STANDARD & POOR'S

STRUCTURED FINANCE

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RMBS Presale Report

Fondo de Titulización de Activos UCI 16

€1,819.8 Million Floating-Rate Notes

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Class	Prelim. rating*	Prelim. amount (Mil. €)	Available credit support (%)	Interest	Legal final maturity
A1	AAA	430.0	7.90	Three-month EURIBOR plus a margin	June 16, 2049
A2	AAA	1,247.6	7.90	Three-month EURIBOR plus a margin	June 16, 2049
B	A-	72.0	3.90	Three-month EURIBOR plus a margin	June 16, 2049
C	BBB	41.4	1.60	Three-month EURIBOR plus a margin	June 16, 2049
D	BB	9.0	1.10	Three-month EURIBOR plus a margin	June 16, 2049
E	CCC-	19.8	N/A	Three-month EURIBOR plus a margin	June 16, 2049

**The rating on each class of securities is preliminary as of Oct. 4, 2006 and is subject to change at any time. Final credit ratings are expected to be assigned on the closing date subject to a satisfactory review of the transaction documents and legal opinion, and completion of a corporate overview. Standard & Poor's ratings address timely interest and ultimate principal.N/A—Not applicable.*

Transaction Participants	
Seller, servicer, and originator	Unión de Créditos Inmobiliarios, Establecimiento Financiero de Crédito S.A. (UCI S.A.)
Backup servicer	Banco Santander Central Hispano, S.A.
Underwriters	Banco Santander Central Hispano, S.A. and BNP Paribas
Trustee ("*sociedad gestora*")	Santander de Titulización, S.G.F.T., S.A.
GIC provider	Banco Santander Central Hispano, S.A.
Mortgage insurance provider	Genworth Financial Mortgage Insurance Ltd.
Transaction account provider	Banco Santander Central Hispano, S.A.

Supporting Ratings	
Institution/role	Rating
Banco Santander Central Hispano, S.A. as GIC provider, transaction account provider, and backup servicer	AA-/Positive/A-1+
Genworth Financial Mortgage Insurance Ltd. as mortgage insurance provider	AA/Stable/— (local currency)

Transaction Key Features*	
Expected closing date	October 2006
Collateral	Mortgage loans secured by first-ranking mortgages on residential properties and possibly their associated second-ranking mortgages** or unsecured personal loans (both the "associated loans") with a market LTV ratio of less than 100% at closing. This includes 2.9% of the collateral with a maximum of five years initial interest rates and then floating interest rates from 2011 until maturity
Number of borrowers/loans	12,618/17,304
Principal outstanding (Mil. €)	1,911.8
Country of origination	Kingdom of Spain
Concentration	Andalusia (27.1%), Madrid (13.4%), Catalonia (13.4%), and Valencia (12.7%)

Transaction Key Features*	
Weighted-average LTV ratio (%)	73.85***
Average loan size balance (€)	151,515
Loan size range (€)	34.7 to 601,212.0
Weighted-average seasoning (months)	9.0
Weighted-average asset life remaining (years)	31.9
Weighted-average mortgage interest rate (%)	4.22
Arrears (%)	None over one month
Redemption profile	Amortizing
Excess spread at closing (%)****	1.51
Cash reserve (Mil. €)	19.8 (1.1%)
Mortgage priority	First- and second-lien (with its first-lien always in favor of UCI)
Maximum LTV ratio (%)	100.00****
Jumbo loan > €400,000	276

*Preliminary pool as of Sept. 12, 2006. Calculations take into account the combined balance of the first-lien mortgage and its associated loan where applicable.
**For all second-lien mortgages, the related first-lien mortgage is also in the pool.
***The LTV ratio was calculated using the value of the underlying assets obtained from certified appraisers. However, some of the loans in the pool were granted under the "VPO" or "*Vivienda de Protección Oficial*" subsidized regime (see "*Collateral Description*"). The sale value of homes acquired under this regime could be lower than the value obtained from appraisers, leading potentially to higher effective LTV ratio figures.
****Excess spread was calculated taking into consideration the spread over certain indices as of Sept. 12, 2006.

