Fund is exempt from treatment as a "corporate transaction" under the Transfer Tax/Stamp Duty.
- (ii) The Fund is the taxpayer under the Corporate Income Tax and is subject to the general treatment under that Tax, at the general rate in effect from time to time. Currently that rate is set at thirty-two percent (32.5%). Nevertheless, starting with the 2008 fiscal year the general rate of the tax will be thirty percent (30%), in accordance with the provisions of Act 35/2006 of 28 November 2006 on Personal Income Tax and partial amendment of the Corporate Tax, Nonresident Tax and Wealth Tax.
- (iii) The returns on the Credit Rights which constitute the Fund's income will not be subject to withholding or interim tax deposit (article 59, section k) of Royal Decree 1777/2004).
- (iv) The management services rendered by the Management Company to the Fund will be exempt from Value Added Tax (article 20.One.18. of Act 37/1992).
- (v) The issue, subscription, transfer, redemption and repayment of the Bonds is exempt from Value Added Tax (article 20.One.18th of Act 37/1992) and from Transfer Tax/Stamp Duty (article 45.I.B. of Royal Legislative Decree 1/1993).

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- (vi) The assignment of the Credit Rights to the Fund is a transaction subject to and exempt from Value Added Tax (article 20.One.18th of Act 37/1992)
- (vii) The reporting obligations set forth in the Second Additional Provision of Act 13/1985 of 25 May 1985 on investment ratios, capital and reporting obligations of financial intermediaries, as amended by Act 19/2003 and Act 23/2005, will apply to the Fund. The procedure for complying with the indicated reporting obligations has been developed by Royal Decree 2281/1998 of 23 October 1998, developing the provisions applicable to certain obligations to report to the tax authorities, pursuant to an amendment introduced by Royal Decree 1778/2004 of 30 July 2004.

#### 4.6 Description of the amount of the Fund's authorised and issued capital.

The Fund lacks share capital.

### 5. BUSINESS OVERVIEW

#### 5.1 Brief description of the Issuer's principal activities.

The Issuer is an asset securitisation fund and, as such, its principal business consists of acquiring the Credit Rights deriving from the Loans from Santander Consumer and issuing the Bonds. That is, through securitisation, Santander Consumer transfers the Credit Rights to the Fund, which pays the price thereof with the proceeds from the Bond issue subscribed by the institutional investors to which said issue is directed.

Thus, through this operation, Santander Consumer is advanced the payment of the future flows pertaining to the Loans, i.e. the Credit Rights become liquid to Santander Consumer, even though they were not liquid at the time of the assignment to the Fund.

#### 5.2 Global overview of the parties to the securitisation program.

- a) SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. participates as the Fund's Management Company and as legal and financial adviser for the operation's structure.

SANTANDER DE TITULIZACION, S.G.F.T., S.A. is a Securitisation Fund Management Company having its registered offices at Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte (Madrid), holder of Tax Identification Code number A-80481419. A brief description thereof is stated under section 3.7.2 of the Additional Building Block.

SANTANDER DE TITULIZACION, S.G.F.T., S.A. is registered in the Commercial Register of Madrid, at Volume 4,789, Sheet 75, Page M-78658, entry 1. It is also registered in the special register of the CNMV, with number 1.

The Management Company has not been assigned a rating by any rating agency.

- b) SANTANDER CONSUMER, E.F.C., S.A. ("Santander Consumer") participates as the Assignor and Administrator of the Credit Rights.

Santander Consumer is a Spanish credit institution with registered offices at Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte (Madrid), with Tax Identification Code number A-70902244. A brief description thereof is stated in section 3.5 of the Additional Building Block.

Santander Consumer has not been assigned a rating by any rating agency.

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- c) BANCO SANTANDER CENTRAL HISPANO, S.A. ("BSCH", "Santander" or the "Bank"), participates as Paying Agent, as Lead Manager of the Bond issue, and as an Underwriter.

In its capacity as Lead Manager, it carries out the following function, on the terms established by article 35.1 of Royal Decree 1310/2005:

- To receive the mandate of the Management Company in order to direct the operations concerning the design of the temporal and commercial financial conditions of the issue, as well as co-ordination of the relations with the supervisory authorities, with the market operators, with the potential investors and with the rest of the distribution entities and underwriters.

BSCH is a Spanish credit institution having its registered offices in Santander, at Paseo de Pereda 9-12, 39004, with its operational headquarters located at Ciudad Grupo Santander, Avenida de Cantabria sin número, 28660 Boadilla del Monte (Madrid), holder of Tax Identification Code number A-39000013 and C.N.A.E. 651.

The ratings of BSCH's unsubordinated and unsecured short and long-term debt, as assigned by the rating agencies, are:

- Fitch: AA (long term) and F1+ (short term).
- Standard & Poor's: AA (long-term) and A-1+ (short term).

- d) SANTANDER CONSUMER FINANCE, S.A. ("SCF") participates as counterparty of the Fund in the Subordinated Loan Agreement, in the Guaranteed Rate Reinvestment Agreement, as a counterparty of the Fund in the Liquidity Line Agreement, and as a counterparty of the Fund in the Swap Agreement.

SCF is a Spanish credit institution having its registered offices in Ciudad Grupo Santander Avda. de Cantabria s/n 28660 Boadilla del Monte (Madrid), holder of Tax Identification Code number A-28122570. Registered with the Bank of Spain with number 0224.

The ratings of SCF's unsubordinated and unsecured short and long-term debt, as assigned by the rating agencies, are:

- Fitch: AA (long term) and F1+ (short term).
- Standard & Poor's: AA (long term) and A1+ (short term).

SCF is the parent company of the financial group to which it gives its name, and is the owner in Spain of 100% of Santander Consumer.

- e) CALYON Sucursal en España ("CALYON"), participates as (i) Lead Manager of the Bond issue (ii) designer and structurer of the fund and (iii) Underwriter.

- To receive the mandate of the Management Company in order to direct the operations concerning the design of the temporal and commercial financial conditions of the issue, as well as co-ordination of the relations with the supervisory authorities, with the market operators, with the potential investors and with the rest of the distribution entities and underwriters.

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CALYON has its domicile at Paseo de la Castellana, 1, Madrid (Spain) and holds Tax Identification Code A-0011043-G registered with the Special Register of Banks and Bankers under number 0154.

The ratings of CALYON's unsubordinated and unsecured short and long-term debt, as assigned by the rating agencies, are:

- Fitch: AA (long term) and F1+ (short term).
- Standard & Poor's: AA- (long-term) and A1+ (short-term).

f) STANDARD & POOR'S participates as Rating Agency of the Bonds.

Standard & Poor's is a Spanish stock company and subsidiary of the credit rating agency Standard & Poor's Limited, having its registered offices in Madrid, at Marqués de Villamejor, 5, 28006, holder of Tax Identification Code number A-90310824.

g) FITCH RATINGS ESPAÑA S.A. UNIPERSONAL, ("Fitch") participates as credit rating agency of the Bonds.

Fitch is a Spanish stock company and subsidiary of the credit rating agency Fitch Ratings Limited, having its registered office in Barcelona, at Paseo de Gracia number 85, holder of Tax Identification Code number A-58090655.

h) DELOITTE, S.L. participates as auditor of the Management Company and Santander Consumer. Furthermore, it will prepare an auditors' report on the portfolio of Loans that will comprise the Fund and such company has been appointed auditor of the Fund.

Deloitte, S.L. has its registered offices in Madrid, at Torre Picasso, Plaza Pablo Ruiz Picasso, s/n, holder of Tax Identification Code number B-79104469, registered with the Official Register of Certified Public Accountants (Registro Oficial de Auditores de Cuentas; R.O.A.C.) under number S0692, and registered with the Commercial Register of Madrid, at Volume 3190, Section 8, Sheet 1, Page M-54,414, 1st entry.

i) CUATRECASAS ABOGADOS, S.R.L. participates as legal adviser with respect to the structure of the operation.

CUATRECASAS ABOGADOS, S.R.L. is a limited liability company formed in Spain, with Tax Identification Code: B-59942110, registered office at Paseo de Gracia, 111, 08008 Barcelona, registered with the Commercial Register of Barcelona at Volume 37673, Sheet 30, Section 8, Page 23850.

For the purpose of article 4 of the Spanish Securities Market Act, SANTANDER DE TITULIZACION, S.G.F.T., S.A. forms part of the SANTANDER GROUP.

There is no knowledge of the existence of any other relationship involving direct or indirect ownership or control between the aforesaid legal entities participating in the securitisation program.

## **6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE MANAGEMENT COMPANY**

### **6.1 Corporate bodies of the Management Company**

In accordance with Royal Decree 926/1998, Asset Securitisation Funds lack separate legal status. The Securitisation Fund Management Companies are entrusted with the establishment, administration and legal representation thereof, as well as the representation

and defence of the interest of the holders of the securities issued against the funds they administer and of the other ordinary creditors thereof.

By virtue of the foregoing, this section sets forth the information relating to SANTANDER DE TITULIZACION, S.G.F.T., S.A., in its capacity as the Management Company that is establishing, administering and representing the securitisation fund FONDO DE TITULIZACION DE ACTIVOS, SANTANDER CONSUMER SPAIN AUTO 07-1.

**a) Name and business address.**

- Corporate name: SANTANDER DE TITULIZACION, SOCIEDAD GESTORA DE FONDOS DE TITULIZACION, S.A.
- Business address: Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte (Madrid).
- Tax Identification Code number: A-80481419
- C.N.A.E.: 8199

**b) Incorporation and registration with Commercial Register, as well as information relating to administrative authorisations and registration with the Comisión Nacional del Mercado de Valores (Spanish Securities Market Commission).**

SANTANDER DE TITULIZACION, S.G.F.T., S.A. was incorporated by public deed executed on 21 December 1992 before Madrid Notary Public Francisco Mata Pallarés, under number 1310 of his official record, with the prior authorisation of the Ministry of Economy and Finance awarded on 1 December 1992. It is registered with the Commercial Register of Madrid, at Volume 4789, Sheet 75, Page M-78658, 1st entry. Furthermore, it is registered with the special register of the CNMV, under number 1.

In addition, the Management Company amended its Bylaws by resolution of its Board of Directors adopted on 15 June 1998, as formalised in a public deed authorised by Madrid Notary Public Roberto Parejo Gamir on 20 July 1998, under number 3070 of his official record, in order to adapt to the requisites established for Asset Securitisation Fund Management Companies by Royal Decree 926/1998. Such amendment was authorised by the Ministry of Economy and Finance on 16 July 16 1998, in accordance with the provisions of the Sole Transitional Provision of aforesaid Royal Decree 926/1998.

The duration of the Management Company is indefinite, except for the occurrence of any of the causes where the legal and statutory provisions, as the case may be, may call for dissolution.

**c) Corporate Purpose and brief description of the Management Company's principal activities.**

As required by law, article two of the Management Company's Bylaws establishes that: "the company will have as its exclusive purpose the establishment, administration and legal representation of Mortgage Securitisation Funds on the terms of article six of Act 19/1992 of 7 July 1992, on the Scheme of Real Estate Investment Companies and Funds and on Mortgage Securitisation Funds and Asset

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Securitisation Funds, in accordance with the provisions of article 12, point 1, of Royal Decree 926/1998 of 14 May 1998, regulating Asset Securitisation Funds and Securitisation Fund Management Companies. As a manager of third party businesses, it is responsible for the representation and defence of the interests of the holders of the securities issued against the Funds it administers and of the other ordinary creditors thereof, as well as performance of the further duties attributed to Securitisation Fund management companies by current legislation".

The Management Company manages the following assets on 7 May 2007:

MORTGAGE SECURITISATION FUNDS						
Funds	CLASSES	OUTSTANDING BALANCE	INTEREST RATE PER CLASS	RATING AGENCIES	DATE OF INCORPORATION	INITIAL BALANCE
FTH HIPOTEBANSA VI	Class A	27.233.819,40 €	Libor 3M + 0.12%	S&P España / Moody's España	27/10/1997	262.942.795,67 €
	Class B	2.723.381,35 €	Libor 3M + 0.50%			
	<b>Total</b>	<b>29.957.200,75 €</b>				
FTH HIPOTEBANSA VII	Class A	50.725.291,20 €	Libor 3M + 0.15%	S&P España / Moody's España	05/05/1998	317.334.391,12 €
	Class B	5.072.529,18 €	Libor 3M + 0.525%			
	<b>Total</b>	<b>55.797.820,38 €</b>				
FTH UCI 4	Class A	24.797.145,82 €	Libor 3M + 0.16%	S&P España	25/06/1998	180.303.631,32 €
	Class B	2.479.714,54 €	Libor 3M + 0.575%			
	<b>Total</b>	<b>27.276.860,36 €</b>				
FTH HIPOTEBANSA VIII	Class A	60.641.598,80 €	Libor 3M + 0.27%	Fitch IBCA / Moody's España	17/12/1998	328.302.862,02 €
	Class B	6.064.159,83 €	Libor 3M + 0.800%			
	<b>Total</b>	<b>66.705.758,63 €</b>				
FTH UCI 5	Class A	49.897.925,00 €	Euribor 3M + 0.23%	Moody's España	03/06/1999	265.000.000,00 €
	Class B	3.991.833,60 €	Euribor 3M + 0.625%			
	<b>Total</b>	<b>59.075.689,60 €</b>				
FTH BANESTO 1	Class A	119.144.927,76 €	Euribor 3M + 0.23%	Moody's España	29/07/1999	759.000.000,00 €
	Class B	9.531.596,62 €	Euribor 3M + 0.625%			
	<b>Total</b>	<b>146.459.288,20 €</b>				
FTH HIPOTEBANSA IX	Class A	128.061.177,72 €	Euribor 3M + 0.27%	Fitch IBCA / Moody's España	10/11/1999	519.200.000,00 €
	Class B	12.806.115,00 €	Euribor 3M + 0.75%			
	<b>Total</b>	<b>140.867.292,72 €</b>				
FTH BANESTO 2	Class A	174.354.582,00 €	Euribor 3M + 0.27%	Moody's España	08/05/2000	715.000.000,00 €
	Class B	12.204.822,50 €	Euribor 3M + 0.625%			
	<b>Total</b>	<b>207.140.104,00 €</b>				
FTH BANESTO 3	Class A	166.031.478,30 €	Euribor 3M + 0.23%	Moody's España	16/07/2001	545.000.000,00 €
	Class B	16.603.146,93 €	Euribor 3M + 0.60%			
	<b>Total</b>	<b>182.634.625,23 €</b>				
FTH BANESTO 4	Class A	751.870.813,50 €	Euribor 3M + 0.20%	S&P España	15/11/2003	1.500.001.867,69 €
	Class B	45.000.000,00 €	Euribor 3M + 0.65%			
	<b>Total</b>	<b>796.870.813,50 €</b>				
FTH UCI 10	Class A	302.054.847,50 €	Euribor 3M + 0.16%	S&P España	14/05/2004	700.000.000,00 €
	Class B	19.280.095,80 €	Euribor 3M + 0.50%			
	<b>Total</b>	<b>383.268.974,90 €</b>				
FTH UCI 12	Class A	547.295.730,24 €	Euribor 3M + 0.15%	S&P España	30/05/2005	900.000.000,00 €
	Class B	9.000.000,00 €	Euribor 3M + 0.27%			
	Class C	23.800.000,00 €	Euribor 3M + 0.60%			
<b>Total</b>	<b>580.095.730,24 €</b>					
<b>TOTAL MSF</b>		<b>2.676.150.158,51 €</b>				<b>6.992.085.547,82 €</b>

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ASSET SECURITISATION FUNDS						
FUNDS	CLASSES	OUTSTANDING BALANCE	INTEREST RATE PER CLASS	RATING AGENCIES	DATE OF INCORPORATION	INITIAL BALANCE
FTA SANTANDER 1	Intern P.Notes	4.956.170.379,00		S&P España / Moody's España	26/11/1998	1.202.024.208,77 €
	PDomestic P.Notes	0,00				
	<b>Total</b>	<b>4.956.170.379,00 €</b>				
FTA UCI 6	Class A	97.661.432,34	Euribor 3M + 0.295%	Moody's España	19/06/2000	457.000.000,00 €
	Class B	8.594.204,64	Euribor 3M + 0.775%			
	<b>Total</b>	<b>106.255.636,98 €</b>				
FTA UCI 7	Class A	115.844.786,40	Euribor 3M + 0.250%	S&P España / Moody's España	25/10/2001	455.000.000,00 €
	Class B	8.109.134,16	Euribor 3M + 0.700%			
	<b>Total</b>	<b>123.953.920,56 €</b>				
FTA HIPOTEBANSA X	Class A	320.332.717,87	Euribor 3M + 0.21%	S&P España / Moody's España	04/03/2002	917.000.000,00 €
	Class B	18.300.000,00	Euribor 3M + 0.55%			
	<b>Total</b>	<b>383.268.974,90 €</b>				
FTA FTPYME BANESTO 1	Class A1(G)	0,00 €	Euribor 3M + 0.01%	Fitch IBCA / Moody's España	11/06/2002	500.000.000,00 €
	Class A1	0,00 €	Euribor 3M + 0.35%			
	Class A2(G)	0,00 €	Euribor 3M + 0.04%			
	Class A2	0,00 €	Euribor 3M + 0.38%			
	Class A3(G)	166.700.000,00	Euribor 3M + 0.07%			
	Class A3	41.700.000,00	Euribor 3M + 0.48%			
	Class B(G)	1.114.596,75	Euribor 3M + 0.20%			
	Class B	1.114.596,75	Euribor 3M + 0.90%			
	Class C	1.950.544,00	Euribor 3M + 1.80%			
	<b>Total</b>	<b>212.579.737,50 €</b>				
FTA UCI 8	Class A	150.439.419,78	Euribor 3M + 0.220%	S&P España / Moody's España	24/06/2002	600.000.000,00 €
	Class B	9.929.003,04	Euribor 3M + 0.600%			
	<b>Total</b>	<b>160.368.422,82 €</b>				
FTA HIPOTEBANSA 11	Class A	483.942.649,44	Euribor 3M + 0.24%	S&P España / Moody's España	26/11/2002	1.062.000.000,00 €
	Class B	21.200.000,00	Euribor 3M + 0.45%			
	<b>Total</b>	<b>550.497.695,12 €</b>				
SANTANDER CONSUMER FINANCE SPAIN 02-1 FTA	Class A	186.654.020,25	Euribor 3M + 0.30%	Fitch / Moody's España / S&P	09/12/2002	850.000.000,00 €
	Class B	11.914.089,60	Euribor 3M + 0.60%			
	<b>Total</b>	<b>198.568.109,85 €</b>				
FTA CONSUMO SANTANDER 1	Class A	114.133.406,40	Euribor 3M + 0.25%	S&P España / Moody's España	04/03/2003	1.080.000.000,00 €
	Class B	37.800.000,00	Euribor 3M + 0.43%			
	Class C	35.100.000,00	Euribor 3M + 0.73%			
	Class D	35.100.000,00	Euribor 3M + 1.40%			
	<b>Total</b>	<b>222.133.406,40 €</b>				

ASSETS SECURITISATION FUNDS						
FUNDS	CLASSES	OUTSTANDING BALANCE	INTEREST RATE PER CLASS	RATING AGENCIES	DATE OF INCORPORATION	INITIAL BALANCE
FTA UCI 9	Class A	399.939.797,07	Euribor 3M + 0.265%	S&P España / Moody's España	16/06/2003	1.250.000.000,00 €
	Class B	29.657.477,50	Euribor 3M + 0.65 %			
	Class C	6.542.090,74	Euribor 3M + 1.20 %			
	<b>Total</b>	<b>436.139.365,31 €</b>				
FTA FTPYME SANTANDER 1	Class A	443.099.287,89	Euribor 3M + 0.25%	Fitch / Moody's España	24/09/2003	1.800.000.000,00 €
	Class B1(G)	537.100.000,00	Euribor 3M + 0.00%			
	Class B2	134.300.000,00	Euribor 3M + 0.40%			
	Class C	27.000.000,00	Euribor 3M + 0.90%			
	Class D	87.300.000,00	Euribor 3M + 1.80%			
	<b>Total</b>	<b>1.228.799.287,89 €</b>				
FTA SANTANDER HIPOTECARIO 1	Class A	989.355.396,48	Euribor 3M + 0.18%	S&P España / Moody's España	11/06/2004	1.875.000.000,00 €
	Class B	53.400.000,00	Euribor 3M + 0.30%			
	Class C	46.900.000,00	Euribor 3M + 0.50%			
	Class D	56.300.000,00	Euribor 3M + 0.95%			
	<b>Total</b>	<b>1.145.955.396,48 €</b>				
FTA FTPYME SANTANDER 2	Class A	603.770.772,15	Euribor 3M + 0.20%	S&P España	21/10/2004	1.850.000.000,00 €
	Class B	183.564.007,65	Euribor 3M + 0.00%			
	Class C	81.000.000,00	Euribor 3M + 0.30%			
	Class D	58.500.000,00	Euribor 3M + 0.70%			
	Class E	58.500.000,00	Euribor 3M + 1.50%			
	<b>Total</b>	<b>985.334.779,80 €</b>				
FTA UCI 11	Class A	412.007.124,06	Euribor 3M + 0.14%	S&P España	17/11/2004	850.000.000,00 €
	Class B	6.000.000,00	Euribor 3M + 0.33%			
	Class C	22.900.000,00	Euribor 3M + 0.75%			
	<b>Total</b>	<b>440.907.124,06 €</b>				
FTA SANTANDER PUBLICO 1	Class A	1.158.363.954,30	Euribor 3M+ 0.039%	Fitch / Moody's España	17/12/2004	1.850.000.000,00 €
	Class B	37.000.000,00	Euribor 3M+ 0.30%			
	<b>Total</b>	<b>1.195.363.954,30 €</b>				
FTA SANTANDER AUTO 1	Sole Class	913.907.226,20	Euribor 3M + 0.059%	S&P España	07/04/2005	1.598.000.000,00 €
	<b>Total</b>	<b>913.907.226,20 €</b>				

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ASSETS SECURITISATION FUNDS						
FUNDS	CLASSES	OUTSTANDING BALANCE	INTEREST RATE PER CLASS	RATING AGENCIES	DATE OF INCORPORATION	INITIAL BALANCE
FTA SANTANDER EMPRESAS 1	Class A1	395.549.092,96	Euribor 3M + 0.02%	S&P España / Fitch España	27/10/2005	3.100.000.000,00 €
	Class A2	1.240.000.000,00	Euribor 3M + 0.12%			
	Class B	80.600.000,00	Euribor 3M + 0.21%			
	Class C	96.100.000,00	Euribor 3M + 0.29%			
	Class D	170.500.000,00	Euribor 3M + 0.59%			
<b>Total</b>		<b>1.982.749.092,96 €</b>				
FTA UCI 14	Class A	998.851.009,25	Euribor 3M + 0.15%	S&P España / Fitch España	30/11/2005	1.350.000.000,00 €
	Class B	34.100.000,00	Euribor 3M + 0.29%			
	Class C	38.400.000,00	Euribor 3M + 0.58%			
<b>Total</b>		<b>1.071.351.009,25 €</b>				
FTA UCI 15	Class A	1.114.843.630,30	Euribor 3M + 0.14%	S&P España / Fitch España	28/04/2006	1.430.000.010,22 €
	Class B	32.900.000,00	Euribor 3M + 0.27%			
	Class C	56.500.000,00	Euribor 3M + 0.53%			
	Class D	21.600.000,00	Euribor 3M + 0.58%			
<b>Total</b>		<b>1.225.843.630,30 €</b>				
FTA SANTANDER HIPOTECARIO 2	Class A	1.604.832.586,95	Euribor 3M + 0.15%	S&P España / Moody's España	30/06/2006	1.758.332.586,95 €
	Class B	51.800.000,00	Euribor 3M + 0.20%			
	Class C	32.300.000,00	Euribor 3M + 0.30%			
	Class D	49.800.000,00	Euribor 3M + 0.55%			
	Class E	19.600.000,00	Euribor 3M + 2.10%			
	Class F	17.600.000,00	Euribor 3M + 1.00%			
<b>Total</b>		<b>1.775.932.586,95 €</b>				
FTA SANTANDER CONSUMER SPAIN AUTO 06	Class A1	1.282.500.000,00	Euribor 3M + 0.15%	S&P España / Fitch España	10/10/2006	1.350.000.000,00 €
	Class A2	22.300.000,00	Euribor 3M + 0.20%			
	Class B	22.300.000,00	Euribor 3M + 0.30%			
	Class C	22.900.000,00	Euribor 3M + 0.55%			
	Class D	10.200.000,00	Euribor 3M + 2.10%			
<b>Total</b>		<b>1.360.200.000,00 €</b>				
FTA UCI 16	Class A1	323.175.487,00	Euribor 3M + 0.06%	S&P España / Fitch España	18/10/2006	1.800.000.000,00 €
	Class A2	1.247.600.000,00	Euribor 3M + 0.15%			
	Class B	72.000.000,00	Euribor 3M + 0.30%			
	Class C	41.400.000,00	Euribor 3M + 0.55%			
	Class D	9.000.000,00	Euribor 3M + 2.25%			
	Class E	19.800.000,00	Euribor 3M + 2.30%			
<b>Total</b>		<b>1.712.975.487,00 €</b>				
FTPME BANESTO 2	Class A1	400.000.000,00	Euribor 3M + 0.13%	S&P España / Moody's España	17/11/2006	1.000.000.000,00 €
	Class A2	541.700.000,00	Euribor 3M + 0.16%			
	Class B	24.300.000,00	Euribor 3M + 0.27%			
	Class C	34.000.000,00	Euribor 3M + 0.54%			
<b>Total</b>		<b>2.712.975.487,00 €</b>				
FTA FINANCIACION 1	Class A	1.738.500.000,00	Euribor 3M + 0.15%	S&P España / Moody's España	14/12/2006	1.900.000.000,00 €
	Class B	25.700.000,00	Euribor 3M + 0.20%			
	Class C	61.700.000,00	Euribor 3M + 0.30%			
	Class D	47.500.000,00	Euribor 3M + 0.55%			
	Class E	26.600.000,00	Euribor 3M + 2.10%			
	Class F	14.300.000,00	Euribor 3M + 1.00%			
<b>Total</b>		<b>1.914.300.000,00 €</b>				
FTA SANTANDER EMPRESAS 2	Class A1	1.300.100.000,00	Euribor 3M + 0.05%	Fitch España/ Moody's España	14/12/2006	2.900.000.000,00 €
	Class A2	1.365.000.000,00	Euribor 3M + 0.16%			
	Class B	84.100.000,00	Euribor 3M + 0.22%			
	Class C	62.300.000,00	Euribor 3M + 0.32%			
	Class D	59.500.000,00	Euribor 3M + 0.55%			
	Class E	29.000.000,00	Euribor 3M + 2.10%			
	Class F	53.700.000,00	Euribor 3M + 0.50%			
<b>Total</b>		<b>2.953.700.000,00 €</b>				
FTA SANTANDER HIPOTECARIO 3	Class A1	613.300.000,00	Euribor 3M + 0,06%	Fitch España/ Moody's España	04/04/2007	2.800.000.000,00 €
	Class A2	1.540.000.000,00	Euribor 3M + 0,14%			
	Class A3	420.000.000,00	Euribor 3M + 0,20%			
	Class B	79.200.000,00	Euribor 3M + 0,22%			
	Class C	47.500.000,00	Euribor 3M + 0,30%			
	Class D	72.000.000,00	Euribor 3M + 0,55%			
	Class E	28.000.000,00	Euribor 3M + 2,10%			
Class F	22.400.000,00	Euribor 3M + 0,50%				
<b>Total</b>		<b>2.822.400.000,00 €</b>				
FTA UCI 17	Class A1	325.000.000,00	Euribor 3M + 0.10%	S&P España / Fitch España	07/05/2007	1.415.400.000,00 €
	Class A2	974.200.000,00	Euribor 3M + 0.18%			
	Class B	72.800.000,00	Euribor 3M + 0.35%			
	Class C	28.000.000,00	Euribor 3M + 0.60%			
Class D	15.400.000,00	Euribor 3M + 2.25%				
<b>Total</b>		<b>1.415.400.000,00 €</b>				
<b>TOTAL ASF</b>		<b>34.208.030.710,63 €</b>				<b>38.999.756.805,94 €</b>



**d) Share Capital.**

**i) Par value subscribed and paid-in:**

The Management Company's share capital is nine hundred one thousand six hundred fifty (901,650) euros, represented by fifteen thousand (15,000) registered shares each having a par value of sixty euros and eleven cents (60.11), consecutively numbered from one (1) through fifteen thousand (15,000), both inclusive, all of which are fully subscribed and paid in.

**(ii) Class of shares:**

All of the shares are of the same class and vest identical voting and dividend rights.

**e) Corporate bodies.**

The governance and administration of the Management Company are entrusted by the bylaws to the General Shareholders' Meeting and to the Board of Directors. Their competencies and authorities are those vested in said bodies in accordance with the provisions of the Spanish Corporations Act (Ley de Sociedades Anónimas), Act 19/1992 and Royal Decree 926/1998, in relation to the corporate purpose.

**(i) Directors**

The Board of Directors is formed by the following persons:

Chairman: Mr. José Antonio Álvarez Álvarez

Directors: Ms. Ana Bolado Valle

Mr Emilio Osuna Heredia

Mr Santos González Sánchez

Mr Ignacio Ortega Gavara

Mr Marcelo Alejandro Castro

Mr Eduardo García Arroyo

Mr Francisco Pérez Mansilla

Mr Fermín Colomé Graell and

Mr José Antonio Soler Ramos

Non-Director Secretary: Ms. María José Olmedilla González

**(ii) General Management**

The General Manager of the Management Company is Mr. Ignacio Ortega

Gavara.

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**(iii) Principal activities performed by the persons cited in section (i) above outside the Management Company if these activities are significant with respect to the Fund by the persons specified in this section, are described below:**

Name	Position within Banco Santander Central Hispano	Company within which the activity is performed	Positions or functions which are held or carried out within the indicated company
<b>Emilio Osuna Heredia</b>	Manager of Coordination SGC (Santander Global Connect)	AIAF, Mercado de Renta Fija	Director
		Asociación de Intermediarios de Activos Financieros ("Financial Assets Intermediaries Association")	Chairman
<b>Fermin Colomés Graell</b>	Manager of Coordination SGC (Santander Global Connect)	Open Bank , S.A.	Director
		Geoban S.A.	Chairman
		Sercoban, S.L.	Chairman
<b>Ana Bolado Valle</b>	Manager of Executive Resource Management SCH	-----	-----
<b>Santos González Sánchez</b>	Manager of Mortgage Business SCH	Hipotecansa , EFC	Director and General Manager
<b>Francisco Pérez Mansilla</b>	Manager of Companies and SMEs SCH	Santander Central Hispano Lease, SA, EFC	Director
		Santander Central Hispano Multileasing, S.A., EFC	Director
		Santander Central Hispano, Factoring y Confirming, S.A., EFC	Director
<b>Eduardo García Arroyo</b>	Assistant General Manager SCH	Ingeniería de Software bancario, SL (ISBAN).	Director
		Santander Consumer Finance	Manager of technology and operations
<b>Marcelo Alejandro Castro</b>	Treasurer for Europe SCH	MEFF, Mercados Españoles Futuros Financieros	Director
		Holding Mercados S.A.	Director
<b>José Antonio Álvarez Álvarez</b>	General Financial Manager SCH	Santander Consumer Finance	Director
<b>José Antonio Soler Ramos</b>	Manager of Financial Management SCH	Santander Comercial Paper SAU	Chairman
		Santander Perpetual SAU	Chairman
		Santander US Debt SAU	Chairman
		Santander Finance Preferred SAU	Director and Chairman
		Santander Issuances SAU	Director and Chairman
		Santander International Debt SAU	Director and Chairman
		Santander Finance Capital SAU	Director and Chairman

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The persons mentioned in this section 6.1.e) are not holders, directly or indirectly, of any share, convertible bond or other securities which confer upon their holders a right to acquire shares of the Management Company.

The business address for all persons mentioned in this section 6.1.e) is as follows:

Santander Titulización, S.G.F.T., S.A.  
Ciudad Grupo Santander  
Avda. de Cantabria s/n  
28660 Boadilla del Monte (Madrid)

**f) Lenders of the Management Company (more than ten per cent (10%)).**

The Management Company has not received any loan or credit facility from any person or entity. The long and short-term debts that appear in the balance sheet attached hereto are tax debts owed to BSCH in view of the tax consolidation system between the Management Company and BSCH.

**g) Significant litigation and disputes.**

As at the verification date of this Prospectus, the Management Company is not subject to any insolvency-related situation and no significant litigation or disputes exist which may affect its economic-financial position or, in the future, its capacity to carry out the duties of management and administration of the Fund as contemplated in this Prospectus.

**h) Financial information concerning the Management Company.**

The annual accounts of the Management Company corresponding to the fiscal years closed at 31 December 2004, 2005 and 2006 were audited by Deloitte, S.L. and deposited with the Commercial Register of Madrid. The auditor's report corresponding to each one of these annual accounts contained no qualifications.

The Management Company will carry out the accounting of the Fund according to the General Accounting Plan approved by Royal Decree 1643/1990 of 20 December 1990.

