MOODY'S
INVESTORS SERVICE

PRE-SALE REPORT

Fondo de Titulización de Activos Santander Hipotecario 6

RMBS/Prime/ Spain

Closing Date
24 May 2010

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Analyst Contacts

Mario Tarín
Analyst
+34 91 702 6634
Mario.Tarin@Moodys.com
Alberto Barbáchano
Vice President-Senior Analyst
+34 91 702 6601
Alberto.Barbachano@Moodys.com
Neal Shah
Team Managing Director
+44 20 7772 5440
Neal.Shah@moodys.com

ADDITIONAL CONTACTS:
Client Services Desks:
London: +44 20 7772-5454
clientservices.emea@moodys.com
Monitoring: Monitor.rmbs@moodys.com
Website: www.moodys.com

Provisional Ratings

SERIES	RATING	AMOUNT (MILLION)	% OF NOTES	LEGAL FINAL MATURITY	COUPON	SUBORDI-NATION*	RESERVE FUND	TOTAL CREDIT ENHANCE-MENT**
A	(P)Aaa	€871.5	83.0	Feb 2053	3mE+0.45%	17.0%	20.0%	37.0%
B	(P)Aa1	€63.0	6.0	Feb 2053	3mE+0.60%	11.0%	20.0%	31.0%
C	(P)A1	€52.5	5.0	Feb 2053	3mE+0.80%	6.0%	20.0%	26.0%
D	(P)Ba1	€42.0	4.0	Feb 2053	3mE+1.75%	2.0%	20.0%	22.0%
E	(P)B2	€21.0	2.0	Feb 2053	3mE+2.50%	0.0%	20.0%	20.0%
Total		€1,050.0	100.00					
F	(P)C	€210.0	20.0	Feb 2053	3mE+0.65%			

The ratings address the expected loss posed to investors by the legal final maturity. In Moody's opinion the structure allows for timely payment of interest and ultimate payment of principal at par on or before the rated 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.

* At close.

** No benefit attributed to excess spread.

V Score for the sector	*Medium*
V Score for the subject transaction:	*Medium*

The subject transaction is a static cash securitization of mortgages extended to obligors located in Spain. The portfolio consists of high LTV mortgage loans secured by residential properties.

Asset Summary (Provisional pool as of 15 February 2010)

Seller/Originator:	Banco Santander (Aa2/P-1)
Servicer:	Banco Santander (Aa2/P-1)
Receivables:	First lien prime mortgage loans to individuals secured by property located in Spain.
Methodology Used:	» Cash Flow Analysis in EMEA RMBS: Testing Features with the MARCO Model (Moody's Analyser of Residential Cash Flows), January 2006 (SF58290) » Moody's Updated Methodology for Rating Spanish RMBS, October 2009 (SF133138) » V Scores and Parameter Sensitivities in the Major EMEA RMBS sectors (SF 158654)
Model Used:	Milan (Spain settings) MARCO & ABSROM
Total Amount:	€1,148,119,033
Length of Revolving Period:	Static
Number of Borrowers:	6,228
Borrower concentration:	Top 20 borrowers make up 2.07% of the pool
WA Remaining Term:	30.17 years
WA Seasoning:	2.30 years

This pre-sale report addresses the structure and characteristics of the proposed transaction based on the information provided to Moody's as of April 2010. Investors should be aware that certain issues concerning this transaction have yet to be finalised. Upon conclusive review of all documents and legal information as well as any subsequent changes in information, Moody's will endeavour to assign definitive ratings to this transaction. The definitive ratings may differ from the provisional ratings set forth in this report. Moody's will disseminate the assignment of definitive ratings through its Client Service Desk. This report does not constitute an offer to sell or a solicitation of an offer to buy any securities, and it may not be used or circulated in connection with any such offer or solicitation

Asset Summary (Continued)

Interest Basis:	0.37% fixed rate, 99.63% floating rate loans (around 95% linked to 12 month Euribor)
WA Current LTV:	89.10%
WA Original LTV:	91.33%
Moody's calculated WA indexed LTV:	90.82%
Borrower credit profile:	Prime borrowers
Delinquency Status:	As of cut-off date, 5.21% loans up to 1-month arrears, 1.34% loans up to 2-month arrears, and 0.15% loans up to 3-month arrears. No loans more than 30 days in arrears will be incorporated to the final pool to be securitised.
Geographical Concentration:	Madrid (21.06%), Catalonia (17.77%) and Andalusia (17.26%)

Liabilities, Credit Enhancement and Liquidity

Excess Spread At Closing:	80 bps per annum guaranteed via swap
Credit Enhancement/Reserves:	Excess Spread 20.00% amortising reserve fund Subordination of the notes Guaranteed Investment Contract (GIC) account earning Euribor 3 months on deposits
Form of Liquidity:	Excess spread guaranteed via swap, reserve fund, principal to pay interest mechanism
Number of Interest Payments Covered by Liquidity:	N/A
Interest Payments:	Quarterly in arrears on each payment date
Principal Payments:	Pass-through on each payment date
Payment Dates:	18 February, 18 May, 18 August, 18 November First payment date: 18 August 2010
Hedging Arrangements:	Interest rate swap to cover interest rate risk

Counterparties

Issuer:	FTA Santander Hipotecario 6
Sellers/Originators:	Banco Santander (Aa2/P-1)
Contractual Primary Servicer(s):	Banco Santander (Aa2/P-1)
Contractual Special Servicer(s):	N/A
Sub-Servicer(s):	N/A
Back-up Primary Servicer(s):	N/A
Back-up Special Servicer(s):	N/A
Back-up Servicer Facilitator:	N/A
Cash Manager:	Santander de Titulización S.G.F.T.; S.A ("SdT") (Not Rated)
Back-up Cash Manager:	N/A
Swap Counterparty:	Banco Santander (Aa2/P-1)
Treasury Account Bank:	Banco Santander (Aa2/P-1)
Principal Account Bank:	Banco Santander (Aa2/P-1)
Paying Agent:	Banco Santander (Aa2/P-1)
Note Trustee (Management Company):	Santander de Titulización S.G.F.T.; S.A ("SdT") (Not Rated)
Issuer Administrator/Corporate Service Provider:	N/A
Arranger:	Santander de Titulización S.G.F.T.; S.A ("SdT") (Not Rated)
Lead Managers:	Banco Santander (Aa2/P-1)
Other Parties:	N/A

Moody's View

Outlook for the Sector:	Negative
Unique Feature:	Asset type and structure previously seen in market
Degree of Linkage to Originator:	Banco Santander acts as servicer for its own portfolio. There is no back-up servicing agreement in place. Banco Santander also acts as swap counterparty, issuer account holder and paying agent.
Originator's Securitisation History:	
# of Precedent Transactions in Sector:	5
% of Book Securitised:	N/A
Behaviour of Precedent Transactions:	Delinquencies reported on prior transactions of this issuer are worse than the average delinquency reported in the Spain index.