Transaction Summary

Preliminary credit ratings have been assigned to the €1,819.8 million floating-rate notes to be issued by Fondo de Titulización de Activos UCI 16 (UCI 16).

UCI 16, as the issuer, will acquire credit rights backed by mortgage loan participations and possibly by an associated personal or second-lien mortgage loan (with its first-liens always in favor of Unión de Créditos Inmobiliarios, Establecimiento Financiero de Crédito S.A. (UCI S.A.). These are ultimately backed by a pool of first-ranking mortgages secured over owner-occupied residential properties in Spain and a pool of unsecured personal and second-lien mortgage loans associated with the first-ranking mortgages from the seller, UCI. To fund this purchase, UCI 16 will issue five classes of floating-rate notes.

The initial reserve fund (1.1%) will be funded at closing using the proceeds from the issuance of the rated class E notes.

The originator of the assets is UCI, which was incorporated in 1989 as a specialized mortgage lending company. The capital in its immediate holding company (UCI), which holds 100% of the shares in the originator, is 50% owned by SCH and 50% by BNP Paribas (AA/Stable/A-1+).

UCI originates residential mortgage loans to individuals through a network of Spanish real estate agents that brings business to UCI through one of its 59 branches around Spain or through around 45 agents covering other areas of the country. Mortgage servicing and risk decision-making is centralized in Madrid. As of June 30, 2006, UCI managed some €8.5 billion of assets in Spain, of which 62% has been securitized through 14 Spanish RMBS transactions.

All of UCI's mortgage properties were valued by a single appraising entity duly registered in the official Register of the Bank of Spain, giving a consistent means of calculating the LTV ratio and scoring expected loss model.

The assets will be insulated from the insolvency of the originator and "*sociedad gestora*" (fund manager).

Notable Features

This transaction is similar to the previous mortgage securitization undertaken by UCI in April 2006, Fondo de Titulización de Activos UCI 15 (UCI 15), both in terms of structure and the type of assets being securitized.

In this transaction, loans covered by the Genworth Financial Mortgage Insurance Ltd. guarantee and entering into arrears will have the maximum claim amount brought forward to the 27th month instead of at the end of the repossession and foreclosure period.

Strengths, Concerns, And Mitigating Factors

Strengths

- UCI is an experienced originator and servicer of mortgage loans, with 14 previous RMBS transactions.
- Genworth Financial Mortgage Insurance, a monoline mortgage insurer, has insured 28.8% of the outstanding balance of the first-lien mortgage loans together with their respective associated personal and second-lien mortgage loans.
- Protection for the noteholders is provided by credit enhancement including subordination, a 151 bps excess spread (before stresses), a 1.1% initial cash reserve fully funded at closing, and mortgage insurance provided by Genworth Financial Mortgage Insurance.
- The collateral has a varied geographic distribution (with 79.1% distributed across six regions), with the largest concentrations in the major economic areas of Andalusia, Madrid, Catalonia, and Valencia.
- There is provision for the mortgages and associated loans, which form the collateral, to be written off depending on their LTV ratios and length of arrears and possible coverage by Genworth Financial Mortgage Insurance's mortgage insurance.

- At closing, none of the borrowers will have been delinquent longer than one month.

