STANDARD & POOR'S

STRUCTURED FINANCE

Publication Date: Dec. 22, 2004

RMBS Postsale Report

Fondo de Titulización de Activos UCI 11

€850 Million Mortgage-Backed Floating-Rate Notes

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Class	Rating*	Amount (Mil. €)	Available credit support (%)	Interest	Legal final maturity
A	AAA	821.10	4.90	Three- month EURIBOR plus 14 bps	Sept. 15, 2041
B	A	6.00	4.19	Three-month EURIBOR plus 33 bps	Sept. 15, 2041
C	BBB	22.90	1.50	Three-month EURIBOR plus 75 bps	Sept. 15, 2041
Standard & Poor's ratings address timely interest and ultimate principal.					

Transaction Profile	
Closing date	Nov. 22, 2004
Originator and servicer	Unión de Créditos Inmobiliarios Establecimiento Financiero de Crédito
Underwriters	Banco Santander Central Hispano S.A. and BNP Paribas
Fund manager ("sociedad gestora")	Santander de Titulización S.G.F.T. S.A.
Interest swap counterparty	BNP Paribas
Mortgage insurance provider	GE Mortgage Insurance Ltd., part of Genworth Financial, Inc.
GIC provider and transaction account provider	Banco Santander Central Hispano S.A.

Supporting Ratings	
Institution/role	Rating
Banco Santander Central Hispano S.A. as GIC provider and account bank (must be at least 'A-1')	A+/Stable/A-1
BNP Paribas as interest swap provider (must be at least 'A-1')	AA/Stable/A-1+
GE Mortgage Insurance Ltd.	AA/Stable/--

Transaction Key Features*	
Collateral	Mortgage loans secured by first-ranking mortgages on residential properties and their associated personal loans ("associated loans"). The provisional pool includes 38.69% (at closing) of loans with interest rates fixed for the first three to five years. The associated loans, together with their corresponding mortgage loans, are insured by GE Mortgage Insurance Ltd., a monoline mortgage insurer
Principal outstanding (Mil. €)	850
Country of origination	Kingdom of Spain
Geographic concentration (%)	24.08 in Andalucia, 17.62 in Catalonia, and 16.94 in Madrid
Weighted-average LTV ratio (%)	68.98 on the mortgage loans and a combined 73.92 on the total pool including the associated loans
Average loan size balance (€)	103,457 for the combined pool
Loan size range (combined)(€)	1,930 – 351,292.51
Weighted-average seasoning (months)	16.9
Weighted-average asset life remaining (years)	27.21
Weighted-average interest rate (%)	4.29 on the combined pool
Arrears (%)	None
Redemption profile	Amortizing
Excess spread at closing (stressed) (%)	Excess spread of 1.75% until 2006, 1.36% until 2008, and 1.25% thereafter
Cash reserve (Mil. €)	12.75 (1.5% of the issuance amount)
Mortgage priority	First-lien
Maximum LTV ratio (%)	99.82
Jumbo loan >€400,000	None
*The pool data is as of Nov. 22, 2004. **Excess spread is calculated taking into consideration the swap agreement and spread over certain indices.	

Transaction Summary

Credit ratings were assigned to the €850 million mortgage-backed floating-rate notes issued by Fondo de Titulización de Activos UCI 11 (UCI 11).

The purpose of UCI 11 as issuer is to acquire mortgage loan participations and credit rights backed by associated personal loans from the originator, Unión de Créditos Inmobiliarios Establecimiento Financiero de Crédito (UCI), and to issue three classes of floating-rate notes backed by them.

The notes are ultimately backed by a pool of first-ranking mortgages secured over owner-occupied residential properties located in Spain and their associated personal loans, which are insured by GE Mortgage Insurance Ltd. (GE Mortgage Insurance), a monoline mortgage insurer.

Notable Features

UCI 11 is a fondo de titulización de activos (FTA; closed-end asset-backed fund). It is the 11th securitization of UCI's portfolio of Spanish residential mortgages and uses a similar structure to earlier transactions, except for the write-off rules (already introduced in UCI 10) and changes in the deferral of interest. In previous transactions (except UCI 10), the issuer had to amortize the full amount of any loan that had been delinquent for more than 18 months or when being foreclosed. In UCI 11, the percentage of the loans that trigger amortization is a function of the delinquency period and LTV ratio.