Below are the balance sheet and income statement for the years 2005 and 2006 and for the first quarter of 2007:

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**Balance sheet at 31 December 2005 and 2006 and for the first quarter of 2007  
(figures in € 000s)**

LENDING	2005	2006	First quarter 2007
<b>FIXED ASSETS:</b>			
Intangible assets	6	7	6
Material assets	107	165	140
<b>Total Fixed Assets</b>	<b>113</b>	<b>172</b>	<b>146</b>
<b>CURRENT ASSETS:</b>			
Debtors	178	209	157
Loans to employees	89	130	108
Other receivables	89	79	49
Temporary financial investments	-	-	
Cash	10,307	11,623	13,120
Adjustments for timing differences	821	967	925
<b>Total Current Assets</b>	<b>11,306</b>	<b>12,590</b>	<b>14,045</b>
<b>TOTAL ASSETS</b>	<b>11,419</b>	<b>12,971</b>	<b>14,348</b>

LIABILITIES	2005	2006	First Quarter 2007
<b>SHAREHOLDERS' FUNDS:</b>			
Subscribed capital	902	902	902
Reserves	1,160	182	182
Profit for the year	3,298	3,768	964
Interim dividend	-	-	3,768
<b>Total shareholders' funds</b>	<b>5,360</b>	<b>4,852</b>	<b>5,815</b>
<b>LONG-TERM CREDITORS:</b>			
Debts with Group Companies	4,068	5,858	5,858
	<b>4,068</b>	<b>5,858</b>	<b>5,858</b>
<b>SHORT-TERM CREDITORS:</b>			
Public Treasury (Hacienda Pública)	41	40	50
Other debts	14	27	11
Debts with Group Companies	1,782	2,035	2,556
Adjustments for timing differences	154	158	57
<b>Total short-term creditors</b>	<b>1,991</b>	<b>2,261</b>	<b>2,674</b>
<b>TOTAL LIABILITIES</b>	<b>11,419</b>	<b>12,971</b>	<b>14,348</b>

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**Profit and Loss Accounts of the years ended 31 December 2005 and 2006 and the first quarter of 2007 (000 euros)**

DEBIT	2005	2006	First quarter 2007
<b>EXPENSES:</b>			
<b>Personnel Costs</b>			
Wages, salaries and similar	880	867	213
Social expenses	137	137	32
Other personnel expenses	21	27	5
	1,038	1,031	250
<b>Allocation for fixed assets amortisation</b>	145	82	25
<b>Other operating expenses -</b>			
External Services	84	119	10
Taxes	2	9	0
Other current management expenses	147	149	32
	233	277	42
<b>Operating profits</b>	<b>5,002</b>	<b>5,597</b>	<b>1,394</b>
Financial and similar expenses	-	-	-
<b>Positive trading profits</b>	<b>83</b>	<b>215</b>	<b>90</b>
<b>Ordinary operating profits</b>	<b>5,085</b>	<b>5,812</b>	<b>1,484</b>
Extraordinary expenses	10	-	-
<b>Positive extraordinary income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit before tax</b>	<b>5,080</b>	<b>5,803</b>	<b>1,484</b>
Corporate Tax	1,782	2,035	521
<b>Profit for the fiscal year</b>	<b>3,298</b>	<b>3,768</b>	<b>964</b>

CREDIT	2005	2006	First Quarter 2007
<b>REVENUE:</b>			
Net revenue			
Rendering of services	6,418	6,986	1,712
Other interest and similar revenue	83	215	90
Extraordinary revenue	5	-	-
<b>Extraordinary loss</b>	<b>5</b>	<b>-</b>	<b>-</b>

## 7. MAJOR SHAREHOLDERS OF THE MANAGEMENT COMPANY

- a) Ownership of the Management Company's shares is distributed between the companies listed below, indicating the interest in the Management Company's share capital owned by each one of them:

SHAREHOLDERS	% SHARE CAPITAL
Santander Investment Services, S.A.	19%
Banco Santander Central Hispano, S.A.	81%

- b) **Description of nature of such control and measures in place to ensure that such control is not abused.**

For the purpose of article 4 of the Spanish Securities Market Act, SANTANDER DE TITULIZACION, S.G.F.T., S.A. forms part of the SANTANDER GROUP.

In order to ensure the absence of abuses of control on the part of Banco Santander Central Hispano, S.A. on the Management Company, the Management Company approved Internal Rules of Conduct in application of the provisions of Chapter II of Royal Decree 629/1993 of 3 May 1993 on rules of conduct in the securities markets and obligatory records, which were reported to the CNMV.

## 8. FINANCIAL INFORMATION CONCERNING THE ISSUER'S CREDIT RIGHTS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES

- 8.1 Declaration regarding commencement of operations and financial statements of the Issuer prior to the date of the Registration Document.

The Management Company declares that, as at the verification date of this Registration Document, the Fund has not yet been established and, therefore, its operations have not begun and no financial statement in respect thereof has been prepared.

- 8.2 Historical financial information.

Not applicable.

- 8.2 bis This paragraph may be used only for issues of credit rights backed securities having a denomination per unit of at least € 50,000.

Not applicable.

- 8.3 Legal and arbitration proceedings.

Not applicable.

- 8.4 Material adverse change in the Issuer's financial situation.

Not applicable.

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## 9. THIRD PARTY INFORMATION AND STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

9.1 Statement or report attributed to a person as an expert.  
Not applicable.

9.2 Information sourced from third parties.  
Not applicable.

## 10. DOCUMENTS ON DISPLAY

The following documents (or copies thereof) will be available to the public during the term of this Registration Document:

- (a) **The Corporate Bylaws and deed of incorporation of the Management Company.**
- (b) **This Prospectus.**
- (c) **The Deed of Establishment of the Fund.**
- (d) **The Subordinated Loan Agreement for Initial Expenses, the Subordinated Loan Agreement for Interest Mismatching, the Swap Agreement, the Guaranteed Rate Reinvestment Agreement, the Management, Underwriting and Distribution Agreement and the Credit Rights Assignment Agreement.**
- (e) **Auditors' Report on the portfolio of Loans** granted by Santander Consumer, from which the Credit Rights which are assigned to the Fund will be taken, as prepared by the firm Deloitte, S.L.
- (f) **Certification of the resolution of Santander Consumer**, at its meeting of 14 March 2007, at which it was resolved to carry out the assignment of the Credit Rights to the Fund, and **the certification of the resolution of the Management Company's Board of Directors** meeting of 30 March 2007, at which the following matters, inter alia, were resolved: the establishment of the Fund, the acquisition by the Fund of the Credit Rights assigned by Santander Consumer, and the issue of the Bonds against the Fund;
- (g) **The letters advising of the provisional ratings and the letters advising of the definitive ratings** on the part of Fitch and Standard & Poor's.
- (h) **The letters from the Lead Managers accepting the mandate and the letter from the Assignor.**
- (i) **The Annual Financial Statements and the audit reports of the Management Company.**

Copies of all of the above documents may be inspected at the registered offices of the Management Company.

In addition, copies of all documents mentioned in the above sections, except for those contained in sections a) and i), may be inspected at the CNMV at Paseo de la Castellana 19, Madrid.

A copy of the Prospectus will be available to the public on the CNMV's webpage ([www.cnmv.es](http://www.cnmv.es)) and on AIAF's webpage ([www.aiaf.es](http://www.aiaf.es)).

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The Deed of Establishment will also be available to the public at Iberclear.



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## **SECURITIES NOTE**

This Securities Note was prepared in accordance with Annex XIII of Regulation (EC) No. 809/2004 and was approved by the Comisión Nacional del Mercado de Valores (Spanish Securities Market Commission) on 17 May 2007.

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## **1. PERSONS RESPONSIBLE**

### **1.1 Persons responsible for the information appearing in the Securities Note and in the Additional Building Block.**

MS. MARÍA JOSÉ OLMEDILLA GONZÁLEZ, acting in her capacity as Secretary of the Board of Directors, by virtue of the powers conferred upon her by the Board of Directors at its meeting of 30 March 2007, for and on behalf of SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A., having its registered offices at Ciudad Grupo Santander, Avda. de Cantabria s/n, 28660, Boadilla del Monte (Madrid), assumes responsibility for the information contained in this Securities Note and in the Additional Building Block.

SANTANDER DE TITULIZACION, S.G.F.T., S.A. is the promoter of the securitisation fund FONDO DE TITULIZACION DE ACTIVOS, SANTANDER CONSUMER SPAIN AUTO 07-1 and will be responsible for the administration and legal representation thereof.

### **1.2 Declaration by those responsible for the Securities Note and for the Additional Building Block.**

MS. MARÍA JOSÉ OLMEDILLA GONZÁLEZ, having taken all reasonable care to ensure that such is the case, represents that the information given in the Securities Note and in the Additional Building Block is, to the best of his knowledge, in accordance with the facts and does not omit anything likely to affect its contents.

## **2. RISK FACTORS**

The risk factors specific to the Credit Rights backing the issue and to the securities are those respectively described under sections II and III of the document included at the beginning of this Prospectus entitled "RISK FACTORS".

## **3. KEY INFORMATION**

### **3.1 Interest of natural and legal persons involved in the issue.**

The natural and legal persons involved in the issue are:

- a) SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. participates as the Fund's Management Company and as legal and financial adviser for the operation's structure.
- b) SANTANDER CONSUMER, E.F.C., S.A. ("Santander Consumer") participates as the Assignor and Administrator of the Credit Rights.
- c) BANCO SANTANDER CENTRAL HISPANO, S.A. ("BSCH", "Santander" or the "Bank"), participates as Paying Agent, as an Underwriter and as Lead Manager of the Bond issue.
- d) SANTANDER CONSUMER FINANCE, S.A. ("SCF") participates as counterparty of the Fund in the Subordinated Loan Agreement, in the Guaranteed Rate Reinvestment Agreement, as a counterparty of the Fund in the Liquidity Line Agreement, and as a counterparty of the Fund in the Swap Agreement.
- e) CALYON participates as Underwriter and Lead Manager of the Bond issue.
- f) STANDARD & POOR'S participates as Rating Agency of the Bonds.
- g) FITCH participates as Rating Agency of the Bonds.

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- h) DELOITTE, S.L. participates as auditor of the Management Company and Santander Consumer. Furthermore, it has prepared an audit report on the portfolio of the Loans and it has been appointed as auditor of the Fund.
- i) CUATRECASAS participates as legal adviser with respect to the structure of the operation.

Said persons have no interest, including conflicting ones, that is material to the issue, except as specifically described in the Registration Document.

### 3.2 Purpose of the operation.

The Bonds issue is fully intended for the acquisition of the Credit Rights pooled in the Fund and for the provision of the Initial Reserve Fund in the case of Class D Bonds.

## 4. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING

### 4.1 Total amount of the securities.

#### a) **Total issue amount.**

The total amount of the Bonds issued is two **billion forty million** euros (€2,040,000,000), which represents 100% of the face value of the Bonds, fully underwritten and represented by twenty thousand four hundred (20,400) Bonds of one hundred thousand euros (€100,000) face value each, distributed over four (4) Classes of Bonds (A, B, C and D), the following total face value corresponding to each of them:

- **Class A:** with a total face value of ONE BILLION NINE HUNDRED TWO MILLION EUROS (€ 1,902,000,000), it is comprised OF NINETEEN THOUSAND TWENTY (19,020) Bonds of ONE HUNDRED THOUSAND EUROS (€ 100,000) face value each;
- **Class B:** with a total face value of SEVENTY-EIGHT MILLION EUROS (€78,000,000), it is comprised of SEVEN HUNDRED EIGHTY (780) Bonds of ONE HUNDRED THOUSAND EUROS (€100,000 ) face value each;
- **Class C:** with a total face value of TWENTY MILLION EUROS (€20,000,000), it is comprised of TWO HUNDRED (200) Bonds of ONE HUNDRED THOUSAND EUROS (€100.000) face value each;
- **Class D:** with a total face value of FORTY MILLION EUROS (€40,000,000), it is comprised of FOUR HUNDRED (400) Bonds of ONE HUNDRED THOUSAND EUROS (€100,000) face value each; and

#### b) **Underwriting and Distribution.**

The Underwriters will distribute the Bonds among institutional investors. In addition, each of the Underwriters assumes the obligations contained in the Management, Underwriting and Distribution Agreement.

As consideration for the commitments assumed by the Underwriters, they will receive an underwriting and distribution fee, which is included within the initial expenses of the Fund. The underwriting fees are estimated at a maximum amount of one million four hundred twenty-eight thousand euros EUROS (€1,428,000) and

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each Underwriter of the Bonds will receive the fees for each Class of Bonds set forth in the following table, applied to the face value underwritten by each of them under the Management, Underwriting and Distribution Agreement:

<b>Class</b>	<b>Underwriting Fee</b>
Class A	Between 0.00 % and 0.07 %
Class B	Between 0.00 % and 0.07 %
Class C	Between 0.00 % and 0.07 %
Class D	Between 0.00 % and 0.07 %

The Underwriters will deduct these fees from the amounts they remit to the Paying Agent in compliance with their underwriting commitments.

The sole cause for termination established in the Management, Underwriting and Distribution Agreement is the failure to confirm the provisional ratings of the Bonds as being definitive prior to the commencement of the Subscription Period.

Distribution of the Bond issue will be undertaken by Santander and Calyon, as provided in the Management, Underwriting and Distribution Agreement. In any event 100% of the issue is underwritten, in the following amounts:

<b>Underwriters</b>	<b>Class A Bonds</b>	<b>Class B Bonds</b>	<b>Class C Bonds</b>	<b>Class D Bonds</b>
SANTANDER	€ 951,000,000	€ 78,000,000	€ 20,000,000	€ 40,000,000
CALYON	€ 951,000,000	€ 0	€ 0	€ 0
<b>TOTAL</b>	€ 1,902,000,000	€ 78,000,000	€ 20,000,000	€ 40,000,000

Santander y Calyon in their capacity as Lead Managers for the issue act in that capacity according to the terms specified in section 5.2 of the Registration Document, and will not charge any fee in this regard.

#### 4.2 Description of type and class of securities.

The Bonds will have the legal nature of fixed income negotiable securities with explicit return, and are subject to the scheme stipulated in the Stock Market Act and its implementation rules and are issued under Royal Decree 926/1998.

#### 4.3 Legislation of the securities.

"FONDO DE TITULIZACIÓN DE ACTIVOS, SANTANDER CONSUMER SPAIN AUTO 07-1" is established under Spanish Law and will be subject to it, and specifically to, (i) the Deed of Establishment of the Fund, (ii) Royal Decree 926/1998 and its implementation rules, (iii) Royal Decree 1310/2005, (iv) Act 19/1992, (v) Act 24/1988, (vi) Order EHA/3537/2005, and (vii) the other legal and regulatory provisions in force which are applicable from time to time.

This Securities Note was drafted following the model stipulated in Regulation (EC) no. 809/2004.

#### 4.4 Indication of whether the securities are in registered or bearer form and whether the securities are in certificated or book-entry form.

The Bonds will be represented by book entries in accordance with the provisions of Royal Decree 926/1998. They therefore will be nominative, managed by IBERCLEAR, located in Las Rozas (Madrid, Spain), Calle Tramontana number 2-Bis. In this regard the Deed of Establishment will give rise to the effects stipulated in article 6 of the Stock Market Act.

The bondholders will be identified as a result of the accounting entries performed by the participants in IBERCLEAR.

Also, entry of the Bonds in the registers of Euroclear and Clearstream will be requested, although the Management Company may request inclusion of the Bonds on other European exchanges as it deems to be appropriate.

#### 4.5 Currency of the issue.

The Bonds will be denominated in EUROS.

#### 4.6 Ranking of the Securities according to Subordination.

The Management Company, on behalf of the Fund, will proceed to apply on each Payment Date the amount of the Available Funds towards the corresponding payments and withholdings, as per the Order of Priority of Payments described under section 3.4.6.(1)(b) of the Additional Building Block which, as regards the payment of interest and principal on the Bonds, may be summarised as follows, without prejudice to the Order of Priority of Liquidation Payments described under section 3.4.6.(5) of the Addition Building Block:

##### **a) Payment of interest:**

- a.1 The payment of interest accrued on the Class A Bonds holds fourth (4th) place in the Order of Priority of Payments.
- a.2 The payment of interest accrued on the Class B Bonds holds fifth (5th) place in the Order of Priority of Payments, except if the payment of these is set back, to eighth (8th) position in the order of priority according to the exceptional rules described in section 3.4.6.(3) of the Additional Building Block, thereby remaining postponed in ranking with respect to the payment of interest accrued on the Class A Bonds.
- a.3 The payment of interest accrued on the Class C Bonds holds sixth (6th) place in the Order of Priority of Payments, except if the payment of these is set back, to ninth (9th) position in the order of priority according to the exceptional rules described in section 3.4.6.(3) of the Additional Building Block, thereby remaining postponed in ranking with respect to the payment of interest accrued on the Class A and B Bonds.
- a.4 The payment of interest accrued on the Class D Bonds holds eleventh (11th) place in the Order of Priority of Payments, thereby being reduced in rank with respect to (i) payment of interest accrued on the Class A, B and C Bonds; (ii) Withholding of Principal, and (iii) withholding of a sufficient amount to maintain the Reserve Fund at its Required Level.

**b) Redemption of principal:**

The amount of Withholding of Principal used for the acquisition of Additional Credit Rights and, after the termination of the Revolving Period, for the redemption of Class A, B and C Bonds, holds seventh (7th) place in the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of the Additional Building Block, without prejudice to the Liquidation Order of Priority of Payments described in section 3.4.6(5) of the Additional Building Block. The redemption will be undertaken in accordance with the following subordination rules, as provided in section 4.9.2 of this Securities Note, without prejudice to the pro rata redemption rules contemplated in that section:

- b.1 Principal Available Funds on each Payment Date shall be applied towards redemption of principal of the Class A Bonds until redeemed in full.
- b.2 Once the Class A Bonds have been redeemed all of the Principal Available Funds on each Payment Date shall be applied towards the redemption of principal of the Class B Bonds, until redeemed in full.
- b.3 Once the Class B Bonds have been redeemed, all Principal Available Funds on each Payment Date shall be applied towards the redemption of principal of the Class C Bonds, until redeemed in full.

Class D Bonds will be redeemed as provided in section 4.9.2. b) of the Securities Note.

**4.7 Description of the rights attached to the securities and procedure for exercise of said rights.**

In accordance with current legislation, the Bonds described in this Securities Note will not confer upon the investor that acquires them any present and/or future voting rights in respect of the Fund.

The economic and financial rights for the investor associated with the acquisition and holding of the Bonds, will be those derived from the interest rate conditions, returns and form of redemption pursuant to which they are issued and which are reflected under sections 4.8 and 4.9, below.

The financial servicing of the Bonds will be handled by BSCH, as Paying Agent, which on each one of the Payment Dates of the Bonds, will proceed to make the interest payment and principal repayment on the Bonds in accordance with the instructions received from the Management Company.

Payments to be made by the Paying Agent will be carried out through the corresponding institutions participating in Iberclear, in whose records the Bonds are registered, as per the current procedures of said service.

Bondholders may not claim against the Management Company except in the event that it breaches its obligations described in this Prospectus or those provided by law. The Management Company is the only authorised representative of the Fund as regards third parties and in any legal proceedings, in accordance with applicable legislation.

Any question, difference or dispute concerning the Fund or the Bonds which might arise during the period of operation or on its settlement, whether this involves the bondholders or the Management Company, will be submitted to the Spanish Courts, waiving any other jurisdiction which might correspond to the parties.

#### 4.8 The Nominal Interest Rate and provisions relating to interest payable.

The return on the Bonds shall be determined, for each Class, through a variable interest rate, pursuant to the following provisions:

- a) All Classes of Bonds shall accrue an annual variable nominal interest payable quarterly on each Payment Date provided that the Fund has sufficient Available Funds in the Cash Account, in accordance with the Order of Priority of Payments contemplated for each Class under section 3.4.6.(1)(b) of the Additional Building Block.

Any withholding, contributions and taxes established or to be established in the future on principal, interest or returns on the Bonds will be for the exclusive account and expense of the Bondholders and their amount will be deducted, as the case may be, by the Management Company, acting for and on behalf of the Fund, through the Paying Agent, in the manner legally established.

- b) The duration of the issue will be divided into successive Interest Accrual Periods comprising the days actually transpired between each Payment Date, including in each Interest Accrual Period the initial Payment Date and excluding the final Payment Date. The first Interest Accrual Period will have a duration equivalent to the days actually elapsed between the Disbursement Date and the first Payment Date. The last Interest Accrual Period will terminate on the Final Maturity Date of the Fund.

- c) The Nominal Interest Rate applicable to the Bonds for each Interest Accrual Period will be determined by the Management Company, acting for and on behalf of the Fund, at the Rate Setting Time, which will be the second (2nd) Business Day as per the TARGET (Transeuropean Automated Real-time Gross Settlement Express Transfer System) calendar preceding each Payment Date, at 11:00 a.m. (Madrid time) on such day, and will be applicable to the following Interest Accrual Period.

The Nominal Interest Rate on the Bonds for the First Interest Accrual Period will be determined in the manner established in section d) below, on the basis of the Reference Interest Rate existing at 11:00 a.m. (Madrid time) two (2) Business Days prior to the Disbursement Date.

The nominal interest rates determined for all Classes of Bonds for successive Interest Accrual Periods shall be notified to the Bondholders within the deadline and manner contemplated under section 4 b) of the Additional Building Block.

The Management Company will notify the CNMV, as additional information, of the Nominal Interest Rate of the Bonds for the First Interest Accrual Period.

- d) The Nominal Interest Rate determined for each Interest Accrual Period shall be that which results from adding together: (i) the Reference Interest Rate of EURIBOR at three (3) months or, as the case may be, its substitute (as described under section e), below and (ii) a margin for each Class:

- With a maximum of 0.16% for Bonds of Class A;
- With a maximum of 0.40% for Bonds of Class B;
- With a maximum of 0.75% for Bonds of Class C.
- With a maximum of 3.50% for Bonds of Class D.

all rounded to the nearest thousandth, upwards if equally near.

The definitive margins applicable to Class A, B, C and D, respectively, will be set and reported to the Management Company, on the Date of Establishment by the Lead Managers, prior to 9:00 a.m. (Madrid time). In the absence of the notice to be given by the Lead Managers, the Management Company will set the margin of Class A at 0.13 %, the margin of Class B at 0.30%, the margin of Class C at 0.55%, and the margin of Class D at 3.50%.

e) The Reference Interest Rate will be the following:

(i) Except for the first Interest Accrual Period, the EURIBOR rate (Euro Interbank Offered Rate) is the money market reference rate for deposits in euros at three (3) months maturity. The EURIBOR rate at three (3) months shall be that which results from the REUTERS screen, page "EURIBOR01" (or such other page as may come to replace it in this service) at the Rate Setting Time.

Exceptionally, the Reference Interest Rate for the first Interest Accrual Period will be that resulting from the lineal interpolation between the EURIBOR rate at three (3) months and the EURIBOR rate at four (4) months, established at 11:00 am (CET time) on the Date of Establishment, taking into account the number of days of the first Interest Accrual Period.

The calculation of the Reference Interest Rate for the first Interest Accrual Period will be made according to the following formula:

$$R = E3 + \left[ \frac{(E4 - E3)}{d4 - d3} \right] x (dt - d3)$$

R= Reference Interest Rate for the first Interest Accrual Period.

dt= Number of days in the first Interest Accrual Period.

d3= Number of days corresponding to Euribor at three (3) months.

d4= Number of days corresponding to Euribor at four (4) months.

E3= Euribor Rate at three (3) months.

E4= Euribor Rate at four (4) months.

(ii) In the absence of rates as provided in section (i) above, a replacement Reference Interest Rate will be applied, which will be the interest rate resulting from taking the simple average of the interbank interest rates offered for deposits in euros (EURIBOR) at three (3) months, as soon as possible following the Rate Setting Time, by the following entities:

- Banco Santander Central Hispano, S.A., London Branch
- Bank of America N.T.&S.A., London Branch
- J.P. Morgan Securities Ltd.

all rounded to the nearest thousandth, upwards if equally near.

Should it be impossible to apply the replacement Reference Interest Rate indicated above, owing to the fact that one of the aforesaid entities has not provided quotations continuously, the interest rate resulting from the



calculation of the simple average of the interest rates quoted by the remaining two (2) entities will apply.

And if one of the remaining two (2) institutions mentioned above should cease to furnish a declaration of quotations, the last Nominal Interest Rate applicable to the last Interest Accrual Period will apply, and so on for successive Interest Accrual Periods, as long as the said situation persists.

If at least two (2) of the institutions mentioned above should once again provide quotations, the replacement Reference Interest Rate will again apply, as provided above.

The Management Company will keep lists of the content of the REUTERS screen or, as the case may be, the declarations of quotations of the institutions mentioned above, as documents evidencing the corresponding rate.

At each one of the Rate Setting Times, the Paying Agent shall notify the Management Company of the Reference Interest Rate which shall serve as a basis for calculation of the Nominal Interest Rate applicable to each Class of Bonds.

f) The Nominal Interest Rate will accrue on the days that have effectively elapsed in each Interest Accrual Period for which it was been determined, which will be calculated on the basis of a year of three hundred and sixty (360) days.

g) The interest accrued on the Bonds belonging to all Classes will be payable quarterly, on each Payment Date, i.e. on 20 March, 20 June, 20 September and 20 December of each year, until redeemed in full, provided that the Fund has Available Funds in the Cash Account in accordance with the Order of Priority of Payments contemplated for each Class in section 3.4.6.(1)(b) of the Additional Building Block.

In the event that any of the dates established in the above paragraph is not a Business Day, the interest payment will be made on the immediately following Business Day, with interest pertaining to the Interest Accrual Period in progress accruing up to the above-mentioned first Business Day, non-inclusive.

h) The first interest payment on the Bonds belonging to all Classes will take place on 20 September 2007 with interest accruing at the corresponding Nominal Interest Rate from the Disbursement Date (inclusive) up to 20 September 2007 (non-inclusive).

i) The calculation of the interest for each Class to be paid on each Payment Date for each Interest Accrual Period shall be performed in accordance with the following formula:

$$I = P * R / 100 * d / 360$$

Where:

I = Interest to be paid on a given Payment Date.

P = Balance of Principal Pending Payment on the Bonds of each Class on the Determination Date pertaining to the said Payment Date.

R = Nominal Interest Rate expressed as a percentage.

d = Number of actual days which pertain to each Interest Accrual Period.

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Both the interest resulting in favour of the Bondholders, calculated as provided above, as well as the amount of interest accrued and not paid, will be notified to the Bondholders in the manner described under section 4 of the Additional Building Block at least one (1) calendar day in advance of each Payment Date.

- j) The interest accrued will be paid on each Payment Date, provided the Fund has sufficient Available Funds to do so in the Cash Account, in accordance with the Order of Priority of Payments specified in section 3.4.6.(1)(b) of the Additional Building Block.

*4.8.1 Valid deadline in which interest may be claimed.*

Interest on the Bonds will be paid until the respective redemption thereof on each Payment Date and provided that the Fund has Available Funds for doing so in accordance with the Order of Priority of Payments stated in section 3.4.6.(1)(b) of the Additional Building Block.

In the event that on a Payment Date the Fund cannot meet full or partial payment of the interest accrued on the Bonds of any of the Classes, in accordance with the Order of Priority of Payments reflected under section 3.4.6.(1)(b) of the Additional Building Block, the amounts which the Bondholders have failed to receive shall be accumulated on the next Payment Date to the interest of the Class itself which, as the case may be, is applicable to pay on that same Payment Date, and shall be paid in accordance with the aforesaid Order of Priority of Payments and applied by order of maturity in the event it is not possible for them to be paid in full due to insufficient Available Funds, without implying a capitalisation of the debt.

The Fund, through its Management Company, may not defer the payment of interest on the Bonds beyond the Legal Maturity Date or, if such date is not a Business Day, the next Business Day.

*4.8.2 Description of any episode of market distortion of underlying rate.*

Not applicable.

*4.8.3 Rules for adjustment of underlying rate.*

Not applicable.

*4.8.4 Calculation Agent.*

Not applicable.

**4.9 Redemption price and provisions concerning maturity of the securities.**

*4.9.1 Redemption price.*

The Bonds will be redeemed at par.

*4.9.2 Date and forms of redemption*

Once the Revolving Period has ended, the Bonds will be redeemed by the reduction of their face value on 20 March, 20 June, 20 September and 20 December of each year (or the next Business Day) until redeemed in full, in accordance with the ordinary redemption rules established below.

Available Principal Funds are the amounts which will be assigned to the acquisition of Additional Credits Right on each Payment Date during the Revolving Period and, once

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such period has elapsed, to the redemption of Class A, B and C Bonds. They will be as follows:

- a) The Withholding of Principal amount situated in seventh place of the Available Funds on the corresponding Payment Date.
- b) Until the Payment Date immediately following the end of the Revolving Period, inclusive, the balance of the Principal Account and, as the case may be, the balance of the Excess Fund Account transferred from the Principal Account on the Determination Date preceding the corresponding Payment Date.

The deficit of principal ("Principal Gap") on a Payment Date will be the positive difference, if any, between the amount of the Withholding of Principal, and the amount of Available Funds actually applied to the Withholding of Principal.

The date of legal maturity of the Fund and final redemption of the Bonds will be 20 September 2022 or, if this is not a Business Day, the following Business Day ("Legal Maturity Date"), although the Management Company, acting for and on behalf of the Issuer, as provided for in section 4.4 of the Registration Document and subject to the Liquidation Order of Priority, may repay the issue early, in which case the Payment Date on which this occurs will be the Legal Maturity Date of the Bonds.

Notwithstanding the foregoing the Fund, through the Managing Company, will effectuate partial redemptions of the Securitisation Bonds, on the terms described in the following sections.

The partial redemption dates will coincide with the Interest Payment Dates, i.e. 20 March, 20 June, 20 September and 20 December of each year or, as the case may be, the following Business Day, until their full redemption ("Payment Dates").

#### **a) Redemption Rules for Class A, B, and C**

##### **Redemption of Class A Bonds:**

Once the Revolving Period has ended, redemption of Class A Bonds will be accomplished by partial redemption through reduction of the face amount of each Class A Bond on each Payment Date.

The first redemption payment in respect of Class A Bonds will be on 20 December 2009, except in case of early termination of the Revolving Period, at which time the first redemption payment of the Class A Bonds will be made in advance and will coincide with the Payment Date on which such early termination of the Revolving Period occurs.

##### **Redemption of Bonds of Class B and C:**

Redemption of Bonds of Class B and C also will be subject to the schedule for redemption of Credit Rights pooled in the portfolio, and will be undertaken on each Payment Date by reduction of the face amount until completion thereof.

Without prejudice to the foregoing, Bonds of Class B and C will be redeemed simultaneously with and pro rata to Bonds of all Class A, B and C, it not being necessary that Class A have been redeemed, in the amount of the Funds Available for

Redemption, provided that there are Available Funds for that purpose when on a Payment Date the Outstanding Face Amount of Class A is not more than 50% of its initial percentage of the total issue of Class A, B and C. For this purpose, once the foregoing has been completed, (i) Class B will commence redemption when the Outstanding Face Amount of Class B is 7.80% of the Outstanding Face Amount of the issue of Class A, B and C and (ii) Class C will commence redemption when the Outstanding Face Amount of Class C is 2% of the Outstanding Face Amount of the issue of Class A, B and C.

Notwithstanding the foregoing:

- Redemption of Class B will be stopped, and only will be renewed when the Classes with the immediately higher preference in accordance with the subordination and priority rules indicated above has been fully redeemed if: (i) the Outstanding Face Amount of the Delinquent Loans is not less than 1.5% of the Outstanding Face Amount of the Bonds, or (ii) the Reserve Fund does not cover the required level of the reserve fund, or (iii) payment of interest on Class B or C is deferred; or (iv) the Outstanding Face Value of the Loans not considered to be Nonperforming Loans is less than 10% of the Initial Balance of the Credit Rights.
- Redemption of Class C Bonds will be stopped, and only will be renewed when the Classes with the immediately higher preference in accordance with the subordination and priority rules indicated above has been fully redeemed if: (i) the Outstanding Face Amount of the Delinquent Loans is not less than 1.0% of the Outstanding Face Amount of the Bonds, or (ii) the Reserve Fund does not cover the required level of the reserve fund, or (iii) payment of interest on Class B or C is deferred; or (iv) the Outstanding Face Value of the Loans not considered to be Nonperforming Loans is less than 10% of the Initial Balance of the Credit Rights.

## **b) Redemption Rules for Class D**

### **Redemption of Class D Bonds:**

The principal of Class D Bonds shall be repaid through partial repayments on each of the Payment Dates according to the repayment rules described below and until their full nominal value has been repaid, for the Amount Available for Repayment applied on each Payment Date to the repayment of Class D, in accordance with the Order of Priority.

The partial redemption of Class D Bonds will take place on each Payment Date originating the repayment of principal in accordance with the following rules:

1. For so long as Santander is the holder of all Class D Bonds and does not communicate anything in this regard to the Management Company, the positive difference between the amount of the Required Level of the Reserve Fund on the previous Payment Date and the amount of the Required Level of the Reserve Fund on the Payment Date in question, in accordance with the provisions of section 3.4.2 of the Additional Building Block.
2. If SCF, being the holder of all Class D Securitisation Bonds, before the Determination Date prior to any Payment Date communicates its intention to change the predetermined redemption mechanism to the accelerated mechanism for

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Class D, the partial redemption of Class D will occur in an amount equivalent to the amount of the Available Funds, after making the payments corresponding to the first (1st) to fifteenth (15th) places in the Order of Priority of Payments (hereinafter the "**Mechanism for Accelerated Redemption of Class D**").

In the event that SCF sells all or a part of the Class D Bonds, and after it communicates this fact in writing to the Management Company, the mechanism irrevocably notified by SCF from among those established in sections 1 and 2 above will be applied starting on the Payment Date corresponding the Determination Date immediately after the receipt by the Management Company of such communication from SCF.

Once notice of this option has been given, it will be irreversible and, accordingly, from the Payment Date immediately following the notice to the Management Company, Class D Bonds will be redeemed in the amount of the Available Funds, once the payments ranked first (1st) to fifteenth (15th) in the Order of Priority of Payments have been made, until their complete redemption.

The final redemption of Class D Bonds will be on the Legal Maturity Date of the Fund (20 September 2022), although the Management Company, acting for and on behalf of the Fund, as provided for in section 4.4 of the Registration Document, may redeem this issue in advance, in which case the Payment Date on which this occurs will be the Legal Maturity Date of the Bonds.

#### **c) Amount Available for Redemption of Class A, B and C**

On each Payment Date an amount equal to the lesser of the following amounts ("Amount Available for Redemption") will be used for redemption of the Bonds:

(a) The positive difference on that Payment Date between the Outstanding Principal Balance of the Bonds (prior to the redemption undertaken on that Payment Date) and the unmatured Outstanding Face Amount of the Loans not considered to be Nonperforming Loans calculated on the last Calculation Date prior to the Payment Date; and

(b) The Available Funds on that Payment Date, minus the amounts corresponding to the items indicated in sections (i) to (vi) of the Order of Priority of Payments;

#### **4.10 Indication of investor yield and calculation method**

The IRR for the Bondholders of each Class will be calculated by means of the following formula:

$$100.000 = \sum_{i=1}^N ai(t + I)^{-[ni/365]}$$

The principal characteristics of the Bonds reside in the fact that their periodical redemption and, consequently, their average life and term, depends fundamentally on the speed with which the Debtors decide to pay off their Loans.