Concerns

- The characteristics of some of the underlying mortgage loans in the pool being securitized have a negative effect on the credit quality of the collateral and future cash flows (see "*Collateral Description*").
- There is basis risk, as the assets in the portfolio are referenced to different indices: (i) *Indice de Referencia de los Prestamos Hipotecarios* or average rate of Spanish lending institutions calculated by the Bank of Spain (IRPH Cajas, 91.5% of the portfolio with an average margin of 0.49%) and (ii) one-year EURIBOR or MIBOR (8.5% of the portfolio with an average margin of 0.71%)**,** which resets interest at different dates (80% reset semiannually and 20% annually). In addition, there is interest rate risk for the portion of the pool with an initial fixed interest rate period (2.9% of the collateral at closing has an initial fixed-rate period).
- There are interest deferral triggers that are more protective toward senior noteholders than subordinated noteholders in cases of poor economic performance. This feature is seen in priorities of payments that combine interest and principal and hitting these interest triggers would lead to interest from the junior notes being used to repay the most senior notes.
- The reserve fund can start to amortize, providing that it has reached 2.2% of the initial mortgage balance.

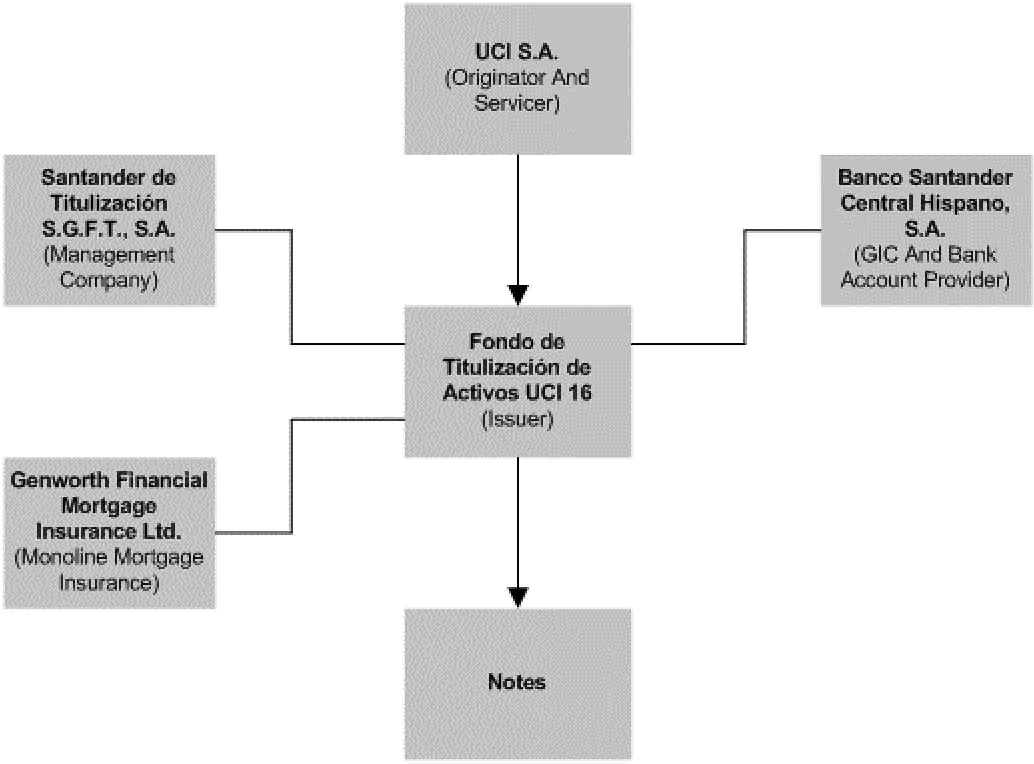
Mitigating factors

- All special features of the secured and unsecured loans have been taken into account when modeling cash flows and assessing the credit quality of the pool.
- Standard & Poor's has taken into account basis risk and interest rate risk when calculating the credit enhancement levels for the transaction. Pro rata amortization has been modeled, and the structure will revert to purely sequential amortization if a series of conditions are met (see "*Redemption of the notes*").
- This interest deferral trigger structure is typical in Spanish RMBS transactions and credit enhancement is sized accordingly for the junior notes.
- The reserve fund will be fixed for the first three years and will be subject to a floor, which will vary depending on the number of loans in arrears. Above a certain level of delinquent loans, the reserve fund will stop amortizing.