Table 1: Write-Off Trigger Levels

	18 months	24 months	36 months	48 months
LTV <40%	0%	0%	25%	50%
LTV 40–60%	25%	50%	75%	100%
LTV 60–80%	50%	75%	100%	100%
LTV >80%	100%	100%	100%	100%
Associated loans with mortgage insurance	25%	50%	75%	100%

The deferral of interest on the subordinated notes is a function of two tests: one based on the principal deficiency and the other on an asset-liability balance.

Furthermore, GE Mortgage Insurance covers 39.15% of the number of mortgage loans securitized, together with their respective associated loans, to mitigate potential losses. This is the first Spanish RMBS transaction with mortgage insurance.

Strengths, Concerns, and Mitigating Factors

Strengths

- UCI is an experienced originator and servicer of mortgage loans, with 10 previous securitizations.
- All the mortgage loans consist of first-charge mortgage loans.
- The pool has a weighted-average seasoning of 16.9 months.
- GE Mortgage Insurance, a monoline mortgage insurer, has insured 34.59% of the outstanding balance of the mortgage pool (3,152 out of 8,216 mortgage loans) with their respective associated personal loans, as well as an additional 65 mortgage loans (whose associated loans have been cancelled).
- The weighted-average LTV ratio of the mortgage pool is 68.98%. The total weighted-average LTV ratio (when the associated loans are added to their respective mortgage loans) is 73.92%.
- Protection for the noteholders is provided by credit enhancements including subordination, a 1.5% initial cash reserve, and mortgage insurance by GE Mortgage Insurance. There is also an interest-rate swap until March 2008, which covers 38.69% of the portfolio at closing. After the swap ends, excess spread is expected to reach 1.25% stressed.
- A fully funded cash reserve was provided at closing.
- There is a varied geographical distribution (more than 80% in six provinces), with the largest concentrations being Andalucia (24.08%), Catalonia (17.62%), and Madrid (16.94%).
- Write-off of the mortgages can start when loans are in arrears from 18 months, and the write-off ratio is a function of the LTV ratio (see "*Notable Features*").
- There is no setoff risk because UCI is not a deposit taker.

Concerns

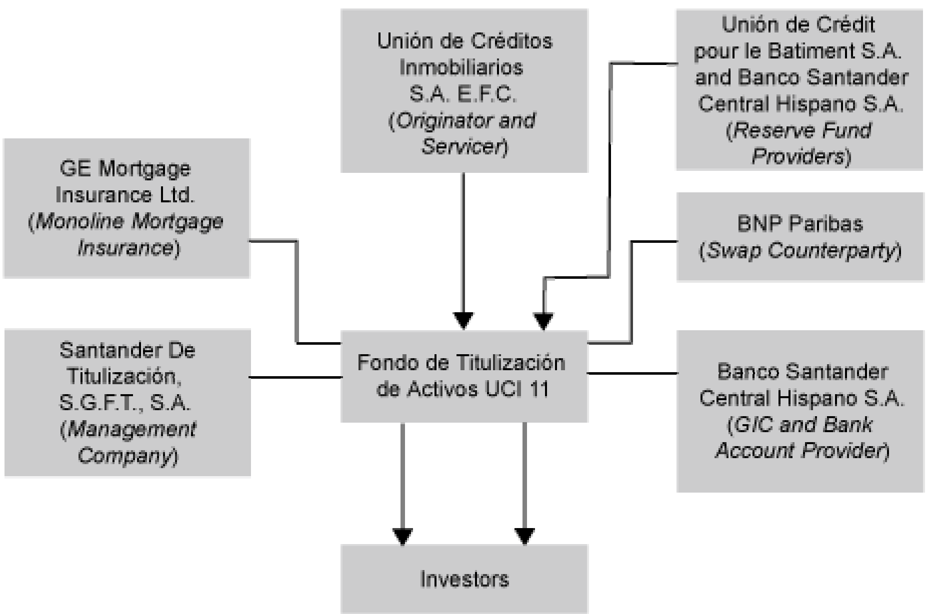
- Of the mortgage loans originated, 38.36% have an associated loan, all of which are being securitized in this transaction. None of the combined loans have a combined LTV ratio greater than 100%. Standard & Poor's considers that mortgage loans with an associated loan carry a higher foreclosure risk than those without an associated loan.
- Of borrowers, 35.32% can limit the increase in their installments to a maximum of 200%, 100%, or 50% of the Spanish inflation rate: 1.98% of the borrowers of the mortgage pool can exercise this option for the rest of the life of the loan, 4.14% up to 2005, and 21.79% up to 2006, and 7.41% to 2007. The other 64.68% cannot exercise the option due to seasoning or the type of product offered to the borrower.
- Of the mortgage loans in the pool, 8.56% feature a "*cuota comodín*" (joker payment). This feature allows borrowers to defer one payment on their mortgages (principal and interest) once a year during the first three years of the mortgage. Of the borrowers, 3.95% cannot use it because of the seasoning, 2.59% may use it over the next year, 1.35% over the next two years, and 0.40% over the next three years.
- Of the borrowers, 11.83% have a loan "*Cambio de Casa*" (972 bridging loans) because they have not yet sold their current home but are seeking to purchase a new one.
- There is basis risk because the portfolio is made up of different indices, and also interest-rate risk because 51.57% of the loans securitized are fixed up to 2009 (38.69% of the outstanding balance of the pool). 27.53% the loans are fixed during first three years and 24.29 % during the first five years of the transaction.
- The reserve fund can start to amortize after 2007, providing that it has reached 3% of the initial mortgage balance.
- The class B notes start to amortize pro rata with the class A notes once the principal outstanding of the class B notes has reached 1.41% of the total rated debt.
- The class C notes start to amortize pro rata with the class A and B notes once the principal outstanding of the class C notes has reached 5.39% of the total rated debt.
- There is commingling risk because collections are trapped in the originator's account with Banco Santander Central Hispano S.A. (SCH) for 24 hours**.**

