UCI 6, Fondo de Titulización de Activos

SPAIN

THIS PRE-SALE REPORT IS BASED ON INFORMATION PROVIDED TO MOODY'S AS OF MARCH 23RD, 2000. FINAL RATINGS ON THE TRANSACTION MAY DIFFER FROM THE PRELIMINARY RATINGS, BASED ON SUBSEQUENT CHANGES IN INFORMATION. ANY SUBSEQUENT CHANGES WILL BE DISSEMINATED BY MOODY'S THROUGH ITS RATING DESK.

CLOSING DATE:
June 2000

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TRANSACTION IN BRIEF

	Senior Series A	**Subordinated Series B**
Rating:	**Aaa**	**A2**
Amount:	€ 436.4 mill	€ 20.6 mill
Coupon:	Euribor + 0.295%	Euribor + 0.775%
Payment Dates:	Feb 16th, May 16th, Aug 16th, Nov 16th	

Final Maturity: Nov 16th, 2029
Issuer: UCI 6, Fondo de Titulización de Activos

Originators/Administrators Union de Creditos Inmobiliarios, S.A. (UCI)
Management company (Gestora) BSCH de Titulización, S.G.F.T., S.A.
Depository/ Paying Agent: Banco Santander Central Hispano **(Aa3, Prime-1)**
GIC Provider: Banco Santander Central Hispano **(Aa3, Prime-1)**

- **Collateral Characteristics**

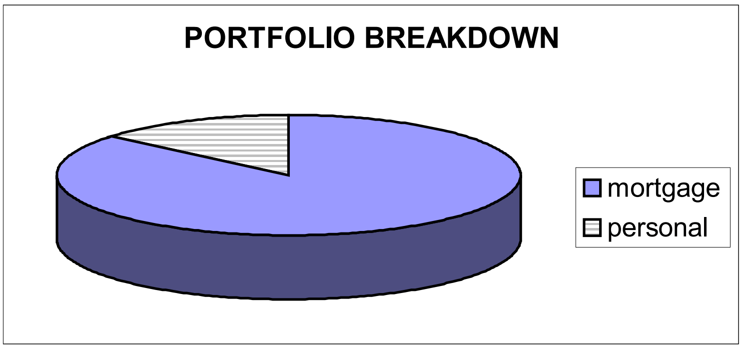
Type: CREDIT RIGHTS – from now on "CR's"
CR's = Mortgage shares (Participaciones Hipotecarias "PH's") + Personal Loans (PL's)
Coupon: Underlying CR's rate
Count: 7.158 mortgage loans
6.215 personal loans

Total Amount (Approx.):			
Mortgage Pool:	65.772 mill Ptas.	(€ 395.3 mill)	86½%
Personal Pool:	10.266 mill Ptas.	(€ 61.7 mill)	13½%

- **Provisional Pool of**

Underlying	**Mortgage Loans**		**Personal Loans**	
Type:	Primary residential mortgage loans located in Spain.		Personal Loans granted to finance amounts that exceed 80% LTV.	
WALTV:	64.46%			
Average Loans:	€ 56,500		€ 10,000	
WAC (Current):	4.51%		5.88%	
WA Margin	1.36%		2.28%	
Interest Basis:	Variable		10% Mixed (Fixed for 5 years then variable MIBOR 12M)	
Indices:	EURIBOR 12M	0.01%	MIBOR 12M	99.77%%
	IRPH	0.22%	EURIBOR 12M	0,23%%
	MIBOR 12M	90.82%		
	MIBOR 3M	0.43%		
	MIBOR 6M	8.50%		
Performance	≤ 1month in arrears		≤ 1 month in arrears	

Orig. Loan Purpose: Purchase, Construction and Renovation of primary residence
Geog. Concentrations: Madrid (27.70%), Andalucia (24.30%) and Cataluña (15.70%)
Structure: Senior / Mezzanine / Reserve Fund
Credit Enhancement: 4.50% B Bond, 2.10% Reserve Fund, Spread
Issue Date: June 2000



RATING OPINION

Moody's ratings of the Series A and Series B Bonos de Titulización de Activos (BTA's asset securitization bonds) issued by UCI 6 are based on:

- the legal characteristics of the CR shares (Participaciones Hipotecarias - "PHs" + Personal Loans)
- a loan by loan analysis of the quality of the mortgage loans underlying the mortgage shares,
- the analysis of the personal loans component of the portfolio,
- the analysis of other types of risk, including operational risk, prepayment, interest rate, and liquidity risk, as well as legal risk,
- the adequate credit enhancement, i.e. the subordination available to each rated class which partially off-sets the above risks, (the subordinate position of the Series B Mezzanine Bonds with respect to the Series A Bonds),
- the strength of the cash flows, including the reserve fund and any excess spread available to cover losses
- the experience of the Gestora BSCH de Titulización S.A., S.G.F.T., and the supporting guarantee of the Gestora obligations by all of its shareholders.
- and the contractual obligations and credit strength of the parties to the transaction.

Moody's evaluation included the legal and regulatory context of the primary and secondary mortgage market and of structured transactions in Spain.
The ratings assigned to the BTA's address the timely payment of interest and payment of principal on or before the final maturity of the transaction in November 16th 2029.

RATING SUMMARY

COLLATERAL

A Combination of Mortgage Loans and Personal Loans

FIRST TRANSACTION WITHIN THE SPANISH MARKET COMBINING MORTGAGE LOANS AND PERSONAL LOANS ASSOCIATED

The portfolio consists of loans issued by Union de Creditos Inmobiliarios SA EFC (UCI – "the Originator" and the "Servicer"). These loans are divided into 2 sub-categories:

A) 86.5% of Mortgage Shares (Participation's Hipotecarias – PH's, provided with a primary residential mortgage loan with the purpose of Purchase).

B) 13.5% of Complementary Personal Loans (CPL's) complementary to the Purchase Mortgage Loans (these loans given at the same moment that the PH's are signed and are not provided with a mortgage lien although some 43% have additional strong guaranties given by relatives). 34% of CPL's are complementary of Ph´s to be securitized in UCI 6, being the rest associated to mortgage loans in UCI's balance sheet or already securitized in previous transactions.

The purpose of the personal loans is to allow the borrower to reach more than 80% LTV financing without exceeding 100%. (I.e. this is done by combining a mortgage loan that will cover up to 80% LTV level and a personal loan that will cover up to the remaining complementary amount up to 20%)

UCI 6 is a deal with a portfolio that combines mortgage loans with personal loans. All loans are issued by Union de Creditos Inmobiliarios - UCI (50% Group BSCH & 50% Group BNP Paribas)

ALL LOANS WITHIN THE PORTFOLIO ARE LINKED TO A MORTGAGE LOAN.

Good Underlying Pool of Loans with 2 Distinct Features

Moody's believes the pool to have several strong characteristics such as good geographical diversification and the exclusion of loans in arrears at closing. UCI 6 has a very good geographical diversification, with only slight concentrations of its loans in Madrid (27.70%), Andalucia (24.30%) and Cataluña (15.70%). All UCI's borrowers have a BSCH bank account where installments are debited on the 5th day of each month. If unpaid it will trigger automatically up to 3 re-debiting in the same month treated by a BSCH Call-Center subsidiary before being attended by the UCI's recollection department.

One noticeable feature of the transaction is that the majority of UCI clients have the option during the first 3 years of the loan to limit the growth in the cash amounts payable under the loan to twice the national inflation rate and to skip up to one payment per year in the first 3 years. Under this system any difference between the floating rate charged on the loan and the cash amount payable in each period is capitalized with the rest of the loan, the original term of each loan could be extended by 7 years in order to absorb the sums then capitalized.

The other distinct feature of the transaction is an element of interest rate risk between the yield earned on the loans and that payable under the bonds.

Although both features are considered somewhat risky, Moody's feels comfortable with these risks given the credit and liquidity support available to the transaction.

Rating Approach

Moody's has analyzed the mortgage pool of loans and the personal pool of loans independently.
The mortgage pool of loans has been analyzed following our Loan by Loan rating approach while the personal loans have been analyzed separately but taking into consideration that every personal loan is linked to a mortgage loan.

The obtained credit enhancement figure will be the enhancement needed to cover both pool of loans weighted by their respective concentrations within the pool.

STRUCTURE SUMMARY

The (BTA's) are issued by a Securitization fund (Fondo de Titulización de Activos) which was created and is managed by BSCH de Titulización S.A., S.G.F.T the management company.