Transaction Structure

The originator and servicer, UCI, will sell a closed pool of mortgage participations and credit rights to an SPE or "*fondo*" on the closing date (see chart 1). The sole purpose of the SPE is to purchase these mortgage participations and credit rights through the issuance of the notes and to conduct related activities.

Chart 1
Fondo de Titulización de Activos UCI 16



Spanish mortgage securitization law requires the notes to be issued by a "*fondo*", whose activities are managed by a fund manager, in this case Santander de Titulización, S.G.F.T, S.A. (Santander de Titulización), an independent management company authorized by the Ministry of Economy and Treasury. The fund manager will represent and defend the interests of the noteholders and will enter into various contracts for the issuer.

As servicer, UCI will be responsible for the day-to-day administration and ongoing servicing of the underlying portfolio of loans. Santander de Titulización will be responsible for producing all reports and accounts for the fund and Standard & Poor's in connection with the performance of the mortgages.

Standard & Poor's review of UCI's origination process and collection and default management procedures indicates that UCI is capable of performing the functions necessary to ensure the collection of borrower payments and the management of arrears and repossessions.

To meet full and timely payment of interest, the issuer may use principal receipts (if not needed to redeem note principal) to fund interest payments on the notes.

Fund Manager

The fund manager is Santander de Titulización S.G.F.T., S.A. The creation of the fund manager was authorized by the Ministry of Economy and Treasury in December 1992. Under Spanish mortgage securitization law, the day-to-day operations of the issuer are managed by a fund manager, which will represent and defend the interests of the noteholders. The manager, on behalf of the issuer, will enter into certain contracts (in this case, a GIC agreement) needed to protect it against certain credit losses and liquidity shortfalls assumed to arise in connection with holding the credit rights and mortgage participations.

Mortgage Insuror

Genworth Financial Mortgage Insurance was incorporated in the U.K. in 1991 and is a monoline mortgage insurance company. The company operates in 12 European countries.

Genworth Financial Mortgage Insurance, an indirect wholly owned subsidiary of Genworth Financial, is a leading insurance holding company in the U.S. Genworth Financial Mortgage Insurance has a Standard & Poor's financial strength rating of AA/Stable/—.

Collateral Description

The pool was originated between January 1999 and June 2006. Of the loans, 62.9% are backed solely by a mortgage loan, whereas 37.1% are backed both by a mortgage loan (up to an 80.0% LTV ratio) and a complementary second-lien or unsecured personal loan. The collateral, as in previous UCI transactions, incorporates loans with specific characteristics as follows:

- Associated personal loans and second-lien mortgage loans: Of the first-lien mortgages in the pool, 29% have an associated unsecured loan and 8% have a second-lien mortgage. Of the outstanding balance of both types of products, 77% are covered by the policy granted by Genworth Financial Mortgage Insurance.
- Inflation-linked loans: Of the borrowers in the pool, 81% may limit the increase in their installment to a maximum of 200% for annual resets or 100% for semiannual resets of the Spanish inflation rate, and can exercise this option once a year in the first three years of the loan. The difference between the actual limited installment and the required installment without this feature is capitalized. None of the borrowers in the pool to be securitized have used this option in the last year. As in previous transactions, if on any interest payment date, more than 7% of the borrowers exercise this option, the excess spread available after all payments in the priority of payments will be deposited in the GIC until the above percentage is below 7%.
- "*Cuota comodín*": Of the mortgage loan balance, 11% may use this feature, which allows borrowers to defer one payment on their mortgage (this amount will be added to total principal) once a year during the first three years of the mortgage.
- "*Cuota fácil*": Of the mortgage balance, 19% benefits from a lower pre-agreed installment amount during the first three years of the life of the loans. The difference between the initial installment and the required installment without this feature is capitalized.
- "*Cambio de casa*" (bridging loan): Of the mortgage balance, 27% is formed by loans granted to individuals who have not yet sold their current home but are seeking to purchase a new one. Borrowers with this option have a maximum of two years to sell their current home. Currently, 16% of the outstanding balance of loans granted to borrowers with this option have sold the house the loan was initially secured on.
- "*Prestamo Joven*" (young loan): Of the mortgage balance, 39% is formed by loans granted to young borrowers to purchase a new home. Borrowers with this option can benefit from an interest only (IO) period ("*Carencia de capital*") of up to five years. Currently, 81% of the borrowers exercise this option with an average IO end period in August 2010.