In this regard, prepayments which the Debtors decide to make are subject to continuous changes and are estimated in this Prospectus by the use of various future CAPRs.

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Consequently, they will directly affect the speed of repayment of the Credit Rights and, therefore, the average life and duration of the Bonds.

Furthermore, other variables exist, also subject to continuous changes, which affect the average life and duration of the Bonds. These variables and their hypothetical values assumed in all of the tables appearing in this section are:

- (i) Interest rate on portfolio of the Loans: 6.69 % (average weighted interest rate on 16 April 2007);
- (ii) Default in the Loan portfolio: 0.50% per annum (this default index is for the automotive portfolio of SCF and is lower than the default index of the entire SCR portfolio, which at December 2006 amounted to 2.34%), 0.042% per month (default starting at 90 days with a recovery period of 18 months);
- (iii) Nonperforming Loans of the portfolio: 0%;
- (iv) That the Disbursement Date of the Bonds is 25 May 2007;
- (v) That the Revolving Period of the Credit Rights will end on 20 September 2009, and during that period Additional Credit Rights will be acquired on each Payment Date and for the total amount of the Available Principal Funds on each of those dates; and
- (vi) That the CAPR remains constant throughout the life of the Bonds.

The variables in (i) to (v) and the CAPR used in the tables included below arise from the historical information provided by the Assignor and are reasonable for the portfolio of Credit Rights.

Finally, the duration of the Bonds also will depend on their variable interest rate. In all of the tables appearing in this section it is assumed to be constant at 4.19% for Class A, 4.36% for Class B, 4.61% for Class C and 7.56% for Class D, taking as a reference 4.06% (3 months EURIBOR at 14 May 2007) plus a margin of 0.13% for Class A, 0.30% for Class B, 0.55% for Class C and 3.50% for Class D (the applicable margins in the absence of notice to be given by the Lead Managers under section 4.8. d) of the Securities Note).

Assuming that the Management Company, acting on behalf of the Fund, proceeds with the Early Liquidation of the Fund, as contemplated under section 4.4.c) of the Registration Document when the Outstanding Balance of the Credit Rights is less than ten per cent (10%) of the initial balance of the Credit Rights, the average life, duration, maturity and IRR of the Bonds will be as follows, as per different CAPRs:

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CAPR	7%	10%	13%
<b>CLASS A</b>			
AVERAGE LIFE	4.73	4.60	4.47
TERM	4.32	4.21	4.11
ESTIMATED FINAL LIFE	20/03/2015	20/12/2014	20/09/2014
IRR	4.19%	4.19%	4.19%
<b>CLASS B</b>			
AVERAGE LIFE	6.27	6.02	5.93
TERM	5.63	5.43	5.36
ESTIMATED FINAL LIFE	20/03/2015	20/12/2014	20/09/2014
IRR	4.36%	4.36%	4.36%
<b>CLASS C</b>			
AVERAGE LIFE	6.27	6.02	5.93
TERM	5.68	5.47	5.40
ESTIMATED FINAL LIFE	20/03/2015	20/12/2014	20/09/2014
IRR	4.61%	4.61%	4.61%
<b>CLASS D</b>			
AVERAGE LIFE	5.31	5.14	4.98
TERM	5.50	5.34	5.19
ESTIMATED FINAL LIFE	20/03/2015	20/12/2014	20/09/2014
IRR	7.56%	7.56%	7.56%

The said figures were calculated pursuant to the following formulas:

**Average life of the Bonds**

$$A = \frac{\sum(B \times d)}{C} \times \frac{1}{365}$$

**Duration of Bonds:** The concept of *duration* applied to a fixed income bond, according to the Macaulay definition commonly used, is a measure of the sensitivity of the value of the asset in relation to the change in an index representing the profitability observed in the market. To summarise, the *duration* is a measure of the risk of the change in the yield of market references.

**Duration of the Bonds (adjusted Macaulay formula):**

$$D = \frac{\sum(P \times VA)}{PE} \times \frac{1}{(1 + I)}$$

The Manager expressly states that the charts of the financial service of each of the Classes which are described below are merely theoretical and for descriptive purposes, and do not represent any obligation to pay, taking into account that:

- The CAPRs are assumed as constant 7%, 10% and 13% throughout the life of the Bonds.
- The Balance of the Principal Pending Payment of the Bonds of each Class on each Payment Date, and, therefore, the interest to be paid on each of these will depend on the prepayment, on the late payments and on the Nonperforming Loans.

The delinquency hypothesis and level of Nonperforming Loans are both assumed to be 0%.

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- The nominal interest rates of the Bonds are assumed to be constant for each Class. In all cases, the hypothetical values mentioned at the beginning of this section are assumed.
- It is assumed that the Manager will exercise the option of the Early Liquidation of the Fund and with this the Early Redemption of the Bond issue, when the Outstanding Balance of the Credit Rights is less than 10% of the initial Outstanding Balance of the Credit Rights on the establishment of the Fund.

Below are financial servicing tables for each of the Classes, for CAPRs of 7%, 10% and 13%:



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CPR (7%)	Class A			Class B			Class C			Class D		
	EUR 3m+0.13%			EUR 3m+0.3%			EUR 3m+0.55%			EUR 3m+3.5%		
	Principal	Interest (Gross)	Total Cash Flow	Principal	Interest (Gross)	Total Cash Flow	Principal	Interest (Gross)	Total Cash Flow	Principal	Interest (Gross)	Total Cash Flow
25-May-07	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €
20-Sep-07	- €	1,374.37 €	1,374.37 €	- €	1,430.09 €	1,430.09 €	- €	1,512.04 €	1,512.04 €	- €	2,478.98 €	2,478.98 €
20-Dec-07	- €	1,059.90 €	1,059.90 €	- €	1,102.87 €	1,102.87 €	- €	1,166.06 €	1,166.06 €	- €	1,911.76 €	1,911.76 €
20-Mar-08	- €	1,059.90 €	1,059.90 €	- €	1,102.87 €	1,102.87 €	- €	1,166.06 €	1,166.06 €	- €	1,911.76 €	1,911.76 €
20-Jun-08	- €	1,071.54 €	1,071.54 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	- €	1,932.77 €	1,932.77 €
20-Sep-08	- €	1,071.54 €	1,071.54 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	- €	1,932.77 €	1,932.77 €
20-Dec-08	- €	1,059.90 €	1,059.90 €	- €	1,102.87 €	1,102.87 €	- €	1,166.06 €	1,166.06 €	- €	1,911.76 €	1,911.76 €
20-Mar-09	- €	1,048.25 €	1,048.25 €	- €	1,090.75 €	1,090.75 €	- €	1,153.25 €	1,153.25 €	- €	1,890.75 €	1,890.75 €
20-Jun-09	- €	1,071.54 €	1,071.54 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	- €	1,932.77 €	1,932.77 €
20-Sep-09	- €	1,071.54 €	1,071.54 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	- €	1,932.77 €	1,932.77 €
20-Dec-09	7,248.95 €	1,059.90 €	8,308.85 €	- €	1,102.87 €	1,102.87 €	- €	1,166.06 €	1,166.06 €	6,750.00 €	1,911.76 €	8,661.76 €
20-Mar-10	6,857.59 €	972.26 €	7,829.86 €	- €	1,090.75 €	1,090.75 €	- €	1,153.25 €	1,153.25 €	6,500.00 €	1,763.12 €	8,263.12 €
20-Jun-10	6,621.94 €	920.39 €	7,542.33 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	6,250.00 €	1,676.68 €	7,926.68 €
20-Sep-10	6,398.01 €	849.43 €	7,247.44 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	6,250.00 €	1,555.88 €	7,805.88 €
20-Dec-10	6,181.02 €	772.38 €	6,953.41 €	- €	1,102.87 €	1,102.87 €	- €	1,166.06 €	1,166.06 €	1,750.00 €	1,419.48 €	3,169.48 €
20-Mar-11	5,931.73 €	699.10 €	6,630.83 €	- €	1,090.75 €	1,090.75 €	- €	1,153.25 €	1,153.25 €	- €	1,370.79 €	1,370.79 €
20-Jun-11	5,697.00 €	651.08 €	6,348.08 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	- €	1,401.26 €	1,401.26 €
20-Sep-11	5,473.61 €	590.03 €	6,063.64 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	- €	1,401.26 €	1,401.26 €
20-Dec-11	5,239.75 €	525.60 €	5,765.35 €	- €	1,102.87 €	1,102.87 €	- €	1,166.06 €	1,166.06 €	4,230.16 €	1,386.02 €	5,616.18 €
20-Mar-12	4,442.04 €	470.07 €	4,912.10 €	10,015.09 €	1,102.87 €	11,117.96 €	10,015.09 €	1,166.06 €	11,181.16 €	6,837.29 €	1,305.15 €	8,142.44 €
20-Jun-12	4,196.82 €	427.64 €	4,624.45 €	9,462.19 €	1,003.32 €	10,465.51 €	9,462.19 €	1,060.81 €	10,523.00 €	6,459.82 €	1,187.35 €	7,647.17 €
20-Sep-12	3,982.16 €	382.67 €	4,364.83 €	8,978.21 €	897.82 €	9,876.03 €	8,978.21 €	949.26 €	9,927.47 €	6,129.41 €	1,062.49 €	7,191.90 €
20-Dec-12	3,768.55 €	336.30 €	4,104.85 €	8,496.58 €	789.04 €	9,285.62 €	8,496.58 €	834.25 €	9,330.83 €	5,800.60 €	933.77 €	6,734.37 €
20-Mar-13	3,497.41 €	293.10 €	3,790.51 €	7,885.24 €	687.70 €	8,572.94 €	7,885.24 €	727.10 €	8,612.34 €	5,383.24 €	813.83 €	6,197.07 €
20-Jun-13	3,235.13 €	262.14 €	3,497.26 €	7,293.89 €	615.06 €	7,908.95 €	7,293.89 €	650.30 €	7,944.19 €	1,409.48 €	727.87 €	2,137.35 €
20-Sep-13	3,003.70 €	227.47 €	3,231.17 €	6,772.10 €	533.73 €	7,305.83 €	6,772.10 €	564.31 €	7,336.41 €	- €	700.63 €	700.63 €
20-Dec-13	2,718.15 €	193.16 €	2,911.31 €	6,128.30 €	453.24 €	6,581.54 €	6,128.30 €	479.21 €	6,607.51 €	- €	693.01 €	693.01 €
20-Mar-14	2,353.84 €	162.55 €	2,516.39 €	5,306.93 €	381.42 €	5,688.34 €	5,306.93 €	403.27 €	5,710.20 €	- €	685.40 €	685.40 €
20-Jun-14	2,024.79 €	140.94 €	2,165.73 €	4,565.05 €	330.72 €	4,895.77 €	4,565.05 €	349.67 €	4,914.72 €	- €	700.63 €	700.63 €
20-Sep-14	1,775.41 €	119.24 €	1,894.65 €	4,002.79 €	279.82 €	4,282.61 €	4,002.79 €	295.86 €	4,298.64 €	- €	700.63 €	700.63 €
20-Dec-14	1,594.91 €	99.13 €	1,694.04 €	3,595.84 €	232.64 €	3,828.48 €	3,595.84 €	245.97 €	3,841.81 €	- €	693.01 €	693.01 €
20-Mar-15	7,757.50 €	81.32 €	7,838.82 €	17,497.80 €	190.86 €	17,688.65 €	17,497.80 €	201.79 €	17,699.59 €	36,250.00 €	685.40 €	36,935.40 €
20-Jun-15	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €
<b>TOTAL</b>	<b>100,000.00 €</b>	<b>20,124.37 €</b>	<b>120,124.37 €</b>	<b>100,000.00 €</b>	<b>27,737.71 €</b>	<b>127,737.71 €</b>	<b>100,000.00 €</b>	<b>29,327.08 €</b>	<b>129,327.08 €</b>	<b>100,000.00 €</b>	<b>42,611.49 €</b>	<b>142,611.49 €</b>

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CPR (10%)	Class A			Class B			Class C			Class D		
	EUR 3m+0.13%			EUR 3m+0.3%			EUR 3m+0.55%			EUR 3m+3.5%		
	Principal	Interest (Gross)	Total Cash Flow	Principal	Interest (Gross)	Total Cash Flow	Principal	Interest (Gross)	Total Cash Flow	Principal	Interest (Gross)	Total Cash Flow
25-May-07	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €
20-Sep-07	- €	1,374.37 €	1,374.37 €	- €	1,430.09 €	1,430.09 €	- €	1,512.04 €	1,512.04 €	- €	2,478.98 €	2,478.98 €
20-Dec-07	- €	1,059.90 €	1,059.90 €	- €	1,102.87 €	1,102.87 €	- €	1,166.06 €	1,166.06 €	- €	1,911.76 €	1,911.76 €
20-Mar-08	- €	1,059.90 €	1,059.90 €	- €	1,102.87 €	1,102.87 €	- €	1,166.06 €	1,166.06 €	- €	1,911.76 €	1,911.76 €
20-Jun-08	- €	1,071.54 €	1,071.54 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	- €	1,932.77 €	1,932.77 €
20-Sep-08	- €	1,071.54 €	1,071.54 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	- €	1,932.77 €	1,932.77 €
20-Dec-08	- €	1,059.90 €	1,059.90 €	- €	1,102.87 €	1,102.87 €	- €	1,166.06 €	1,166.06 €	- €	1,911.76 €	1,911.76 €
20-Mar-09	- €	1,048.25 €	1,048.25 €	- €	1,090.75 €	1,090.75 €	- €	1,153.25 €	1,153.25 €	- €	1,890.75 €	1,890.75 €
20-Jun-09	- €	1,071.54 €	1,071.54 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	- €	1,932.77 €	1,932.77 €
20-Sep-09	- €	1,071.54 €	1,071.54 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	- €	1,932.77 €	1,932.77 €
20-Dec-09	8,019.38 €	1,059.90 €	9,079.27 €	- €	1,102.87 €	1,102.87 €	- €	1,166.06 €	1,166.06 €	7,500.00 €	1,911.76 €	9,411.76 €
20-Mar-10	7,511.62 €	964.19 €	8,475.81 €	- €	1,090.75 €	1,090.75 €	- €	1,153.25 €	1,153.25 €	7,250.00 €	1,748.94 €	8,998.94 €
20-Jun-10	7,166.32 €	905.12 €	8,071.45 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	6,750.00 €	1,647.68 €	8,397.68 €
20-Sep-10	6,839.36 €	828.33 €	7,667.70 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	6,000.00 €	1,517.22 €	7,517.22 €
20-Dec-10	6,525.67 €	746.84 €	7,272.50 €	- €	1,102.87 €	1,102.87 €	- €	1,166.06 €	1,166.06 €	- €	1,386.02 €	1,386.02 €
20-Mar-11	6,187.63 €	670.23 €	6,857.85 €	- €	1,090.75 €	1,090.75 €	- €	1,153.25 €	1,153.25 €	- €	1,370.79 €	1,370.79 €
20-Jun-11	5,870.28 €	618.82 €	6,489.10 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	- €	1,401.26 €	1,401.26 €
20-Sep-11	5,570.08 €	555.91 €	6,125.99 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	1,528.42 €	1,401.26 €	2,929.68 €
20-Dec-11	4,738.87 €	490.83 €	5,229.71 €	10,232.37 €	1,102.87 €	11,335.24 €	10,232.37 €	1,166.06 €	11,398.43 €	7,262.08 €	1,356.81 €	8,618.88 €
20-Mar-12	4,431.99 €	440.61 €	4,872.59 €	9,569.69 €	990.02 €	10,559.71 €	9,569.69 €	1,046.75 €	10,616.44 €	6,791.76 €	1,217.97 €	8,009.74 €
20-Jun-12	4,137.98 €	397.96 €	4,535.94 €	8,934.84 €	894.20 €	9,829.04 €	8,934.84 €	945.44 €	9,880.28 €	6,341.20 €	1,100.09 €	7,441.28 €
20-Sep-12	3,878.05 €	353.62 €	4,231.67 €	8,373.57 €	794.58 €	9,168.15 €	8,373.57 €	840.10 €	9,213.68 €	5,942.86 €	977.53 €	6,920.38 €
20-Dec-12	3,624.60 €	308.67 €	3,933.27 €	7,826.31 €	693.59 €	8,519.90 €	7,826.31 €	733.33 €	8,559.64 €	5,554.46 €	853.29 €	6,407.74 €
20-Mar-13	3,325.20 €	267.28 €	3,592.49 €	7,179.83 €	600.60 €	7,780.43 €	7,179.83 €	635.02 €	7,814.84 €	2,829.23 €	738.89 €	3,568.12 €
20-Jun-13	3,040.27 €	237.59 €	3,277.86 €	6,564.57 €	533.89 €	7,098.47 €	6,564.57 €	564.49 €	7,129.06 €	- €	700.63 €	700.63 €
20-Sep-13	2,788.75 €	205.02 €	2,993.77 €	6,021.50 €	460.70 €	6,482.20 €	6,021.50 €	487.10 €	6,508.60 €	- €	700.63 €	700.63 €
20-Dec-13	2,495.62 €	173.23 €	2,668.85 €	5,388.55 €	389.28 €	5,777.84 €	5,388.55 €	411.59 €	5,800.14 €	- €	693.01 €	693.01 €
20-Mar-14	2,141.01 €	145.17 €	2,286.18 €	4,622.87 €	326.23 €	4,949.10 €	4,622.87 €	344.92 €	4,967.80 €	- €	685.40 €	685.40 €
20-Jun-14	1,824.81 €	125.45 €	1,950.26 €	3,940.14 €	281.93 €	4,222.07 €	3,940.14 €	298.09 €	4,238.23 €	- €	700.63 €	700.63 €
20-Sep-14	1,583.69 €	105.90 €	1,689.59 €	3,419.51 €	238.00 €	3,657.51 €	3,419.51 €	251.64 €	3,671.15 €	- €	700.63 €	700.63 €
20-Dec-14	8,298.82 €	87.96 €	8,386.78 €	17,926.24 €	197.70 €	18,123.94 €	17,926.24 €	209.03 €	18,135.27 €	36,250.00 €	693.01 €	36,943.01 €
20-Mar-15	- €	- €	- €	- €	0.00 €	0.00 €	- €	0.00 €	0.00 €	- €	- €	- €
<b>TOTAL</b>	<b>100,000.00 €</b>	<b>19,577.11 €</b>	<b>119,577.11 €</b>	<b>100,000.00 €</b>	<b>26,640.20 €</b>	<b>126,640.20 €</b>	<b>100,000.00 €</b>	<b>28,166.69 €</b>	<b>128,166.69 €</b>	<b>100,000.00 €</b>	<b>41,339.52 €</b>	<b>141,339.52 €</b>

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TACP (13%)	Serie A			Serie B			Serie C			Serie D		
	EUR 3m+0.13%			EUR 3m+0.3%			EUR 3m+0.55%			EUR 3m+3.5%		
	Principal	Intereses (Brutos)	Total Flujos	Principal	Intereses (Brutos)	Total Flujos	Principal	Intereses (Brutos)	Total Flujos	Principal	Intereses (Brutos)	Total Flujos
25-may-07	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €
20-sep-07	- €	1,374.37 €	1,374.37 €	- €	1,430.09 €	1,430.09 €	- €	1,512.04 €	1,512.04 €	- €	2,478.98 €	2,478.98 €
20-dic-07	- €	1,059.90 €	1,059.90 €	- €	1,102.87 €	1,102.87 €	- €	1,166.06 €	1,166.06 €	- €	1,911.76 €	1,911.76 €
20-mar-08	- €	1,059.90 €	1,059.90 €	- €	1,102.87 €	1,102.87 €	- €	1,166.06 €	1,166.06 €	- €	1,911.76 €	1,911.76 €
20-jun-08	- €	1,071.54 €	1,071.54 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	- €	1,932.77 €	1,932.77 €
20-sep-08	- €	1,071.54 €	1,071.54 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	- €	1,932.77 €	1,932.77 €
20-dic-08	- €	1,059.90 €	1,059.90 €	- €	1,102.87 €	1,102.87 €	- €	1,166.06 €	1,166.06 €	- €	1,911.76 €	1,911.76 €
20-mar-09	- €	1,048.25 €	1,048.25 €	- €	1,090.75 €	1,090.75 €	- €	1,153.25 €	1,153.25 €	- €	1,890.75 €	1,890.75 €
20-jun-09	- €	1,071.54 €	1,071.54 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	- €	1,932.77 €	1,932.77 €
20-sep-09	- €	1,071.54 €	1,071.54 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	- €	1,932.77 €	1,932.77 €
20-dic-09	8,804.69 €	1,059.90 €	9,864.58 €	- €	1,102.87 €	1,102.87 €	- €	1,166.06 €	1,166.06 €	8,250.00 €	1,911.76 €	10,161.76 €
20-mar-10	8,165.86 €	955.95 €	9,121.82 €	- €	1,090.75 €	1,090.75 €	- €	1,153.25 €	1,153.25 €	7,750.00 €	1,734.76 €	9,484.76 €
20-jun-10	7,699.40 €	889.70 €	8,589.10 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	7,250.00 €	1,623.52 €	8,873.52 €
20-sep-10	7,260.74 €	807.19 €	8,067.93 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	4,250.00 €	1,483.40 €	5,733.40 €
20-dic-10	6,844.26 €	721.46 €	7,565.73 €	- €	1,102.87 €	1,102.87 €	- €	1,166.06 €	1,166.06 €	- €	1,386.02 €	1,386.02 €
20-mar-11	6,413.72 €	641.79 €	7,055.51 €	- €	1,090.75 €	1,090.75 €	- €	1,153.25 €	1,153.25 €	- €	1,370.79 €	1,370.79 €
20-jun-11	6,012.06 €	587.33 €	6,599.39 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	- €	1,401.26 €	1,401.26 €
20-sep-11	5,635.20 €	522.91 €	6,158.11 €	- €	1,114.99 €	1,114.99 €	- €	1,178.88 €	1,178.88 €	5,866.05 €	1,401.26 €	7,267.31 €
20-dic-11	4,701.88 €	457.49 €	5,159.37 €	10,892.26 €	1,102.87 €	11,995.13 €	10,892.26 €	1,166.06 €	12,058.32 €	7,257.94 €	1,273.88 €	8,531.82 €
20-mar-12	4,346.50 €	407.66 €	4,754.16 €	10,068.96 €	982.74 €	11,051.70 €	10,068.96 €	1,039.05 €	11,108.02 €	6,709.35 €	1,135.13 €	7,844.47 €
20-jun-12	4,010.74 €	365.56 €	4,376.30 €	9,291.13 €	881.27 €	10,172.40 €	9,291.13 €	931.77 €	10,222.90 €	6,191.04 €	1,017.92 €	7,208.97 €
20-sep-12	3,713.03 €	322.59 €	4,035.62 €	8,601.46 €	777.68 €	9,379.14 €	8,601.46 €	822.24 €	9,423.70 €	5,731.49 €	898.27 €	6,629.76 €
20-dic-12	3,427.77 €	279.73 €	3,707.49 €	7,940.61 €	674.36 €	8,614.97 €	7,940.61 €	713.00 €	8,653.61 €	4,494.12 €	778.93 €	5,273.05 €
20-mar-13	3,108.52 €	240.72 €	3,349.24 €	7,201.04 €	580.34 €	7,781.38 €	7,201.04 €	613.59 €	7,814.63 €	- €	685.40 €	685.40 €
20-jun-13	2,809.23 €	212.76 €	3,022.00 €	6,507.72 €	512.95 €	7,020.66 €	6,507.72 €	542.34 €	7,050.06 €	- €	700.63 €	700.63 €
20-sep-13	2,545.76 €	182.66 €	2,728.42 €	5,897.37 €	440.39 €	6,337.75 €	5,897.37 €	465.62 €	6,362.99 €	- €	700.63 €	700.63 €
20-dic-13	2,252.67 €	153.69 €	2,406.36 €	5,218.40 €	370.56 €	5,588.96 €	5,218.40 €	391.79 €	5,610.19 €	- €	693.01 €	693.01 €
20-mar-14	1,914.19 €	128.39 €	2,042.58 €	4,434.28 €	309.57 €	4,743.85 €	4,434.28 €	327.30 €	4,761.59 €	- €	685.40 €	685.40 €
20-jun-14	1,616.17 €	110.73 €	1,726.90 €	3,743.90 €	267.00 €	4,010.91 €	3,743.90 €	282.30 €	4,026.21 €	- €	700.63 €	700.63 €
20-sep-14	8,717.61 €	93.41 €	8,811.02 €	20,202.87 €	225.26 €	20,428.13 €	20,202.87 €	238.17 €	20,441.04 €	36,250.00 €	700.63 €	36,950.63 €
20-dic-14	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €
<b>TOTAL</b>	<b>100,000.00 €</b>	<b>19,030.13 €</b>	<b>119,030.13 €</b>	<b>100,000.00 €</b>	<b>26,261.59 €</b>	<b>126,261.59 €</b>	<b>100,000.00 €</b>	<b>27,766.38 €</b>	<b>127,766.38 €</b>	<b>100,000.00 €</b>	<b>40,119.29 €</b>	<b>140,119.29 €</b>

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#### 4.11 Representation of the security holders.

For the securitisation Bonds, the establishment of a Bondholder Syndicate is not contemplated.

On the terms stipulated in article 12 of the Royal Decree 926/1998, it corresponds to the Management Company, in its capacity as manager of third party business, to represent and defend the interests of the holder of the Bonds issued and charged to the Fund and the other ordinary creditors of the Fund. Consequently, the Management Company must subject its actions to the defence of these and comply with the provisions that are duly established to this effect.

#### 4.12 Resolutions, authorisations and approvals by virtue of which the securities are issued.

The resolutions, approvals and authorisations by virtue of which this Bond issue is being carried out are those listed below:

- a) Corporate resolutions:
  - a.1 Resolution of Santander Consumer's Board of Directors dated 14 March 2007 to assign the Credit Rights.
  - a.2 Resolution of the Management Company's Board of Directors dated 30 March 2007.
- b) Registration of this Prospectus with the CNMV which took place on 17 May 2007.
- c) Execution of the Deed of Establishment, which will take place on 21 May 2007, a copy of which will be sent to the CNMV and to Iberclear before the start of the Subscription Period.

#### 4.13 Issue date.

The issue date of the Bonds, which will be the Date of Establishment, will be 21 May 2007.

##### 4.13.1 *Group of potential investors.*

The distribution of the issue is aimed at institutional investors for the purposes of article 39 of Royal Decree 1310/2005, that is to say, by way of illustration and not limitation, legal persons authorised or regulated to operate in financial markets, including credit institutions, investment services companies, insurance companies, collective investment institutions and their management companies, pension funds and their management companies, other authorised or regulated financial entities, etc.

##### 4.13.2 *Subscription Period*

The Subscription Period will start at 9:00 a.m. (Madrid time) on 24 May 2007 and will finish at 5:00 p.m. (Madrid time) on the same day.

##### 4.13.3 *Disbursement Date and Form*

*The Disbursement Date will be 25 May 2007*

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The investors who have been awarded the Bonds must pay the Underwriters the price of the issue that corresponds to each Bond awarded, issued at 100% of face value, before 11:00 a.m., Madrid time on the Disbursement Date, with value on that same day.

#### 4.14 Restrictions on the free transferability of the securities.

The Bonds may be freely transferred by any means allowed by law and in accordance with the rules of the AIAF. The ownership of each Bond will be transferred by account entry. The registration of the transfer in favour of the acquirer in the accounts will have the same effect as transfer of a certificate and, from this moment, the transfer will be considered valid vis-à-vis third parties. Thus, any third party that acquires the Bonds represented by account entries for consideration from the person who, according to the entries in the accounting register, appears as authorised to transfer them will not be subject to any action for repossession unless at the time of acquisition they acted in bad faith or with gross negligence.

The creation of limited in rem rights or any other encumbrance on the Bonds must be registered in the corresponding account. The registration of the pledge will be equivalent to transfer of possession of the certificate.

The creation of the encumbrance will be valid vis-à-vis third parties from the moment it has been registered.

### 5. **ADMISSION TO TRADING AND DEALING ARRANGEMENTS**

#### 5.1 Indication of Market where the securities will be traded.

Pursuant to article 3 of Royal Decree 926/1998, the Management Company, for and on behalf of the Fund, will request official admission to trading of this Bond issue, after the Fund is established and the disbursement has been made, on the AIAF Fixed Income Market (the "AIAF Market"), to be traded within a term not greater than one (1) month after the Disbursement Date.

If there is a breach of the indicated term for admission of the Bonds for trading, the Management Company will so notify the CNMV and publish in a newspaper of nationwide circulation both the causes for the breach and the new date contemplated for admission thereof for trading, without prejudice to possible liability of the Management Company if the breach is for reasons attributable to it.

The Management Company, for and on behalf of the Fund, will request inclusion of this Bond issue in the accounting register managed by IBERCLEAR, so that clearing and settlement of the securities will be effectuated in accordance with such operating rules with respect to securities admitted for trading on the AIAF Market as may be established or may be approved in the future by IBERCLEAR.

The Management Company, for and on behalf of the Fund, hereby states that it is familiar with the requisites and conditions required for listing, maintenance and exclusion of the Bonds on the AIAF Market as per current legislation, as well as the requirements of its Governing Bodies and hereby agrees to comply with them.

#### 5.2 Paying Agent and Depository Institutions.

##### a) **Paying Agent:**

The Management Company, acting for and on behalf of the Fund, appoints BSCH, which accepts appointment, as paying Agent to carry out the financial servicing of the Bond issue. The obligations assumed by BSCH, in its capacity as Paying Agent under the Management, Underwriting and Distribution Agreement, are as follows:

- **Disbursement of issue**

The Paying Agent will proceed to pay to the Fund prior to 3:00 p.m. (Madrid time) on the Disbursement Date, with value that same day, the amount that, as established in the Management, Underwriting and Distribution Agreement, it has received from each Underwriter, by deposit to the Cash Account.

- **Notice of EURIBOR Reference Rate.**

At each one of the Rate Setting Times, the Paying Agent shall notify the Management Company of the Reference Interest Rate which shall serve as a basis for calculation of the Nominal Interest Rate applicable to each Class of Bonds.

- **Payments against the Fund.**

On each of the Payment Dates of the Bonds, the Paying Agent will proceed to pay the interest and repay the principal in respect of the Bonds in accordance with the instructions received from the Management Company.

Payments to be made by the Paying Agent will be carried out through the corresponding institutions participating in Iberclear, in whose records the Bonds are registered, as per the current procedures of said service.

If on a Payment Date there are no Available Funds in the Cash Account, the Paying Agent will not be required to make any payment.

In the event that BSCH's unsubordinated and unsecured short-term debt should undergo, at any time during the life of the Bond issue, a decline in its rating below A-1 or F1 (as per the rating scales of Standard & Poor's and Fitch, respectively), the Management Company must within a maximum term of thirty (30) Calendar Days after that situation occurs, for and on behalf of the Fund

- (i) Revoke the appointment of BSCH as Paying Agent after appointing as the new Paying Agent, on the terms it deems most appropriate for the Fund, a bank whose unsubordinated and unsecured short-term debt has a minimum rating of A-1 and F1 (pursuant to the Standard & Poor's and Fitch rating scales, respectively). Under no circumstance will BSCH's appointment as Paying Agent be revoked if a new entity has not been appointed as Paying Agent. All costs and expenses deriving from the process of revocation of the Paying Agent and appointment of the new paying agent will be for the account of the replaced Paying Agent.
- (ii) Obtain from an entity whose unsubordinated and unsecured short-term debt has a minimum rating of A-1 and F1 (according to the rating scales of Standard & Poor's and Fitch, respectively), always subject to prior notification to the Rating Agencies, a first demand guarantee, in accordance with the standards contemplated for this purpose by the

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Rating Agencies, securing the commitments to the Fund assumed by the Paying Agent. All costs and expenses deriving from issuance of the indicated first demand guarantee will be for the account of the replaced Paying Agent.

Should BSCH be replaced as Paying Agent, the Management Company will be entitled to establish a fee in favour of the replacement which will hold the first (1st) position in the Order of Priority of Payments described in section 3.4.6.(1)(b) of the Additional Building Block. BSCH will not receive any fee whatsoever as Paying Agent.

The Paying Agent specifically and irrevocably waives any right of set-off vis-à-vis the Fund, which could correspond to SCF by virtue of any contract entered into with the Fund.

**b) Depository Institutions:**

Not applicable.

**6. EXPENSES OF THE OFFER AND ADMISSION TO LISTING**

The expenses contemplated are as follows:

**a) Formation Expenses (Expenses related to documentation and official charges):**

	<b>Euros</b>
• CNMV Fees (for the offer and admission to trading):	€48,993.66
• AIAF Fees:	€45,000.00
• Iberclear Fees:	€2,320.00
• Miscellaneous (Legal advice, notary, auditing):	€379,870.00

<b>Subtotal (0.023%):</b>	<b>€476,183.66</b>
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**b) Issue Expenses:**

	<b>Euros</b>
• Underwriting and distribution fee (according to section 4.1 b) of this Securities Note):	€1,428,000.00

<b>Subtotal (0.07%):</b>	<b>€1,428,000.00</b>
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<b>GRAND TOTAL (0.093%):</b>	<b>€1,904,183.66</b>
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The establishment and issue expenses stated herein will be paid against the Subordinated Loan described under section 3.4.3.a) of the Additional Building Block.

Any expenses incurred on the occasion of the Fund's liquidation will be the responsibility of the Fund.

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## **7. ADDITIONAL INFORMATION**

### **7.1 Persons and entities acting as advisors in the issue.**

- a) SANTANDER DE TITULIZACION, S.G.F.T., S.A. participates as legal and financial adviser for the structure of the operation.
- b) CUATRECASAS participates as legal adviser with respect to the structure of the operation.

### **7.2 Information in the Securities Note that has been reviewed by the statutory auditors.**

Not applicable.