Under Spanish law each PH and in this case each PL (since PL are used for the purpose of acquiring a property) represent a certain percentage of a single mortgage loan for the entirety of its remaining life and grant to its holder the right to undertake executory action against the debtor and, under certain circumstances depending of the global unpaid debt, the right to pursue the debtor.

As the Fondo does not posses juridic personality any such action must be taken on its behalf by the Gestora. In this transaction all of the PH's and PL's represent 100% of the underlying Mortgage loan or Personal loan respectively and pay interest at the CR's rate. Payments of interest on CR's purchased by an asset Securitization fund are not subject to withholding tax (subject to each countries legislation tax)

All of the mortgage loan securing the PH's and PL's were originated by UCI which will continue to service the loans and will substitute or repurchase any PH or PL that is found to be backed by a loan that fails to meet various criteria.

Basis and Liquidity Risk: Deal not protected by a Swap

The structure is exposed to a degree of interest rate risks. The interest payable on the BTA´s Series A and B pay 3 month Euribor, while the PH's and PL's are mostly linked to 12 month Mibor (Official reference of Bank of Spain being equal to the monthly average Euribor 12 month). This transaction is not protected by a swap.
Although Moody's believes that any substantial interest rate mismatches between Euribor and Mibor are likely to be relatively short lived, they could expose the structure to substantial liquidity risks.

This risk is mitigated by the excess spread, the size of the Reserve Fund and of the class B notes also provide protection against the risk that the average interest reset on 3 month Euribor might exceed that of 12 month Mibor over the life of the deal.

Credit Enhancement

Typical Senior-Subordinated Structure

The certificate holders are protected from losses primarily with a traditional senior/ subordinated structure with a Reserve Fund.

- The first layer of CR's protection is **spread** in the transaction, which is the difference between (1) the interest earned on the CR´s (MIBOR + 150bp approximately) (2) and the coupons paid on the BTA's and other obligations plus the Gestora fee. The value of the ongoing spread was assessed under a variety of adverse conditions which would minimize its availability, including high prepayment speeds, various loss distributions, and high arrears levels. Spread that is not used to cover shortfalls of interest or principal or to replenish one of the reserve funds within each interest period is not trapped within the structure.

- The second layer of protection for investors is the **Reserve Fund.** At any moment the maximum credit amount will be, equal to the minimum of the following quantities: 2.1% of the initial CR's balance or 5.5% of the outstanding principal balance of the CR's. The Reserve Fund will never be less than 1% of the Initial CR's Balance.

The Reserve Fund will stop amortizing should any of the following circumstances occur:

⇒ That the Outstanding Nominal Balance of the Certificates issued is greater or equal to the Outstanding Nominal Balance of the Issuer's Bonds

⇒ That the delinquency level is above 3%

⇒ That the Outstanding Nominal Balance of the Defaulted Shares issued is above 0.025% of the Initial Nominal Value of the Share Certificates multiplied by the number of payment dates elapsed since Closing Date.

- The third layer of protection is the **Series B Bonos**, which initially amount to 4.50% of the CR's original balance. Amortization of the Series B Bonos will take place when the outstanding principal balance of the B Bonos is greater than or equal to 8.80% of the outstanding principal balance of the A Bonos. From that moment on, both A and B Bonos will amortize proportionally. The amortization of the B Bonos will cease as soon as the B Bonos reach € 4,570,000, or 1% of the Initial CR's Balance. All the available funds, will then be used to amortize the A Bonos, until they are fully repaid, and then to repay the B Bonos.

Origination/Servicing

Moody's reviewed the facilities, underwriting and collections procedures, and servicing systems of the originators and compared them with the overall lending practices of banks and mortgage lenders in Spain.

Moody's believes UCI is capable of fulfilling its servicing obligations in the transaction due to the support of its parent companies BSCH and BNP Paribas (Aa3 – Prime 1) its direct mainframe connection with BSCH de Titulización, S.G.F.T., S.A., and the evolution of its past transactions which are behaving according to expectations. Should UCI become insolvent, BSCH would automatically be appointed as a back-up servicer

Management Company (Gestora)

The Management Company (Sociedad Gestora) has broad powers under the Spanish Securitization law.

BSCH de Titulización S.A., is wholly owned by the BSCH Group. It has considerable experience on the Spanish MBS and ABS Securitization structures. The obligations of the Gestora within the structure are guaranteed by BSCH, S.A., **(Aa3, Prime-1).**