All loans in the portfolio are amortizing, with monthly installments due on the fifth day of each month. However, some of the loans have temporary periods of lower monthly payments, which are later reassessed to a higher level depending on the specific characteristics of every loan. At origination, loans with these features are granted based on the capacity of the borrower to pay the final increased monthly payment stressed at a higher interest rate than origination conditions.

The pool is made up of mortgage and personal loans referenced to four different indices, the majority of them resetting interest semiannually (80%). Of the loans, 91.5% are indexed to IRPH Cajas and 8.5% indexed to the Bank of Spain's EURIBOR or MIBOR (12-month EURIBOR or MIBOR).

Of the outstanding value of the loans in the pool, 15% is linked to homes acquired under a subsidized regime for the acquisition of a home ("*Vivienda de Protección Oficial*" or "*VPO*") granted by a local or regional Spanish entity. These subsidies imply that the relevant mortgage borrower is only able to sell his/her home at a maximum price, normally under the value obtained by certified appraisers and regardless of the evolution of house price indexes. This effect could lead to higher effective LTV ratio figures for this group of loans, unless paying back the subsidies in some instances which would put it at at a market value comparable to the rest of the pool.

Further details of the collateral pool are shown in charts 2 to 4.

Chart 2: Current LTV Ratio Distribution

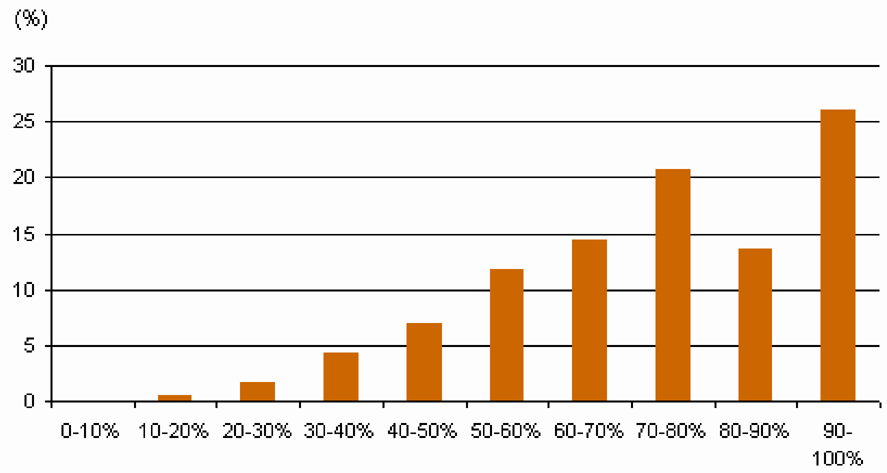


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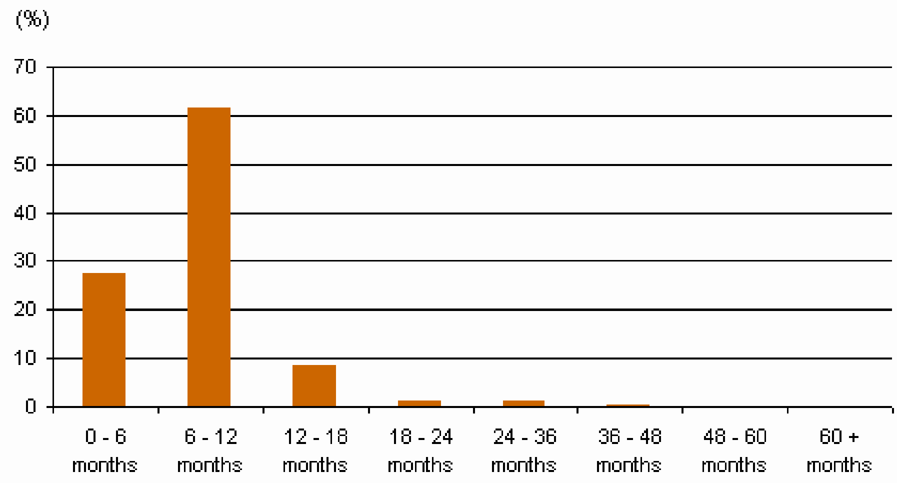
Chart 3: Seasoning Distribution



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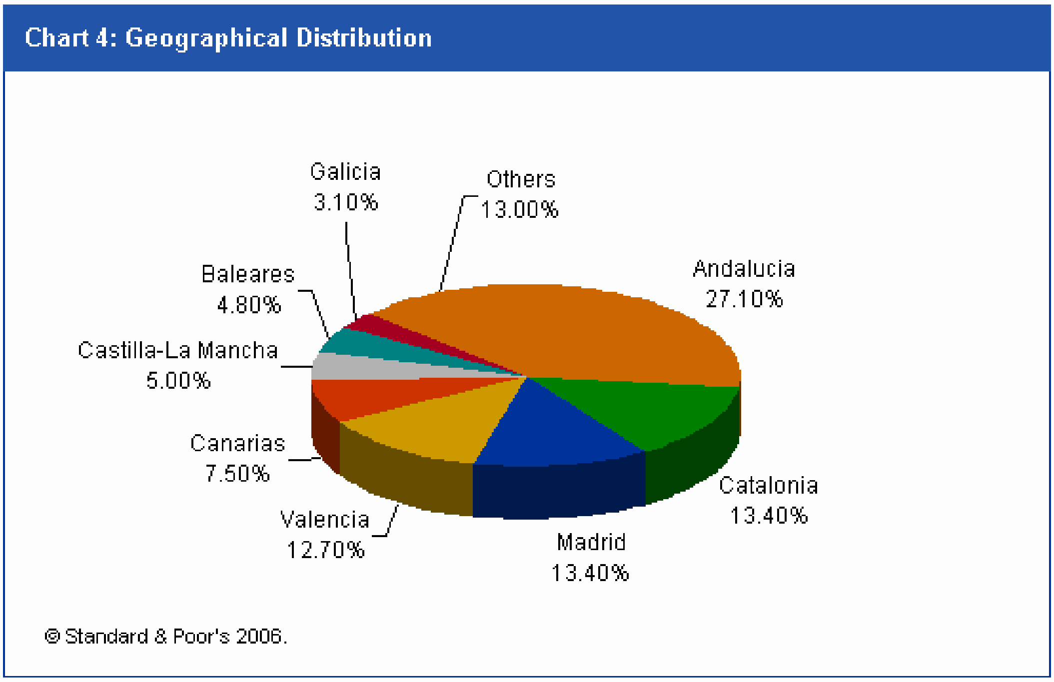

Credit Structure

Mortgage insurance

Genworth Financial Mortgage Insurance protects the lender in a first-loss position if a mortgage borrower defaults on a loan and the proceeds of the sale of the property are insufficient to repay the outstanding debt. The specific insurance policy is very close to the ones reviewed under the transactions Fondo de Titulización de Activos UCI 11, UCI 14, and UCI 15 rated by Standard & Poor's in recent years. The accelerated payment feature allows the issuer to receive the maximum claim amount covered by Genworth no later than 24 months after the borrower defaulted (defined as 90 or more days in arrears).