Mitigating Factors
• Standard & Poor's has stressed the available margin in the cash flow analysis to capture basis risk. A swap agreement mitigates the interest risk of having 51.57% of the loans in the pool at closing (or 38.69% of the outstanding balance of the pool) paying fixed interest during the first three to five years of their life, leaving an additional excess spread of approximately 0.44% down to 0.07% per year during that period. At closing, the percentage of loans with a fixed period reached 38.69%. • All special features of the loans in the pool have been taken into account when calculating credit enhancement levels for the transaction. Fewer than 10% of UCI's clients have exercised a joker payment in the past. Any sums that are deferred are fully capitalized and the original term of each loan could be extended by up to seven years to allow the capitalized sums to be paid off. UCI has the right not to accept the exercise of this option where there have been recent defaults on payments. As for the cap on payments based on the Spanish inflation rate, fewer than 2% of UCI's clients exercised this option in the past after a strong interest rate hike in 2000. Finally, the Cambio de Casa loans are secured by two properties: the current and the newly acquired residence. • The reserve fund is fixed for the first three years and is subject to a floor, which varies depending on the number of loans in arrears. Above a certain level of delinquent loans, the reserve fund stops amortizing. • Pro rata amortization between the class A, B, and C notes has been modeled. Sequential amortization resumes if arrears over 90 days amount to more than 2% of the outstanding pool and if there is a principal deficiency greater than the outstanding balance of the class C notes. • Monthly collections are not to be higher than 20% of the outstanding note balance, and the originator's account is held with an 'A-1' rated financial institution (SCH; A+/Stable/A-1).

Transaction Structure

Spanish mortgage securitization law requires the notes to be issued by a "*fondo*", or fund, whose activities are managed by a fund manager (*sociedad gestora*) — in this case Santander de Titulización S.G.F.T. S.A. (Santander Titulización), an independent management company authorized by the Ministry of Economy and Treasury. The fund's sole purpose is to purchase the mortgage participations and credit rights from UCI, issue the notes, and conduct related activities (see chart below). The fund manager represents and defends the interests of the noteholders and enters into the various contracts for the issuer.

Fondo de Titulización de Activos UCI 11 Structure



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

Borrowers make their payments directly to UCI in an SCH bank account, which then pays these amounts to the issuer's bank account at SCH within 24 hours. If the short-term rating on SCH falls below 'A-1', the issuer's account is transferred to an appropriately rated institution.

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.

The class A noteholders are protected from potential credit losses on the underlying mortgages by the 3.4% subordination of the class B and C notes, a 1.5% fully drawn subordinated loan as a reserve fund, excess spread between the fund's revenue and expenses, and mortgage insurance.

The class B noteholders are protected from potential credit losses on the underlying mortgages by a 2.69% subordination by the class C notes and 1.50% fully drawn subordinated loan as a reserve fund, excess spread between the fund's revenue and expenses, and mortgage insurance.