Key Differences between Subject and Precedent Transactions:	None. Precedent transactions were already focused on high LTVs.
Portfolio Relative Performance:	
Expected Loss/Ranking:	12.00%Higher than peer group due to worse previous performance.
Milan Aaa CE/Ranking:	30.0% Higher than peer group due to worse previous performance..
Weighted-Average Aaa Stress Rate For House Prices:	45.17%
Potential Rating Sensitivity:	
Chart Interpretation:	At the time the rating was assigned, the model output indicated that Class A would have achieved a Aaa rating even if the expected loss was as high as 21.0%, assuming a Milan Aaa CE at 33.0%, and all other factors were constant.
Factors Which Could Lead to a Downgrade:	In addition to the counterparty issues, the following factors may have a significant impact on the subject transaction's ratings: further deterioration in the real estate market beyond the stress that was modeled; and potential regulatory changes

TABLE 1:*

Tranche [A]

		MILAN Aaa CE OUTPUT			
		30.0%	33.0%	36.0%	39.0%
MEDIAN EXPECTED LOSS	12.0%	Aaa*	Aaa (0)	Aa1 (1)	Aa1 (1)
	15.0%	Aaa (0)	Aaa (0)	Aa1 (1)	Aa2 (2)
	18.0%	Aaa (0)	Aaa (0)	Aa1 (1)	Aa2 (2)
	21.0%	Aaa (0)	Aaa (0)	Aa1 (1)	Aa2 (3)

* Results under base case assumptions indicated by asterisk ' * '. Change in model-indicated rating (# of notches) is noted in parentheses.

Composite V Score

BREAKDOWN OF THE V SCORES ASSIGNED TO			SECTOR	TRANS-ACTION	REMARKS
Composite Score: Low (L), Low/Medium (L/M), Medium (M), Medium/High (M/H) or High (H)			M	M	
1	**Sector Historical Data Adequacy and Performance Variability**		M	M	
	1.1	Quality of Historical Data for the Sector	M	M	In line with the sector.
	1.2	Sector's Historical Performance Variability	M	M	In line with the sector.
	1.3	Sector's Historical Downgrade Rate	L/M	M	HLTV pools have been severely downgraded recently.
2	**Issuer/Sponsor/Originator Historical Data Adequacy, Performance Variability and Quality of Disclosure**		M	M/H	
	2.1	Quality of Historical Data for the Issuer/Sponsor/ Originator	M	M	Moody's received data from 2001 to 2009 on cumulative delinquencies over 90 days and 180 days over Banco Santander´s high LTV mortgage pool (LTV>80%) split by channel of origination (branch vs. broker). In addition Moody´s received dynamic arrears information and partial information on recoveries.
	2.2	Issuer/Sponsor/Originator's Historical Performance Variability	M	M/H	Although High LTV (HLTV) pools have historically higher defaults and arrears than traditional mortgages pools, the historical 1-year notch-weighted Baa downgrade rate is comparable to corporates. Delinquencies reported on prior transactions of this issuer are worse than the average delinquency reported in the Spain index.
	2.3	Disclosure of Securitisation Collateral Pool Characteristics	L/M	M	Only partial information was provided on employment data. Debt-to-income and months current data was not provided.
	2.4	Disclosure of Securitisation Performance	L/M	M	No detailed information on recoveries has been provided to monitoring for previous Santander Hipotecario deals.
3	**Complexity and Market Value Sensitivity**		L/M	M	
	3.1	Transaction Complexity	L/M	M	HLTV pools are more exposed to house price declines. The transaction presents non standard interest deferral triggers.
	3.2	Analytic Complexity	L/M	L/M	Used standard MILAN and cash flow models.
	3.3	Market Value Sensitivity	L/M	L/M	In line with the sector.
4	**Governance**		L/M	L/M	
	4.1	Experience of, Arrangements Among and Oversight of Transaction Parties	L/M	L/M	In line with the sector.
	4.2	Back-up Servicer Arrangement	L	L	Servicer is rated (Aa2/P-1).
	4.3	Alignment of Interests	L/M	L/M	In line with the sector.
	4.4	Legal, Regulatory, or Other Uncertainty	L/M	L/M	In line with the sector.

Strengths and Concerns

Strengths:

- **Credit support:** Reserve fund fully funded upfront equal to 20.0% of the notes to cover potential shortfall in interest and principal.
- **Hedging arrangements:** A strong interest rate swap is in place to provide a guaranteed excess spread to the transaction.

Concerns and Mitigants:

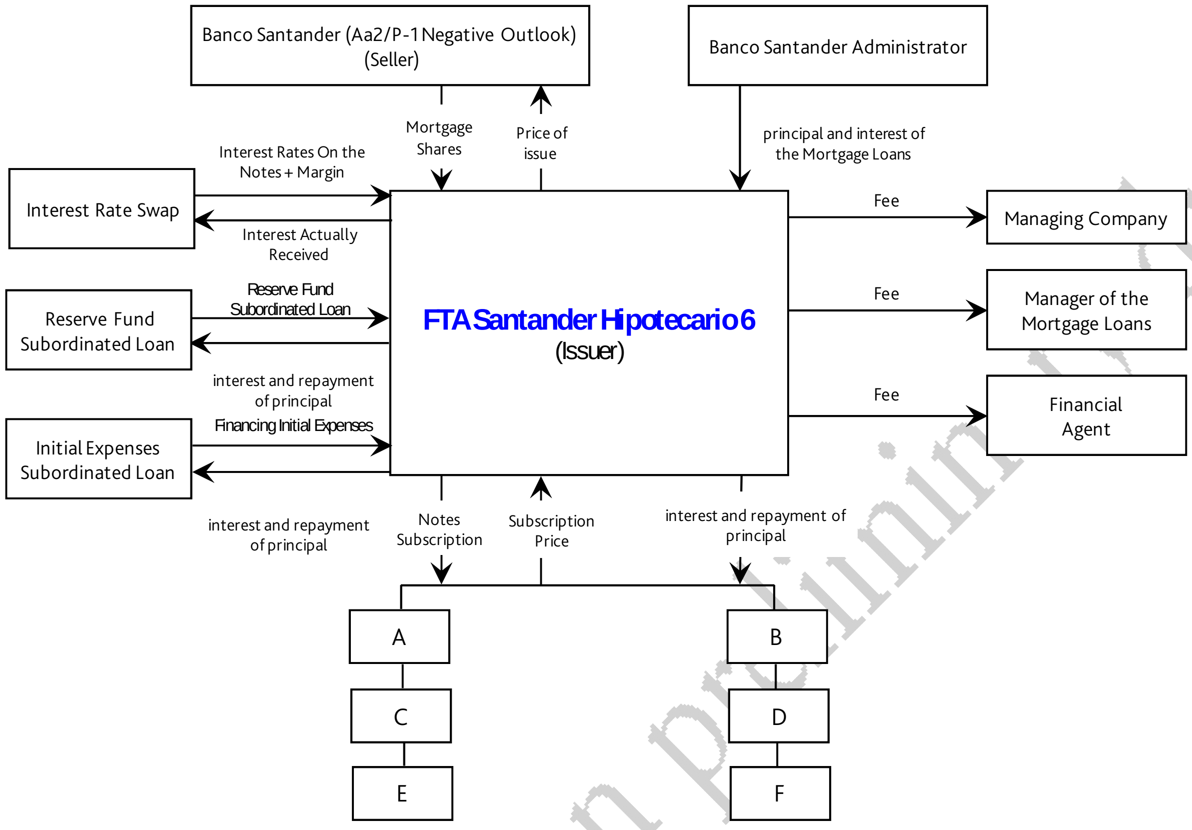
Moody's committees particularly focused on the following factors, listed in order of those most likely to affect the ratings:

- **Loan characteristics:**
  - **High LTV pool:** 96.89% of loans are above 80% LTV, 38.95% of loans above 90% LTV, and 4.58% of loans above 100% LTV. The weighted-average current LTV (based on valuation at origination) is 89.10%, that is higher than typical Spanish RMBS and in line with other Spanish high LTV transactions. However, no loans in the pool are from refinancing, renegotiation or debt consolidation.
  - **Historical information:** Very weak performance of previous deals (e.g. Santander Hipotecario 4) compared to the market.
  - **Arrears:** 6.7% of the pool is currently in arrears, but no loan above 30 days in arrears will be included in the final pool to be securitised.
  - **Borrower Residency:** 9.57% of the portfolio corresponds to non Spanish nationals.
  - **Origination channel:** 12.12% of the portfolio corresponds to broker originated loans.
  - **Employment characteristics:** No detailed employment information was provided on a loan by loan basis. For further information please go to "Treatment of Concerns".
  - **Grace periods:** 17.92% of the loans are currently enjoying an initial interest only period longer than 6 months since origination, which poses a risk as a potential payment shock.
  - **Number of Borrowers:** 5.91% of the loans have more than two borrowers.
  - **Occupancy Type:** 2.26% of the loans are backed by second homes.
- **Economic conditions:** Weak economic prospects in Spain, with rising unemployment likely to drive delinquencies up in the short to medium term. This is mitigated by an increased expected loss to account for this risk.
- **Deferral of interest:** The deferral of interest payments on Series B, C, D and E benefits the repayment of the Series A, but increases the expected loss on Series B, C, D and E themselves. The ratings based on the reserve fund and the subordination have been assessed accordingly to account for this deterioration on the expected loss. In addition, the transaction presents non standard interest deferral triggers (more on page 7).

Structure, Legal Aspects and Associated Risks

CHART 1

Structure Chart



Allocation of Payments/Pre accelerated revenue waterfall:

On each quarterly payment date, the issuer's available funds (i.e. amounts received from the portfolio, the reserve fund, interest earned on the issuer account and amounts received from the swap counterparty) will be applied in the following simplified order of priority:

» Cost and fees, including servicing fee

» Any amount due under the swap agreement (other than swap termination payments due to a default or breach of contract by the swap counterparty)

» Interest payment to Class A

» Interest payment to Class B (if not deferred)

» Interest payment to Class C (if not deferred)

» Interest payment to Class D (if not deferred)

» Interest payment to Class E (if not deferred)

» Retention of an amount equal to the principal due under the notes to amortise Classes A, B, C, D and E

» Interest payment to Class B notes (if deferred)

» Interest payment to Class C (if deferred)

» Interest payment to Class D (if deferred)

» Interest payment to Class E (if deferred)

» Replenishment of the reserve fund

» Interest payment to Class F

» Retention of an amount equal to the principal due under the notes to amortise Class F

» Termination payment under the swap agreement (except if the counterparty is the defaulting party or the only affected party)

» Repayment of subordinated loans

» Originator consideration

The amortisation is strictly sequential.

Allocation of Payments/PDL like mechanism:

A principal deficiency ledger (PDL) is defined as the negative difference between the principal available funds and a target principal amount. A target principal amount is the difference between the notes' outstanding principal and the performing assets. A non-performing asset is defined as one with any amount due but unpaid for more than 18 months or one written off according to management's discretion.

Performance Triggers:

TRIGGER	CONDITIONS	REMEDIES / CURE / IMPLICATION
Reserve Fund Amortisation	» The arrears level (defined as the percentage of loans that are more than 90 days in arrears but not defaulted) exceeds 1.00%; or » The reserve fund is not funded at its required level on the current payment date; or » Less than three years have elapsed since closing.	The target amount of the reserve fund will not be reduced on any payment date on which these occur.
Interest Deferral	» The cumulative level of loans in arrears for more than 18 months exceeds 38.40%, 31.59%, 25.27% and 19.85% for Classes B, C, D and E respectively.	If the conditions are met, interest payment on this class of notes will be postponed to the principal payment of the more senior notes in the payment waterfall.

Reserve Fund:

At closing, the reserve fund will be 20.0% of the initial note balance. Three years from closing, subject to the amortisation trigger described in the table above, the reserve fund will amortise to the lower of the following amounts:

» 20.00 % of the initial balance of the notes

» The higher of the following amounts:
40.00 % of the outstanding balance of the notes
10.00% of the initial amount of the notes

The reserve fund will be replenished after the principal payment of the subordinated notes. Through these mechanisms, Moody's considers that the reserve fund in this transaction is in line with other comparable Spanish RMBS transactions.

Liquidity:

» Swap payments based on the balance of the notes.

» Principal to pay interest mechanism.

» The reserve fund is a further source of liquidity.

Subordination of interest:

The payment of interest on Series B, C, D and E will be brought to a more junior position if, on any payment date, and for each of these series the conditions described under the interest deferral triggers are met.

In this transaction the interest deferral triggers are based strictly on the cumulative level of loans in arrears for more than 18 months, as opposed to the rest of the Spanish market where it is generally based on the cumulative level of written off loans. In practice, this would mean that loans written off before the 18 months threshold (i.e. early payments in kind) would not be accounted for in the interest deferral definition.

Assets:

Asset transfer:

True Sale: According to the legal opinion received, the securitisation of assets will be carried out in compliance with the Spanish Securitisation Law.

Bankruptcy Remoteness: Under the Spanish Securitisation Law, a Spanish SPV (FTA/FTH) is not subject to the Spanish Insolvency Law. It is only the management company, acting in the best interest of the noteholders, which can decide to liquidate the Fondo.

Interest rate mismatch:

Around 95% of the portfolio corresponds to floating-rate loans linked to 12-month Euribor and resetting annually; whereas the notes are linked to 3-month Euribor and reset every quarter on the determination dates. As a result the Fondo is subject to base rate mismatch risk.

Mitigant: The Fondo will enter into a swap agreement provided by Banco Santander to cover the interest risk and provide excess spread.

According to the swap agreement entered into between the Fondo and the swap counterparty, on each payment date:

» The Fondo will pay an amount calculated by applying a rate equal to the result from dividing (i) the sum of interest actually received on the loans, by (ii) the notional as defined below, all multiplied by the result of dividing 360 by the number of days of the settlement period.