### **7.3 Statement or report attributed to a person as an expert.**

Deloitte, S.L., whose name, address and registration dates are contemplated in section 2.1 of the Registration Document, has prepared a report on the principal attributes of the Credit Rights which is reflected in section 2.2 of the Additional Building Block, and has performed the audit of the annual financial statements of the Management Company and of Santander Consumer relating to the last three fiscal years, and has been appointed as auditor of the financial statements of the Fund.

### **7.4 Information sourced from third parties.**

The Manager confirms that the information provided by Santander Consumer in its capacity as Assignor, in connection with Santander Consumer and the Credit Rights, has been faithfully reproduced and that, insofar as it is aware of and may take decisions based on the information provided by Santander Consumer, no fact has been omitted which would make the information inaccurate or misleading.

### **7.5 Ratings.**

The Bonds included in this Securities Note are assigned the following provisional ratings by the credit Rating Agencies:

	<b>Standard &amp; Poor's</b>	<b>Fitch</b>
<b>Class A</b>	AAA	AAA
<b>Class B</b>	A	A
<b>Class C</b>	BBB	BBB
<b>Class D</b>	CCC-	CC

#### **An analysis of the ratings.**

The ratings made by Standard & Poor's on the risk constitute opinions on the capacity of the Fund to duly comply with the payment of interest on each Payment Date stipulated



and the repayment of the principal during the life of the operation and, in any event, before the Legal Maturity Date thereof.

The ratings assigned by Fitch are an opinion regarding the capacity of the Fund to timely pay interest over the life of the transaction and principal on the bonds over the life of the transaction, in any event on or prior to the legal maturity date thereof, in accordance with the conditions set forth in the documents. The documents allow postponement within the order of priority of payments of interest on Classes B and C under certain circumstances. According to Fitch, this means that interest might not be received on these Bonds for a period of time if the deferral trigger is reached without resulting in an event of default regarding payment on the bonds.

The ratings of the Rating Agencies take into account the structure of the Bond issue, its legal aspects and those of the Fund that issues them, the characteristics of the assets selected for assignment to the Fund and the regularity and continuity of the flows of the operation.

The ratings of the Rating Agencies do not constitute an evaluation of the probability that the Debtors will make prepayments of principal, or to what extent those prepayments may differ from those originally contemplated. The ratings do not in any way imply a rating of the actuarial yield.

The ratings assigned, as well as revision or suspension thereof:

- (i) are prepared by the Rating Agencies on the basis of a substantial amount of information they receive, the accuracy or completeness of which they do not guarantee, so they cannot in any way be considered to be responsible therefor; and
- (ii) do not constitute and therefore may not, in any way be interpreted as an invitation, recommendation or encouragement to the investors to carry out any type of operation concerning the Bonds and, in particular, to acquire, hold, encumber or sell these Bonds.

The final ratings assigned may be revised, suspended or withdrawn at any time by the Rating Agencies depending on any information they may receive. These situations, which do not constitute cases of Early Liquidation of the Fund, will be immediately notified to the CNMV and to the bondholders, in compliance with section 4.b) of the Additional Building Block.

In order to carry out the rating and monitoring process, the Rating Agencies confide in the accuracy and completeness of the information they are provided with by Santander Consumer, the Management Company, the auditors, the legal advisers and other experts.

The above credit ratings are only an estimate and are not intended to relieve potential investors of the need to perform their own analysis of the securities to be acquired.

If, prior to the start of the Subscription Period, the Rating Agencies do not confirm any of the provisional ratings assigned as being final, this circumstance will be reported immediately to the CNMV and made public in the manner provided by section 4 of the Additional Building Block. This circumstance will result in termination of establishment of the Fund, issue of the Bonds, the agreements with the exception of the Subordinated Loan Agreement to the extent it relates to the expenses of establishment of the Fund, and the Assignment of the Credit Rights.

## **ADDITIONAL BUILDING BLOCK TO SECURITIES NOTE**

### **(Annex VIII of Regulation (EC) No. 809/2004 of the Commission)**

#### **1. THE SECURITIES**

##### **1.1 Amount of issue.**

The Fund will be established with the Initial Credit Rights that Santander Consumer will assign to the Fund on the Date of Establishment, the total principal of which will be equal to or slightly greater than two billion euros (€ 2,000,000,000), the amount of the face value of the Bond issue.

##### **1.2 Confirmation that the information relating to an undertaking/obligor not involved in the issue has been reproduced.**

Not applicable.

#### **2. THE UNDERLYING ASSETS**

##### **2.1 Confirmation as to the Credit Rights' capacity to produce funds to service payments on the securities.**

The Management Company confirms that the flows of principal, interest and any other amounts generated by the Credit Rights allow, as per their contractual characteristics, meeting payments due and payable on the Bonds.

Notwithstanding the foregoing, in order to cover possible payment defaults of the Debtors, a series of enhancement operations have been contemplated which mitigate the risk of default, with respect to both principal and interest on the Bonds, and which are described under sections 3.4.2, 3.4.3 and 3.4.4 of this Additional Building Block. In exceptional circumstances, said enhancement operations could be insufficient.

Not all of the Bonds have the same default risk given the different credit ratings assigned to the different Classes of Bonds, as detailed in section 7.5 of the Securities Note.

When due to a change in current regulations or the occurrence of exceptional circumstances, in the judgment of the Management Company there is a substantial alteration in the Fund's financial equilibrium or it is permanently impaired, or when a default indicative of a serious and permanent imbalance in relation to any of the Bonds occurs or is expected to occur, the Management Company may proceed with Early Liquidation of the Fund and the consequent Early Redemption of the Bond issue on the terms of section 4.4.c) of the Registration Document.

##### **2.2 Credit Rights backing the Bond issue.**

The Loans from which the Credit Rights assigned to the Fund derive are Loans granted by Santander Consumer to individuals and legal entities resident in Spain for the sole purpose of financing the acquisition of passenger cars, sport utility vehicles, passenger car derivatives, industrial vehicles and coaches, both new and used.

The requirements to be met by the Credit Rights to be assigned to the Fund, the characteristics of the Initial Credit Rights and the system for subsequent assignments of

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Additional Credit Rights during the Revolving Period, are described hereinafter in this section in accordance with the provisions of the Deed of Establishment.

### **Maximum Amount of Credit Rights.**

The maximum amount of the Outstanding Balance of the Credit Rights pooled in the Fund will be equal to or slightly greater than two million euros (€2,000,000) (the "**Maximum Amount of the Credit Rights**"), equivalent to the face value of the issue of Bonds of Class A, B and C.

#### **2.2.1 The legal jurisdiction by which the pool of Credit Rights is governed.**

The Credit Rights are governed by Spanish law.

Pursuant to article 11 of Consumer Credit Act 7/1995 of 23 March 1995, consumers may raise the same defences against the Fund as would have corresponded to them as against the assignor, if applicable including the defence of setoff, in accordance with article 1198 of the Civil Code.

Likewise, all of the loans have been extended under Act 28/1998 of 13 July 1998 on Instalment Sale of Personal Property.

#### **2.2.2 General characteristics of the Debtors.**

##### **2.2.2.1 Initial Credit Rights.**

The assignment of the Initial Credit Rights, in an undetermined number the total Outstanding Balance of which will be equal to the Maximum Amount of the Credit Rights (2,000,000,000 euros) or an amount slightly greater than but as close as possible to that amount, undertaken by Santander Consumer, will be effective from the Date of Establishment of the Fund and will be documented by means of the Deed of Establishment. The amount of the Initial Credit Rights assigned upon creation of the Fund may be slightly greater than the Maximum Amount of the Credit Rights, given how difficult it is to exactly adjust to that amount because each of the Loans will be assigned at its total Outstanding Balance at the time of assignment.

The portfolio of selected loans from which the Initial Credit Rights will be drawn is comprised of one hundred eighty-six thousand six hundred seven (186,607) loans, the unmatured principal of which at 16 April 2007 amounted to two billion one hundred forty-six million two hundred fifty-three thousand six hundred forty euros and sixteen cents (€2,146,253,640.16).

The preliminary loan portfolio on 16 April 2007 was the subject of an audit report prepared by Deloitte, S.L. which dealt with a series of qualitative and quantitative attributes of a sample of this preliminary portfolio, specifically as regards:

- Nature of the Loan
- Execution of the Loan
- Nature and identification of the debtor
- Loan formalisation date
- Maturity of the Loan
- Initial amount of the Loan
- Current balance of the Loan

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- Fixed interest rate
- Personal guarantee
- Late Payments
- Transfer of the Loans
- Type of Debtor

**a) Type of vehicle**

The following table shows a breakdown of the Loans by type of vehicle.

<b>TYPE OF VEHICLE</b>				
<b>Type of vehicle</b>	<b>Outstanding Principal</b>		<b>Loans</b>	
	<b>Amounts in euros</b>	<b>Percentage (%)</b>	<b>No. of loans</b>	<b>Percentage (%)</b>
Passenger Cars	1,711,961,115.09	79.77%	154,930	83.02%
Sport-Utility Vehicles	198,966,945.72	9.27%	11,021	5.91%
Passenger Car Derivatives	89,645,718.12	4.18%	9,711	5.20%
Light Industrial	145,113,316.23	6.76%	10,929	5.86%
Medium Industrial	170,599.16	0.01%	5	0.00%
Coaches and Buses	395,945.84	0.02%	11	0.01%
<b>TOTALS</b>	<b>2,146,253,640.16</b>	<b>100.00%</b>	<b>186,607</b>	<b>100.00%</b>

The Loans are distributed between new and used vehicles as follows:

<b>NEW / USED VEHICLE</b>				
<b>Type of vehicle N / U</b>	<b>Outstanding Principal</b>		<b>Loans</b>	
	<b>Amounts in euros</b>	<b>Percentage (%)</b>	<b>No. of loans</b>	<b>Percentage (%)</b>
New	1,931,264,360.00	89.98%	158,652	85.02%
Used	214,989,280.16	10.02%	27,955	14.98%
<b>TOTALS</b>	<b>2,146,253,640.16</b>	<b>100.00%</b>	<b>186,607</b>	<b>100.00%</b>

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## b) Maximum, minimum and average Loan principals

The following table shows a breakdown of the Loans by outstanding principal.

OUTSTANDING LOAN PRINCIPAL				
Outstanding Principal*	Outstanding Principal		Loans	
	Amounts in euros	Percentage (%)	No. of loans	Percentage (%)
9.39 - 5000	80,106,767.42	3.73%	25,362	13.59%
5,000 - 10,000	454,508,511.78	21.18%	59,373	31.82%
10,000 - 15,000	691,164,621.33	32.20%	55,962	29.99%
15,000 - 20,000	506,788,512.41	23.61%	29,579	15.85%
20,000 - 25,000	238,403,046.43	11.11%	10,809	5.79%
25,000 - 30,000	94,505,784.95	4.40%	3,494	1.87%
30,000 - 35,000	36,182,098.29	1.69%	1,129	0.61%
35,000 - 40,000	15,743,742.88	0.73%	425	0.23%
40,000 - 45,000	7,888,409.93	0.37%	187	0.10%
45,000 - 50,000	4,647,147.66	0.22%	98	0.05%
50,000 - 55,000	3,201,746.19	0.15%	61	0.03%
55,000 - 60,000	2,071,246.76	0.10%	36	0.02%
60,000 - 65,000	1,619,577.73	0.08%	26	0.01%
65,000 - 70,000	811,577.02	0.04%	12	0.01%
70,000 - 75,000	580,451.37	0.03%	8	0.00%
75,000 - 80,000	1,239,898.77	0.06%	16	0.01%
80,000 - 85,000	655,866.66	0.03%	8	0.00%
85,000 - 90,000	174,452.20	0.01%	2	0.00%
90,000 - 95,000	185,459.74	0.01%	2	0.00%
100,000 - 200,000	1,018,064.73	0.05%	9	0.00%
200,000 - 300,000	1,034,362.54	0.05%	4	0.00%
400,000 - 500,000	405,713.18	0.02%	1	0.00%
600,000 - 700,000	1,281,204.89	0.06%	2	0.00%
900,000 - 1,000,000	962,249.25	0.04%	1	0.00%
1,000,000 - 1,100,000	1,073,126.05	0.05%	1	0.00%
<b>TOTALS</b>	<b>2,146,253,640.16</b>	<b>100.00%</b>	<b>186,607</b>	<b>100.00%</b>

**Maximum Outstanding Principal: 1,073,126.05**

**Minimum Outstanding Principal: 9.39**

**Average Outstanding Principal: 11,501.46**

\* It is possible that some of the Loans have been used for acquisition of more than one vehicle.

## c) Debtors.

The following table shows the distribution according to the type of debtor (an individual or company)

TYPE OF DEBTOR				
Type of debtor	Outstanding Principal		Loans	
	Amounts in euros	Percentage (%)	No. of loans	Percentage (%)
Individual	2,037,332,267.39	94.93%	179,289	96.08%
Legal Person	108,921,372.77	5.07%	7,318	3.92%
<b>TOTALS</b>	<b>2,146,253,640.16</b>	<b>100.00%</b>	<b>186,607</b>	<b>100.00%</b>

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**c) Maximum, minimum and average initial Loan amounts**

INITIAL AMOUNT				
Initial Amount			Loans	
Amount Extended*	Amounts in euros	Percentage (%)	No. of loans	Percentage (%)
923.1 - 5000	29,018,724.00	1.08%	7,759	4.16%
5,000 - 10,000	306,392,988.22	11.44%	39,171	20.99%
10,000 - 15,000	794,502,581.03	29.66%	64,096	34.35%
15,000 - 20,000	774,180,532.46	28.90%	45,112	24.17%
20,000 - 25,000	444,875,196.37	16.61%	20,134	10.79%
25,000 - 30,000	177,202,671.89	6.62%	6,536	3.50%
30,000 - 35,000	66,628,475.29	2.49%	2,078	1.11%
35,000 - 40,000	29,303,413.25	1.09%	789	0.42%
40,000 - 45,000	16,534,244.07	0.62%	393	0.21%
45,000 - 50,000	8,234,617.81	0.31%	175	0.09%
50,000 - 55,000	6,283,162.16	0.23%	120	0.06%
55,000 - 60,000	3,671,559.32	0.14%	64	0.03%
60,000 - 65,000	2,675,305.08	0.10%	43	0.02%
65,000 - 70,000	1,808,088.66	0.07%	27	0.01%
70,000 - 75,000	1,298,802.01	0.05%	18	0.01%
75,000 - 80,000	930,395.28	0.03%	12	0.01%
80,000 - 85,000	1,067,866.85	0.04%	13	0.01%
85,000 - 90,000	963,876.20	0.04%	11	0.01%
90,000 - 95,000	1,647,573.75	0.06%	18	0.01%
95,000 - 100,000	385,504.44	0.01%	4	0.00%
100,000 - 150,000	2,419,946.56	0.09%	20	0.01%
150,000 - 200,000	535,038.50	0.02%	3	0.00%
200,000 - 250,000	437,346.26	0.02%	2	0.00%
300,000 - 350,000	330,731.96	0.01%	1	0.00%
500,000 - 550,000	1,010,713.06	0.04%	2	0.00%
600,000 - 650,000	621,617.20	0.02%	1	0.00%
650,000 - 700,000	683,405.36	0.03%	1	0.00%
900,000 - 950,000	944,500.68	0.04%	1	0.00%
950,000 - 1,000,000	970,736.81	0.04%	1	0.00%
1,400,000 - 1,450,000	1,438,591.71	0.05%	1	0.00%
1,600,000 - 1,650,000	1,603,696.99	0.06%	1	0.00%
<b>TOTALS</b>	<b>2,678,601,903.23</b>	<b>100.00%</b>	<b>186,607</b>	<b>100.00%</b>
<b>Maximum Initial Amount:</b>	<b>1,603,696.99</b>			
<b>Minimum Initial Amount:</b>	<b>923.1</b>			
<b>Average Initial Amount:</b>	<b>14,354.24</b>			

\* It is possible that some of the Loans have been used for acquisition of more than one vehicle.

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**e) Effective interest rate or finance charge applicable at the present time: maximum, minimum and average rates on the Loans**

One hundred percent (100%) of the Loans have fixed interest rates between three point nine two percent (3.92%) and ten point one four percent (10.14%), with the overall average rate on the Loans being six point six nine percent (6.69%).

The following table shows the distribution of the Loans in intervals of zero point five per cent (0.5%) of the present nominal interest rate.

<b>INTEREST RATE</b>				
<b>Applicable interest rate</b>	<b>Outstanding Principal</b>		<b>Loans</b>	
	<b>Amounts in euros</b>	<b>Percentage (%)</b>	<b>No. of loans</b>	<b>Percentage (%)</b>
3.51 - 4.00	91,410.07	0.00%	18	0.01%
4.01 - 4.50	13,795,589.11	0.64%	1,961	1.05%
4.51 - 5.00	74,685,910.55	3.48%	9,612	5.15%
5.01 - 5.50	125,175,868.31	5.83%	11,407	6.11%
5.51 - 6.00	341,873,498.48	15.93%	27,627	14.80%
6.01 - 6.50	472,031,413.67	21.99%	37,771	20.24%
6.51 - 7.00	411,546,327.15	19.18%	32,677	17.51%
7.01 - 7.50	327,434,908.19	15.26%	27,006	14.47%
7.51 - 8.00	189,192,538.21	8.82%	16,662	8.93%
8.01 - 8.50	90,391,589.00	4.21%	9,343	5.01%
8.51 - 9.00	55,471,681.09	2.58%	6,361	3.41%
9.01 - 9.50	29,270,502.36	1.36%	3,752	2.01%
9.51 - 10.00	15,269,289.56	0.71%	2,406	1.29%
> 10.00	23114.41	0.00%	4	0.00%
<b>TOTALS</b>	<b>2,146,253,640.16</b>	<b>100.00%</b>	<b>186,607</b>	<b>100.00%</b>

**Maximum Interest Rate: 10.14%**  
**Minimum Interest Rate: 3.92%**  
**Weighted Interest Rate: 6.69%**

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**f) Loan formalisation dates as well as earliest and latest final maturity dates.**

***Formalisation Date***

**FORMALIZATION DATE**

<b>Formalisation Date</b>	<b>Outstanding Principal</b>		<b>Loans</b>	
	<b>Amounts in euros</b>	<b>Percentage (%)</b>	<b>No. of loans</b>	<b>Percentage (%)</b>
Before 31/12/2000	2,045.82	0.00%	1	0.00%
01/01/2001 - 31/12/2001	457,850.80	0.02%	321	0.17%
01/01/2002 - 31/12/2002	10,752,607.62	0.50%	2,782	1.49%
01/01/2003 - 31/12/2003	61,303,576.27	2.86%	10,232	5.48%
01/01/2004 - 31/12/2004	176,629,298.13	8.23%	20,750	11.12%
01/01/2005 - 31/12/2005	432,631,401.52	20.16%	37,199	19.93%
01/01/2006 - 31/12/2006	1,331,968,120.24	62.06%	105,939	56.77%
01/01/2007 - 01/02/2007	132,508,739.76	6.17%	9,383	5.03%
<b>TOTALS</b>	<b>2,146,253,640.16</b>	<b>100.00%</b>	<b>186,607</b>	<b>100.00%</b>

**Latest Formalisation Date:** 05/11/1999

**Earliest Formalisation Date:** 02/01/2007

**Weighted Average:** 18/2/2006

***Final maturity date.***

**FINAL MATURITY DATE**

<b>Final Maturity Date</b>	<b>Outstanding Principal</b>		<b>Loans</b>	
	<b>Amounts in euros</b>	<b>Percentage (%)</b>	<b>No. of loans</b>	<b>Percentage (%)</b>
01/01/2007 - 31/12/2007	14,409,996.73	0.67%	5,201	2.79%
01/01/2008 - 31/12/2008	59,175,679.09	2.76%	13,154	7.05%
01/01/2009 - 31/12/2009	141,950,106.13	6.61%	20,335	10.90%
01/01/2010 - 31/12/2010	247,088,160.79	11.51%	26,671	14.29%
01/01/2011 - 31/12/2011	481,185,025.07	22.42%	41,078	22.01%
01/01/2012 - 31/12/2012	438,483,878.06	20.43%	32,249	17.28%
01/01/2013 - 31/12/2013	379,267,519.40	17.67%	25,461	13.64%
01/01/2014 - 31/12/2014	225,189,913.23	10.49%	13,680	7.33%
01/01/2015 - 31/12/2015	63,583,775.43	2.96%	3,779	2.03%
01/01/2016 - 31/12/2016	88,145,143.99	4.11%	4,631	2.48%
01/01/2017 - 31/12/2017	7,774,442.24	0.36%	368	0.20%
<b>TOTALS</b>	<b>2,146,253,640.16</b>	<b>100.00%</b>	<b>186,607</b>	<b>100.00%</b>

**Latest Maturity Date:** 25/2/2017

**Earliest Maturity Date:** 05/05/2007

**Weighted Average:** 28/5/2012



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### **Term to maturity**

#### **TERM TO MATURITY**

<b>Term to Maturity (Months)</b>	<b>Outstanding Principal</b>		<b>Loans</b>	
	<b>Amounts in euros</b>	<b>Percentage (%)</b>	<b>No. of loans</b>	<b>Percentage (%)</b>
<=12	21,546,755.97	1.00%	7,207	3.86%
>12 <= 24	70,247,075.75	3.27%	14,339	7.68%
>24 <= 36	157,205,787.64	7.32%	21,185	11.35%
>36 <= 48	274,502,011.86	12.79%	28,612	15.33%
>48 <= 60	495,957,702.46	23.11%	41,030	21.99%
>60 <= 72	455,766,902.58	21.24%	32,885	17.62%
>72 <= 84	345,833,225.83	16.11%	22,678	12.15%
>84 <= 96	186,674,580.68	8.70%	11,108	5.95%
>96 <= 108	58,044,114.00	2.70%	3,455	1.85%
>108 <= 120	80,475,483.39	3.75%	4,108	2.20%
<b>TOTALS</b>	<b>2,146,253,640.16</b>	<b>100.00%</b>	<b>186,607</b>	<b>100.00%</b>

**Term to Latest Maturity: 120**

**Term to Earliest Maturity: 1**

**Weighted Average: 61**

### **g) Initial Term of the Loans.**

#### **ORIGINAL TERM**

<b>Original Term (Months)</b>	<b>Outstanding Principal</b>		<b>Loans</b>	
	<b>Amounts in euros</b>	<b>Percentage (%)</b>	<b>No. of loans</b>	<b>Percentage (%)</b>
<=12	4,033,656.84	0.19%	70	0.04%
>12 <= 24	7,084,730.00	0.33%	1,647	0.88%
>24 <= 36	32,911,490.93	1.53%	7,011	3.76%
>36 <= 48	95,173,599.84	4.43%	14,193	7.61%
>48 <= 60	162,277,399.06	7.56%	18,979	10.17%
>60 <= 72	471,001,439.82	21.95%	44,348	23.77%
>72 <= 84	337,362,983.29	15.72%	26,215	14.05%
>84 <= 96	514,901,463.09	23.99%	41,088	22.02%
>96 <= 108	376,342,856.06	17.53%	25,036	13.42%
>108 <= 121	145,164,021.23	6.76%	8,020	4.30%
<b>TOTALS</b>	<b>2,146,253,640.16</b>	<b>100.00%</b>	<b>186,607</b>	<b>100.00%</b>

**Longest Original Term: 121**

**Shortest Original Term: 4**

**Weighted Average: 75**

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## **h) Indication of Geographic Distribution by Autonomous Communities.**

### **BREAKDOWN BY AUTONOMOUS COMMUNITY**

<b>Autonomous Community</b>	<b>Outstanding Principal</b>		<b>Loans</b>	
	<b>Amounts in euros</b>	<b>Percentage (%)</b>	<b>No. of loans</b>	<b>Percentage (%)</b>
Andalucia	598,620,521.88	27.89%	52,580	28.18%
Aragon	24,897,500.27	1.16%	2,141	1.15%
Asturias	38,416,822.44	1.79%	3,155	1.69%
The Balearic Islands	54,470,832.91	2.54%	5,070	2.72%
The Canary Islands	243,833,105.50	11.36%	21,501	11.52%
Cantabria	24,519,587.22	1.14%	1,867	1.00%
Castilla La Mancha	112,467,290.01	5.24%	9,829	5.27%
Castilla Leon	84,237,523.32	3.92%	7,341	3.93%
Catalonia	236,540,986.45	11.02%	19,244	10.31%
Ceuta	5,451,699.00	0.25%	490	0.26%
Extremadura	52,377,373.06	2.44%	4,581	2.45%
Galicia	95,444,143.17	4.45%	8,406	4.50%
La Rioja	9,938,716.16	0.46%	812	0.44%
Madrid	223,415,187.04	10.41%	19,267	10.32%
Melilla	4,099,293.55	0.19%	386	0.21%
Murcia	84,433,388.93	3.93%	7,324	3.92%
Navarre	4,691,885.07	0.22%	343	0.18%
The Basque Country	41,663,571.39	1.94%	3,370	1.81%
Valencia	206,734,212.79	9.63%	18,900	10.13%
<b>TOTALS</b>	<b>2,146,253,640.16</b>	<b>100.00%</b>	<b>186,607</b>	<b>100.00%</b>

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**i) Indication of Geographic Distribution by Province.**

<b>BREAKDOWN BY PROVINCE</b>				
<b>Province</b>	<b>Outstanding Principal</b>		<b>Loans</b>	
	<b>Amounts in euros</b>	<b>Percentage (%)</b>	<b>No. of loans</b>	<b>Percentage (%)</b>
ALAVA	6,577,500.07	0.31%	518	0.28%
ALBACETE	14,096,234.95	0.66%	1,386	0.74%
ALICANTE	81,021,014.92	3.77%	7,386	3.96%
ALMERIA	51,779,214.72	2.41%	4,331	2.32%
ASTURIAS	38,416,822.44	1.79%	3,155	1.69%
AVILA	5,586,511.31	0.26%	472	0.25%
BADAJOS	28,802,106.48	1.34%	2,611	1.40%
BARCELONA	170,055,145.47	7.92%	13,582	7.28%
BURGOS	15,912,287.00	0.74%	1,326	0.71%
CACERES	23,575,266.58	1.10%	1,970	1.06%
CADIZ	87,820,843.51	4.09%	7,871	4.22%
CANTABRIA	24,519,587.22	1.14%	1,867	1.00%
CASTELLON	25,831,159.40	1.20%	2,270	1.22%
CEUTA	5,451,699.00	0.25%	490	0.26%
CIUDAD REAL	35,939,383.33	1.67%	3,250	1.74%
CORDOBA	61,152,046.97	2.85%	5,543	2.97%
CORUÑA, A	30,738,251.25	1.43%	2,818	1.51%
CUENCA	7,772,252.89	0.36%	678	0.36%
GIRONA	28,920,803.85	1.35%	2,512	1.35%
GRANADA	49,087,368.53	2.29%	4,397	2.36%
GUADALAJARA	9,607,401.09	0.45%	754	0.40%
GUIPUZCOA	7,765,707.04	0.36%	701	0.38%
HUELVA	71,577,668.00	3.34%	6,064	3.25%
HUESCA	6,349,284.05	0.30%	599	0.32%
THE BALEARIC ISLANDS	54,470,832.91	2.54%	5,070	2.72%
JAEN	41,291,813.72	1.92%	3,556	1.91%
LEON	16,201,952.36	0.75%	1,427	0.76%
LUGO	12,766,317.77	0.59%	1,105	0.59%
LLEIDA	20,445,496.07	0.95%	1,789	0.96%
MADRID	223,415,187.04	10.41%	19,267	10.32%
MALAGA	82,722,371.34	3.85%	7,206	3.86%
MELILLA	4,099,293.55	0.19%	386	0.21%
MURCIA	84,433,388.93	3.93%	7,324	3.92%
NAVARRA	4,691,885.07	0.22%	343	0.18%
OURENSE	4,888,851.83	0.23%	400	0.21%
PALENCIA	3,766,441.04	0.18%	304	0.16%
PALMAS, LAS	152,920,906.12	7.13%	13,749	7.37%
PONTEVEDRA	39,371,544.02	1.83%	3,399	1.82%
RIOJA, LA	9,938,716.16	0.46%	812	0.44%
SALAMANCA	16,617,864.73	0.77%	1,588	0.85%
SANTA CRUZ DE TENERIFE	90,912,199.38	4.24%	7,752	4.15%
SEGOVIA	4,824,073.48	0.22%	428	0.23%
SEVILLA	153,189,195.09	7.14%	13,612	7.29%
SORIA	2,512,838.41	0.12%	207	0.11%
TARRAGONA	24,798,719.36	1.16%	2,045	1.10%
TERUEL	1,846,139.19	0.09%	147	0.08%
TOLEDO	45,052,017.75	2.10%	3,761	2.02%
VALENCIA	99,882,038.47	4.65%	9,244	4.95%
VALLADOLID	14,622,866.54	0.68%	1,223	0.66%
VIZCAYA	27,320,364.28	1.27%	2,151	1.15%
ZAMORA	4,192,688.45	0.20%	366	0.20%
ZARAGOZA	16,702,077.03	0.78%	1,395	0.75%
<b>TOTALS</b>	<b>2,146,253,640.16</b>	<b>100.00%</b>	<b>186,607</b>	<b>100.00%</b>

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j) **Seasoning of the loans**

<b>SEASONING OF THE LOANS</b>				
<b>Outstanding Principal</b>			<b>Loans</b>	
<b>Seasoning (Months)</b>	<b>Amounts in euros</b>	<b>Percentage (%)</b>	<b>No. of loans</b>	<b>Percentage (%)</b>
<=12	1,221,694,208.06	56.92%	95,499	51.18%
>12 <= 24	577,729,852.18	26.92%	48,114	25.78%
>24 <= 36	228,966,160.68	10.67%	23,590	12.64%
>36 <= 48	96,073,073.12	4.48%	14,281	7.65%
>48 <= 60	20,749,353.05	0.97%	4,678	2.51%
>60 <= 72	1,038,947.25	0.05%	444	0.24%
>72 <= 96	2,045.82	0.00%	1	0.00%
<b>TOTALS</b>	<b>2,146,253,640.16</b>	<b>100.00%</b>	<b>186,607</b>	<b>100.00%</b>

**Maximum Age:** 89  
**Minimum Age:** 2  
**Weighted Average:** 14

k) **Down payment against value of vehicle**

<b>DOWN PAYMENT AS A % OF THE VEHICLE VALUE</b>				
<b>Outstanding Principal</b>			<b>Loans</b>	
<b>Down payment as a % of the Vehicle Value</b>	<b>Amounts in euros</b>	<b>Percentage (%)</b>	<b>No. of loans</b>	<b>Percentage (%)</b>
No down payment	76,728,018.30	3.57%	6,146	3.29%
0.1% - 4.99%	116,010,367.70	5.41%	8,263	4.43%
5% - 9.99%	274,749,213.63	12.80%	19,187	10.28%
10% - 14.99%	387,834,321.19	18.07%	28,787	15.43%
15% - 19.99%	349,725,283.56	16.29%	27,740	14.87%
20% - 24.99%	275,787,459.15	12.85%	22,916	12.28%
25% - 29.99%	180,255,358.64	8.40%	15,821	8.48%
30% - 34.99%	126,672,215.16	5.90%	11,862	6.36%
35% - 39.99%	95,405,909.88	4.45%	9,679	5.19%
40% - 44.99%	71,681,353.49	3.34%	7,844	4.20%
45% - 49.99%	61,783,971.84	2.88%	7,336	3.93%
50% - 54.99%	46,496,708.81	2.17%	6,043	3.24%
55% - 59.99%	32,056,887.28	1.49%	4,684	2.51%
60% - 64.99%	21,621,233.62	1.01%	3,575	1.92%
65% - 69.99%	13,946,701.41	0.65%	2,692	1.44%
70% - 74.99%	8,737,327.90	0.41%	1,906	1.02%
75% - 79.99%	4,178,037.98	0.19%	1,155	0.62%
80% - 84.99%	1,821,163.18	0.08%	628	0.34%
85% - 89.99%	586,785.52	0.03%	266	0.14%
90% - 94.99%	164,041.21	0.01%	69	0.04%
95% - 100%	11,280.71	0.00%	8	0.00%
<b>TOTALS</b>	<b>2,146,253,640.16</b>	<b>100.00%</b>	<b>186,607</b>	<b>100.00%</b>

**Down payment > 25%:** 30.98%  
**Down payment > 50%:** 6.02%  
**Down payment > 75%:** 0.31%

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**1) Default on Loan portfolio assigned by Santander Consumer**

<b>LATE PAYMENTS</b>				
<b>Range (days)</b>	<b>Outstanding Principal</b>		<b>Loans</b>	
	<b>Amounts in euros</b>	<b>Percentage (%)</b>	<b>No. of loans</b>	<b>Percentage (%)</b>
Without delinquency	2,146,253,640.16	100.00%	186,607	100.00%
<b>TOTALS</b>	<b>2,146,253,640.16</b>	<b>100.00%</b>	<b>186,607</b>	<b>100.00%</b>

**2.2.2.2 Additional Credit Rights.**

Once established, and providing the Election Requirements are met, the Fund, represented by the Management Company, will on each Payment Date during the Revolving Period make successive acquisitions of Additional Credit Rights to restore the Outstanding Balance of the Credit Rights in an amount equal to the Available Principal Funds ("Maximum Acquisition Amount").

**Revolving Period.**

The Management Company will, for and on behalf of the Fund, make quarterly acquisitions of Additional Credit Rights on each Payment Date within the time period comprised between the first Payment Date, 20 September 2007, and the Payment Date falling on 20 September 2009, both inclusive (the "Revolving Period").