The class C noteholders are protected from potential credit losses on the underlying mortgages by a 1.5% fully drawn subordinated loan as a reserve fund, excess spread between the fund's revenue and expenses, and mortgage insurance.

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

Payment dates are the 15th of March, June, September, and December.

Main Transaction Parties

Fondo de Titulización de Activos UCI 11 (Issuer)
UCI 11 is an FTA created for the sole purpose of purchasing the mortgage participation and credit rights from UCI, issuing the notes, and carrying on related activities. The issuer is not an entity at law but holds a distinct and closed pool of assets available for distribution to the noteholders. The assets are insulated from the insolvency of the originator and sociedad gestora.

Unión de Créditos Inmobiliarios Establecimiento Financiero de Crédito (Originator and Servicer)
UCI was incorporated in 1989 as a specialized mortgage lending company. The capital in its immediate holding company (UCI S.A.), which holds 100% of the shares in the originator, is owned 50% by SCH and 50% by BNP Paribas.

UCI originates residential mortgage loans to individuals through a network of Spanish real estate agents that bring business to UCI via one of UCI's 48 branches, around Spain or through about 45 agents covering other areas of Spain. Mortgage servicing and risk decision-making is centralized in Madrid. As of Sept. 30, 2004, UCI managed some €5 billion of mortgage loans in Spain, of which 48% has been securitized in 10 Spanish RMBS transactions.

All of UCI's mortgage properties have always been valued by a unique appraising entity duly registered in the official register of the Bank of Spain, giving a homogeneous value to the LTV ratio calculation.

Santander de Titulización, S.G.F.T. S.A. (Fund Manager)
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, who represents and defends the interests of noteholders. The manager, on behalf of the issuer, entered into contracts (in this case a GIC and swap agreement) needed to protect it against certain credit losses and liquidity shortfalls assumed to arise in connection with holding the credit rights.

Banco Santander Central Hispano S.A. (Account Bank)

The collection account is held with SCH as long as it has the required short-term rating of 'A-1'.

GE Mortgage Insurance Ltd. (Mortgage Insurance Provider)

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

GE Mortgage Insurance is part of Genworth Financial, Inc.'s mortgage insurance arm, which consists of mortgage insurance businesses in the U.S, Canada, and Australia. The U.S. mortgage insurance business has been in operation for more than 20 years.

Genworth Financial, Inc. is a Delaware corporation listed on the New York Stock Exchange and is majority-owned on an indirect basis by the General Electric Company.

Collateral Description

The pool comprises 8,216 mortgage loans (94.7% of the total pool) and 3,140 associated loans (5.3% of the total pool). The loans were originated between 1991 and 2004 and the weighted-average seasoning of the pool is 16.9 months.

At the sale date of the notes, none of the loans will have been delinquent for more than one month. The mortgage loans are securitized with their respective associated loans. No mortgage loan has an LTV ratio of more than 100% when combined with its associated loan. The maximum is 99.82% on the combined pool (corresponding to a mortgage loan only).

All of the loans in the portfolio are fully amortizing loans with monthly installments. The combined weighted-average LTV ratio was 73.92% at closing (68.98% on the mortgage loans only).

The pool is made up of mortgage loans with several indices, including 55.99% indexed to the Bank of Spain's EURIBOR or Madrid Interbank Offering Rate (MIBOR), 43.39% indexed to IRPH (average rate of Spanish lending institutions calculated by the Bank of Spain), and 0.62% is split between six-month LIBOR, Deuda Pública, and a fixed rate (less than 1%). This was addressed by stressing the excess spread based on an historical maximum between each index and three-month EURIBOR, which is the index of the notes. Charts 1-3 and table 2 give further detail.