» The swap counterparty will pay the index reference rate of the notes plus the weighted margin of the notes and a guaranteed margin of 80 bps over a notional defined as the daily average outstanding balance of the loans not in arrears for more than 90 days.

The swap documentation complies with Moody's swap criteria and has been articulated under ISDA.

Cash Commingling:

All of the payments under the loans in this pool are collected by the servicer under a direct debit scheme into the Issuer Account held at Banco Santander (Aa2/P-1) in the name of the issuer. Consequently, in the event of insolvency of the originator and until notification is delivered to the relevant debtors to redirect their payments, payments by the underlying debtors will continue to be collected by the servicer and may be commingled with other funds belonging to the originator.

Mitigant: Collections will be transferred up to a maximum of 48 hours from reception to the Treasury Account which is held with Banco Santander:

» If Banco Santander is downgraded below P-1 short term rating, it will have to perform on of the following actions within 30 days: 1) find a P-1 rated guarantor or 2) find a substitute. This provision further mitigates commingling risk in the transaction

Set off: 100% of obligors have accounts with the seller.

Mitigant: Set off is very limited because only unpaid instalments that are considered as fully due and payable prior to the declaration of insolvency might be offset against the deposits held by the originator.

Permitted variations: Any renegotiation of the terms and conditions of the loans is subject to the management company's approval. The management company may authorise the originator to renegotiate the interest rate or maturity of the loans without requiring its approval.

Mitigant: The Originator is not allowed to renegotiate any interest rate of a loan if previously or after margin re-negotiation, the weighted-average margin of the pool is lower than 65 bps (the original weighted average margin of the portfolio is around 150 bps).

The originator will not be able to extend the maturity of any loan beyond 18 February 2050. Moreover, the renegotiation of the maturity of the loans is subject to various conditions, which the following are the most significant:

» The global initial amount of loans on which the maturity has been extended cannot be greater than 10% of the initial amount of the pool.

» The frequency of payments cannot be decreased.

» The amortisation profile cannot be modified.

Originator Profile, Servicer Profile and Operating Risks

ORIGINATOR ASSESSMENT	MAIN STRENGTHS (+) AND CHALLENGES(-)
Overall Originator Assessment:	**Average**
Originator Ability	

Sales & Marketing Practices	» Banco Santander´s market share in Spain is around 6% of the total market, and around 18% among banks only.
	» As of 31 December 2009, its residential mortgage book current balance was €43,700mm, and geographically it was mainly located in Catalonia (20%), Madrid (19%) and Andalusia (16%).
	» €10,400 of its residential mortgage book original balance presented at origination an LTV above 80%.
	» The originated volumes (including renegotiations/refinancing) in 2008 and 2009 have been €3,990mm and €3,400mm respectively.
	» About €4,000mm out of its residential mortgage book come from renegotiation (80%) and refinancing (20%), which represents a 9.15%.
	» Santander operates with 3 origination channels:
	  » Branches: 84% of the origination as of 2005, and accounting currently for 90%.
	  » Subrogations from real estate developer loans: stable between 9% and 10%.
	  » Brokers: Around 6% in 2005, and less than 1% nowadays. This channel represents 4% of the current residential mortgage book and is expected to decrease.

Underwriting Policies & Procedures	» Banco Santander has established two different approaches when sanctioning a new transaction, which can be broadly summarized as:
	  » "Standarized": For transactions below €500,000 a more automated process is established mainly based on the scoring system.
	  » "Individualized": For transactions above €500,000 a risk analyst is assigned to the transaction since the first moment and will follow up until the end.
	» The "standarized" approach sanctions 49% of the total volume, but around 90% by number of transactions, which proves the efficiency of having automated centralized processes in place when underwriting high volumes. This is of course the system used for most of the residential mortgage book.
	» The branch is responsible for collecting all the information related to credit quality of the final debtors. Required documentation includes identity card, three most recent payslips, the most recent tax return and recent loan statement (if borrower has additional debt), among others. Banco Santander also checks credit bureaus such as RAI, Experian and CIRBE for adverse credit.
	» The branch is then also responsible for creating an electronic file by feeding all the information gathered into the platform "Strategy Web". Once this is done the transaction will be pre-classified and an automatic scoring will be assigned.
	» There is a specific team ("Santander Analytics") that is in charge of the periodical reviews and recalibrations of the models.
	» The credit-scoring model is approved by the Bank of Spain and provides various results: Approved, Doubtful and Denied. Doubtful transactions will be escalated to the risk analysts in the central services, and then approved or denied after further and more detailed evaluation.
	» The debt-to-income (DTI) is another input into the scoring system. DTI calculation uses net income, against financial debts as per the system.
	  » Interest rates are not stressed for the DTI calculation used into the scoring system, but they might be when the transaction is manually analyzed. There is work in progress to unify the criteria and include stresses in the scoring system as well.
	» Loans granted to Santander employees do not follow the usual scoring system and are analyzed individually. They are subject to human resources internal rules and the input to establish the price is mainly determined by the loan to income.
	» Changes and new policies recently implemented are:
	  » New specific models have been created for new residents and brokers
	  » Renegotiation and refinancing have been segregated from the established/automated underwriting processes and there is a specific team to sanction and monitor these transactions.

» Property Valuation Policies & Procedures	» Banco Santander uses 17 approved independent valuation companies. » The valuator for each transaction is selected in a centralised manner by SIBASA (part of the group), which is in charge of supervising the whole valuation process (also for broker originated loans), including the quality control of the valuators. » It is worth mentioning that if the purchase price of the property is lower than the valuation, Banco Santander will take the lowest of the two. » Quality of valuations in Spain is standardised by the Bank of Spain, who certifies valuators or Sociedades de Tasacion.
» Closing Policies & Procedures	» Random internal audits are carried out to double check the inputs fed into the system. » At closing all the documentation is scanned and a digital file is created. » Banco Santander is in line with the Spanish standards.
» Credit Risk Management	» Banco Santander presents 17 regional units (one per region in Spain) with an average of 43 people on each one.
Originator Stability	
Quality Control & Audit	» Banco Santander is regulated by the Bank of Spain and carries out annual external audits. » The pool to be securitised has been audited.
Management Strength & Staff Quality	» Banco Santander is a well established originator with a high level of sophistication.
Technology	» Banco Santander is also a leading entity in terms of IT resources. » Back-up copies are made periodically and kept for a term according to its importance.