**Early termination of the Revolving Period:**

An early and definitive termination of the Revolving Period will occur, starting on the Payment Date of the Revolving Period, inclusive, in any of the following circumstances:

- (i) That the amount of the Outstanding Balance of the Delinquent Loans divided by the Outstanding Balance of the Credit Rights exceeds 1,5%, and/or
- (ii) A Principal Deficit, as described in section 4.9.2. of the Securities Note, occurs, and/or
- (iii) The Accumulated Balance of the Nonperforming Loans, without taking recoveries into account, on a Payment Date exceeds the following percentage:
  - On the first Payment Date: 0.13% of the initial balance of the Credit Rights
  - On the second Payment Date: 0.26% of the initial balance of the Credit Rights
  - On the third Payment Date: 0.39% of the initial balance of the Credit Rights
  - On the fourth Payment Date: 0.52% of the initial balance of the Credit Rights
  - On the fifth Payment Date: 0.65% of the initial balance of the Credit Rights

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- On the sixth Payment Date: 0.78% of the initial balance of the Credit Rights
  - On the seventh Payment Date: 0.91% of the initial balance of the Credit Rights
  - On the eighth Payment Date: 1.04% of the initial balance of the Credit Rights
  - On the Last Payment Date of the Revolving Period 1.25% of the initial balance of the Credit Rights.
- (iv) The Reserve Fund does not have the required level of funds on the current Payment Date and/or
  - (v) The tax legislation is amended in such a way that the assignment of Additional Credit Rights becomes excessively cumbersome for the Assignor, and/or
  - (vi) The Outstanding Balance of the Credit Rights is less than 90% of the Balance of Principal Pending Payment on the Class A, B and C Bonds on two (2) consecutive Payment Dates, and/or
  - (vii) If the interest accrued from Class A, B and C Bonds remains unpaid due to insufficient Available Funds for two Business Days after the Payment Date on which that payment should have been made, and/or
  - (viii) The Swap Agreement is cancelled and no replacement, guarantor or alternative solution acceptable to the Rating Agencies has been found within a period of fifteen (15) Business Days, and/or
  - (ix) Santander Consumer has filed for insolvency, suspension of payments, loses its authority to grant loans for the acquisition of vehicles, and/or
  - (x) Any of Santander Consumer's auditors reports for the 2007, 2008 and 2009 fiscal years (during the Revolving Period) is qualified; and/or
  - (xi) Santander Consumer ceases to be the Administrator of the Credit Rights, or fails to comply with its obligations established in the Deed of Establishment.

### **Acquisition Amount**

The assignment price of the Additional Credit Rights will be face value plus interest accrued but not paid, and will be the amount equivalent to the face value of the Outstanding Balance of the Additional Credit Rights pooled in the Fund, on the corresponding Payment Date, plus interest accrued but not paid prior to the Payment Date (the "Acquisition Amount").

The maximum amount that the Management Company will allocate on each Payment Date when this is appropriate to the acquisition of Outstanding Balance of Additional Credit Rights will be equal to the Available Principal Funds on that Payment Date (the "Maximum Acquisition Amount").

During the Revolving Period, the remaining Available Principal Funds not used to acquire Additional Credit Rights will remain deposited in the Principal Account.

### **Election Requirements.**

In order to be assigned to and incorporated in the Fund, the Additional Credit Rights must, on the respective assignment date, comply with all of the election requirements set forth in this section (the "Election Requirements").

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### Individual Requirements

Each of the Additional Credit Rights must comply with the following Election Requirements individually (the “Individual Requirements”) in order to be assigned to the Fund:

1. The loans have been formalised by Santander Consumer using its customary criteria for the grant of credits.
2. The Debtor is an individual or company resident in Spain.
3. The loan will be used to acquire a vehicle (passenger cars, sport utility vehicles, passenger car derivatives, industrial vehicles and coaches).
4. The respective Debtor of each loan will have paid at least two (2) instalments and there will be no amounts outstanding.
5. The interest on the Loan and repayment instalments are settled on a monthly basis, loans with high final instalments being expressly prohibited.
6. The loan agreement does not contain any clause that permits the deferral of payment of interest or principal.
7. The Debtor is not an employee, officer or manager of Santander Consumer.
8. The outstanding amount of the principal of the Loan is between 500 and 100,000 euros.
9. The Loan is denominated in euros.
10. The Loan is established at a fixed rate of interest, which is not lower than 5.0 %.
11. The monthly settlement takes place through direct bank debit generated automatically and authorised by the corresponding Debtor at the time the transaction is formalised.
12. The amount of the Loan, at the time of its formalisation, must not exceed the value of the vehicle that will be acquired with that Loan.
13. The loan has not been renegotiated.
14. The maturity date of the Loan will not be later than 20 September 2019.
15. The original term of the loan to maturity will not be greater than 120 months.

### Global Requirements.

Aside from the fulfilment of the Individual Requirements, the Election Requirements which the Credit Rights, including the Additional Credit Rights, must fulfil as a whole for their assignment to the Fund (the “Global Requirements”) are as follows:

1. On each Offer Date the Outstanding Balance of the Credit Rights pertaining to the same Debtor are not greater than 0.05% of the total of the Outstanding Balance of the Credit Rights.
2. On each Offer Date, as regards only the Additional Credit Rights assigned to the Fund on that date, the average maturity of the Additional Credit Rights as from the date of assignment to the Fund weighted by the Outstanding Balance of the Additional Credit Rights is not less than 60 months.
3. The average period of time that has elapsed since the formalisation of the Loan will be equal to or will be more than 6 months.

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4. The total volume of the Credit Rights with an outstanding balance higher than EUR 50,000 will not exceed 0.75% of the total balance of the Credit Rights on each Offer Date.
5. On each Offer Date, the Credit Rights corresponding to companies will not exceed 10% of the total balance of the Outstanding Balance of the Credit Rights.
6. On each Offer Date, the Outstanding Balance of the Credit Rights corresponding to the debtors of the same Autonomous Community will not exceed 28% of the total Outstanding Balance of the Credit Rights.
7. On each Offer Date, the Outstanding Balance of the Credit Rights corresponding to the debtors of the three autonomous communities with the highest amount of loans may not exceed 60% of the total Outstanding Balance of the Credit Rights.
8. On each Offer Date the average maturity of the Credit Rights from the date of assignment to the Fund, weighted by the Outstanding Balance of the Credit Rights, is not greater than 7 years.
9. On each Offer Date the Outstanding Balance of the Credit Rights with a term to maturity greater than 108 months is not greater than 3.75% of the total of the Outstanding Balance of the Credit Rights.
10. In order to maintain the quality of the Credit Rights, the composition of the portfolio must remain as follows:
  - i Passenger cars > 75% of the Outstanding Balance of the Credit Rights
  - ii Light and Medium Industrial < 10% of the Outstanding Balance of the Credit Rights
  - iii Coach < 0.05% of the Outstanding Balance of the Credit Rights
  - iv Passenger car derivatives < 7% of the Outstanding Balance of the Credit Rights
  - v Sport utility vehicles < 10% of the Outstanding Balance of the Credit Rights.

As far as the classification of new or used vehicle is concerned, the percentage of new vehicles must exceed 86%.

#### **Offer Dates.**

The "Offer Request Dates" will be the dates falling on the seventh (7th) Business Day preceding each Payment Date in the Revolving Period on which Additional Credit Rights are to be acquired.

"Offer Dates" will be the dates falling on the sixth (6th) Business Day preceding each of the Payment Dates in the Revolving Period on which Additional Credit Rights are to be acquired.

#### **Procedure for the acquisition of Additional Credit Rights.**

On each Offer Request Date, the Management Company will send the Assignor a written notice demanding the assignment of Additional Credit Rights for the Fund, specifying the Maximum Acquisition Amount and the Payment Date on which the assignment to the Fund and payment for the assignment will be made.

Before 17 pm (CET time) on the Offer Date, the Assignor shall send the Management Company a written notice offering to assign Additional Credit Rights, along with a data



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file detailing the selected loans and their characteristics included in the assignment offer and which shall satisfy the Election Requirements and the other characteristics given in section 2.2.8. of this Additional Building Block.

Before the fifth (5th) Business Day preceding the Payment Date, the Management Company shall send the Assignor a written notice accepting the assignment of Additional Credit Rights, along with a data file with the details of the Additional Credit Rights accepted and their characteristics notified by the Assignor.

In determining which Additional Credit Rights to include in the assignment acceptance, the Management Company will:

- (i) Verify that the Loans listed on the assignment offer satisfy the Individual Requirements and the Global Requirements in accordance with the characteristics notified by the Assignor.
- (ii) Determine the Additional Credit Rights which are acceptable and suitable for assignment to the Fund in a total amount which does not exceed the Available Principal Funds.

On an annual basis the Management Company will arrange, on behalf of the Fund, for the conduct of an audit of the characteristics of the Additional Credit Rights acquired during the 2007, 2008 and 2009 fiscal years that remain outstanding at 31 December of each of those years. It will cover the same characteristics subject to audit as for the Initial Credit Rights, as described in section 2.2.2.1 of this Additional Building Block. Such report will be carried out by an auditor registered with the Official Register of Auditors ("Registro Oficial de Auditores de Cuentas", R.O.A.C.) and will be sent to the CNMV within the first six months of the year.

#### **2.2.2.3 Outstanding Balance of the Credit Rights.**

The outstanding balance of a Credit Right will be the sum of the capital or principal not yet due and the capital or principal due and not paid to the Fund on the specific Loan on a given date.

The Outstanding Balance of the Credit Rights on a date will be the sum of the outstanding balances of each and every one of the Credit Rights on that date.

#### **2.2.3 Legal nature of the assets.**

The assets securitised through their assignment to the Fund are Credit Rights deriving from Loans granted by Santander Consumer to finance the acquisition of passenger cars, sport utility vehicles, passenger car derivatives, industrial vehicles and coaches, both new and used.

The selected loans can be classified according to the ancillary guarantees as (i) Loans without a special guarantee, and (ii) Loans guaranteed exclusively by personal guarantees of third parties.

The Loans will be directly assigned to the Fund upon being sold by Santander Consumer and acquired by the Fund, on the terms provided for in section 3.3 of this Additional Building Block.

#### **2.2.4 The expiration or maturity date(s) of the assets.**

Each of the Loans selected has a maturity date, without prejudice to the partial prepayments made periodically, according to the particular conditions of each one.

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The Debtors may prepay all or part of the principal pending repayment at any time during the term of the Loans, and interest will cease to accrue on the part prepaid as from the date of prepayment.

The Final Maturity Date of the Loans selected is 20 September 2019 (the last maturity date of the Loans assigned on the Date of Establishment of the Fund is 25 February 2017 and the last final maturity date of the Loans subsequently assigned to the Fund during the Revolving Period will be 20 September 2019). Consequently, the Final Maturity Date of the Fund is 20 September 2019.

The Loans assigned on the Date of Establishment have an average maturity of 4.41 years.

#### **2.2.5 Amount of the assets.**

The assets of the Fund will be comprised of the Credit Rights which Santander Consumer will assign to the Fund on the Date of Establishment. The maximum amount of the Outstanding Balance of the Credit Rights pooled in the Fund will be two billion euros (€2,000,000,000), equivalent to the face value of the Class A, B and C Bonds. Exceptionally, on the Date of Establishment, the amount of the Credit Rights assigned may be slightly higher than the face value of the issue of Bonds of Class A, B and C.

The pool of selected loans from which the Loans will be assigned to the Fund on the Date of Establishment is comprised of one hundred eighty-six thousand six hundred seven (186,607) Loans, the Outstanding Balance of which at 16 April 2007 amounts to two billion one hundred forty-six million two hundred fifty-three thousand six hundred forty euros and sixteen cents (€2,146,253,640.16). Loans that have instalments pending payment may not be assigned.

#### **2.2.6 Ratio of outstanding principal balance to the appraisal value or level of overcollateralisation.**

The selected loans have no real estate mortgage security, with the result that the information concerning the ratio of the outstanding principal balance to the amount of the valuation does not apply.

There is no overcollateralisation in the Fund, since the Maximum Amount of the Credit Rights will be equal to or slightly greater than two billion (2,000,000,000) euros, the amount of the face value of the issue of Bonds of Class A, B y C.

#### **2.2.7 Description of the procedures established by Santander Consumer for the formalisation of loans and credit facilities ("Internal Memorandum").**

The Loans selected for their assignment to the Fund have been granted by Santander Consumer following its usual procedures of analysis and evaluation of the credit risk regarding the concession of loans to individuals and companies to finance the acquisition of both new and used vehicles. The procedure for the formalisation of the Loans is described below.

##### **Distribution Channels**

Loans can originate in two ways:

- Direct: Represents approximately 15%. The customer contacts Santander Consumer directly:
  - Offices and Santander Consumer's specialised network
  - Agencies: located in significant places Santander Consumer has no office

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- Call Centres: Konecta.Net
- Internet
- Dealer Channel: Approximately 85% of loans accepted are through dealers:
  - Representatives: They cover the network of dealers in small and medium-sized locations.
  - Call Centres: Approximately 75% of the transactions formalised in Santander Consumer E.F.C., S.A. have been processed in call centres.
  - Internet: 10% of the agreements are entered into via the Internet. Dealers can close transactions via the Internet, including the automatic print-out of the contract.

### **Acceptance. Risk analysis.**

Entries into the computerised application require the introduction of all data identifying the owners and guarantors (name and surname, company name, tax number) the terms and conditions of the transaction (amount, term, purpose, payments...) and informative data (personal, employment and solvency).

If the transaction is approved and will be formalised in a contract, the aforementioned information is validated and verified by providing documents such as the National Identity Card, Tax Identification Number, last payroll deposit, last tax return, evidence of property owned, direct deposit document, deed of incorporation, corporate tax, balance sheets, etc.

Aside from the information provided by clients, additional information is obtained automatically the moment the numbers of the clients' Identity Cards are inserted in the computerised application. This additional information stems from the company's own data base in respect of previous transactions, as well as from external databases (negative, such as Asnef-Equifax o Experian, or regarding default, such as R.A.I. or B.D.I.).

With this information, and any other information considered necessary, the application enters the evaluation process which can be:

- automatic, when analysed by one of the scoring decision models, or
- according to the criteria of an analyst when the decision to be taken is contrary to the model ("forzajes") or when transactions are in the name of companies.

As a working rule, all cases will require:

- The complete control of the veracity of the information put into the system for its evaluation by means of quality control of each transaction, after receiving the documents requested and via the system created to penalise dealers.

### **Scoring tools**

Santander Consumer uses two credit scoring systems for the acceptance of automotive financing transactions in the name of individuals, one for new vehicles and the other for used vehicles.

The computerised application is automatically evaluated by one of the decision-taking methods that correspond to the type of vehicle to be financed (new or used), as long as the requirements established for such evaluation by that method are fulfilled.

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SYSTEM	LINE OF BUSINESS	OWNER	LIMIT OF INVESTMENT	COMMENTS
SEAN	New Vehicles	Individual	Any Amount	Limited by credit rule to 42,000 euros and a term of 120 months
SEAU	Used Vehicles	Individual	Any Amount	Limited by credit rule to 42,000 euros and a term of 120 months

The SEAN (Sistema de Evaluación Automoción Nuevos - Evaluation System for New Vehicles) method for internal risk assessment is a scoring method whereby transactions are awarded points according to the probability of payments being delayed (unpaid over 90 days) and is applied to applications for financing that meet the following initial conditions:

- Individuals: The client must have a Tax Identification Number.
- Passenger cars, sport utility vehicles, coaches or light industrial vehicles.
- One sole purpose.
- For new vehicles.

The SEAU (Sistema de Evaluación Automoción Usados - Evaluation System for Used Vehicles) method for internal risk assessment is a scoring method whereby transactions are awarded points according to the probability of payments being delayed (unpaid over 90 days) and is applied to applications for financing that meet the following initial conditions:

- Individuals: The client must have a Tax Identification Number.
- Passenger cars, sport utility vehicles, coaches or light industrial vehicles.
- One sole purpose.
- For used vehicles that are less than 6 years old, or that are 6 or more years old as long as the investment does not exceed €6,010.12 and the term does not exceed 49 months.

Both methods have two ways of making a decision: scoring tables and credit rules.

Scoring tables: The following variables are used:

- Socio-demographic variables of the clients.
- Variables of the transaction
- Variables of experience

Credit Rules:

- Rules concerning the contract holder (age, income)
- Rules concerning the terms and conditions of the transaction (term, value, initial down payment)
- Rules relating to applicant's history for all elements of risk

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- Rules relating to third party experience for all elements of risk.
- The system also includes a series of "informative" rules that serve as alerts.

### **Decisions on transactions**

On the basis of the score obtained and the category of credit rule not satisfied, a decision matrix is created to determine whether the transaction is accepted or rejected. The same matrix decides, on the basis of foreseeable risk, if the person has sufficient potential to be reconsidered, which can lead to acceptance or rejection.

Approximately 75% of applications result in transactions. Of this 75%, 72% are automatically accepted and the remaining 28% are approved once the persons authorised by SANTANDER CONSUMER analyse the transaction.

The next step, once the proposal has been approved, is the signature of the contract, which is carried out before a Notary Public if the amount requested, or this amount plus current risk exceeds 30,000 euros.

On certain occasions, additional guarantees are requested in the case of young people or foreigners who have lived a short time in Spain. This is in the form of requests for guarantors to afford cover or stability to the transaction.

### **2.2.8 Representations and other warranties given to the Issuer in relation to the Credit Rights.**

Santander Consumer, as owner of the Loans until their assignment to the Fund, and as Assignor of the Credit Rights, will represent and warrant to the Management Company, for and on behalf of the Fund on the Date of Establishment and to the Underwriters and the Lead Managers, as follows:

#### **(a) In relation to Santander Consumer:**

- (1) That Santander Consumer is a credit institution duly incorporated under applicable Spanish law, registered with the Commercial Register of Santander, and is authorised to grant loans for the acquisition of motor vehicles.
- (2) That Santander Consumer's corporate bodies have validly adopted all necessary corporate resolutions for the assignment to the Fund of the Credit Rights and in order to execute the Deed of Establishment thereof.
- (3) That neither as at the date of registration of the Prospectus, nor at any time after establishment, has Santander Consumer been in a situation of insolvency, creditors' proceedings, suspension of payments or bankruptcy.
- (4) That it has the annual financial statements relating to the last three fiscal years (2004, 2005 y 2006), duly audited, and the auditors' report relating to the last fiscal year 2005 with favourable opinions and no qualifications. The audited annual financial statements pertaining to the last three fiscal years are filed with the Commercial Register and the CNMV.

#### **(b) In relation to the Credit Rights:**

- (1) The grant of the Loans as well as their assignment to the Fund and all aspects related thereto, have been and will be carried out according to market criteria.

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- (2) The Loans exist, and are valid and enforceable in accordance with applicable legislation, all applicable provisions having been observed in the establishment thereof.
- (3) Santander Consumer has faithfully followed the customary criteria contained in the Internal Memorandum and described in section 2.2.7 of this Additional Building Block when granting each and every one of the Loans.
- (4) Santander Consumer is the legal and beneficial owner, without limitation, of all of the Loans, free and clear of all and any liens and claims.
- (5) The Loans are not secured by any in rem guarantee whatsoever. Rather they are personal Loans and the Debtor or Debtors are liable for compliance therewith based on all of their current or future assets. Some of them are also secured by means of a guarantee given by a person other than the Debtor or Debtors.
- (6) The guarantees, if any, of the Loans are valid and enforceable in accordance with applicable legislation, all existing legal provisions have been observed in establishing them, and Santander Consumer is unaware of the existence of any circumstances preventing their enforcement.
- (7) The Loans are duly supported by documentation, whether in private agreements or in formal agreements attested by a certifying public officer. All of them are deposited at the registered office of Santander Consumer at the disposal of the Management Company, although not all are recorded in the Chattels Register (only those that Santander Consumer considers to have greater risk of nonpayment are recorded).
- (8) The private agreements or formal agreements certified by public officers that document the Loans do not contain clauses that prevent the assignment of the Loans or require authorisation or notification in order to assign the Loan. Regarding Loans that may not be freely transferred without the consent of the debtor, such consent has been obtained.
- (9) All of the Loans have been granted to individuals or companies resident in Spain. None of them are employees, officers or directors of Santander Consumer.
- (10) All of the Loans have been granted to finance the acquisition of new or used motor vehicles for individuals or legal persons resident in Spain.
- (11) Santander Consumer has used as a criterion for granting the Loan that the principal amount of the Loan is not, at the time it is formalised, greater than the value of the financed motor vehicle.
- (12) No Loan has been renegotiated prior to the date of assignment to the Fund.
- (13) On the date of assignment to the Fund, it has not come to Santander Consumer's notice that any Debtor has been declared insolvent.
- (14) The Loans are denominated and payable exclusively in euros.
- (15) None of the Loans has a clause allowing deferral of periodic interest payments or principal repayments.

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- (16) Payment on the Loans is by direct bank debit generated automatically and authorised by the corresponding Debtor at the time of formalising the transaction.
- (17) At the time of assignment of the Loans to the Fund, the respective Debtors of each Loan have paid at least two (2) instalments and have no instalments pending payment.
- (18) All of the Loans are clearly identified, both on computer support and in the form of their private agreements or formal agreements certified by public officers, and are analysed and tracked by Santander Consumer.
- (19) On the Date of Establishment the Outstanding Balance of the Credit Rights is equivalent to the principal amount at which the Credit Rights are assigned to the Fund.
- (20) The final maturity date of the Credit Rights is in no event later than 20 September 2019.
- (21) As from the time of their grant the Loans have been and are being serviced by Santander Consumer in accordance with the customary procedures it has established.
- (22) Santander Consumer is unaware of the existence of litigation of any type in relation to the Loans which may impair the validity and enforceability thereof or which may lead to the application of article 1535 of the Spanish Civil Code.
- (23) All of the Loans accrue interest at a fixed rate.
- (24) The data included in the Prospectus in relation to the Credit Rights accurately reflect their status as at the portfolio selection date and are correct.
- (25) No person holds any right superior to that of the Fund as owner of Loans.
- (26) Santander Consumer has not received any notification from the Debtors regarding early redemption of the Loans.
- (27) The Loan has not matured before, and does not mature on, the date of assignment to the Fund.
- (28) The Outstanding Balance of the Credit Rights is between (9.39) and (1,073,126.05) euros, both inclusive. In any event, **the Outstanding Balance of the Credit Rights corresponding to a single debtor will not exceed 0.05% of the total of the Outstanding Balance of the Credit Rights** and there will be no more than three (3) debtors accounting for more than 0.025% of the total of the Outstanding Balance of the Credit Rights.
- (29) Level principal and interest instalments on the Loans are payable monthly.
- (30) Santander Consumer is unaware of any of the Debtors of the Loans being the holder of any credit right vis-à-vis Santander Consumer that gives such Debtor the right to exercise setoff that could adversely affect the rights attributed to the Fund by reason of assignment of the Loans.

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- (31) The payments of the Debtor deriving from the Loans are not subject to any tax deduction or withholding.
- (32) It constitutes a valid payment obligation binding upon the Debtor and is enforceable in accordance with its terms.
- (33) The Credit Rights are governed by Spanish law.

The Management Company has obtained from the Assignor the representations and warranties regarding the characteristics of the Loans which are described in this section and will be ratified in the Deed of Establishment.

### **2.2.9 Replacement of the Credit Rights.**

In the event of early redemption of the Credit Rights due to prepayment of the corresponding Loan principal, there will be no direct replacement of the Credit Rights affected thereby, without prejudice to the acquisition by the Fund of Additional Credit Rights during the Revolving Period.

In the event of the appearance of hidden defects in any of the Credit Rights, both the Initial Credit Rights and the Additional Credit Rights, because during the life thereof it is discovered that any of them does not satisfy the Election Requirements, the representations and warranties contained in section 2.2.8 of the Additional Building Block, or the specific conditions and characteristics thereof notified by Santander Consumer to the Management Company, Santander Consumer covenants, after obtaining approval from the Management Company, immediately to proceed to cure them. If this is not possible, it will replace them or, if applicable, repay the Credit Rights in question that are not replaced by means of automatic termination of the assignment of the Credit Rights in question, subject to the following rules:

- a) The party becoming aware of the existence of a non-conforming Credit Right, whether the Assignor or the Management Company, will notify the other party of this circumstance. Santander Consumer will have not more than fifteen (15) Business Days from said notice to proceed to remedy that circumstance if it may be remedied or to proceed with replacement thereof.
- b) The replacement will be made for the Outstanding Balance of the Credit Rights plus interest accrued and not paid and any amount owing to the Fund up to that date on the corresponding replaced Credit Right.

In order to proceed with replacement, the Assignor will notify the Management Company of the characteristics of the Loans proposed to be assigned satisfying the characteristics given in section 2.2.8. of this Additional Building Block and the (Individual and Global) Election Requirements and similarly characterised as to purpose, term, interest rate and outstanding principal balance. Once the Management Company has verified that the (Individual and Global) Election Requirements are satisfied and expressly stated to the Assignor that the Loans to be assigned are appropriate, the Assignor will proceed to terminate the assignment of the affected Credit Right and assign a new Credit Right or Credit Rights.

The replacement of the Initial Credit Rights will be made by execution of a certificate of remedy of the Deed of Establishment, and a copy of said documents will be filed with the CNMV.



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The replacement of the Additional Credit Rights will be made by complying with the same formalities as those established for the assignment of such Additional Credit Rights.

- c) If any Credit Right is not be replaced on the terms established in rule b) of this section, the Assignor will proceed to automatically terminate the assignment of the affected Credit Right that is not replaced. That termination will take place by a repayment in cash to the Fund of the outstanding principal, interest accrued and not settled, and any other amount owing to the Fund up to that date on the corresponding Credit Right, which will be paid into the Cash Account.
- d) In the event of termination of assignment of Credit Rights by reason of either replacement or repayment, the Assignor will have all of the rights attaching to those Credit Rights accruing after the termination date, or accrued and not due, and overdue amounts on that same date.

**2.2.10 Relevant Insurance Policies relating to the Loans.**

Not applicable.

**2.2.11 Information on the Debtors in those cases where the assets comprise obligations of five (5) or fewer Debtors which are legal persons, or if a single Debtor accounts for 20% or more of the assets, or if a single Debtor accounts for a material portion of the Assets.**

Not applicable.

**2.2.12 Details of the relationship between the issuer, the guarantor and the Debtor if it is material to the issue.**

Material relations do not exist for purposes of the Bond issue between the Fund, the Assignor, the Management Company and other parties involved in the program other than as reflected under sections 5.2 of the Registration Document and 3.2 of this Additional Building Block.

**2.2.13 Where the assets comprise fixed income securities, description of the principal conditions.**

Not applicable.

**2.2.14 Where the assets comprise equity securities, description of the principal conditions.**

Not applicable.

**2.2.15 Where more than ten per cent (10%) of the assets comprise equity securities not traded on a regulated or equivalent market, description of the principal conditions.**

Not applicable.

**2.2.16 Where a material portion of the assets are secured or backed by real property, a valuation report relating to the property setting out both the valuation of the property and cash flow /income streams.**

Not applicable.

**2.3 Assets actively managed backing the issue.**

Not applicable.

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**2.4 Where an issuer proposes to issue further securities backed by the same assets, a prominent statement to that effect and description of how the holders of that series will be informed.**

Not applicable.

**3. STRUCTURE AND CASH FLOW**

**3.1 Description of the structure of the transaction.**

Through this securitisation program, Santander Consumer will transfer the Credit Rights to the Fund. The Fund will acquire the Credit Rights and issue the Bonds.

The transaction will be formalised through the Deed of Establishment of the Fund and the issue of the twenty thousand four hundred (20,400) Bonds, distributed over the four (4) Classes of Bonds, A, B, C and D.

A copy of the Deed of Establishment will be sent to Iberclear and to the CNMV prior to the opening of the Bond Subscription Period.

The Additional Credit Rights will be assigned to the Fund by means of the Credit Rights Assignment Agreement.

Through the Credit Rights Assignment Agreement, the Management Company, acting for and on behalf of the Issuer, will execute with Santander Consumer an agreement for the assignment of the Additional Credit Rights with the following characteristics:

- (i) Commitment of the Management Company, acting on behalf of the Fund, to request from Santander Consumer and to acquire for the Fund, on each of the Payment Dates during the Revolving Period, Additional Credit Rights, with their guarantees, in an Outstanding Balance not exceeding the Available Principal Funds existing on the corresponding Payment Date, unless any of the circumstances giving rise to the early termination of the Revolving Period occurs, as established in section 2.2.2.2 of this Additional Building Block.
- (ii) Undertaking assumed by Santander Consumer to offer and assign to the Fund on each of the Payment Dates during the Revolving Period Additional Credit Rights for an Outstanding Balance not exceeding the Available Principal Funds existing on that Payment Date, that comply with the Election Requirements as established in section 2.2.2.2 of this Additional Building Block, unless any of the circumstances giving rise to the early termination of the Revolving Period occurs, as established in section 2.2.2.2. of this Additional Building Block.

On another subject, and in order to consolidate its financial structure and procure the greatest coverage possible for the risks inherent in the issue, the Management Company, acting on behalf of the Fund, will proceed to formalise, inter alia, the contracts established below, with the power, in order to comply with the Fund's operating structure on the terms contemplated in the Deed of Establishment and regulations in force from time to time, to extend or modify such contracts, replace each one of the providers of services to the Fund thereunder and, if necessary, even enter into new contracts, subject to notice to the CNMV and, as the case may be, obtaining the pertinent authorisation, and notice to the Rating Agencies, provided that the rights of the Bondholders are not thereby impaired and, in particular, provided that a decline in their rating does not take place.

The Management Company will formalise with SCF the following agreements:

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- (i) Guaranteed Rate Reinvestment Agreement, by virtue of which SCF will guarantee a variable yield on the amounts deposited by the Fund through the Management Company into the Cash Account and into the Principal Account.
- (ii) Subordinated Loan Agreement, which will be used to finance the initial expenses of establishment of the Fund and issue of the Bonds, to partially finance acquisition of the Credit Rights and to cover the mismatch on the first Payment Date of the accrual and collection of interest on the Loans on that first Payment Date.
- (iii) Liquidity Line Agreement, which will be used to finance payment of interest accrued but not paid on the Initial Credit Rights and the Additional Credit Rights when the Available Funds are not sufficient.

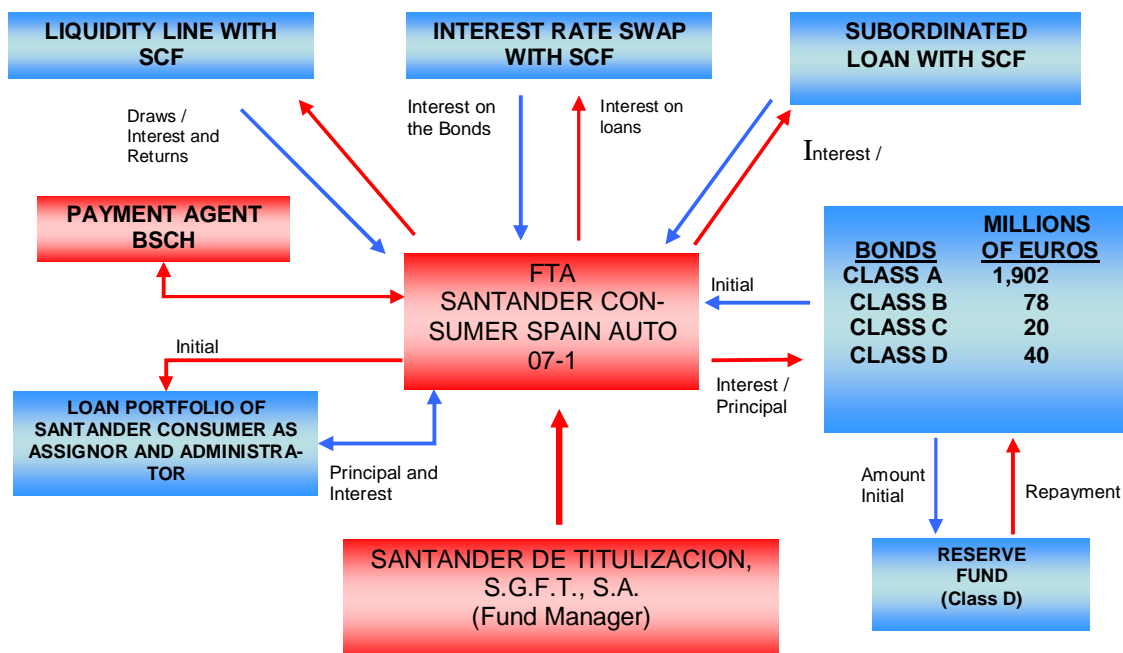
In addition, the Management Company will enter into the Swap Agreement with SCF, using form ISDA 1992.

The Reserve Fund will be initially formed with Funds obtained from the subscription and payment of Class D Bonds, as explained in section 3.4.2.2 of the Additional Building Block.

Finally, the Management Company, acting for and on behalf of the Fund, will enter into the Management, Underwriting and Distribution Agreement with the Underwriters and the Lead Managers. The description of the contracts included under this section and under sections 4.1.b) and 5.2 of the Securities Note, and 3.4.3.a), 3.4.4 and 3.4.7 of this Additional Building Block, accurately reflects the most relevant information contained in those contracts. No data or information which may prove to be material to the investor has been omitted.

Below is a diagram explaining the transaction:

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### Initial Balance Sheet of the Fund

The Fund's Balance Sheet as at the close of the Disbursement Date will be as follows:

ACTIVO		PASIVO	
DERECHOS DE CRÉDITO	2,007,095,816.34 €	EMISIÓN BONOS	2,040,000,000.00 €
Principal	2,000,000,000.00 €	Bonos Serie A	1,902,000,000.00 €
Cupón Corrido	7,095,816.34 €	Bonos Serie B	78,000,000.00 €
Gastos de constitución y emisión	1,904,183.66 €	Bonos Serie C	20,000,000.00 €
Cuenta de Tesorería / Fondo de Reserva	40,000,000.00 €	Bonos Serie D	40,000,000.00 €
<b>TOTAL:</b>	<b>2,049,000,000.00 €</b>	OTRAS DEUDAS A L.P.	9,000,000.00 €
		Préstamo Subordinado	9,000,000.00 €
		<b>TOTAL:</b>	<b>2,049,000,000.00 €</b>

### 3.2 Description of the entities participating in the issue and description of the functions to be performed by them.

- a) SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. participates as Management Company of the Fund.

The Management Company, in accordance with its own legal nature, and as established by law, is responsible for:

- The establishment, management and legal representation of both asset securitisation funds and mortgage securitisation funds; and

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- The representation and defence of the interests of the holders of the securities issued against the funds it manages and of their other ordinary creditors.
- b) SANTANDER CONSUMER, E.F.C., S.A. participates as the entity that is the Assignor and Administrator of the Credit Rights.
- c) Banco Santander Central Hispano, S.A., participates as Paying Agent and as Lead Manager for the Bond issue.
- d) Santander Consumer Finance participates as counterparty of the Fund in the Subordinated Loan Agreement, in the Guaranteed Rate Reinvestment Agreement, as a counterparty of the Fund in the Liquidity Line Agreement, and as a counterparty of the Fund in the Swap Agreement.
- e) CALYON participates as Underwriter and as Lead Manager of the Bond issue.