Of the associated loans and second-lien mortgages, 28.8%, together with the corresponding mortgage loans, are covered by Genworth Financial Mortgage Insurance. Eligible loans are those that at the time of origination had an LTV ratio between 80% and 97% (100% for more recently originated loans) and meet the terms and conditions under the mortgage insurance policy signed with Genworth Financial Mortgage Insurance. The amount covered and maximum claim will be the difference between the initial amount of the loan and 78% of the original appraisal value. Coverage is constant for the life of both loans.

The ratings on the notes will be dependent on the rating on Genworth Financial Mortgage Insurance and credit to the insurance has been given based on this rating.

Flow of funds

Borrowers will make their payments directly to UCI into a bank account with Banco Santander Central Hispano, S.A (SCH), which will then pay these amounts to the issuer's bank account at SCH within 24 hours. If SCH's short-term rating falls below 'A-1+', the issuer's account will be transferred to an appropriately rated institution. If UCI becomes insolvent, the bank accounts provider will transfer all amounts received under the collateral to the account of the issuer.

Account for excess funds

If the credit quality of the bank account provider adversely affects the rating on the notes, the funds held in the accounts with the bank account provider in excess of 20% of the outstanding balance of the notes will be transferred immediately to an 'A-1+' rated financial entity.

If the rating on the entity where the account for excess funds is held is downgraded below 'A-1+', the trustee will have 30 days either to find an 'A-1+' rated replacement entity or obtain a guarantee from an 'A-1+' rated entity.

Reserve fund

The issuer will establish a fund on the closing date with the proceeds from the class E notes. It may be replenished on each interest payment date.

The class E notes will fund the reserve fund up to 1.1% of the initial outstanding balance of the notes. The reserve fund may decrease, however, once it reaches 2.2% of the outstanding balance of the loans, and depending on the level of arrears (defined as greater than 90 days), the required reserve fund will be as follows:

- If arrears are below 0.75%, it will be 0.40% of the initial balance of the notes.
- If arrears are between 0.75% and 1.25%, it will be 0.70% of the initial balance of the notes.
- If arrears are above 1.25%, it will be the maximum between 2.2% of the outstanding balance of the notes and the maximum of 0.80% of the initial balance of the notes and the required reserve fund at the immediately previous interest payment date.

There will be no decrease of the reserve fund if at any time:

- The weighted-average interest rate on the loans is lower than the weighted-average interest rate on the notes plus 0.4%;
- There is any deficit of amortization as defined in the documents; or
- The balance of the collateral is lower than 10% of the issuance amount.

Redemption Of The Notes

The amortization amount will be determined as the outstanding balance of the notes minus the difference between the outstanding balance of the collateral and a percentage of the loans in arrears over 18 months.

As in previous UCI transactions, the write-off of delinquent loans will be gradual based on LTV ratios and the delinquency period as outlined in table 1.

Table 1: Write-Off Rules

	18 months (%)	24 months (%)	36 months (%)	48 months (%)
LTV ratio > 80%	100	100	100	100
LTV ratio 60 to 80%	50	75	100	100
LTV ratio 40 to 60%	25	50	75	100
LTV ratio < 40%	0	0	25	50
Associated personal and second-lien mortgages insured by Genworth Financial Mortgage Insurance	25	50 On month 27, write-off will be for 100%	75	100
Associated loans and second-lien mortgages (not insured)	100	100	100	100

The notes will pay sequentially unless the following conditions are met, in which case the payments will be pro rata:

- The class B, C, and D notes have doubled their initial proportion of the amount of all classes of notes at closing;
- The reserve fund is fully topped up;
- Arrears over 90 days are lower than 2% of the balance of the assets;
- Principal deficiency is lower than the outstanding balance of the class E notes; and
- The balance of the assets is greater than 10% of the note issuance at closing.

Unless redeemed earlier, the notes will be redeemed at their maturity 36 months after the maturity of the longest-term loan in the pool.

The notes may be fully redeemed if:

- The balance of the collateral falls below 10% of its original balance; or
- The fund manager becomes insolvent, or its authorization is revoked and no replacement is found.