Servicer & Back-Up Servicer Background:

Servicer and Its Rating:	Banco Santander (Aa2/P-1)
Total Number of Mortgages Serviced:	As of 31 December 2009, the residential mortgage book current balance is €43,700mm, accounting for around 470,000 mortgages.
Number of Staff:	Not available

SERVICER ASSESSMENT:	MAIN STRENGTHS AND CHALLENGES
Overall Servicer Assessment	**Average**
Servicer Ability	
Loan Administration	» Banco Santander branches are divided in three different categories depending on their arrears levels, and up to 95% of their incentives are linked to arrears management.
Early Arrears Management	» Up to 30 days in arrears the transaction is under the surveillance of the branch, although from day 10 external contact centres might also be taken on board. » From day 30 onwards, it is not only the branch but also the experts from the correspondent regional unit looking at the transaction. » Every 30 days a new course of action is established depending on the risk profile, and a new cycle begins combining calls, sms, letters, etc, but always using a call blending system in order to obtain a more efficient management of the progress. » From day 91 to day 150, transactions below €30,000 are externalized and transactions above €30,000 are kept in house.
Loss Mitigation and Asset Management	» If after 151 days the incident has not been solved (either repayment or renegotiation), they start to prepare the judicial procedure. » At this stage the €30,000 rule still applies, which leads to external lawyers as well (156 different law firms trough Spain). » No less than 18 months elapsed from the moment the claim is submitted to the moment the auction takes place.
Servicer Stability	»
Management Strength & Staff Quality	» Banco Santander combines the strength of its internal resources with the support of some external entities. » Besides the branch and these external companies, Banco Santander internally counts with 84 people for transactions less than 90 days in arrears, 26 people for transactions between 91 and 150 days in arrears, and 79 people for transactions above 151 days in arrears.
IT, Reporting & Quality control, Audit	» Banco Santander enjoys a sophisticated system.

Strength of Back-up Servicer Arrangement:	N/A

Back-up Servicer Background

Back-up Servicer and Its Rating:	There is no back-up servicing agreement in place.
Ownership Structure:	N/A
Regulated by:	N/A
Total Number of Receivables Serviced:	N/A
Number of Staff:	N/A

Originator/Servicer Related Triggers

Key Servicer Termination Events:	Insolvency, administration by the Bank of Spain, breach of servicer's obligations, or servicer's financial condition being detrimental to the Fund or noteholders' interests (always at discretion of the management company).
Downgrade of Original Servicer's Rating to Certain Level	
Appointment of Back-up Servicer Upon:	Insolvency, administration by the Bank of Spain, breach of servicer's obligations, or servicer's financial condition being detrimental to the Fund or noteholders' interests (always at discretion of the management company).
Key Cash Manager Termination Events:	Insolvency
Notification of Obligors of True Sale	Insolvency, administration by the Bank of Spain, liquidation or substitution of the servicer, or because the management company deems it reasonable (always at discretion of the management company).
Conversion to Daily Sweep (if original sweep is not daily)	Original sweep is inmediate upon reception and up to a maximum of 48 hours
Notification of Redirection of Payments to SPV's Account	Insolvency, administration by the Bank of Spain, liquidation or substitution of the servicer, or because the management company deems it reasonable (always at discretion of the management company).
Accumulation of Set Off Reserve	N/A
Accumulation of Liquidity Reserve	N/A
Set up Liquidity Facility	N/A

Receivable Administration:	
Method of Payment:	100% by direct debit
% of Obligors with Account at Originator:	100%
Distribution of Payment Dates:	Spread over the month

Cash Manager

Rating:	Santander de Titulizacion S.G .F.T.; S.A ("SdT") (Not Rated.)
Main Responsibilities:	» Complying with its formal, documentary and reporting duties to the Spanish stock market regulator (Comisión Nacional del Mercado de Valores or CNMV), the rating agencies and any other supervisory body. » Complying with the calculation duties (including calculation of available funds, withholding obligations) provided for, and taking the actions laid down in the Deed of Constitution and the Prospectus. » Calculating and determining on each determination date the principal to be amortised and repaid on each bond series on the relevant payment date. » Instructing transfers of funds between the various borrowing and lending accounts, and issuing all relevant payment instructions. » The management company may extend or amend the agreements entered into on behalf of the Fund, and substitute, as the case may be, each of the Fund service providers on the terms provided for in each agreement.
Calculation Timeline:	Determination date (5 business days before the Payment Date)
Back-up Cash Manager and Its Rating:	None
Main Responsibilities of Back-up Cash Manager:	N/A

Collateral Description (Provisional pool as of 15 February 2010)

CHART 2

Portfolio Breakdown by Year of Origination

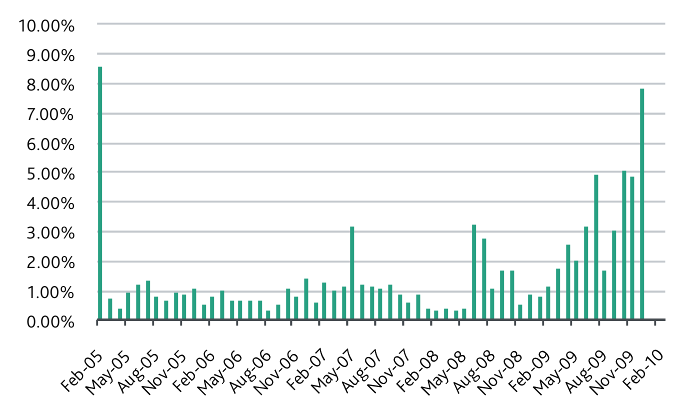


CHART 3

Portfolio Breakdown by Origination

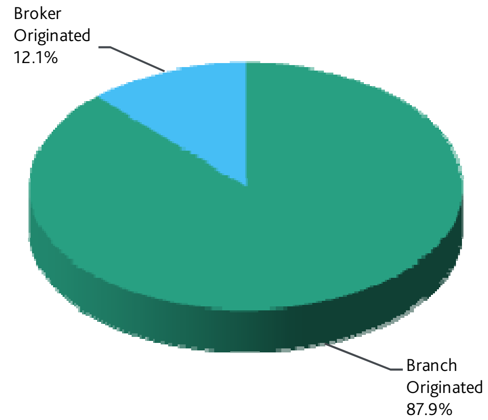


CHART 4

Portfolio Breakdown by LTV

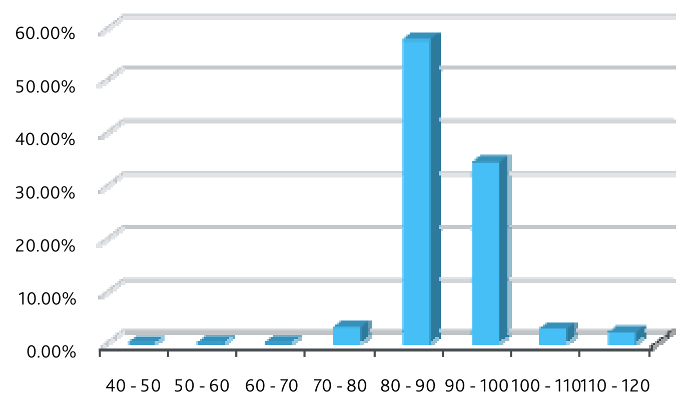
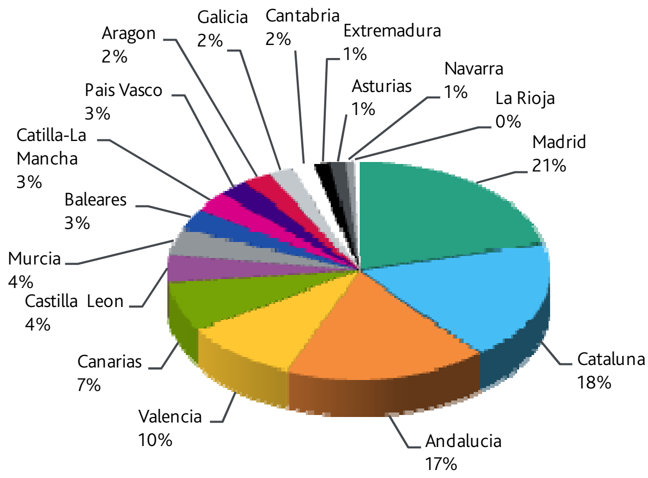


CHART 5

Portfolio Breakdown by Geography



Source:

Product Description: The assets backing the notes are first-ranking prime mortgage loans originated by Banco Santander. All the loans in the pool are secured on residential properties located in Spain.

