Rating Action: FTA Santander Consumer Spain 07-2

Moody's assigns definitive ratings to Spanish consumer loan-backed securities issued by FTA Santander Consumer Spain 07-2

EUR1,020 million of securities rated

Madrid, September 17, 2007 -- Moody's Investors Service has today assigned the following ratings to the debt to be issued by FTA Santander Consumer Spain 07-2:

- Aaa to the EUR929.0 million Series A notes

- Aa3 to the EUR27.0 million Series B notes

- A1 to the EUR17.5 million Series C notes

- Baa3 to the EUR26.5 million Series D notes

- Caa2 to the EUR20.0 million Series E notes

FTA Santander Consumer Spain 07-2 is the fourth consumer loan-backed securitisation transaction carried out by Santander Consumer EFC, S.A (Santander Consumer) to date, and the first such deal including consumer loans different from auto loans.

In Moody's view, the strengths of this deal include, among others, (1) a swap agreement guaranteeing an excess spread of 275 bppa and covering the servicing fee should Santander Consumer be substituted as servicer of the pool; (2) a 12-month artificial write-off mechanism; (3) a granular securitised pool; and (4) sequential amortisation of the notes.

The weaknesses of the deal include: (1) a revolving period of up to two years; (2) the relatively low seasoning; (3) the negative impact of the interest deferral trigger on the subordinated series; (4) the non-standard cash reserve amortisation pattern; and (5) the sensitivity of junior series (Series C and D) to back loaded timing of default scenarios. These increased risks were reflected in the credit enhancement calculation.

The provisional pool of underlying assets comprised, as of August 2007, a portfolio of 120,096 loans granted to 117,858 borrowers resident in Spain. The pool is composed of a mixture of auto loans (71%) and other type of consumer loans (29%). Most of the debtors (96%) are individuals, out of which 13% are self-employed. The loans have been originated between 2001 and 2007, with a weighted average seasoning of 9.4 months and a weighted average remaining life of 5.3 years. The weighted average interest rate is 7.98%, with all the loans having a fixed interest rate. All of the loans hold a personal guarantee. Geographically, the pool is concentrated in Andalusia (24%), Canary Islands (18%) and Catalonia (12%). At closing, there will be no loans that are more than 30 days in arrears.

Moody's bases the ratings primarily on the following factors: (i) an evaluation of the underlying portfolio of loans; (ii) the strict eligibility criteria with which any receivable must comply in order to be included in the securitised pool; (iii) the early amortisation triggers put in place to stop the purchase of additional loans; (iv) historical performance information; (v) the swap agreement; (vi) the credit enhancement provided through the GIC accounts, the excess spread, the reserve fund and the subordination of the notes; and (vii) the legal and structural integrity of the transaction.

The ratings address the expected loss posed to investors by the legal final maturity (20 August 2022). In Moody's opinion, the structure allows for timely payment of interest and ultimate payment of principal at par with respect to the Series A, B, C and D notes, and for ultimate payment of interest and principal at par with respect to the Series E notes, on or before the final legal maturity date. Moody's ratings address only the credit risks associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.

Moody's will monitor this transaction on an ongoing basis. For updated monitoring information, please contact monitor.abs@moodys.com.

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