A description of the entities included under sections a) through e), inclusive is reflected under section 5.2 of the Registration Document.

### 3.3 Description of the method and of the date of sale, transfer, novation or assignment of the Credit Rights.

#### 3.3.1 Execution of the assignment of the Credit Rights.

The Assignor will be liable to the Fund for the existence and lawfulness of the Credit Rights to the same extent as indicated in articles 348 of the Commercial Code and 1529 of the Civil Code.

The Assignor will not bear the risk of default on the Credit Rights and will therefore have no liability whatsoever for default by the Debtors of principal, interest or any other amount they may owe under the Loans, and will not be liable for the enforceability of collateral security or the availability or effects, if any, of exchange proceedings. The Assignor will moreover have no liability whatsoever to directly or indirectly guarantee that the transaction will be successfully completed, or give any guarantees or security, or agree to replace or repurchase the Credit Rights, other than as provided in section 2.2.9 of this Additional Building Block.

The assignment of each Loan will be for the total amount of the outstanding principal pending repayment on the date of assignment, and for all ordinary interest on each Loan that is assigned.

The assignment of the Credit Rights by Santander Consumer will be carried out as described below.

#### a) Assignment of the Credit Rights

##### (1) Assignment of the Initial Credit Rights:

Santander Consumer, in the act of establishment of the Fund, will assign the Initial Credit Rights to it, by execution of the Deed of Establishment.

The assignment will be complete and unconditional and will be made for the entire term remaining until total maturity of the Initial Credit Rights as from the time when the Deed of Establishment is signed.

##### (2) Assignment of the Additional Credit Rights:

After its establishment, the Fund, represented by the Management Company, on each Payment Date during the Revolving Period will make successive acquisitions

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of Additional Credit Rights to restore the amount of the Outstanding Balance of Credit Rights that have been repaid or replaced as contemplated in section 2.2.9. of this Additional Building Block.

Additional Credit Rights will be assigned to the Fund by the making of offers to purchase and their acceptance by the Fund as contemplated in the Credit Rights Assignment Agreement. All taxes and expenses arising from the execution of the respective assignments will be for the account of Santander Consumer.

For each new acquisition of Additional Credit Rights, the Management Company will send the following documents to the CNMV:

- (i) By means of Cifradoc, details of the Additional Credit Rights assigned to the Fund and their main characteristics.
- (ii) Representation of the Management Company, also signed by Santander Consumer, that said Additional Credit Rights comply with all of the Election Requirements established for their assignment to the Fund.

The assignment will be complete and unconditional and will be made for the entire term remaining until total maturity of the Credit Rights, as from the Payment Date when they are acquired and paid for by the Fund.

## **b) Sale price or assignment of the Credit Rights.**

### **(1) Price of Assignment of Initial Credit Rights.**

The assignment price of the Initial Credit Rights will be face value plus the interest accrued but not paid prior to the Date of Establishment. The price that the Fund, through its Management Company, must pay to Santander Consumer on the Disbursement Date for the acquisition of the Initial Credit Rights will be equal to the sum of the Outstanding Balance of the Initial Credit Rights pooled in the Fund on the Date of Establishment of the Fund, plus the interest accrued but not paid prior to the Date of Establishment.

The price will be paid in full before 3:00 p.m. (Madrid time) on the Disbursement Date (25 May 2007) with value on that day. Payment will be made by order placed by the Management Company with SCF for the latter to charge the total price of the subscription for the Initial Credit Rights to the Cash Account opened with SCF in the name of the Fund.

In the event that the establishment of the Fund and, consequently, the assignment of the Credit Rights is terminated (i) the obligation of the Fund to pay the price for the acquisition of the Credit Rights will be extinguished and (ii) the Management Company will be required to reimburse Santander Consumer as regards any rights which may have accrued to the Fund due to the assignment of Initial Credit Rights.

The Assignor will not receive any interest as a result of deferral of payment of the sale price from the Date of Establishment to the Disbursement Date.

### **(2) Price of Assignment of Additional Credit Rights.**

The assignment price of the Additional Credit Rights will be face value, that is the Outstanding Balance of the Additional Credit Rights pooled in the Fund on the

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corresponding Payment Date, plus the interest accrued but not paid prior to the date of assignment in question (the "Acquisition Amount").

The price will be fully paid on the corresponding Payment Date on which the assignment occurs, with value on that day, by Santander Consumer debiting the Cash Account opened on behalf of the Fund.

**c) Description of the rights which, in favour of their holder, are conferred by the assets on the Loans backing them.**

The Fund as holder of the Credit Rights deriving from the Loans will have the right to receive all payments made in respect of the following items:

- a) All of the amounts accrued on the repayment of capital or principal of the Loans;
- b) All of the amounts accrued for ordinary interest on the Loans;
- c) Any other amounts, assets or rights received by Santander Consumer in the form of the auction price or amount determined by a court decision, or on the sale or use of the assets awarded or, as a result of such enforcement, from the interim administration and possession of the assets during enforcement proceedings.
- d) All possible rights or indemnities which may result in favour of Santander Consumer, deriving from payments made by any guarantors, etc., and those arising from any right ancillary to the Loans.

All of the aforesaid rights will be payable to the fund from the date of their assignment to the Fund by reason of execution of the Credit Rights Assignment Agreement or, as the case may be, of the assignments of Additional Credit Rights.

Payments made in respect of default interest, fees for demands for unpaid invoices, fees for subrogation, fees for early repayment or cancellation and any other fees or expenses will not be assigned to the Fund and will therefore continue to correspond to Santander Consumer.

The rights of the Fund resulting from the Credit Rights are tied to the payments made by the Debtors on the Loans and, therefore, are directly affected by the evolution, lateness, prepayment and any other incident related thereto. For the account of the Fund will be bank collection expenses and returns, expenses of collecting arrearages and expenses deriving from pre-judicial, judicial or disputed proceedings.

### 3.4 Explanation of the flow of funds, including:

#### 3.4.1 **How the cash flow from the Credit Rights will meet the issuer's obligations to holders of the securities.**

The amounts received by the Fund deriving from the Credit Rights will be deposited by the Administrator into the Cash Account immediately, in any event not more than thirty (30) days after the day they were received. Therefore, the Fund as a practical matter will be receiving monthly revenue in the Cash Account.

The weighted average interest rate of the selected Loans at 16 April 2007, as set forth in section 2.2.2.1 e) above, is six point six nine percent (6.69%), which is higher than the four point five percent (4.18%) that is the weighted average nominal rate of the Bonds

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that have hypothetically been assumed to have the margins applied to each Class of Bonds as set forth in section 4.8.d) of the Securities Note and the three-month EURIBOR interest rate of 3.97%. Notwithstanding the foregoing, the Swap mitigates the interest rate risk suffered by the Fund by reason of having fixed interest Loans and varying terms for adjustment and settlement at the interest rates on the Bonds referenced to three-month EURIBOR, with quarterly settlement and accrual periods, as well as the risk deriving from possible renegotiations of the interest rates on the Loans.

### **3.4.2 Information on any credit enhancements.**

#### **3.4.2.1 Credit enhancements**

In order to consolidate the financial structure of the Fund, to increase the security or the regularity of the payment of the Bonds, to cover temporary mismatches of the schedule of flows of principal and interest of the Loans and the Bonds, or, in general, transform the financial characteristics of the Loans, and complement the administration of the Fund, the Management Company, in representation of the Fund, will formalise the agreements and operations which are described below in the act authorising the Deed of Establishment, in accordance with applicable legislation.

The operations for the improvement of credit which are incorporated into the structure of the Fund are as follows:

**a) *Reserve Fund.***

Mitigates the credit risk due to default or non-payment of the Loans. The Reserve Fund is described below in section 3.4.2.2. of this Additional Building Block.

**b) *Interest Rate Swap.***

This mitigates the risk of the interest rate that occurs due to the existence of different interest rates for the Credit Rights and the Bonds.

**c) *Guaranteed Interest Rate Reinvestment Agreement and Excess Funds Account.***

The Principal Account, the Cash Account and, if applicable, the Excess Funds Account are remunerated at rates agreed upon in such a way that a minimum return on the balances in the Principal Account, Cash Account and, if applicable, the Excess Funds Account is guaranteed.

**d) *Subordination and postponement of payment of principal and interest between the different Classes of Bonds.***

Without prejudice to the provisions of section 4.9.2 of the Securities Note, the redemption of all Classes will be sequential, in such manner that the redemption of one Class will not begin until the prior one has been fully redeemed, with the exception of redemption of Class D, which will be undertaken as provided in section 4.9 of the Securities Note.

Notwithstanding the foregoing, section 4.9.2 of the Securities Note describes the circumstances under which, on an exceptional basis, the Class A, B and C Bonds may be redeemed on a pro rata basis.

The Class B Bonds rank behind the Class A Bonds in payment of interest. The Class C Bonds rank behind the Class A and B Bonds in payment of interest. The Class D Bonds rank behind the Class A, B and C Bonds in payment of interest.



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Likewise, in the event of the postponement of the payment of interest in accordance with section 3.4.6.(3) of the Additional Building Block, the interest payment will be carried out in sequence, so that the payment of the interest of one Class will not commence until the interest of the previous Class has been fully paid, with the exception of the payment of the interest of Class D which will be carried out as established in section 4.6 of the Securities Note.

**e) Excess margin**

The excess of guaranteed margin deriving from the Swap Agreement may vary between 1.35% and 2.50%, as provided in section 3.4.7 of this Additional Building Block.

### 3.4.2.2 Reserve Fund

The Management Company, in representation and on behalf of the Fund, will endow a Reserve Fund charged to the funds obtained from the subscription and payment of the Class D Bonds, with the following characteristics:

**(i) Required Level:**

The Reserve Fund initially will be funded at FORTY MILLION EUROS (€40,000,000) euros, equivalent to two percent (2%) of the initial amount of the Class A, B and C Bonds.

The Reserve Fund may decrease on a quarterly basis on each Payment Date, until reaching the Required Level of the Reserve Fund, which will be an amount equal to the greater of the following:

- 2% of the Outstanding Balance of the Bonds.
- The lesser of the following amounts: (i) the greater of 2.90% of the Outstanding Balance of the Bonds and 0.725% of the Initial Balance of the Bonds on the Disbursement Date and (ii) 1.45% of the Initial Outstanding Balance of the Bonds of Class A, B y C.

The Required Level of the Reserve Fund may not be reduced if any of the following circumstances occurs:

- That on the preceding Payment Date the Reserve Fund had not been provided with funds up to the Required Level on that Payment Date.
- That on the Determination Date preceding the relevant Payment Date, the amount of the Outstanding Balance of Delinquent Loans is greater than one point five per cent (1.5%) of the Outstanding Balance of the Loans that are not considered to be Nonperforming Loans.
- That the Accumulated Outstanding Balance of the Nonperforming Loans will be greater than 1% of the initial Balance of the Credit Rights.
- That the Revolving Period has not ended.
- That if the Revolving Period has ended prematurely, three (3) years have not elapsed since the Date of Establishment of the Fund.

**(ii) Use:**

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The Reserve Fund shall be applied, on each Payment Date, towards performance of the payment obligations contained in the Order of Priority of Payments contained under section 3.4.6.(1)(b), below.

**(iii) Return:**

The amount of this Reserve Fund will be paid into the Cash Account on the Disbursement Date, and will be the subject to the Guaranteed Interest Rate Reinvestment Agreement for the Cash Account to be entered into with SCF on the terms described in section 3.4.4. of this Additional Building Block.

**3.4.3 Details of any subordinated debt finance.**

**a) Subordinated Loan Agreement.**

The Management Company, for and on behalf of the Fund, will enter into the Subordinated Loan Agreement, a business loan in a total amount of nine million euros (€9,000,000), which will be used (i) to finance the expenses of establishment of the Fund, (ii) to finance the expenses of issuing the Bonds, (iii) to partially finance acquisition of the Credit Rights (in the amount of the difference between the total nominal principal of the acquisition of the Credit Rights and the nominal amount of the issue of Bond Class A, B and C) and (iv) to cover the mismatch corresponding to the first Payment Date between the accrual and collection of interest on the Loans on that first Payment Date.

The amount of the Subordinated Loan will be disbursed into the Cash Account on the Disbursement Date.

The Subordinated Loan shall accrue an annual nominal interest rate, determined quarterly for each Interest Accrual Period, which shall be that which results from adding together: (i) the Reference Interest Rate determined for the Bonds, and (ii) a margin of 0.65%, which shall be paid only if the Fund has sufficient Available Funds in accordance with the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of this Additional Building Block. Interest accrued, which will be paid on a specified Payment Date, will be calculated by taking as a base: (i) the actual days existing in each Interest Accrual Period, and (ii) a year composed of three hundred sixty (360) days.

Interest accrued and not paid on a Payment Date shall accumulate, accruing interest at the same rate as the nominal interest on the Subordinated Loan, and shall be paid, provided that the Fund has sufficient Available Funds and in accordance with the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of this Additional Building Block, on the immediately following Payment Date.

The Subordinated Loan will be repaid linearly each quarter during the first three (3) years after the constitution of the Fund and the Bonds issue, with the exception of the excess of funds assigned to cover the cost of the issue which will be redeemed in advance on the first Payment Date and provided that the Fund has sufficient Available Funds and in accordance with the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of this Additional Building Block.

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This loan, due its subordinated nature, will be postponed in ranking with respect to several of the other creditors of the Fund on the terms provided by section 3.4.6.(1)(b) of this Additional Building Block, including, but not limited to, the Bondholders.

If, prior to the start of the Subscription Period, the Rating Agencies do not confirm as definitive any of the provisional ratings assigned, this circumstance will lead to the termination of the Subordinated Loan Agreement, except as regards the initial expenses for establishment of the Fund and the Bond issue.

SCF specifically and irrevocably waives any right of setoff vis-à-vis the Fund, which could correspond to SCF by virtue of any contract entered into with the Fund.

**b) Liquidity Line**

The Management Company, for and on behalf of the Fund, will enter into a Liquidity Line Agreement with SCF in an amount equal to one million (1,000,000) euros (the "Maximum Amount of the Liquidity Line").

The purpose of the Liquidity Line is to allow the Fund to finance payment of interest accrued but not paid on the Initial Credit Rights and the Additional Credit Rights when the Available Funds are not sufficient.

Amounts drawn against the Liquidity Line and pending repayment will accrue daily interest in favour of SCF at an annual interest rate, variable quarterly, equal to the Reference Interest Rate of the Bonds for the Interest Accrual Period in question, plus a margin of 0.10% payable provided that there is a drawn balance. The Liquidity Line will accrue an availability fee of 0.05% per annum, calculated on the daily average of the undrawn amounts, and payable quarterly on the Payment Dates.

Accrued interest that is to be paid on a given Payment Date will be calculated on the basis of a calendar year composed of three hundred sixty (360) days, taking into account the actual number of days in each Interest Period.

The Liquidity Line will remain in effect until 20 September 2009.

In the event that SCF's unsubordinated and unsecured short-term debt should undergo, at any time during the life of the Bond issue, a decline in its rating below A-1 or F1 (as per the rating scales of S&P and Fitch, respectively), the Management Company will have a maximum term of thirty (30) Calendar Days after such situation occurs, to adopt one of the following options:

- i) Obtain from an entity having a credit rating for its short-term debt of not less than A-1 and F1, according to the rating scales of S&P and Fitch, respectively, without thereby prejudicing the rating given to the Bonds by the Rating Agencies, a first demand guarantee, according to the standards of the Rating Agencies established for that purpose, that guarantees the obligations deriving from the Liquidity Line Agreement to the Fund, on simple request of the Management Company;

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- (ii) Assign its contractual position under the Liquidity Line Agreement to a third party with a minimum rating for its short-term debt of **A-1 and F1**, according to the rating scales of S&P and Fitch, respectively, without thereby prejudicing the rating given to the Bonds by the Rating Agencies; or
- (iii) Draw the Maximum Amount of the Liquidity Line, depositing it in the Fund's Cash Account, in which case the draws and repayments on the Liquidity Line will be understood to be made from the Maximum Amount of the Liquidity Line deposited in the Cash Account. All costs, taxes and expenses incurred in the performance of the foregoing obligations will be for the account of SCF.

**c) Rules of subordination among the Bonds.**

**(i) Payment of interest:**

- The payment of interest accruing on the Class A Bonds holds fourth (4th) place in the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of this Additional Building Block.
- The payment of interest accruing on the Class B Bonds holds fifth (5th) place in the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of this Additional Building Block. Consequently, it shall be postponed in ranking with respect to the payment of interest accruing on the Class A Bonds.
- The payment of interest accruing on the Class C Bonds holds sixth (6th) place in the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of this Additional Building Block. Consequently, it will be postponed in ranking with respect to the payment of interest accruing on the Class A and B Bonds.
- The payment of interest accruing on the Class D Bonds holds eleventh (11th) place in the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of this Additional Building Block. Consequently, it will be postponed in ranking with respect to the payment of interest accruing on the Class A, B and C Bonds.

The foregoing is without prejudice to the exceptional rules of priority reflected under section 3.4.6.(3) of this Additional Building Block regarding postponement of payments.

**(ii) Repayment of principal:**

The principal on the Bonds of Class A, B and C holds seventh (7th) place in the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of this Additional Building Block. Once the Revolving Period has elapsed, the Available Principal Funds on each Payment Date will be applied to repaying principal on the Class A Bonds, until redeemed in full. The Class B Bonds will be postponed with regard to the payment of

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principal to those of Class A; those of Class C to those of Class A and B; and those of Class D to those of Class A, B and C.

Notwithstanding the foregoing, section 4.9.2 of the Securities Note describes the circumstances under which, on an exceptional basis, the Class A, B and C Bonds may be redeemed on a pro rata basis.

The principal of the Bonds of Class D holds twelfth (12th) place in the Order of Priority of Liquidation Payments contemplated under section 3.4.6.(5) of this Additional Building Block. Repayment of the principal of the Class D Bonds will be in accordance with section 4.9.2 of the Securities Note.

#### **3.4.4 An indication of any investment parameters for the investment of temporary liquidity surpluses and description of the parties responsible for such investment.**

The Management Company, acting for and on behalf of the Fund, and SCF will enter into the Guaranteed Rate Reinvestment Agreement by virtue of which SCF will guarantee a yield on the amounts deposited by the Fund, through its Management Company, into the Principal Account and into the Cash Account.

##### **Cash Account**

Specifically, the amounts received by the Fund for:

- (i) principal and interest on the Credit Rights;
- (ii) any other amounts deriving from the Credit Rights, and from the disposal or exploitation of assets awarded to the Fund or under interim administration and possession of the property during enforcement, as well as all possible rights and indemnities, including those derived from any right attached to the Credit Rights, excluding prepayment or early termination fees and any other right that may not be included in the debt claimed from the Debtor in the event of default on the Loans;
- (iii) amounts which constitute the Reserve Fund from time to time (as described in section 3.4.2.2 of this Additional Building Block);
- (iv) the amounts, if any, paid to the Fund and under the Swap Agreement;
- (v) the amounts, if any, paid to the Fund from the Liquidity Line;
- (vi) the amounts of the returns obtained on the balances of the Cash Account itself and the Principal Account

will be deposited in the Cash Account opened with SCF on behalf of the Fund by the Management Company.

All of the collections and payments during the entire term of the Fund will be centralised in the Cash Account.

On the Disbursement Date, the Cash Account will receive the effective amount of the payment of the subscription for the issue of Bonds, net of fees, and the initial amount of the Subordinated Loan Agreement, and will pay the price of acquisition of the Credit Rights assigned by Santander Consumer at the initial amount, and the expenses of establishing and issuing the Fund and the Reserve Fund.

##### **Principal Account.**

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By virtue of the Guaranteed Interest Rate Reinvestment Agreement all amounts of the Available Principal Funds will be deposited in the Principal Account opened with SCF on behalf of the Fund by the Management Company.

Likewise, the amounts drawn from the line of credit that the Management Company is authorised to arrange for the Early Liquidation of the Fund will also be deposited in said account.

### **Yield**

SCF guarantees to the Fund, through its Management Company, a variable annual yield each quarter, paid monthly on the amounts deposited in the Principal Account and the Cash Account, equal to the Reference Interest Rate of the Bonds EURIBOR at three (3) months, during the Interest Accrual Period immediately preceding each Payment Date taken at the corresponding Rate Setting Time.

The calculation of the yield obtained on the investments made will be carried out on the basis of actual days and a year of three hundred sixty-five (365) days. Interest shall be settled monthly, on the 11th day of each month or, if any of these dates is not a Business Day, the immediately following Business Days.

Merely for purposes of illustration, for the first Interest Accrual Period (which is the one between the Disbursement Date (included) and 20 September 2007 (excluded)) an interest rate interpolated between three (3) month EURIBOR and four (4) month EURIBOR on the Date of Establishment will be used, and paid on the 11th days of July, August and September 2007. For the second Interest Accrual Period (which is the one between 20 September 2007 (included) and 20 December 2007 (excluded)), the three (3) month EURIBOR rate at the corresponding Time of Fixing the Rate, that is 18 September 2007, will be used, payable on the 11th days of October, November and December 2007.

In an effort to achieve maximum yield for the balance of the Principal Account and the balance of the Cash Account and, if applicable, the balance of the Excess Funds Account, described below, the Management Company may invest up to a maximum of twenty percent (20%) of the Outstanding Principal Balance of the Bonds in short-term fixed income assets in euros issued by institutions having at least A-1 and F1 ratings, provided that the term of investment made is less than thirty (30) days, in accordance with the ratings of Standard & Poor's and Fitch, respectively, or A-1+ and F1+ for greater periods, for unsubordinated and unsecured short-term debt, in accordance with the rating scales of Standard & Poor's and Fitch, respectively, provided that the net yields obtained are at least equal to those that would be obtained if the amounts were maintained in the Cash Account. In any case, the maturity of these Credit Rights must be previous to the following Payment Date.

### **Decrease in SCF's rating**

In the event that SCF's unsubordinated and unsecured short-term debt should undergo, at any time during the life of the Bond issue, a decline in its rating below A-1 or F1 (as per the rating scales of Standard & Poor's and Fitch, respectively), the Management Company will have a maximum deadline of thirty (30) Calendar Days after such situation occurs, to adopt one of the following options:

(i) transfer the Principal Account and the Cash Account of the Fund to a bank whose unsubordinated and unsecured short-term debt possesses a minimum rating of A-1 and F1 (as per the rating scales of Standard & Poor's and Fitch, respectively), and the Management Company shall contract the highest yield possible for the balance thereof,

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which may differ from that contracted with SCF, being able to subsequently transfer it to SCF when its unsubordinated and unsecured short-term debt once again achieves the rating A-1 and F1 (according to the aforesaid rating scales), or

(ii) require SCF to obtain a first demand guarantee, in accordance with the standards established for that purpose by the Rating Agencies, from an institution the short-term unsubordinated and unsecured debt of which has a minimum rating of A-1 and F1 (in accordance with the rating scales of Standard & Poor's and Fitch, respectively), always subject to prior notice to the Rating Agencies. Such guarantee will secure the prompt payment by SCF of its obligation to reimburse the amounts deposited in the Principal Account, during the period for which the loss of A-1 and F1 ratings continues.

Through the Guaranteed Rate Reinvestment Agreement, the risk of temporary shortfall between the Fund's income from principal and interest having a varied frequency and the redemption and payment of interest on the Bonds, having a quarterly frequency, is mitigated.

In addition, and without prejudice to the provisions of the foregoing paragraphs, if the amount accumulated in the Principal Account or in the Cash Account at a given time, without taking into account the fixed income investments, if any, exceeds 20% of the Outstanding Principal Balance of the Bonds, the Management Company, on behalf of the Fund, will open a new account with another institution with a rating of A-1+ and F1+ (according to the rating scales of Standard & Poor's and Fitch, respectively) the "**Excess Funds Account**" in which all such amounts in excess of the indicated 20% will be deposited, contracting for the maximum possible yield on the balances, which will at least be equal to the yield contracted for with respect to the Principal Account or the Cash Account.

If the new bank should lose the A-1+ or F1+ rating (according to the rating scales of Standard & Poor's and Fitch, respectively), the Management Company will have 30 Calendar Days to find a new bank with a rating of A-1+ and F1+ (according to the rating scales of Standard & Poor's and Fitch, respectively) in order to maintain the Bonds' ratings. The Management Company will notify Standard & Poor's and Fitch of the probability that this event will occur as soon as possible.

The Excess Fund Account, once created, will remain open during the entire term of the Fund although the balance in that Account will suffer variations as a result of the transfer of such funds as may have been deposited therein to the Principal Account and the Cash Account sufficiently in advance so that it is available on the Payment Dates on which this Excess Fund Account has sufficient funds. The balance of the Excess Fund Account will include both the excess over 20% accumulated in the Principal Account and the Cash Account and the amounts received as yield thereon.

SCF specifically and irrevocably waives any right of setoff vis-à-vis the Fund, which could correspond to SCF by virtue of any contract entered into with the Fund.

#### **3.4.5 How payments are collected in respect of the Credit Rights.**

Santander Consumer, as collection manager, on behalf of the Fund will receive such sums of money as are paid by the Debtors deriving from the Credit Rights, both for principal or interest, as well as any other item assigned to the Fund, and will proceed to deposit into the Cash Account the amounts that correspond to the Fund, immediately and, in any case, within a period not exceeding thirty (30) days.

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The monthly frequency of these revenues may decrease if the rating given by the Rating Agencies to the Bank for short-term risk is decreased to a rating below F1 in the case of Fitch, or F-1 in the case of S&P, or the rating is for any reason withdrawn by any of the Rating Agencies. In these cases the Bank, in order to maintain the ratings assigned to the Bonds by the Rating Agencies, must take one of the actions specified in the Fitch "Commingling Risk and Structured Finance Transactions" report of 9 June 2004. In any event, the deposits to the Cash Account referred to in the preceding paragraph will be made at least every two (2) Business Days.

**Powers of the holder of the Credit Rights in case of breach by the Debtor or the Administrator of their obligations.**

Santander Consumer, as Administrator of the Credit Rights, will apply the same diligence and procedure for making a claim for amounts due and not paid on the Credit Rights as for the other loans in its portfolio. In particular, it will bring appropriate judicial actions if, once the internal terms for action to obtain payment satisfactory to the interests of the Fund have elapsed, it has not achieved the desired effect. In any event, Santander Consumer will bring such actions if, after analysis of the specific circumstances, the Management Company on behalf of the Fund, with the approval of Santander Consumer, deems them to be appropriate.

Additionally, Santander Consumer undertakes to report to the Management Company, on behalf of the Fund, on a quarterly basis, regarding non-performing loans, prepayments or adjustments of interest rates, and to provide timely information regarding payment demands, certified notices given to the Debtor, judicial actions, and any other circumstances affecting the Loans. Furthermore, Santander Consumer will furnish the Management Company with all documentation the latter may request of it in relation to the said Loans and, especially, the documentation necessary for the Management Company to file any judicial actions.

**a) Action against the Administrator.**

The Management Company, for and on behalf of the Fund, will have an action against the Administrator when default of the payment obligation for these items is not a result of the Debtors' failure to pay, and is attributable to the Administrator

The Administrator will not be liable for such actions as may be taken following instructions of the Management Company.

**b) Actions in case of non-payment of the Loans.**

The Fund, as holder of the Credit Rights, will be entitled to take all legal action arising from the ownership of such Rights, pursuant to the legislation in force.

For these purposes, in the Deed of Establishment the Management Company, acting on behalf of the Fund, will grant a power of attorney, as broad and sufficient as may be required by Law, in favour of Santander Consumer, so that Santander Consumer, acting through any of its representatives sufficiently empowered for such purpose, may (including acting in its own name in the corresponding proceedings, although on behalf of the Fund) demand from the Debtor of any of the Credit Rights the payment of its debt and take legal action against them, in addition to other authority required for the exercise of its functions as Administrator. This authority may also be granted in a document



separate from the Deed of Establishment or expanded if necessary for the exercise of such authority.

In general, the Administrator must initiate the corresponding judicial proceedings if, for a period of six (6) months, a Debtor of a Loan that has breached its payment obligations does not recommence payments to the Administrator and the Administrator, with the consent of the Management Company, has not secured a payment commitment satisfactory to the interests of the Fund. In the event the Administrator must immediately file enforcement proceedings if an enforcement action is available to it, if the Managing Company, on behalf of the Fund, after the specific circumstances of the case have been analysed, deems it to be appropriate. In order to speed up claim proceedings, the Management Company may give general powers to the Administrator on the terms and with the limitations considered to be appropriate, without prejudice to the obligations to provide information as provided in this section.

### **3.4.6 Source and Application of Funds.**

#### **(1) Source and Application of Funds**

(a) **Source:** Available Funds in the Cash Account and, if applicable, in the Excess Funds Account on each specific Payment Date will be as follows:

- (i) Amounts received for principal on the Credit Rights in each Determination Period prior to Payment Date.
- (ii) Interest collected on the Credit Rights during each preceding Determination Period prior to Payment Date.
- (iii) The return obtained on the reinvestment of the Reserve Fund as well as on the amounts deposited into the Principal Account and Cash Account, the payment of which will occur on the 11th day of each month, into the Excess Funds Account, if applicable.
- (iv) The Reserve Fund, on the terms of section 3.4.2.2 of this Additional Building Block.
- (v) The net amount received by virtue of the terms of the Swap Agreement, as described under section 3.4.7 of this Additional Building Block.
- (vi) The amounts drawn by virtue of the terms of the Liquidity Line Agreement, as described under section 3.4.3 of this Additional Building Block.
- (vii) Any other amounts the Fund may receive, including those which may result from enforcement sale of vehicles awarded to it.

(b) **Application:** The Management Company, on behalf of the Fund, will proceed to apply on each Payment Date the amount of the Available Funds to the following payments and withholdings, in accordance with the Order of Priority of Payments described below:

- 1st. Payment of the ordinary and extraordinary expenses of the Fund, whether or not paid by the Management Company and duly justified, including the administration fee in favour of the Management Company, and the other expenses and service fees, including the fees of the paying agent. In this regard, Santander Consumer will be paid,

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in connection with the administration of the Credit Rights, only those expenses that it has advanced on behalf of the Fund and those amounts owed to it, all duly justified.

- 2nd. Payment to SCF of the net amount of the Swap, according to the provisions of section 3.4.7 of the Additional Building Block, and, only in the case of the rescission of the said Agreements due to non compliance by the Fund, or if the Fund is the only party that has provoked a cause for early termination, will the Fund have to pay the amounts that correspond to the settlement payment.
- 3rd. Payment to SCF of principal drawn and not repaid and interest accrued on the Liquidity Line
- 4th. Payment of the interest accrued on the Class A Bonds.
- 5th. Payment of the interest accruing on the Class B Bonds, except if the payment of these is set back, to 8th position in the order of priority as described in section 3.4.6.(3) of this Additional Building Block.
- 6th. Payment of the interest accruing on the Class C Bonds, except if the payment of these is set back, to 9th position in the order of priority as described in section 3.4.6.(3) of this Additional Building Block.
7. The amount of Withholding of Principal used for acquisition of Additional Credit Rights and, starting at the end of the Revolving Period, for redemption of Bonds of all Classes in accordance with the subordination and redemption rules in the order described in section 3.4.6.(3) of this Additional Building Block.
- 8th. Payment of interest accrued on the Class B Bonds when this payment is postponed to 5th place in the order of priority as provided in section 3.4.6(3) of this Additional Building Block.
- 9th. Payment of interest accrued on Class C Bonds when this payment is postponed to 6th place in the order of priority as provided in section 3.4.6(3) of this Additional Building Block.
- 10th Contribution to the Reserve Fund.
- 11th Payment of interest accrued on Class D Bonds.
- 12th Redemption of the Class D Bonds
- 13th Settlement payment under the Swap Agreement if the agreement is terminated by reason of default of Party B.
- 143rd Payment of interest accrued on the Subordinated Loan.
- 15th Repayment of Principal on the Subordinated Loan.
- 16th Additional repayment of Principal on Class D in the event of exercising the Option for Accelerated Redemption of Class D.
- 17th Payment to Santander Consumer of a variable amount as remuneration or compensation for the financial intermediation process carried out equal to the difference between the booked income and expenses for the Fund, on the corresponding Payment Date.

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**The expenses reflected in first place in the above order of priority are broken down into the following:**

The following are considered Ordinary Expenses:

- Expenses deriving from the annual audits of the Fund's financial statements.
- Expenses deriving from maintenance of the ratings of the four (4) Classes of Bonds.
- Expenses which arise and derive from the redemption of the Bonds.
- Expenses related to any notices which, in accordance with the provisions of this Prospectus, must be given to the holders of outstanding Bonds.
- In general, any other expenses borne by the Management Company, and arising out of its work involving representation and management of the Fund.

The following are considered Extraordinary Expenses:

- Expenses, if any, derived from preparation and formalisation of amendments to the Deed of Establishment and the agreements, and the execution of additional agreements.
- Expenses necessary to enforce the loans underlying the Credit Rights.
- In general all other extraordinary expenses borne by the Fund or by the Management Company for and on its behalf.

If on a Payment Date prior to the current Payment Date any item is unpaid, the Order of Priority of Payments established in this section will be strictly followed, commencing with the oldest item.

**(2) Source and application of the Available Principal Funds**

- (a) **Source:** On such Payment Date, Available Principal Funds will be as follows:
- (i) The Withholding on Principal amount applied in seventh (7th) place of the Available Funds on the relevant Payment Date.
  - (ii) Up to the Payment Date next following the end of the Revolving Period, inclusive, the Principal Account balance and, as the case may be, the Excess Funds Account balance transferred from the Principal Account, on the Determination Date preceding the corresponding Payment Date.
- (b) **Application:** The Available Principal Funds will be applied on each Payment Date in accordance with the following rules:
1. During the Revolving Period of the Credit Rights, payment of the assignment price which amounts to the nominal value of the Outstanding Balance of the Additional Credit Rights acquired by the Fund on the corresponding Payment Date.