Eligibility Criteria:

» The key eligibility criteria (among others) are:

» The mortgage certificates exist and are valid and enforceable.

» The mortgage certificates are secured with a first-ranked real estate mortgage.

» The mortgage certificates are all denominated and payable exclusively in euros.

» The mortgaged properties are all completed and located in Spain and have been appraised by duly qualified institutions approved by the Bank of Spain.

» None of the mortgage certificates have any payments more than one month overdue at the date the mortgage certificate was issued.

» Each mortgage is originated according to the policies in force for granting credit at the time of each mortgage certificate was granted.

» Each mortgage certificate must be registered in the relevant property registry and represent an economic or legal first-ranking claim on the corresponding property. No pending charges or prior ranks.

» All mortgages are granted to Spanish persons or residents.

» At least one instalment received.

» Insured properties.

Credit Analysis

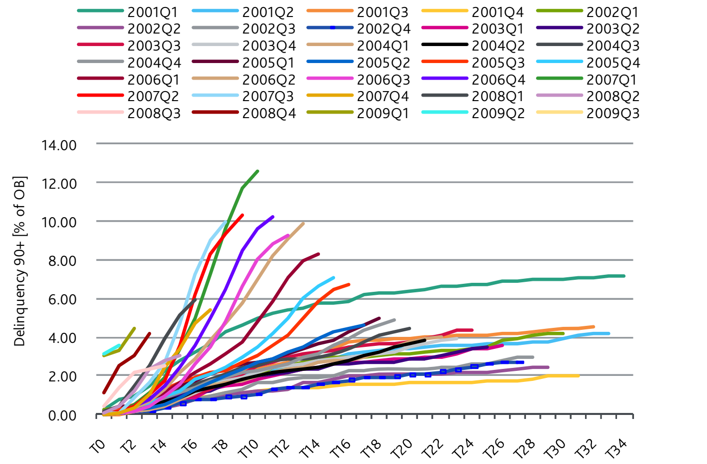
Precedent Transactions' Performance

» The performance of Santander Hipotecario's precedent transactions (i.e. Santander Hipotecario 4) is worse than the Spanish market index (See section Benchmark Analysis)

CHART 6

90+ Days Cumulative Delinquency Rates

(Banco Santander HLTV Branch Originated Pool)

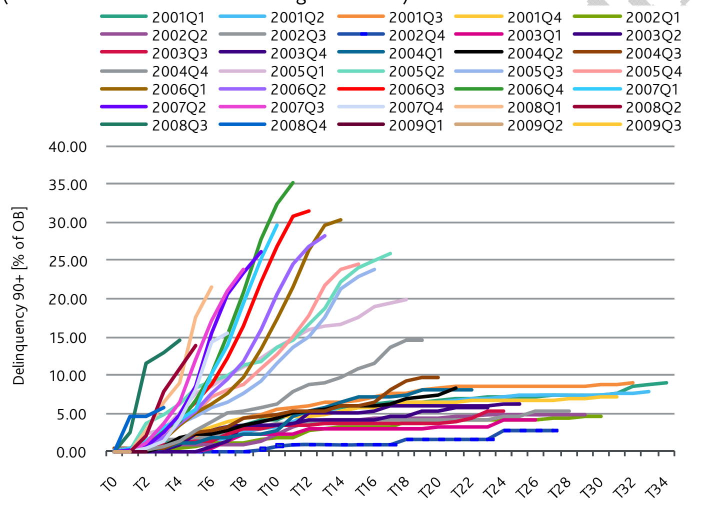


Source: Santander de Titulización:

CHART 7

90+ Days Cumulative Delinquency Rates

(Banco Santander HLTV Broker Originated Pool)

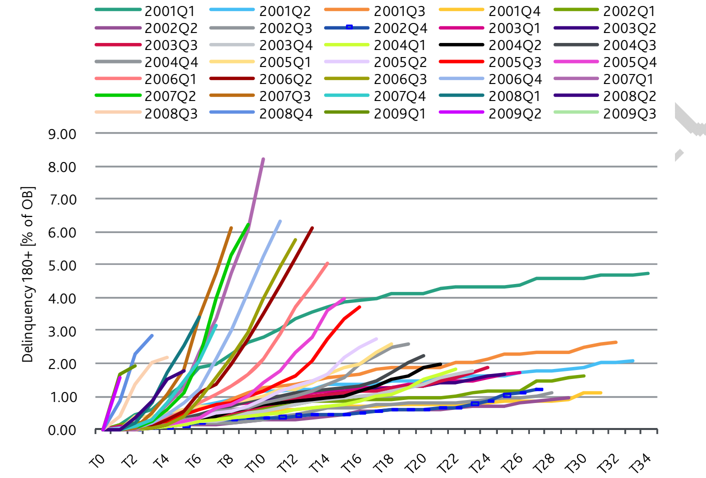


Source: Santander de Titulización

CHART 8

180+ Days Cumulative Delinquency Rates

(Banco Santander HLTV Branch Originated Pool)

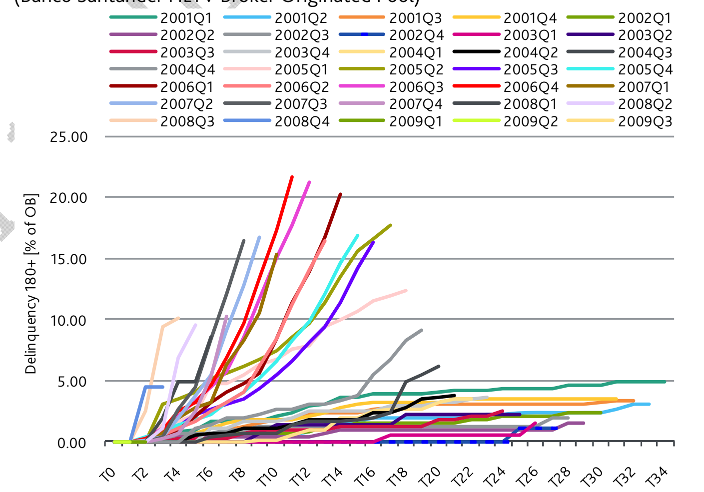


Source: Santander de Titulización

CHART 9

180+ Days Cumulative Delinquency Rates

(Banco Santander HLTV Broker Originated Pool)



Source: Santander de Titulización

Data Quantity and Content

» Moody's has received data from 2001 to 2009 on cumulative delinquencies over 90 days and 180 days over Banco Santander´s high LTV mortgage pool (LTV>80%) split by channel of origination (branch vs. broker). In addition Moody´s has received dynamic arrears information and partial information on recoveries. In Moody's view, the quantity and quality of data received is in the average compared to that received from other originators.