Chart 1

Distribution of the LTV Ratio in the Combined and Mortgage Pools

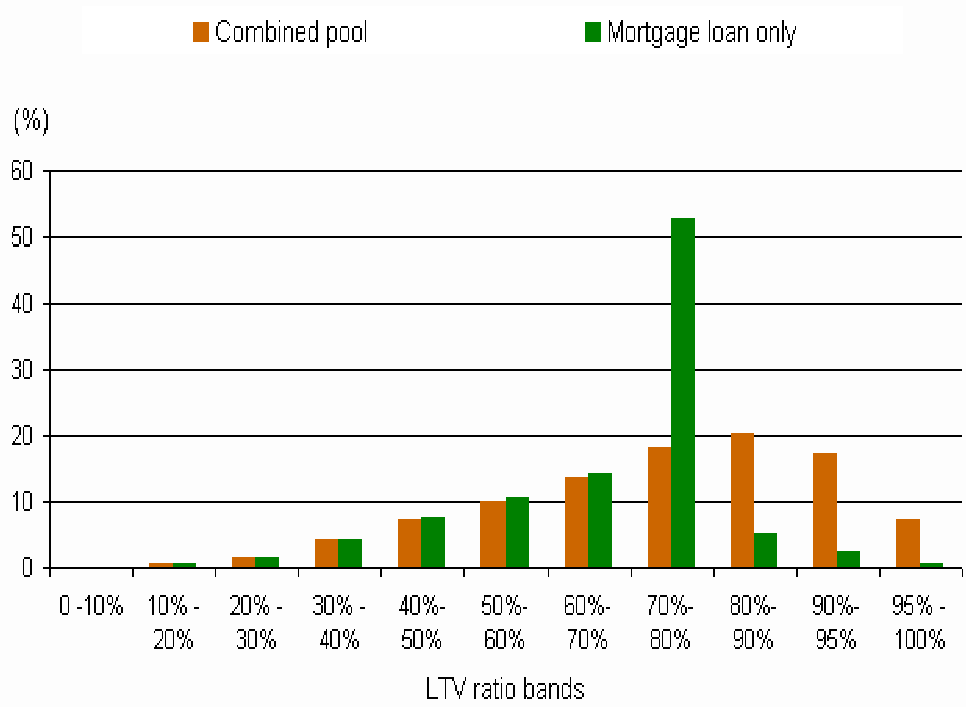


Chart 2

Seasoning of the Pool

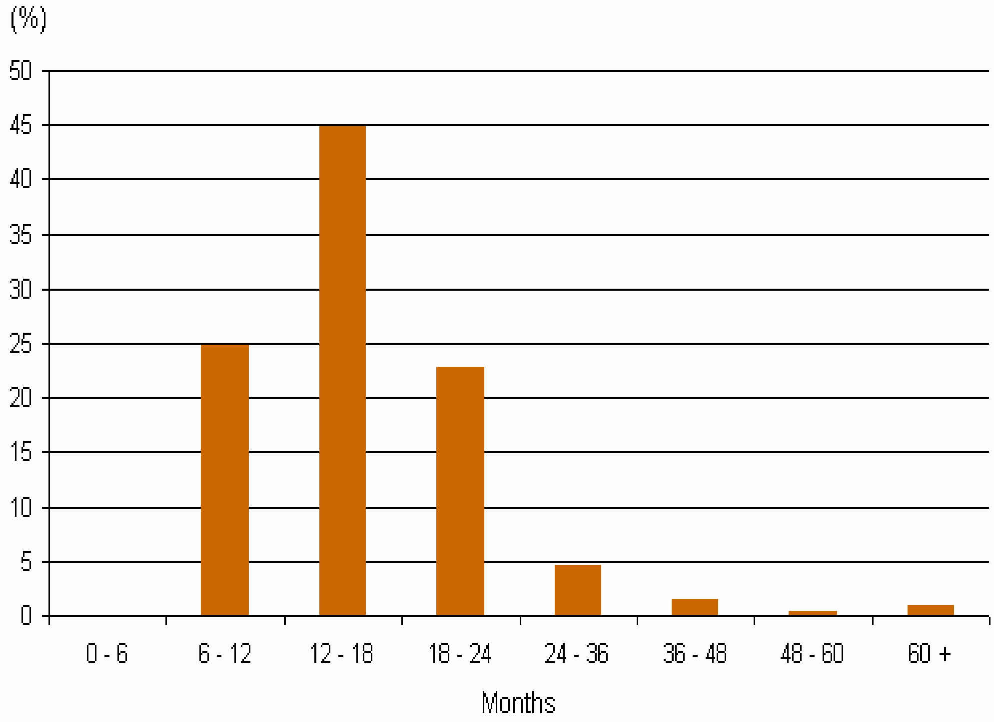


Chart 3

Geographical Concentration

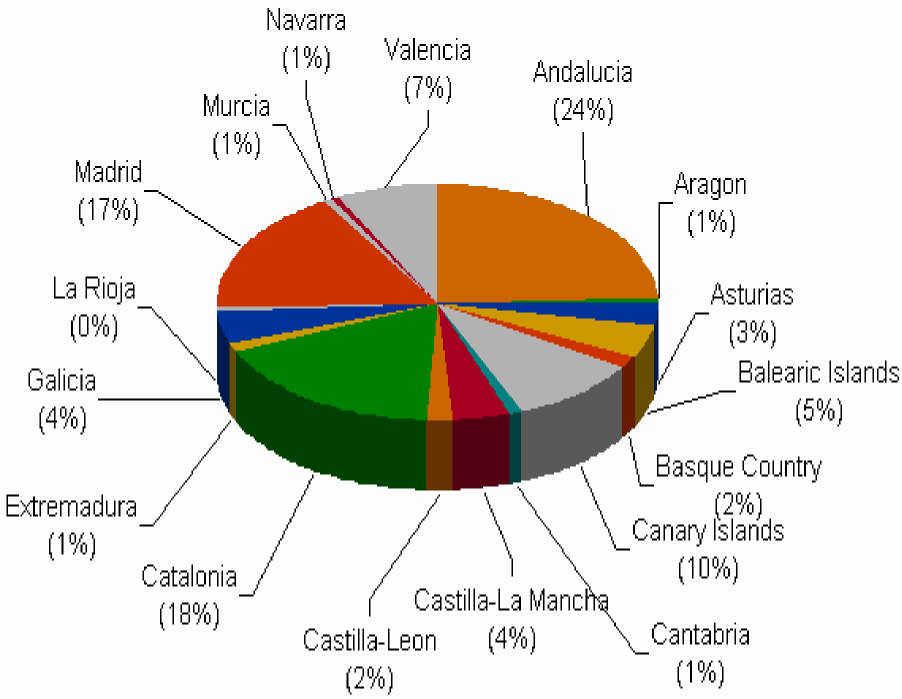


Table 2: Distribution of the Loans by Value	
Loan balance (€)	(%)
Up to 200,000	87.92
200,000 to 400,000	12.08
Total	100.00

There are no jumbo loans (equal or greater than €400,000).

Of the loans by value, 4.52% have been refinanced and 6.45% are to finance a second home**.**

Collateral Risk Assessment

Standard & Poor's conducted a loan-level analysis to assess the credit risk of a pool of mortgages, following the methodology explained in the criteria piece "*Criteria for Rating Spanish Residential Mortgage-Backed Securities*" published in March 2002, which is available to subscribers of Rating Direct.

Standard & Poor's collateral risk assessment analyzes the foreclosure frequency and loss severity of each loan in the collateral pool. These depend on the characteristics of the borrower, the loan, and the ratings on the notes.

The loss severity was calculated by giving credit to the mortgage insurance, and the amount of credit is subject to the rating on the provider (see "*Mortgage Insurance*").

The potential loss associated with a loan can be calculated by multiplying the foreclosure frequency by the loss severity.

To quantify the potential losses associated with the entire pool, Standard & Poor's calculates a weighted-average foreclosure frequency (WAFF) and a weighted-average loss severity (WALS) at each rating level.

The product of these two variables estimates the required loss protection during the life of the collateral in the absence of additional mitigating factors. The higher the targeted rating, the higher the required enhancement level.

Credit Structure

Mortgage Insurance

GE 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.

All the associated loans together with the corresponding mortgage loans are covered by GE Mortgage Insurance. Eligible loans are those that at the time of origination had an LTV ratio between 80% and 97% and meet the terms and conditions under the mortgage insurance policy signed with GE Mortgage Insurance. The amount covered is the difference between the initial amount of the loan and 78% of the original appraisal value. Coverage is constant for the life of the mortgage.

The ratings on the notes are dependent on the rating on the GE Mortgage Insurance, and credit to the insurance has been given based on this rating.

The introduction of the mortgage insurance has decreased the required enhancement at the 'AAA' rating level (subordination including the 1.5% reserve fund) from 6.5% to 4.9%, a 24.62% decrease.

Reserve Fund

The issuer established a fund on the closing date with the proceeds from the subordinated loan. It may be replenished on each interest payment date.

The subordinated loan was fully drawn at closing to fund the reserve fund in an amount equal to 1.5% of the initial outstanding balance of the notes. The reserve fund is fixed for the first three years of the transaction and may amortize once it reaches 3.0% of the outstanding balance of the loans.