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The remaining Available Principal Funds which have not been used to acquire Additional Credit Rights will remain on deposit in the Principal Account.

2. Starting at the end of the Revolving Period, the Available Principal Funds will be applied sequentially, first to redemption of Class A until its total redemption, second to redemption of Class B until its total redemption, third to redemption of Class C until its total redemption, in accordance with the rules contemplated in section 4.9.2 of the Securities Note, without prejudice to the pro rata redemption rules contemplated in that section.

### **(3) Exceptional rules of priority for payments against the Fund.**

If the replacement of Santander Consumer as Loan Administrator should take place, in favour of another entity not forming part of Santander Consumer's consolidated group, a fee will accrue in favour of the third party, the new administrator, placed in 1st place in the Order of Priority of Payments established under section 3.4.6.(1)(b) above.

Payment of interest on Class B Bonds will be postponed and occupy eighth (8th) place in the Order of Priority of Payments, when on a Payment Date there is a Principal Deficit in an amount greater than the sum of (a) 50% of the Outstanding Principal Balance of the Class B Bonds, plus (b) 100% of the Outstanding Principal Balance of Class C Bonds, provided that there has been and as of the Payment Date there will be no full redemption of the Class A Bonds.

Payment of interest on Class C Bonds will be postponed, occupying ninth (9th) place in the Order of Priority of Payments, when on a Payment Date there is a Principal Deficit in an amount greater than 50% of the Outstanding Principal Balance of the Class C Bonds, provided that there has been and on the corresponding Payment Date there will be no complete redemption of the Class A Bonds and complete redemption of the Class B Bonds.

For these purposes, the Principal Deficit on a Payment Date will be the positive difference, if any, between:

- (i) The Amount of the Withholding of Principal; and
- (ii) The amount of the Available Funds effectively applied to Withholding of Principal.

### **(4) Failure to comply with the obligation to pay interest.**

In the event that on a Payment Date, the Fund is not able to make the total or partial payment of the interest accrued by the Bonds of any Class, according to the Order of Priority of Payments contained in section 3.4.6.(1)(b) above, the amounts that the bondholders would have ceased to receive will accrue on the following Payment Date to the interest of its Class that should be paid on that Payment Date, and it shall accrue an interest equal to that applied to the Bonds of its own Class without applying another additional default interest. Such interest will be paid according to the Order of Priority of Payments and applied according

to the maturity date order if it is not possible to pay such interest in full owing to a lack of Available Funds.

**(5) Order of Priority of Liquidation Payments.**

The Management Company will liquidate the Fund when its liquidation takes place on the Legal Date of Maturity or the Date of Payment on which the Early Liquidation takes place according to section 4.4.c of the Registration Document, which, in both cases, will coincide with the last Payment Date, by applying the funds available by reason of the following items (hereinafter, the "Funds Available for Liquidation"): (i) from the Available Funds, (ii) from the amounts that are obtained by the Fund through the transfer of the remaining Credit Rights and of any other assets, and, if applicable, (iii) from the amount drawn on the credit facility for final redemption of the Bonds as provided in section 4.4 c)3 (iii) of the Registration Document, in the following order of priority of payments (the "Order of Priority of Liquidation Payments"):

1. Payment of the ordinary and extraordinary expenses of the Fund, whether or not paid by the Management Company and duly justified, including the administration fee in favour of the Management Company, and the other expenses and service fees, including the fees of the paying agent. In this regard, Santander Consumer will be paid, in connection with the administration of the Credit Rights, only those expenses that it has advanced on behalf of the Fund and those amounts owed to it, all duly justified.
2. Payment to SCF of the net amount of the Swap, according to the provisions of section 3.4.7 of the Additional Building Block, and, only in the case of the rescission of the said Agreements due to non compliance by the Fund, or if the Fund is the only party that has provoked a cause for early termination, will the Fund have to pay the amounts that correspond to the settlement payment.
3. Payment to SCF of principal drawn and not repaid and interest accrued on the Liquidity Line.
4. Payment of the interest accrued on the Class A Bonds.
5. Redemption of the Class A Bonds.
6. Payment of interest accrued on Class B Bonds.
7. Repayment of the principal on Class B Bonds.
8. Payment of interest accrued on Class C Bonds.
9. Repayment of principal on Class C Bonds.
10. Payment of the interest accrued on the Class D Bonds.
11. Redemption of the Class D Bonds.
12. Payment of the amount owed on termination of the Swap, if applicable, in the event of default by SCF.
13. Payment of interest accruing on the Subordinated Loan.
14. Repayment of principal of the Subordinated Loan

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15. Payment to Santander Consumer of a variable amount as remuneration or compensation for the process of financial intermediation performed, equal to the difference between the booked income and expenses for the Fund.

### **3.4.7 Details of other agreements on which interest and principal payments to the Bondholders depend.**

The Management Company shall enter into, acting for and on behalf of the Fund, with SCF, a Swap agreement, as per ISDA 1992 standard form, the most relevant terms of which are described below.

The entering into the Swap Agreement responds to the need to mitigate the interest rate risk which takes place at the Fund due to the fact of having the Credit Rights subject to fixed interests and different adjustment periods and settlement periods for variable interest established for each one of the Classes of Bonds issued against the Fund.

By means of the Interest Swap, the Fund will make payments to SCF, calculated on the interest rate of the Credit Rights and, as counterpart, SCF shall make payments to the Fund, calculated on the average weighted Nominal Interest Rate of the Classes of Bonds, all of which as described above:

Party A: The Fund, as represented by the Management Company.

Party B: SCF.

#### **Settlement Dates.**

The Settlement Dates will coincide with the Bond Payment Dates, i.e. 20 March, 20 June, 20 September and 20 December of each year or, if any of these dates is not a Business Day, the immediately following Business Day. The first Settlement Date will be 20 September 2007.

#### **Settlement Periods.**

The Settlement Periods for Party A and for Party B are identical. The Settlement Period will be understood to be the days that effectively elapse between two consecutive Settlement Dates, the first included and the last excluded. By way of exception, the first Settlement Period for each of the Parties will have a term equal to the days effectively elapsed between 25 May 2007 (included) and the Determination Date immediately preceding the first Payment Date, which will be 20 September 2007 (excluded).

#### **Amounts to be paid by Party A.**

This will be the result of applying the Party A Interest Rate to the Swap Notional for Party A, adjusted to the number of days in the Settlement Period (i.e. the same as or equivalent to: number of days / 360).

#### **Party A Interest Rate.**

This will be, on each Settlement Date, the annual interest rate which results from dividing (i) the sum of the ordinary interest received on the Credit Rights and deposited to the Fund during the expiring Settlement Period, by (ii) the Swap Notional for Party A, all multiplied by the result of dividing 360 by the number of days in the Settlement Period.

#### **Notional Amount for Party A.**

This will be the Balance of the Credit Rights defined as the daily average during the maturing Settlement Period of the Outstanding Balance of the Credit Rights which are not subject to late payment of amounts due by more than ninety (90) days.

**Amounts to be paid by Party B.**

This will be the result of adding (i) the amount resulting from applying the Party B Interest Rate to the Swap Notional for Party B, adjusted to the number of days elapsed between two Payments Dates (i.e. the same as or equivalent to: number of days / 360) and (ii) the amount of the fee earned on the administration contract as of the corresponding Liquidation Date, but only in the case of replacement of Santander Consumer as Administrator of the Loans.

**Party B Interest Rate.**

This will be, for each Settlement Period, the annual interest rate that results from adding: (i) the Reference Interest Rate of the Bonds established for the current Interest Accrual Period, plus (ii) the average margin of Class A, B and C weighted by the Outstanding Principal Balance of each Class during the current Interest Accrual Period, plus (iii) the Guaranteed Margin.

The Guaranteed Margin initially will be equal to one point three five percent (1.35%), and may increase up to two point five zero percent (2.50%) based on the Outstanding Balance of the Loans, pursuant to the following formula:

$$MG = \min\left\{2,5\%; \left( 1.35\% * \left[ 2 - \left[ \frac{(2\% * SVBonos - 1,45\% * SIBonos)}{(2\% - 1,45\%) * SIBonos} \right] \right] \right) \right\}$$

Where:

MG: Guaranteed Margin

SVBonos: Outstanding Balance of the Bonds

SIBonos: Initial Balance of the Bonds

In this manner, the minimum Guaranteed Margin for the Swap will be 1.35% and the maximum will be 2.50%. The increase in the Guaranteed Margin from 1.35% to 2.50% will be tied to the Outstanding Balance of the Bonds of Class A, B and C, and will automatically and gradually occur upon commencement of redemption thereof after the end of the Revolving Period, regardless of whether that occurs on the date contemplated or on an accelerated basis.

**Notional Amount for Party B.**

This will be the greater of: (i) the Swap Notional for Party A, and (ii) the Notional Adjusted to the Return on the Credit Rights.

The Notional Adjusted to the Credit Rights for each Settlement Date will be the lesser of:

- (i) the sum of the ordinary interest received on the Credit Rights and deposited to the Fund during the maturing Settlement Period, divided by the Party B Interest Rate, multiplied by the result of dividing 360 by the number of days in the Settlement Period.
- (ii) The Outstanding Balance of the Credit Rights on the immediately preceding Settlement Date or, if applicable, the Outstanding Balance of the Credit Rights on the Fund's Date of Establishment.

The possible notionals of Party B mentioned in the above paragraph are:

- a) Swap Notional for Party A. This notional is equal to the Notional Balance of the Credit Rights defined as the daily average, during the maturing settlement period, of the Outstanding Balance of the Credit Rights which are not subject to late payment of the amounts due by more than ninety (90) days.
- b) The ordinary interest received on the Credit Rights and deposited to the Fund during the maturing Settlement Period, divided by the Party B Interest Rate, all multiplied by the result of dividing 360 by the number of days in the Settlement Period.
- c) The Outstanding Balance of the Credit Rights on the immediately preceding Settlement Date or, if applicable, for the first settlement of the Swap, the Outstanding Balance of the Credit Rights on the Fund's Date of Establishment.

#### **Possible scenarios**

By definition, the notional described under paragraph c) above is always greater than the notional described under paragraph a).

**Scenario 1:** In the event that the notional described under paragraph b) is greater than the notional described under paragraph c), this would mean that the interest rate risk would not have materialised and, in turn, that the portfolio default rate is such that this would not affect the financial equilibrium of the Fund. In this case, Santander Consumer would pay to the fund the Party B Interest Rate on the notional described under paragraph c). The net of the Swap in this circumstance is positive for Party B.

**Scenario 2:** In the event that the value of the notional described under paragraph b) is greater than the notional described under paragraph a) and is less than the notional described under paragraph c), this would mean that the portfolio default rate is such that it affects the financial equilibrium of the Fund. In this case, Party B would pay to Party A the Party B Interest Rate on the Notional described under b). The net of the Swap in this case would be equal to zero.

**Scenario 3:** In the event that the notional described under paragraph b) is less than the notional described under paragraph a), this would mean that the interest rate risk has materialised. In this case, Party B would pay to Party A the Party B Interest Rate on the notional described under paragraph a). The net of the Swap in this case would be positive for Party A.

The net of the Swap in this case would be positive for Party A, because the notional of the Swap is equal for Party A and Party B and the interest rate collected by the Fund is less than the Party B interest rate. Party B would pay Party A.

In the event that on a Payment Date Party A does not have sufficient Available Funds to make payment of the entire net amount (in the event that the amount to be paid by Party A to Party B is greater than the amount to be paid by Party B and to be received by Party A) to be paid by Party A to Party B, the portion of the net amount not paid will accumulate, accruing default interest at the same interest rate applicable for the calculation of the amount to be paid by the Fund, and will be settled on the next Payment Date on which the Fund has sufficient Available Funds in accordance with the Order of Priority of Payments, in such a manner that the Swap is not terminated.



If on a Payment Date Party B does not meet its payment obligations for the total net amount it is to pay to Party A, the Management Company may terminate the Swap. In this case, Party B will assume the payment obligation of the net amount contemplated in the Swap. Furthermore, in this case, if the net amount of the Swap inures to Party A, the payment thereof will be postponed in accordance with the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) above.

The net amount will be calculated by the Management Company, as calculation agent for the Swap, based on the market value of the Swap.

**a) Change in Party B rating.**

Party B irrevocably undertakes that if, at any time during the life of the Bond issue, the rating of Party B's unsubordinated and unsecured debt decreases to below A, or the rating of its short-term debt decreases below F1 according to Fitch's rating scale or below A-1+ according to Standard & Poor's scale for rating short-term debt, within a maximum term of thirty (30) Calendar Days from the day any such circumstance exists, Party B shall adopt one of the following options, on the terms and conditions deemed to be appropriate by the Management Company, after notifying the Rating Agencies, so that the ratings assigned to each of the Classes of Bonds by the Rating Agencies will not be impaired:

- (i) obtain a guarantee of the fulfilment of its contractual obligations under the Swap Agreement in accordance with the criteria established by S&P for that purpose from a third party with an unsubordinated and unsecured debt rating equal to or greater than A for its long-term debt and F-1 for its short-term debt (according to the rating scales of Fitch) and A-1+ (according to short-term ratings of Standard & Poor's);
- (ii) arrange for a third-party with the same ratings required for option (i) above to assume its contractual position and replace it in the Swap Agreement, or, if applicable, enter into a new swap agreement with that third party on the same terms and conditions as the Swap Agreement, or, in the exceptional case in which that is not possible, enter into a new swap agreement with that third party on the same terms and conditions as the Swap Agreement except for the Guaranteed Margin of the Interest Rate of Party B, which will be equal to two point five zero (2.50%), the costs and expenses deriving from that replacement being for the account of Party B; or
- (iii) create a deposit of cash or securities pledged for the benefit of Party A, if Party B's unsubordinated and unsecured short-term debt is rated at least F2 and its unsubordinated and unsecured long-term debt is rated at least BBB+ (according to short-term and long-term ratings of Fitch) and BBB on its long-term debt (according to the long-term Standard & Poor's rating scale), to guarantee fulfilment of the contractual obligations of Party B in an amount calculated based on market value which allows the ratings assigned to each Classes of Bonds to remain unchanged as required by the Rating Agencies and, if applicable based on

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the rating assigned to Party B, also exercise one of options (i) and (ii) above. In order to calculate market value for S&P purposes, in addition to other factors the criteria currently published by S&P will be followed. In order to calculate market value for Fitch purposes, the Fitch criteria indicated in its "Counterparty Risk and Structured Finance: Swap Criteria" report of 13 September 2004, proposing a formula for estimation of the market value of the Interest Rate Swap, will be applied within the fifteen (15) days following loss of rating A by Party B. If that formula is not validated by Fitch, in calculation of market value an amount equivalent to the result of multiplying (i) 1.00% of the Outstanding Balance of the Credit Rights by (ii) the average life of the Credit Rights assuming a CAPR of 0% will be added.

All costs, expenses and taxes incurred in performance of the above obligations will be for the account of Party B.

**b) Subsequent change in Party B rating.**

If the rating of the unsubordinated and unsecured debt of Party B decreases below F2 for short-term debt and BBB+ for a long-term debt in accordance with the Fitch rating scale, and BBB- according to the Standard & Poor's rating scale, within a maximum term of ten (10) Calendar Days after the date this circumstance occurs, Party B will be replaced in its contractual position by an institution with a minimum rating for its short-term unsubordinated and unsecured debt of A-1+ and F1, or a minimum rating for its long-term unsubordinated and unsecured debt of A and A in accordance with the rating scales of Standard & Poor's and Fitch, respectively.

If Party B breaches the obligations established under the above paragraphs, the Management Company, on behalf of the Fund, will be entitled to replace Party B on the conditions established under point a)(ii), above.

All costs, expenses and taxes incurred in performance of the above obligations will be for the account of Party B.

Early termination of the Interest Swap, if any, will not in itself constitute a cause for early liquidation of the Bond issue and Early Liquidation of the Fund unless, in conjunction with other events or circumstances relating to the financial position of the Fund, a substantial or permanent alteration of its financial equilibrium occurs.

The Interest Swap shall be terminated at law in the event that the Rating Agencies do not confirm, prior to the start of the Subscription Period, as definitive, the ratings provisionally assigned to each one of the Classes.

The Management Company shall employ all means within its reach which are necessary for a Swap Agreement to exist and be in effect at all times.

If Santander Consumer is replaced as Administrator of the Loans, the Swap will cover the management fee, that is, an amount equal to the sum of (i) the amount

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to be paid by Party B, and (ii) the amount accrued by way of a management fee or as a result of any new administration agreement that may be signed.

Maturity of the Swap Agreement will occur on the earliest of the following Payment Dates:

- (i) the Legal Maturity Date, or
- (ii) the date on which the Early Liquidation of the Fund has concluded, according to section 4.4 c) of the Registration Document, on which date all of the Credit Rights and remaining assets in the Fund have been liquidated and all of the Available Liquidation Funds have been distributed following the Order of Priority of Liquidation Payments.

SCF specifically and irrevocably waives any right of setoff vis-à-vis the Fund, which could correspond to SCF by virtue of any contract entered into with the Fund.

### 3.5 Name, address and significant business activities of the Seller.

The Assignor of the Credit Rights is Santander Consumer, E.F.C., S.A..

The principal financial activities of Santander Consumer are those characteristic of any financial credit institution, in accordance with the specific nature of such entities and as established by law. In this regard, the following activities should, basically, be highlighted:

Lending, including consumer credit, mortgage credit and financing of commercial transactions.

- Factoring, with or without recourse, and complementary activities such as investigation and classification of customers, accounting for debtors and, in general, any other activity intended to favour the administration, evaluation, security and financing of credits arising from domestic or international trade operations that are assigned to it.
- Financial leasing, including the following complementary activities:
  - Maintenance and upkeep of the leased properties.
  - Grant of financing in relation to a present or future financial lease.
  - Intermediation in and management of financial leasing transactions.
  - Non-financial leasing transactions, which may or may not be accompanied by a purchase option.
  - Commercial reports and advisory services.
- Issuing and administering credit cards.
- Grant of guarantees and similar commitments.

Selected financial information on Santander Consumer at 31 December 2006, and a comparison of the fiscal year closed on 31 December 2005 and the fiscal year closed on 31 December 2004, are shown below.

The information corresponding to 31 December 2006 and 31 December 2005 in millions of euros was prepared in accordance with the International Financial Reporting Standards which are applicable under Regulation EC 1606/2002 and Bank of Spain Memorandum 4/2004. The information corresponding to June 30, 2005 in millions of Euros was also drafted for comparative purposes in accordance with the International Norms on Financial Information so that the comparison between the periods is standardised.

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<b>Santander Consumer Finance</b>				
(Amounts in thousands of euros)				
<b>Balance SCF, EFC</b>	<b>Dec. 2004</b>	<b>Dec. 2005</b>	<b>Dec. 2006</b>	<b>Var. %</b>
Total Assets	3,769,123	6,154,502	5,902,890	-4.09%
Total Lending	3,681,042	6,012,006	5,727,940	-4.72%
Sahreholder's funds SCF EFC	124,559	229,110	242,020	5.63%
<b>Cuenta de Resultados SCF, EFC</b>	<b>Dec. 2004</b>	<b>Dec. 2005</b>	<b>Dec. 2006</b>	<b>Var. %</b>
Net Interest Income	139,424	203,068	209,622	3.23%
Ordinary Revenue	199,145	278,838	293,452	5.24%
Operating Profit	111,846	166,479	171,656	3.11%
Pre-tax Profit	68,755	84,409	127,162	50.65%
Net attributable Profit	36,726	57,934	83,908	44.83%
<b>Significant Ratios SCF, EFC</b>	<b>Dec. 2004</b>	<b>Dec. 2005</b>	<b>Dec. 2006</b>	<b>Var. %</b>
NPL ratio	1.78%	1.71%	2.34%	36.84%
NPL Coverage	145.25%	175.61%	148.20%	-15.61%
Efficiency Ratio (2)	43.84%	40.30%	41.83%	3.80%
BIS Ratio	4.66%	5.11%	6.46%	26.42%
<b>Additional Information</b>	<b>Dec. 2004</b>	<b>Dec. 2005</b>	<b>Dec. 2006</b>	<b>Var. Nº</b>
No. of branches in Spain	85	89	92	3
No. of branches (rest of the world)	3	3	3	0
(1) including amortisations				

3.6 Return on and/or repayment of the securities linked to others which are not assets of the issuer.

Not applicable.

3.7 Administrator and functions of the Management Company.

#### 3.7.1 Administrator.

Santander Consumer, whose name, address and significant activities are discussed under section 3.5 above, the entity that is the Assignor of the Credit Rights, in accordance with the provisions of article 2.2 of Royal Decree 926/1998, commits to exercise custody and administration of the Credit Rights, the relations between Santander Consumer and the Fund being regulated by this Prospectus.

Santander Consumer will accept the mandate received from the Management Company and, by virtue of such mandate, agrees as follows:

- (i) To exercise administration and management of the Credit Rights acquired by the Fund on the terms of the scheme and ordinary procedures of administration and management established in this Prospectus;
- (ii) To continue administering the Credit Rights, dedicating the same time and attention and the same level of expertise, care and diligence in the administration thereof as that which it would devote and exercise in the administration of its own loans and, in any case, it will exercise an appropriate level of expertise, care and diligence in providing the services contemplated in this Additional Building Block;

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- (iii) That the procedures it applies and will apply for administration and management of the Credit Rights are and will continue to be in accordance with the laws and legal rules in force which are applicable;
- (iv) To abide by the instructions given to it by the Management Company, with due loyalty;
- (v) To indemnify the Fund for damages which may derive from the breach of the obligations so contracted.

A description of the scheme and of the ordinary procedures for administration and custody of the Credit Rights is contained in the following sections.

#### **(1) Term**

The services will be rendered by Santander Consumer until, once all of the Credit Rights have been redeemed, all of the obligations assumed by Santander Consumer in relation to said Credit Rights have been cancelled, without prejudice to the possible early revocation of its mandate.

Both in case of breach by the Administrator of the obligations established in this Additional Building Block, as well as in the case of a severe decline in its credit rating resulting in impairment of or risk to the financial structure of the Fund or the rights and interests of the Bondholders, the Management Company may take one of the following actions:

- (i) Require that the Administrator subcontract, delegate or be secured in the performance of said obligations by another entity which, in the judgment of the Management Company, has appropriate legal and technical capacity, provided that an adverse impact on the rating of the Bonds does not occur.
- (ii) If the above action is not possible, the Management Company will directly assume the rendering of the services.

The Management Company will bear in mind the proposals that the Administrator formulates to it both on the subcontracting, delegation or appointment of the replacement for performance of its obligations, as well as on the entity that could guarantee it in the performance thereof.

The Administrator may voluntarily decide not to administer and manage the Credit Rights, if possible under the law in force from time to time, and provided that (i) it is authorised by the Management Company, (ii) the Management Company has appointed a new Administrator, (iii) the Administrator has indemnified the Fund for damages caused thereto by the resignation and replacement, in addition to the fact that any additional cost will be its responsibility, not collecting it, therefore, from the Fund, and (iv) no adverse impact on the rating of the Bonds occurs.

#### **(2) Liability of Santander Consumer as to custody and administration.**

Santander Consumer agrees to act diligently in the custody and administration of the Loans and the documents regarding such Loans deposited with Santander Consumer, and will be liable to the Fund, through its Management Company, for any damage which may arise from its negligence.

Santander Consumer will indemnify the Fund, through its Management Company, for any damage, loss or expense incurred as a consequence of the breach of its

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obligations relating to custody and/or administration of the Loans and the documents regarding the Loans.

**(3) Liability of Santander Consumer in collection management.**

Santander Consumer agrees to act in the management of collections on the Loans, with all due diligence, and will be liable to the Fund, through its Management Company, for any damage which may derive from its negligence.

Santander Consumer does not in any way assume any liability from directly or indirectly guaranteeing the successful conclusion of the transaction, nor will it grant guarantees or bank guarantees, or subject itself to repurchase agreements in respect of the Credit Rights with the exception of those that do not conform to the representations and warranties contained in section 2.2.8 of this Additional Building Block.

**(4) Custody of contracts, deeds, documents and files.**

The Administrator will maintain all contracts, documents and database records regarding the Loans in safe custody and will not abandon the possession, custody or control thereof without the prior written consent of the Management Company to such effect, unless a document is requested thereof in order to start proceedings for enforcement of a Loan.

The Administrator will reasonably provide access, at all times, to said contracts, documents and records, to the Management Company or to the Fund's auditor, duly authorised by the latter. Furthermore, if so requested the Management Company will furnish, within five (5) Business Days following the said request, free of charge, a copy or photocopy of any of the said contracts and documents. The Administrator will act in the same manner, in the case of requests for information from the Fund's auditor.

The Administrator in any case waives the privileges granted to it by law in its capacity as collection manager of the Fund and custodian of the Loan agreements and, in particular, those provided by articles 1730 and 1780 of the Spanish Civil Code (relating to retention under pledge of property on deposit) and 276 of the Spanish Commercial Code (guarantee similar to retention under pledge of property on deposit).

**(5) Collection management.**

Santander Consumer, as collection manager, will receive for the account of the Fund such amounts as are paid by the Debtors arising from the Credit Rights, both for principal and interest, as well as any other item, assigned to the Fund, and will proceed to deposit to the Cash Account the amounts that correspond to the Fund, immediately and, in any case, within a term not to exceed thirty (30) days.

**(6) Advance of funds.**

Santander Consumer will in no case advance any amount it has not first received from the Debtors as principal or an instalment pending maturity, interest or finance charge, prepayment, etc., deriving from the Credit Rights.

**(7) Reporting.**

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The Administrator will report periodically to the Management Company on the degree of compliance by the Debtors with the obligations deriving from the Loans, the compliance by the Administrator with its obligation to deposit the amounts received deriving from the Credit Rights, and the actions carried out in case of default and the existence of any hidden defects in the Loans.

The Administrator will prepare and submit to the Management Company such additional information as, in relation to the Loans or the rights deriving therefrom, may be reasonably requested by the Management Company.

**(8) Subrogation of the Debtor of the Credit Rights.**

The Administrator will be authorised to allow replacements in the position of Debtor in the Loan agreements, exclusively in cases in which the characteristics of the new Debtor are similar to those of the former one, and they meet the criteria for granting loans, as described under section 2.2.7 of this Additional Building Block, and provided that the expenses deriving from this modification are paid in full by the Debtors. The Management Company may totally restrict this power of the Administrator when such substitutions could adversely affect the ratings assigned to the Bonds by the Rating Agencies.

In any case, any subrogation made in accordance with the provisions of the above paragraph will be immediately reported by the Administrator to the Management Company.

**(9) Powers and actions in relation to Loan re-negotiation processes.**

The Management Company authorises the Administrator on a general basis to carry out renegotiations, with or without prior consent, on the terms and conditions described below.

The Administrator may not voluntarily cancel the security for the Credit Rights for a cause other than payment for the Asset, waive or settle in respect of the latter, forgive the Credit Rights in whole or in part or extend them, nor in general carry out any act which diminishes the rank, legal effectiveness or economic value of the security or of the Credit Rights, without prejudice to responding to requests from the Debtors with the same diligence and procedure as if dealing with other loans.

Under no circumstance will the Administrator be able to renegotiate the interest rate.

The Management Company authorises the Administrator to renegotiate, always within the following limits:

- a) In no case may the Loan amount be increased.
- b) The frequency of Loan payments may not be modified.

The extension of the maturity term of a specific Loan may be carried out provided that the following requisites are met:

- The amount of the principal of the Loans assigned to the Fund with respect to which the maturity is extended will not exceed 10% of the Initial Outstanding Balance of the Credit Rights on the Date of Establishment.

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- In any event, the term between principal repayments on the Loan will be maintained or reduced, and the same repayment schedule will be maintained.
- The new final maturity date or last repayment on the Loan will, at latest, be 20 September 2019.

In any case, after any renegotiation takes place in accordance with the provisions of this section, the Administrator will proceed to immediately notify the Management Company of the conditions resulting from each renegotiation.

The Management Company, on behalf of the Fund, may at any time suspend or modify the authorisation and the requisites for renegotiation by the Administrator as set forth in this section.

**(10) Exceptional expenses**

In addition, Santander Consumer, on each Payment Date, will be entitled to reimbursement of all exceptional expenses incurred, subject to justification thereof to the Management Company, in relation to the administration of the Credit Rights. Said expenses, which will include, inter alia, those caused by enforcement of guarantees, will be paid provided that the Fund has sufficient Available Funds in the Cash Account and in accordance with the provisions of section 3.4.6.(1)(b) of this Additional Building Block in respect of the Order of Priority of Payments.

**(11) Other expenses and remuneration.**

Furthermore, Santander Consumer will be entitled to receive on an annual basis, as remuneration or compensation for the brokerage carried out, a subordinated and variable amount equal to the difference between the book income and expenses for the Fund in a fiscal year, in such a manner that the financial margin obtained is removed. The payments which may be made quarterly for this item on each Payment Date, in accordance with the Order of Priority of Payments contemplated under section 3.4.6.(1)(b), will be deemed to be interim payments of the brokerage fee which is last in the Order of Priority of Payments.

**(12) Setoff**

If any of the Debtors of the Loans has a liquidated, matured and enforceable credit right against the Administrator and, therefore, one of the Loans is totally or partially set off against this credit right, the Administrator will remedy this circumstance or, if it is not possible to remedy it, the amount set off plus the accrued interest that would have corresponded to the Fund up to the date on which the income calculated in accordance with the conditions applicable to the corresponding Loan will be deposited in the Fund by the Administrator.

**(13) Subcontracting**

The Administrator may subcontract any of the services it has undertaken to provide by virtue of the above stipulations, except for those services which cannot be delegated pursuant to the legislation in force. Under no circumstance will this subcontracting entail any additional cost or expense for the Fund or the Management Company, and may not give rise to a decrease in the rating given by the Rating Agencies to each of the Classes of Bonds. Notwithstanding any subcontracting or delegation, the Administrator will not by reason of the



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subcontracting or delegation be exonerated or released from any of its responsibilities assumed that are legally attributable to or obligatory for the Administrator.

#### **(14) Notifications**

The Management Company and the Assignor have agreed not to notify the assignment to the respective Debtors. For these purposes, notification is not a requisite for the validity of the assignment of the Loans.

However, the Assignor will grant the widest powers of attorney which in Law are necessary to the Management Company so that it can, in the name of the Fund, notify the Debtors of the assignment at the time it considers appropriate.

Nevertheless, in the event of insolvency, or indications of insolvency, of intervention by the Bank of Spain, of liquidation or replacement of the Administrator or because the Management Company considers it to be reasonably justified, the Management Company may request the Administrator to notify the Debtors of the transfer of the Loans pending repayment, as well as the fact that the payments deriving therefrom will only discharge debt if they are made into the Cash Account opened in the name of the Fund. However, both if the Administrator does not notify the Debtors within the three (3) Business Days following receipt of the request, and in the event of insolvency of the Administrator, it will be the Management Company that directly notifies the Debtors. The Management Company will give such notice in the shortest possible period of time.

The Assignor will assume the expenses involved in notifying the Debtors even when notice is given by the Management Company.

### **3.7.2 Management Company.**

The administration and legal representation of the Fund is vested in the Management Company, whose name, address and significant business activities are set forth in section 6 of the Registration Document on the terms provided by Royal Decree 926/1998, and other applicable regulations.

The Management Company, as manager of third-party businesses, is also responsible for the representation and defence of the interests of the Bondholders and of the remaining ordinary creditors of the Fund. Consequently, the Management Company will at all times safeguard the interests of the Bondholders, giving the defence of such interests priority and adhering to the provisions established in regulations for such purpose.

The actions which the Management Company will perform in order to comply with its duties of administration and legal representation of the Fund are, purely as a matter of illustration and without prejudice to other actions contemplated under this Additional Building Block, as follows:

- (i) Open in the name of the Fund the Cash Account and the Principal Account, initially with SCF, as long as SCF's unsubordinated and unsecured short-term debt rating does not descend from A-1 or F1 (as per the scales of Standard & Poor's and Fitch, respectively).
- (ii) Should the unsubordinated and unsecured short-term debt of SCF undergo, at any time during the life of the Bond issue, a decline in its rating established in section (i) above, and if the sum accumulated in the Cash Account at any

given time exceeds 20% of the Outstanding Principal of the Bonds, the Management Company, on behalf of the Fund, will open a new account (the Excess Funds Account) with another bank with a rating of A-1+ and F1+ (according to the rating scales of Standard & Poor's and Fitch, respectively) on the terms set forth in section 3.4.4 of this Additional Building Block.

If the new bank should lose the A-1+ or F1+ rating (according to the rating scales of Standard & Poor's and Fitch, respectively), the Management Company will have 30 Calendar Days to find a new bank with a rating of A-1+ and F1+ (according to the rating scales of Standard & Poor's and Fitch, respectively) in order to maintain the Bonds' ratings. The Management Company will notify Standard & Poor's and Fitch of the probability that this event will occur as soon as possible.

- (iii) Exercise the rights inherent to the ownership of the Credit Rights of the Fund and, in general, carry out all acts of administration and disposition as necessary for the proper performance of the administration and legal representation of the Fund.
- (iv) Carry out the financial servicing of the Credit Rights with diligence and rigor, without prejudice to the duties of management assumed by the Assignor in its capacity as Administrator in accordance with the provisions of section 3.7.1, above.
- (v) Verify that the amount of income effectively received by the Fund corresponds to the amounts to be received by the Fund in accordance with the conditions of each Asset and the conditions of the various contracts.
- (vi) Validate and monitor the information it receives from the Administrator regarding the Loans, both as regards collections of ordinary payments, prepayments of principal, payments received for unpaid instalments and status and monitoring of non-payments.
- (vii) Calculate the available funds and movements of funds it will have to make once the application thereof has been carried out in accordance with the corresponding order of priority of payments, ordering transfers of funds between the various asset and liability accounts and the applicable payment instructions, including those assigned to meet the financial servicing of the Bonds.
- (viii) Calculate and settle the amounts which, for interest and fees, must be received and paid by the various asset and liability financial accounts, as well as the fees to be paid for the various financial services arranged and the amounts which, for repayment of principal and interest, pertain to each one of the Classes of Bonds;
- (ix) In the event that the ratings of Santander Consumer's debt, assigned by the Rating Agencies at any time during the life of the Bonds, decrease as regards the capacity of Santander Consumer as Administrator, take the actions which are described under section 3.7.1 of this Additional Building Block.
- (x) In the event that the ratings of BSCH's debt, assigned by the Rating Agencies at any time during the life of the Bonds, decrease as regards the capacity of BSCH as Paying Agent, take the actions described under section 5.2 a) of the Securities Note.