Priority Of Payments

On each quarterly interest payment date, the issuer will pay in arrears the interest due to the noteholders. To make the payments, the issuer's available funds will include interest received under the loans, the proceeds of the interest swap, interest earned on the GIC, the reserve fund, and, if necessary, principal received under the loans and any other proceeds received in connection with the loans (e.g., the anticipated maximum claim for loans insured by Genworth).

All interest and principal received can be mixed to pay principal and interest due under the notes.

A trigger will be implemented to partially postpone interest on the more subordinated notes for the benefit of payment of principal for the more senior notes. The trigger will be activated if the more senior notes are not sufficiently covered by the collateral.

However, when the trigger is activated, there will still be an interest payment on the postponed class ranking senior to principal repayment of the notes if the ratio of accumulated defaults over the initial balance of the collateral is under 9.6%. The available funds for this payment will not include principal collections on the collateral, any amounts from the reserve fund, or cash received from the swap.

The triggers are as follows:

- Interest on the class B notes will be partially deferred if the outstanding balance of the class A notes minus the available funds after payment of interest on the class B notes and the performing balance of the collateral is greater than zero.
- Interest on the class C notes will be partially deferred if the outstanding balance of the class A and B notes minus the available funds after payment of the interest on the class C notes and the performing balance of the collateral is greater than zero.
- Interest on the class D notes will be partially deferred if the outstanding balance of the class A, B, and C notes minus the available funds after payment of the interest on the class C notes and the performing balance of the collateral is greater than zero.

Standard & Poor's Stress Test

Standard & Poor's analysis includes a conservative assessment of the credit risk inherent in the transaction. The credit enhancement levels have been sized after analyzing the impact that severe stress scenarios would have on the mortgage loan collateral. As a result of this analysis, Standard & Poor's estimated the largest amount of potential losses that could occur as a result of these stress scenarios and set the amount of loss protection required on the notes.

Specific penalties were applied with respect to the levels of aggregate defaults expected in the pool to reflect the foreclosure frequency attached to specific assets and/or the assets' location, and any terms and conditions that might increase or decrease credit risk. The analysis fully reflects the specific features of the Spanish market with respect to loss severity, foreclosure costs, and foreclosure periods.

A cash flow model was run simulating the portfolio's performance within the transaction's documented structure under certain rating scenarios, to stress liquidity and the level of excess spread in the transaction. Prepayment levels, fees and expenses paid by the issuer, and delinquencies were the most important parameters stressed in all the cash flow model simulations that were run.

Key Performance Indicators

The key performance indicators in the surveillance of this transaction are:

- Total and 90-day delinquencies;
- Cumulative realized losses;
- LTV ratios and seasoning;
- Constant prepayment rates;
- Supporting parties' credit risk evolution; and
- Increases in credit enhancement for the notes.

Criteria Referenced

- "*European Legal Criteria for Structured Finance Transactions*"(published on March 23, 2005).
- "*Methodology Behind European RMBS Indices*" (published on Nov. 8, 2004).
- "*Cash Flow Criteria for European RMBS Transactions*" (published on Nov. 20, 2003).
- "*Criteria for Rating Spanish Residential Mortgage-Backed Securities*" (published on March 1, 2002).

Related Articles

- "*European RMBS H2 2006 Outlook Report: RMBS Continues To Dominate Funded Securitization Market*" (published on July 26, 2006).
- "*Increasing Maturity And Issuance For Spanish Securitization In 2006*" (published on Jan. 30, 2006).
- "*Ratings Transitions 2005: Activity More Muted But Upgrades Still Dominate European Structured Finance*" (published on Jan. 11, 2006).
- "*Sophistication Of Mortgage Credit Pricing To Benefit European RMBS*" (published on Oct. 10, 2005).

All criteria and related articles are available on RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at www.ratingsdirect.com. The criteria can also be found on Standard & Poor's Web site at www.standardandpoors.com.