» Charts 6, 7, 8 and 9 show delinquencies by origination vintage for high LTV mortgage loans in the originator's portfolio.

» The 90+ delinquencies for branch originated loans range from 1.0% to 12.6% for the total Banco Santander high LTV Pool.

» The 90+ delinquencies for broker originated loans range from 0.00% to 35.3% for the total Banco Santander high LTV Pool.

Spread compression / margin analysis	WA coupon on the notes plus 80 bps guaranteed by the swap
WA asset margin at closing	150 bps (linked to different interest rates)
WA asset margin after reset	Not Applicable
Asset reset date	Annually spread over the year
Liabilities reset date	Quarterly on the Determination date
Expected Median Loss	12.0%
Milan Aaa CE	30.0%
Interest on Cash	Euribor
Actual Fees	2 bp (servicing)
Stressed Fees	30 bp
Actual fixed fees	None
PDL Definition	18 months
Default Definition	18 months

Modelling Approach:

Loss Distribution: The first step in the analysis is to determine a loss distribution of the pool of mortgages to be securitised. Due to the large number of loans and supporting historical data, Moody's uses a continuous distribution to approximate the loss distribution: the lognormal distribution.

In order to determine the shape of the curve, two parameters are needed: the expected loss and the volatility around this expected loss. These parameters are derived from two important sources: historical loss data and the loan-by-loan model.

Moody's uses performance data provided by the originator in addition to other relevant data in order to extrapolate expected losses for the loan pool. Examples of data include market and sector wide performance data, the performance of other securitisations, and other originators' data.

To obtain the volatility under "stressed" scenarios, Moody's takes into account historical data. However observed historical volatility may not be significant (given insufficient datapoints, or incomplete data), and in addition may not be representative for the future as it is based on the previous economic environments experienced.

Consequently, Moody's determines a number representing the enhancement that would be required for a pool of mortgages to obtain a rating consistent with Aaa under highly stressed conditions. This enhancement number (the "MILAN Aaa CE" number) is produced by using a loan-by-loan model, which looks at each loan in the pool individually and based on its individual characteristics such as loan-to-value or other identified drivers of risk, will produce a benchmark CE number. This assumes stressed recovery rates (through house price decline), time to recovery, interest rates and costs to foreclosure. The weighted average benchmark CE number will then be adjusted according to positive and negative characteristics of each loan or of the pool as a whole to produce the MILAN Aaa CE number.

Modelling assumption: The Milan Aaa CE number and the expected loss number form the basis of Rating Committee discussions and are used to derive the lognormal distribution of the pool losses

The standard deviation of the distribution is found by setting the expected loss of the area of the lognormal distribution beyond the MILAN Aaa CE equal to the expected loss that is consistent with the idealised expected loss of a Aaa tranche.

Tranching of the Notes: Once the loss distribution of the pool under consideration has been computed, a cash flow model is used to assess the impact of structural features of the transaction. It calculates the average lives and the losses experienced by the Notes for every loss scenario for the portfolio. Based on these numbers, the expected loss and the weighted-average lives for the Notes are calculated as weighted averages based on the probabilities of the respective scenarios. The expected loss on each tranche together with the Notes' weighted-average life determines the rating, which is consistent with Moody's target losses for each rating category.

The rating of the notes is therefore based on an analysis of:

» The characteristics of the mortgage pool backing the notes;

» The relative roll-rate levels and arrears in this type of lending compared to conventional lending;

» Sector-wide and originator specific performance data;

» Protection provided by credit enhancement and liquidity support against defaults and arrears in the mortgage pool;

» The roles of the swap and hedging providers; and

» The legal and structural integrity of the issue.

Treatment of Concerns:

» **Borrower Residency:** 9.57% of the portfolio correspond to new residents non Spanish nationals. For this kind of borrower, credit history checks are less standard and more complex as Spanish banks may not easily have access to all information relating to that borrower. Moody's has introduced adjustments in MILAN to the credit enhancement to account for the greater risk profile of theses borrowers.

» **Origination channel:** 12.12% of the portfolio corresponds to broker originated loans. Moody's has introduced adjustments in MILAN to the credit enhancement to account for the greater risk of loans originated trough this channel.

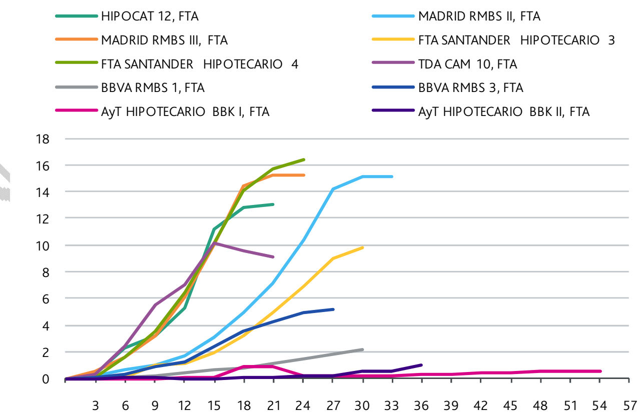
- **Employment characteristics:** No detailed employment information was provided on a loan by loan basis, although some indicative information was available together with their underwriting criteria. In mitigation, the MILAN Aaa CE accounts for a penalty in this respect (MILAN adjustment 30% due to missing information on employment data).
- **Grace periods:** 17.92% of the loans are currently enjoying an initial interest only period longer than 6 months since origination, which poses a risk as a potential payment shock (MILAN adjustment ranging from 5% to 35% due to this payment shock).
- **Number of Borrowers:** 5.91% of the loans have more than two borrowers. Whilst typically the Spanish benchmark residential mortgage loan is granted to a single obligor or to a couple, there has been a development in loan products in Spain whereby a single loan is granted to a group of borrowers (3,4 or more) for the acquisition on a single family property. Moody's views this loan characteristic as generally more negative from a credit standpoint (MILAN adjustment 20% for 3 borrowers, and 40% for 4 borrowers).
- **Occupancy Type:** Approximately 2.26% of the loans are backed by properties used as second homes. Moody's believes that loans backed by vacation homes or not owner occupied are riskier than loans taken for the acquisition of primary residence (MILAN adjustment 50% due second homes or non owner occupied).

Benchmark Analysis

Performance Relative to Sector: In Moody's view, the historical performance of 90+ delinquencies of Santander Hipotecario's precedent transactions (i.e. Santander Hipotecario 4) is worse than other high LTV RMBS transactions in this sector.