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- (xi) Comply with its calculation obligations contemplated in this Additional Building Block and in the Subordinated Loan Agreement, Guaranteed Interest Rate Reinvestment Agreement and Swap Agreement that are described under sections 3.4.3, 3.4.4 and 3.4.7 of this Additional Building Block.
- (xii) Monitor the actions of the Administrator for recovery of non-payments, giving instructions, when applicable, in order to bring enforcement proceedings. Pursue the corresponding remedies when the circumstances so require.
- (xiii) On each Offer Request Date determine if, on the immediately subsequent Payment Date, Additional Credit Rights should be acquired and, if appropriate, calculate the Maximum Acquisition Amount that on the immediately subsequent Payment Date may be used for acquisition of Additional Credit Rights.
- (xiv) Remit to Santander Consumer, if appropriate, written notice of the request for Additional Credit Rights indicating the Maximum Acquisition Amount and the Payment Date on which the assignment to the Fund and the payment for the assignment will be made and formalised.
- (xv) Verify that the Loans included in the offer of assignment of Additional Credit Rights made by Santander Consumer comply with the Election Requirements (both Individual and Global) established for the acquisition of Additional Credit Rights and notify Santander Consumer of the list of Additional Credit Rights accepted for assignment to the Fund on the corresponding Payment Date.
- (xvi) On each Payment Date on which the assignment of Additional Credit Rights must be carried out, formalise the assignment with Santander Consumer and notify the CNMV, by means of Cifradoc, of the information regarding the Additional Credit Rights, in addition to the corresponding written representation stating that such Credit Rights comply with the Election Requirements established for acquisition of Additional Credit Rights.
- (xvii) Carry the accounting of the Fund with due separation from the accounting of the Management Company, render accounts and comply with the tax or other legal obligations which are the Fund's responsibility.
- (xviii) Furnish the holders of the Bonds issued against the Fund, the CNMV and the Rating Agencies with such information and notices as are provided by current law and, especially, those contemplated in this Prospectus. For these purposes, the Management Company will provide the Rating Agencies (sending the corresponding information to the address [sf\\_surveillance@fitchratings.com](mailto:sf_surveillance@fitchratings.com) for Fitch and [europesurveillance@standardandpoors.com](mailto:europesurveillance@standardandpoors.com) for Standard & Poor's), within the month following each Payment Date, with information regarding the status of the Fund and the Assets, with the content and in the form agreed upon by the Management Company and the Rating Agencies, in order to provide greater transparency to the operation of the Fund. It will also provide that information when reasonably requested to do so and, in all events, if there is any change in the conditions of the Fund, in the contracts to which it is party through the Sociedad Gestora or in the interested parties.

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- (xix) In order to allow the Fund's operations on the terms contemplated in the Prospectus and by regulations in force from time to time, renew or modify the contracts it has executed on behalf of the Fund, replace each one of the providers of services to the Fund by virtue thereof and, if necessary, even enter into additional contracts, all subject to legislation in force from time to time, with prior authorisation, if necessary, from the CNMV or competent administrative body, and notification thereof to the Rating Agencies, provided that such actions do not result in a decrease in the rating of the Bonds and do not impair the interests of the Bondholders. Any amendment to the Deed of Establishment will first be notified to the CNMV and to the Rating Agencies.
- (xx) Appoint and replace, as the case may be, the auditor that performs the audit on the Fund's annual financial statements.
- (xxi) Prepare and submit to the CNMV and the competent bodies all documents and information that must be submitted as established by current regulations and in this Prospectus, or are requested of it, and prepare and submit to the Rating Agencies any information they reasonably request of it.
- (xxii) Adopt the appropriate decisions in relation to the liquidation of the Fund, including the decision for early termination of the Bond issue and liquidation of the Fund, in accordance with the provisions of this Prospectus.
- (xxiii) Not take actions which could decrease the rating of the Bonds and arrange for the adoption of such measures as are reasonably available to it so that the rating of the Bonds is not adversely affected at any time.
- (xxiv) Manage the Fund in such a manner that the net asset value thereof is always zero.

The Management Company will perform its activity with the diligence required thereof in accordance with Royal Decree 926/1998, representing the Fund and defending the interests of the Bondholders and of the remaining creditors of the Fund as if dealing with its own interests, using the levels of diligence, reporting and defence of interests it uses for its own, and avoiding situations that involve conflicts of interest, giving priority to the interests of the Bondholders and to those of the other creditors of the Fund as opposed to its own interests. The Management Company will be liable to the Bondholders and remaining creditors of the Fund for all damages caused thereto by the breach of its obligations. Furthermore, it will be liable as regards sanctions applicable thereto pursuant to the provisions of Act 19/1992.

The Management Company has the necessary means, including adequate information systems, to carry out the duties of administration of the Fund attributed thereto by Royal Decree 926/1998.

The Management Company has established a set of Internal Regulations of Conduct in application of the provisions of Chapter II of Royal Decree 629/1993 of 3 May 1993, on rules of action in the securities markets and obligatory records, which have been reported to the CNMV.

The Management Company may act as Management Company of the Fund, as well as of any other securitisation fund, without the simultaneous management thereof in any way whatsoever constituting a violation of its obligations of diligence as Management Company of the Fund or other securitisation funds.

### **3.7.3 Replacement of the Management Company**

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The Management Company will be replaced in the administration and representation of the Fund in accordance with the provisions to be established by regulation for such purpose. Thus, in accordance with the provisions of articles 18 and 19 of Royal Decree 926/1998, the replacement of the Management Company will be carried out using the following procedure:

- (i) The Management Company may resign from its duties when it deems it to be appropriate and voluntarily request its replacement, by letter addressed to the CNMV reflecting the appointment of the replacement management company. Included with such letter will be that of the new management company, duly authorised and registered as such in the special registers of the CNMV, in which the latter declares it is willing to accept such duties and is interested in the corresponding authorisation. The resignation of the Management Company and appointment of a new company as management company of the Fund will be approved by the CNMV. In no case may the Management Company waive the exercise of its duties until all of the requisites and formalities for its replacement to be able to fully assume its duties in relation to the Fund have been fulfilled. Nor may the Management Company waive its duties if, as a result of the aforesaid substitution, the rating assigned to any of the Classes of Bonds issued against the Fund should decrease. All expenses generated as a consequence of such replacement will be paid by the Management Company itself, and may not be attributed, in any case, to the Fund.
- (ii) In the event of the occurrence in the Management Company of any of the causes for dissolution contemplated under number 1 of article 260 of the Spanish Corporations Act ("Ley de Sociedades Anónimas"), the Management Company will be replaced. The occurrence of any of such causes will be notified by the Management Company to the CNMV. In this case, the Management Company will be required to comply with the provisions of section (i), above, prior to its dissolution.
- (iii) If the Management Company is declared to be insolvent, or has its authorisation revoked, a management company must be appointed to replace it. The replacement must be made effective within four (4) months after the date of the event requiring replacement. If, four (4) months after the date of the event requiring replacement the Management Company has not appointed a new management company, the Early Liquidation of the Fund and the redemption of the Bonds will proceed, for which purpose the actions contemplated in section 4.4.c.3) of the Registration Document will be taken.
- (iv) The replacement of the Management Company and appointment of the new company, approved by the CNMV in accordance with the provisions of the above paragraphs, will be reported to the Rating Agencies and will be published, within a term of fifteen (15) days by legal notice in two nationally-circulated newspapers and in the bulletin of the AIAF Market.

The Management Company will make available all public and private documents that are necessary to proceed with its replacement by another management company in accordance with the procedure stipulated in the foregoing paragraphs of this section. The replacement management company will be subrogated to the rights and obligations that, under this Prospectus, are vested in the Management Company. Furthermore, the Management Company will deliver to the new management company such documents and accounting and database records relating to the Fund as are in its possession.

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### **Scheme of remuneration in favour of the Management Company for performance of its duties**

The Management Company will be entitled on each Payment Date for the Bonds, provided that the Fund has sufficient Available Funds in the Cash Account as provided in section 3.4.6.(1)(b) of this Additional Building Block regarding Order of Priority of Payments, to a periodic administration fee equal to zero point zero one nine percent (0.019%) per annum, with a minimum of 45,000 euros per annum, which will accrue for the actual days in each Interest Accrual Period, will be paid quarterly on each of the Payment Dates, and will be calculated on the sum of the Outstanding Principal Balances of the Bonds of all Classes, on the Determination Date corresponding to that Payment Date. The fee accruing from the Fund's Date of Establishment up to the first Payment Date of the Bonds will be adjusted in proportion to the days transpiring between both dates, calculated on the face value of the Bonds issued.

The calculation of the periodic administration fee, payable on a given Payment Date, will be made pursuant to the following formula

$$A=B \times 0,019\% \times \frac{d}{365 \times 100}$$

**Where:**

A = Fee payable on a given Payment Date.

B = Sum of the Unpaid Balances of the Bonds of all Classes, on the Determination Date corresponding to that Payment Date.

d = Number of days transpiring during each Interest Accrual Period.

### **3.8 Name, address and brief description of any counterparty for swap operations and providers of credit, liquidity or accounts.**

SCF is the counterparty of the Fund in the contracts described below. A brief description of SCF is included under section 5.2 of the Registration Document.

**a) Guaranteed Rate Reinvestment Agreement.**

The Cash Account and the Principal Account are initially open at SCF. Said accounts shall be maintained at SCF as long as SCF's unsubordinated and unsecured short-term rating does not descend from A-1 or F1 (as per the scales of Standard & Poor's and Fitch respectively).

A description of the contract is set forth in section 3.4.4 of this Additional Building Block

**b) Subordinated Loan Agreement.**

A description of the contract is set forth in section 3.4.3.a) of this Additional Building Block.

**c) Swap Agreement.**

A description of the contract is set forth in section 3.4.7 of this Additional Building Block.

#### **4. POST ISSUANCE REPORTING**

**a) Obligations and deadlines contemplated for the drawing up, auditing and approval of the annual financial statements and management report.**

The Management Company will present to the CNMV the Fund's annual financial statements and the auditors' report in respect thereof, within four (4) months following the close of the Fund's fiscal year which will coincide with the calendar year (i.e. prior to April 30 of each year) and the auditor's report on the principal attributes of the Additional Credit Rights before June 30 of each year.

**b) Obligations and terms contemplated for making periodic information on the economic-financial status of the Fund available to the public and remitting it to the CNMV and the Rating Agencies.**

**b.1.- Ordinary periodic notifications.**

The Management Company, in its work involving management and administration of the Fund, agrees to forward to the CNMV and to the Rating Agencies, with the utmost diligence possible, quarterly or at any other time requested of it, the information requested of it in relation to the Bonds, the performance of the Credit Rights, prepayments and the Fund's economic-financial position, independently of advising them of any additional information that may be requested.

(b.1<sup>o</sup>) Within a deadline between the Rate Setting Time and the following three (3) Business Days, by the latest, following each Payment Date, it shall proceed to notify the Bondholders of the nominal interest rates resulting for each Class of Bonds for the following Interest Accrual Period.

(b.1<sup>o</sup>) With advance notice of at least one (1) calendar day preceding each Payment Date, it will notify the Bondholders of the following:

- i. The resulting interest on the Bonds together with the redemption thereof;
- ii. The Average Prepayment Rates of the Credit Rights, as at the Determination Date;
- iii. The residual average life of the Bonds calculated pursuant to the hypothesis of maintenance of said actual prepayment rate.
- iv. The Outstanding Principal Balance (after the redemption to be made on each Payment Date) of each Bond, and the percentage which such Outstanding Principal Balance represents of the total initial face amount of each Bond.
- v. Outstanding Balance of the Credit Rights, interest accrued, both collected and not collected in respect thereof and amount in default on the Credit Rights.
- vi. Report on the appropriateness and subsequent application of the Available Funds in accordance with the Order of Priority of Payments contained in section 3.4.6.(1)(b) of this Additional Building Block.

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Furthermore, if applicable, the Bondholders will be informed of the interest accruing on the Bonds and unpaid due to insufficiency of Available Funds.

Notices under these sections b.1) and b.1) will be given as provided in section b.3, below, and will also be reported to Iberclear and AIAF within a maximum term of two (2) Business Days prior to each Payment Date.

## **b.2 Extraordinary Notices**

The Fund, through its Management Company, will also report to the Bondholders and to the CNMV any material fact which may occur in relation to the Credit Rights, the Bonds, the Fund, and the Management Company itself, which may significantly influence the trading of the Bonds and, in general, any significant modification to the assets or liabilities of the Fund and any amendment of the Deed of Establishment, and also as to an eventual decision for Early Redemption of the Bonds on any of the grounds stated in the Prospectus. The notarial document concerning the liquidation and procedure referred to in section 4.4.c.3 of the Registration Document will also be submitted to the CNMV in such case.

## **b.3 Procedure**

The notifications to the Bondholders that, in the light of the above, must be made by the Fund, through its Management Company, will be given as follows:

1. Ordinary periodic notices referred to in section b.1) above, by publication either in the AIAF daily bulletin or any other which may replace it in the future or another having similar characteristics, or by publication in a newspaper widely-circulated in Spain.
2. Extraordinary notices referred to in section b.2) above, by publication in a newspaper widely-circulated in Spain.

In addition, the above notices may be given by publication in other generally-disseminated media.

These notices will be deemed to be given on the date they are published. Any day of the calendar, whether a Business Day or Non-Business Day, will be suitable for this purpose (for purposes of this Prospectus).

## **(c) Reporting to Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores; CNMV).**

The Management Company will inform the CNMV of any information set forth in the foregoing sections, as well as any information which, independently of the foregoing, is requested of it.

## **(d) Information to be furnished by Santander Consumer to the Management Company**

In addition, Santander Consumer is required to inform the Management Company, on behalf of the Fund, on a quarterly basis and, in any case, on the request thereof, of any non-payments, prepayments and changes of interest rates and, on a timely basis, of payment demands, judicial actions, and any other circumstances that affect the Credit Rights. Furthermore, Santander Consumer will furnish the Management Company with all documentation the latter may request of it in relation to the said Loans and, especially, the documentation necessary for the Management Company to start any judicial actions.



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**María José Olmedilla González, for and on behalf of SANTANDER DE TITULIZACIÓN, S.G.F.T., in his capacity as Secretary of the Board of Directors, hereby signs this Prospectus in Madrid on 17 May 2007.**

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## DEFINITIONS

For appropriate interpretation of this Prospectus, capitalised terms will be construed in accordance with the definition given to each such term below, unless any other meaning is expressly attributed thereto. Any terms not expressly defined will be construed in their natural and obvious sense according to the general usage thereof. Furthermore, it is stated for the record that terms in the singular will include the plural and vice versa, whenever the context so requires.

The capitalised terms listed below will have the following meanings:

**"Administrator"**: Means Santander Consumer, E.F.C., S.A.

**"Rating Agencies"**: Means, collectively, Standard & Poor's España, S.A. and Fitch.

**"AIAF"**: Means AIAF, Mercado de Renta Fija (AIAF Fixed Income Securities Market).

**"Early Redemption"**: Means the redemption of the Bonds on a date prior to the Final Maturity Date in the cases of Early Liquidation of the Fund in accordance with the requisites which are set forth in section 4.4.c) of the Registration Document.

**"BSCH"** Means Banco Santander Central Hispano, S.A.

**"Bonds"**: Means the securitisation bonds issued against the Fund.

**"Assignor"**: Means Santander Consumer, E.F.C., S.A.

**"Memorandum 4/2004"**: Means Bank of Spain Memorandum 4/2004 of 22 December 2004, addressed to credit institutions, on the rules regarding public and reserved financial information and forms of financial statements.

**"CNMV"**: Means the Comisión Nacional del Mercado de Valores, the Spanish securities exchange regulator.

**"Management, Underwriting and Distribution Agreement"**: Means the agreement for underwriting and distribution of the Bonds to be entered into by the Management Company, for and on behalf of the Fund, and the Underwriters.

**"Agreement Assigning Credit Rights"**: Means the assignment agreement to be entered into between the Management Company, for and on behalf of the Fund, and Santander Consumer, by virtue of which the agreement assigning the Additional Credit Rights to the Fund is formalised.

**"Liquidity Line Agreement"**: Means the liquidity line agreement that the Management Company, for and on behalf of the Fund, enters into with SCF in an amount equal to one million (1,000,000) euros, the purpose of which is allowing the Fund to finance payment of interest accrued but not paid on the Initial Credit Rights and Additional Credit Rights when the Available Funds are not sufficient.

**"Subordinated Loan Agreement"**: Means the subordinated loan agreement in the amount of nine million euros (€9,000,000) to be entered into between the Management Company for and on behalf of the Fund and SCF, which will be used to finance the initial expenses of establishment of the Fund and issue of the Bonds, to partially finance acquisition of the Credit Rights and to cover the mismatch corresponding to the first Payment Date between the accrual and collection of the interest on the Loans on that first Payment Date.

**"Guaranteed Rate Reinvestment Agreement"**: Means the guaranteed interest rate reinvestment agreement in respect of the Principal Account, the Cash Account and, if applicable, the Excess Funds Account to be entered into by the Management Company, acting for and on

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behalf of the Fund, and SCF, whereby SCF will guarantee a variable yield on the amounts deposited by the Fund (through its Management Company) into the Cash Account.

**"Swap Agreement"; "Swap" or "Interest Rate Swap"**: Means the interest rate swap agreement, as per the standard form 1992 ISDA Agreement, to be entered into by the Management Company, acting for and on behalf of the Fund, and BSCH.

**"Excess Funds Account"**: Means the account to be opened at a bank other than SCF which meets the ratings established by the Rating Agencies, in the name of the Fund, by the Management Company, into which all amount which exceed twenty per cent (20%) of the Outstanding Principal Balance of the Bonds accumulated in the Cash Account will be deposited.

**"Principal Account"**: Means the financial account opened with SCF on behalf of the Fund in accordance with the Guaranteed Rate Reinvestment Agreement in which the Management Company, on behalf of the Fund, will deposit the amounts of the Available Principal Funds not used for the acquisition of Additional Credit Rights during the Revolving Period.

**"Cash Account"**: Means the account to be opened with SCF on behalf of the Fund, by the Management Company, the operational aspects of which will be the subject to the Guaranteed Rate Reinvestment Agreement.

**"Principal Deficit"**: Means, on a Payment Date, the positive difference, if any, between (i) the Withholding of Principal amount, and (ii) the amount actually applied from the Available Funds to Withholding of Principal.

**"Credit Rights"**: Means the portfolio of credit rights that will be the assets the Fund, comprised of credit rights deriving from loans for the acquisition of new and used vehicles, assigned by the Assignor (the "Loans"), including the Initial Credit Rights and the Additional Credit Rights.

**"Additional Credit Rights"**: Means each one of the Credit Rights assigned to the Fund by the Assignor after the Date of Establishment, during the Revolving Period.

**"Initial Credit Rights"**: Means each one of the Credit Rights assigned to the Fund by the Assignor upon its establishment.

**"Debtors"**: Means the private persons, having their domicile in Spain, to whom Santander Consumer has granted the Loans from which the Credit Rights subject to securitisation derive.

**"Business Day"**: Means any day except:

- (i) Saturday;
- (ii) Sunday;
- (iii) a holiday as per the TARGET calendar (for the sole purpose of determining the Nominal Interest Rate applicable for each Interest Accrual Period). It includes, in addition to the days recognised in sections (i) and (ii), above, January 1, Good Friday, Easter Monday, May 1, December 25 and December 26; and
- (iv) a holiday in Madrid (for the purpose of determining the Nominal Interest Rate applicable for each Interest Accrual Period and for the remaining conditions of the issue).

**"Calendar Day"**: Means all of the days of a year including Sundays and holidays.

**"Registration Document"**: Means the registration document, consisting of Annex VII as approved by the CNMV on 17 May 2007.

**"Underwriters"**: Means Calyon and BSCH.

**"Lead Managers"**: Means Calyon and BSCH.

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**"Deed of Establishment"**: Means the deed of establishment of the securitisation fund Fondo de Titulización de Activos Santander Consumer Spain Auto 07-1, Assignment of Credit Rights and Issuance of Bonds.

**"Date of Establishment"**: Means the date on which the Deed of Establishment is executed. It is expected that the Date of Establishment will be 21 May 2007.

**"Disbursement Date"**: Means 25 May 2007.

**"Determination Dates"**: Means the dates which coincide with the 5th Business Day preceding each Payment Date.

**"Offer Dates"**: Means the dates corresponding to the sixth (6th) Business Day preceding each Payment Date in the Revolving Period on which Additional Credit Rights are to be acquired.

**"Payment Dates"**: Means 20 March, 20 June, 20 September and 20 December of each year or, if any of these dates is not a Business Day, the next following Business Day.

**"Offer Request Dates"**: Means the dates corresponding to the seventh (7th) Business Day preceding each Payment Date in the Revolving Period on which Additional Credit Rights are to be acquired.

**"Final Maturity Date of the Loans"**: Means 20 September 2019, or, if not a Business Day, the immediately following Business Day.

**"Final Maturity Date of the Fund"**: Means 20 September 2019 or, if not a Business Day, the next following Business Day.

**"Legal Maturity Date"**: Means 20 September 2022 or, if not a Business Day, the next Business Day.

**"Fitch"**: Means Fitch Ratings España, S.A. Unipersonal.

**"Prospectus"**: Means, collectively, the table of contents, the document describing the risk factors, the Registration Document, the Securities Note, the Additional Building Block and the document containing the definitions.

**"Fund"** or **"Issuer"**: Means FONDO DE TITULIZACIÓN DE ACTIVOS, SANTANDER CONSUMER SPAIN AUTO 07-1.

**"Reserve Fund"**: Means the reserve fund to be funded by the Management Company, for and on behalf of the Fund, in accordance with the provisions of section 3.4.2.2 of the Additional Building Block.

**"Available Funds"**: Means the sum deposited in the Cash Account, which the Management Company will proceed to allocate on behalf of the Fund, on each Payment Date, to the payments and withholdings described in the Order of Priority of Payments and which will include the amounts received by the Fund in the way of principal and ordinary interest of the Credit Rights, the return on the Cash Account and on the Excess Funds Account, the Reserve Fund, the income received from the amounts deposited in the Principal Account which will have been deposited in the Cash Account and the net amount of the Swap Agreement and any amounts which the Fund might receive, as established in section 3.4.6.(1)(a) of the Additional Building Block, which will be applied on each Payment Date to the payments established in the Order of Priority of Payments included in section 3.4.6.(1)(b) of the Additional Building Block.

**"Available Principal Funds"**: Means the amount available on each Payment Date which will be allocated for the acquisition of Additional Credit Rights during the Revolving Period and, after the end of such period, to the redemption of the Class A, B and C Bonds and will be a) the Withholding of Principal amount applied in seventh (7th) place of the Available Funds on the

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corresponding Payment Date, and b) until the Payment Date immediately following the end of the Revolving Period, included, the balance of the Principal Account and the Excess Funds Account transferred from the Principal Account on the Determination Date preceding the corresponding Payment Date.

**"Funds Available for Liquidation"**: Means:

- a) The Available Funds, and
- b) The amounts which the Fund obtains due to the disposition of the Credit Rights that remain and of any other assets, in the cases of Early Liquidation of the Fund in accordance with the requirements established in section 4.3.c of the Registration Document, and
- c) If applicable, the amount of the credit facility made available for the final redemption of the Bonds in accordance with the provisions of section 4.3.c) (iii) of the Registration Document.

**"Iberclear"**: Means Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores (securities registration, clearing and settlement management company).

**"Acquisition Amount"**: Means the amount equivalent to the face value of the outstanding principal of the Additional Credit Rights pooled in the Fund, on the corresponding Payment Date.

**"Maximum Acquisition Amount"**: Means the maximum amount that the Management Company will allocate on each corresponding Payment Date, to the acquisition of Additional Credit Rights, which will be equivalent to the Available Principal Funds on such Payment Date.

**"Maximum Amount of the Credit Rights"**: Means the maximum amount of the Outstanding Balance of the Credit Rights pooled in the Fund, which will be an amount equal to the nominal value of the Bonds and, consequently, equal to the initial balance of the Credit Rights. Exceptionally, on the Date of Establishment of the Fund, the amount of the assigned Credit Rights may be slightly higher than the nominal value of the Issue of Class A, B and C Bonds.

**"VAT"**: Means Valued Added Tax.

**"Act 19/1992"**: Means Act 19/1992 of 7 July 1992 governing Real Estate Investment Companies and Funds and Mortgage Securitisation Funds, and its amendments.

**"Act 37/1992"**: Means Act 37/1992 of 28 December 1992 on the Value Added Tax (Ley del Impuesto sobre el Valor Añadido).

**"Act 3/94"**: Means Act 3/1994 of 14 April 1994 on Adaptation to the Second Directive on Banking Coordination (Ley de Adaptación a la Segunda Directiva de Coordinación Bancaria).

**"Insolvency Act"**: Means Insolvency Act 22/2003 of 9 July 2003.

**"Civil Procedure Act"**: Means Civil Procedure Act 1/2000 of 7 January 2000 (Ley de Enjuiciamiento Civil).

**"Securities Market Act"** or **"Act 24/1988"**: Means Act 24/1988 of 28 July 1988 regulating the Securities Market, as amended by Act 37/1998 of 16 November 1998, Act 44/2002 and Royal Decree Law 5/2005 of 11 March 2005.

**"Early Liquidation"**: Means the settlement of the Fund and, thus, the prepayment of the issue of Bonds on a date prior to 20 September 2022, in the cases and in accordance with the procedure set forth in section 4.4.c) of the Registration Document.

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**"Mechanism for Accelerated Redemption of Class D"**. Means the partial redemption of Class D in an amount equivalent to the amount of the Available Funds, after making the payments corresponding to the first (1st) to fifteenth (15th) places in the Order of Priority of Payments.

**"AIAF Market"**: Means, Fixed Income Market of the Association of Financial Asset Intermediaries (Asociación de Intermediarios de Activos Financieros).

**"Additional Building Block"**: Means the additional building block to the securities note relating to the Bond issue, as prepared in accordance with Annex VIII of Regulation (EC) 809/2004, as approved by the CNMV on 17 May 2007.

**"Rate Setting Time"**: Means the second Business Day as per the TARGET (Transeuropean Automated Real-time Gross Settlement Express Transfer System) calendar preceding each Payment Date, at 11:00 a.m. (Madrid time) on said day.

**"Required Level of the Reserve Fund" or "Required Level"**: Means the amount which the Reserve Fund must contain on each Payment Date. That amount will be established as follows: (i) 2% of the Outstanding Balance of the Bonds, or (ii) the lesser of the following amounts: (a) a maximum of 1.6% of the Outstanding Balance of the Bonds and 0.5% of the Initial Balance of the Bonds on the Disbursement Date and (b) 0.8% of the initial outstanding balance of the Bonds of Class A, B and C.

**"International Financial Reporting Standards"**: Means the International Financial Reporting Standards that are applicable to the financial information provided by Santander Consumer in accordance with Regulation EC 1606/2002 and Bank of Spain Memorandum 4/2004.

**"Securities Note"**: Means the securities note relating to the Bond issue, as prepared in accordance with Annex XIII of Regulation (EC) 809/2004, as approved by the CNMV on 17 May 2007.

**"Order of Priority of Payments"**: Means the order of priority for the application of the payment or deduction obligations as regards the application of the Available Funds on each Payment Date.

**"Order of Priority of Liquidation Payments"**: Means the order of priority of the payment or deduction obligations of the Fund as regards the application of the Funds Available for Liquidation on the date of liquidation.

**"Order EHA/3537/2005"**: Means Order EHA/3537/2005, whereby article 27.4 of Stock Market Act 24/1988 of 28 July 2005 was developed.

**"Interest Accrual Periods"**: Means each of the periods into which the Bond issue is divided, comprising the days actually transpired between each Payment Date, including in each Interest Accrual Period the initial Payment Date of the corresponding period and excluding the final Payment Date of the corresponding period. The first Interest Accrual Period will have a duration equal to the period between the Disbursement Date (25 May 2007) and the first Payment Date (20 September 2007)

**"Determination Periods"**: Means each of the periods between two consecutive Determination Dates, including in each Determination Period the initial Determination Date of the corresponding period and excluding the final one of the corresponding period. The term of the first Determination Period will be between the Date of Establishment and the Determination Date prior to the first Payment Date.

**"Revolving Period"** Means each Payment Date in the period comprised between the first Payment Date, 20 September 2007, and the Payment Date falling on 20 September 2009, both

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inclusive, or on a previous Payment Date in the event of early termination of the Revolving Period.

**"Subscription Period"**: Means the period of five hours, between 9:00 a.m. and 2:00 p.m. Madrid time on the Business Day following execution of the Deed of Establishment, during which subscription applications will be formulated at the offices of the Underwriters.

**"Loans"**: Means the Loans granted by Santander Consumer to individuals and companies resident in Spain, for the purpose of financing the acquisition of passenger cars, sport utility vehicles, passenger car derivatives, industrial vehicles and coaches, both new and used.

**"Nonperforming Loans"**: Means those Loans whose debt Santander Consumer considers will not be recovered or those Loans which have instalments pending for periods not less than 18 months.

**"Delinquent Loans"**: Means those loans whose payment on any date is overdue by ninety (90) days, excluding the Nonperforming Loans.

**"Royal Decree 1643/1990"**: Means Royal Decree 1643/1990 of 20 December 1990 approving the Accounting General Plan.

**"Royal Decree 926/1998"**: Means Royal Decree 926/1998 of 14 May 1998 regulating Asset Securitisation Funds and Securitisation Fund Management Companies.

**"Royal Decree 1777/2004"**: Means Royal Decree 1777/2004 of 30 July 2004 approving the Corporate Income Tax Regulations (Reglamento del Impuesto sobre Sociedades).

**"Royal Decree 1310/2005"**: Means Royal Decree 1310/2005 of 4 November 2005 whereby Stock Market Act 24/1988 of 28 July 1988 was partially developed as regards admission to trading of securities on official secondary markets, public offers of sale or subscription and the prospectus required for these purposes.

**"Royal Legislative Decree 4/2004"**: Means Royal Legislative Decree 4/2004 of 5 March 2004 approving the consolidated text of the Corporate Income Tax Act (Ley del Impuesto sobre Sociedades).

**"Royal Legislative Decree 1/1993"**: Means Royal Legislative Decree 1/1993 of 24 September 1993 approving the consolidated text of the Transfer Tax and Stamp Duty Act (Ley del Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados).

**"Regulation (EC) 809/2004"**: Means Commission Regulation (EC) 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

**"Internal Rules of Conduct"**: Means the internal Rules of Conduct of the Management Company in application of the provisions of Chapter II of Royal Decree 629/1993 of 3 May 1993 on the rules of acting on the stock markets and obligatory registers, of which the CNMV has been notified.

**"Election Requirements"**: Means the requirements to be satisfied by the Additional Credit Rights to be assigned to and included in the Fund on the corresponding assignment date.

**"Global Requirements"**: Means the requirements the Additional Credit Rights must satisfy as a whole to be assigned to and included in the Fund on the corresponding assignment date.

**"Individual Requirements"**: Means the individual requirements each of the Additional Credit Rights must satisfy to be assigned to and included in the Fund on the corresponding assignment date.

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**"Withholding of Principal"**: Means, on each Payment Date, the positive difference, if any, on the Determination Date preceding the corresponding Payment Date between (i) the Outstanding Principal Balance of Class A, B and C Bonds, and (ii) the sum of the Outstanding Balance of the Credit Rights which do not have any payment instalment delinquent for eighteen (18) months or more.

**"Initial Balance of the Credit Rights"**: Means the assignment price for the Initial Credit Rights.

**"Nominal Outstanding Balance" or "Outstanding Principal Balance of the Bonds"**: Means the total outstanding balances on the Bonds of all Classes (i.e. the principal amount of the Bonds pending redemption).

**"Outstanding Balance of the Credit Rights" or "Outstanding Balance"**: Means the amounts of principal due and unpaid together with amounts of principal still not due and pending maturity of the Credit Rights, that is to say, including the amounts due and unpaid.

**"Santander Consumer"**: Means, Santander Consumer, E.F.C., S.A.

**"SCF"**: Means, Santander Consumer Finance, S.A.

**"Class"**: Means each one of the four (4) classes into which the overall amount of the Bond issue is divided.

**"Class A"**: Means the Class with a total face value of ONE BILLION NINE HUNDRED TWO MILLION EUROS (€ 1,902,000,000), comprised OF NINETEEN THOUSAND TWENTY (19,020) Bonds of ONE HUNDRED THOUSAND EUROS (€ 100,000) face value each.

**"Class B"**: Means the Class with a total face value of SEVENTY-EIGHT MILLION EUROS (€78,000,000), comprised of SEVEN HUNDRED EIGHTY (780) Bonds of ONE HUNDRED THOUSAND EUROS (€100,000) face value each.

**"Class C"**: Means the Class with a total face value of TWENTY MILLION EUROS (€20,000,000), comprised of TWO HUNDRED (200) Bonds of ONE HUNDRED THOUSAND EUROS (€100,000) face value each.

**"Class D"**: Means the Class with a total face value of FORTY MILLION EUROS (€40,000,000), comprised of FOUR HUNDRED (400) Bonds of ONE HUNDRED THOUSAND EUROS (€100,000) face value each.

**"Management Company"**: Means Santander de Titulización, S.G.F.T., S.A.

**"Standard & Poor's"**: Means Standard & Poor's España, S.A.

**"CAPR"**: Means Constant Annual Prepayment Rate.

**"IRR"**: Means the Internal Rate of Return for the Bondholders of each Class.

**"Nominal Interest Rate"**: Means the interest rate applicable to each Class of Bonds on each Interest Payment Date, resulting from adding the margin corresponding to each of the Classes to the Reference Interest Rate.

**"Reference Interest Rate"**: Means the interest rate which is used to determine the Nominal Interest Rate.