Depending on the arrears ratio (defined as loans delinquent for more 90 days over the current balance of assets), there is a floor to the reserve fund. The amortization rate is dynamically adjusted at every payment date, as follows:

- If the arrears ratio is lower than 0.75%, the floor is 0.40% of the initial balance of the notes.
- If the arrears ratio is greater than 0.75% and less than 1.25%, the floor is 0.70% of the initial balance of the notes.
- Should those levels vary from one payment date to another, then the reserve fund is readjusted.

However, there may be no decrease on a given payment date if:

- The arrears ratio is equal to or greater than 1.25%;
- The weighted-average interest rate on the loans is less than the weighted-average interest rate on the notes plus 0.40%;
- There is a principal deficiency as defined in the documents; or
- The balance of the loans is less than 10% of the issuance amount.

Interest Swap Agreement

An interest-rate swap agreement between UCI 11 and BNP Paribas converted the fixed interests payments on the loans that pay fixed interest up to 2008. The counterparty receives 2.20% as a fixed interest rate on the notional described below.

In return, BNP Paribas pays the variable rate payable on the notes (the payment dates of the swap and the notes coincide).

The notional of the swap, based on loans that pay fixed rates for the first three to five years, is outlined in table 3:

Table 3: Interest-Rate Swap Notional

Interest payment date	Notional amount (Mil. €)
Up to Dec. 15, 2005	340
Dec. 16, 2005 to March 15, 2006	305
March 16, 2006 to June 15, 2006	190
June 16, 2006 to Sept. 15, 2006	120
Sept. 16, 2006 to March 15, 2007	40
March 16, 2007 to Sept. 15, 2007	30
Sept. 16, 2007 to March 15, 2008	20

If the swap counterparty's rating is lowered below 'A-1', the counterparty has 30 days to either seek a guarantee from an 'A-1' rated entity, post collateral, or find a new 'A-1' rated swap counterparty, all subject to confirmation by Standard & Poor's. All costs are borne by BNP Paribas.

Redemption

Unless redeemed earlier, the notes are redeemed at their maturity 30 months after the maturity of the longest-term loan in the pool (legal maturity is to Sept. 15, 2041).

The notes may be fully redeemed if:

- The balance of the collateral falls below 10% of its original balance; or
- The sociedad gestora becomes bankrupt or its authorization is revoked and no replacement can be found.

Principal is passed through to the class A, B, and C noteholders on the interest payment dates. All available principal is used to redeem the class A notes until the ratio of the class B notes to the initial issuance is 1.41% and the ratio of the class C notes to the initial issuance is 5.39%.

If, under these conditions, the reserve fund is fully topped up, there is no principal deficiency greater than the outstanding balance of the class C notes, and less than 2% of the loans are in arrears for more than 90 days, then principal is allocated pro rata to the classes until the aggregate of the classes equals 10% of the initial balance of the mortgage participation.

Interest Rate on Notes

Interest is paid quarterly at a rate equal to three-month EURIBOR plus the margins as disclosed in the first table. The first payment is made on March 15, 2005.

Standard & Poor's Stress Test

Standard & Poor's analysis included a conservative assessment of the credit risk inherent in the transaction, as described in the section titled *"Collateral Risk Assessment"*. The credit enhancement levels have been sized after analyzing the effect 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 on 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 simulating the portfolio's performance within the transaction's documented structure was run 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 runs.

Key Performance Indicators

Continual surveillance is maintained on the transaction until the notes mature or are otherwise retired. To do this, regular servicer reports detailing the performance of the underlying collateral are analyzed. Cash flow triggers are checked to ensure the postponement of interest in case of worsening performance of the pool. Besides the reports, supporting ratings are monitored and regular contact is made with the servicer to ensure that minimum servicing standards are being sustained and that any material changes in the servicer's operations are communicated and assessed.

Criteria Referenced

- "Guidelines for the Use of Automated Valuation Models for U.K. RMBS Transactions" (published on Feb. 20, 2004).
- "Criteria for Rating Spanish Residential Mortgage-Backed Securities" (published on March 1, 2002).

Related Articles

- "Ratings Transitions 2003: Upgrades on the Rise as European Structured Finance Ratings' Stability Continues" (published on Jan. 15, 2004).

All criteria and related articles are available on RatingsDirect, Standard & Poor's Web-based credit analysis system, at www.ratingsdirect.com. The criteria can also be found on Standard & Poor's Web site at www.standardandpoors.com.

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