CHART 10

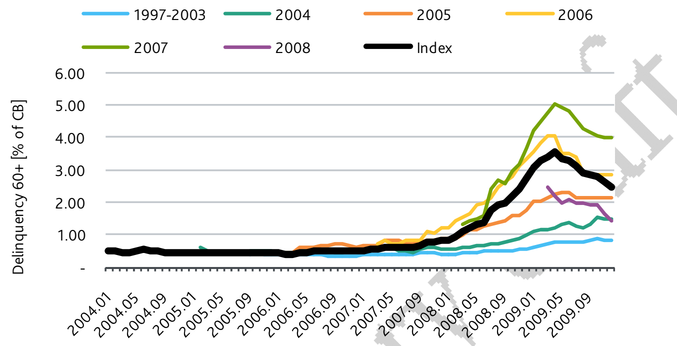
Cumulative Default + 90d+ as % OB - Spanish High LTV deals



Source: Moody's Investors Service,

CHART 11

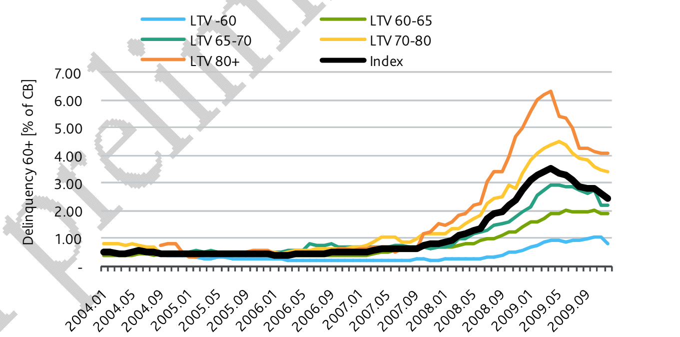
90+Delinquencies by Vintage



Source: Moody's Investors Service, Moody's Performance Data Service, periodic investor servicer reports

CHART 12

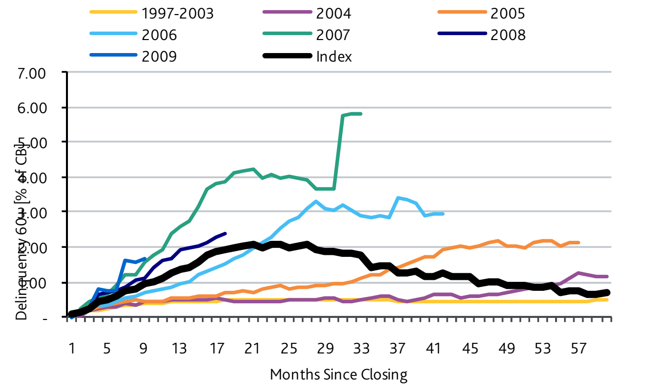
90+Delinquencies by LTV



Source: Moody's Investors Service, Moody's Performance Data Service, periodic investor servicer reports

CHART 13

90+Delinquencies by Seasoning



Source: Moody's Investors Service, Moody's Performance Data Service, periodic investor servicer reports

Benchmark Table

DEAL NAME	FTA SANTANDER HIPOTECARIO 6	BBVA RMBS 9	IM BANCO POPULAR MBS 2	HIPOCAT 19
Closing date	May 2010	April 2010	March 2010	October 2009
Information from	Preliminary Pool	Preliminary Pool	Final Pool	Preliminary Pool
Originator	Banco Santander	BBVA	Banco Popular	Caixa Catalunya
Servicer	Banco Santander	BBVA	Banco Popular	Caixa Catalunya
MILAN Aaa CE	30.0%	16.0%	22.5%	26.0%
EL	12.0%	4.5%	6.0%	7.5%
PORTFOLIO STRATIFICATION				
Avg. Current LTV	89.1%	87.4%	86.8%	70.6%
% Current LTV > 70%	99.9%	100.0%	92.8%	58.2%
% Current LTV > 80%	96.8%	100.0%	90.7%	34.6%
% Current LTV > 90%	38.9%	32.2%	34.0%	20.0%
Avg. Current LTV indexed*	90.8%	91.3%	90.0%	Not Public Available
% Self Employed	0%	8.7%	0%	Not Public Available
% Self Certified	N/A	N/A	N/A	N/A
% Non-owner Occupied (Includes: Partial Owner)	2.3%	3.1%	15.2%	0%
% IO without collateral	N/A	N/A	N/A	N/A
% Fixed interest	0.4%	0.3%	0.0%	0.0%
Max regional concentration	21.0%	24.0%	33.0%	67.6%
% In Arrears	6.7%	4.5%	2.0%	Not Public Available
% Subsidised	N/A	N/A	N/A	N/A
PORTFOLIO DATA				
Current Balance	€1,148 million	€1,561 million	€686 million	€897 million
Average Loan (Borrower)	€183,800	€172,300	€141,500	€131,285
Borrower top 20 (as % of pool bal)	2.1%	0.84%	2.40%	1.70%
WA interest rate	2.73%	3.07%	3.31%	4.63%
Stabilised margin**	N/A	N/A	N/A	N/A
Average seasoning in years	2.3	1.1	3.0	3.5
Average time to maturity in years	30.2	34.5	27.9	26.4
Maximum maturity date	Dec 2054	Jan 2050	Aug 2049	Mar 2049
Average House Price stress rate***	45.2%	44.5%	43.8%	45.5%
Average House Price change[§]	-1.9%	-4.5%	-0.7%	10.0%
STRUCTURAL FEATURES				
Notes Payment Frequency	Quarterly	Quarterly	Monthly	Quarterly
Replenishment periods				
Total Aaa size	83.0%	100.0%	87.0%	70.0%
RF at Closing[§§]	20.0%	20.5%	8.0%	2.8%
RF Fully Funded at Closing?[§§]	Yes	Yes	Yes	Yes
RF Floor[§§]	10.0%	10.25%	4.0%	Non Amortising RF
Hedge in place	Yes	Yes	Yes	No
Swap rate or guaranteed XS (if applicable)	80 bps	40 bps	65 bps	N/A
Principal to pay interest?	Yes	Yes	Yes	Yes

* As per Moody's calculation.
** Margin after all loans reset
*** As per Moody's Milan methodology for Aaa scenario
§ As per Moody's calculation
§§ Of original note balance

Parameter Sensitivities

Parameter Sensitivities provide a quantitative, model-indicated calculation of the number of notches that a Moody's-rated structured finance security may vary if certain input parameters used in the initial rating process differed. The analysis assumes that the deal has not aged. It is not intended to measure how the rating of the security might migrate over time, but rather, how the initial rating of the security might differ as certain key parameters vary. For more information on V Score and Parameter sensitivity methodology for RMBS, please refer to 'V Scores and Parameter Sensitivities in the Major EMEA RMBS Sectors' published in April 2009.

Parameter sensitivities for this transaction were calculated in the following manner: Moody's assumed 16 loss distributions derived from the combinations of MILAN Aaa Credit Enhancement: 30.0% (base case), 33.0% (base x 1.1), 36.0% (base x 1.2) and 39.0% (base x 1.3) and expected loss: 12.0% (base case), 15.0% (base x 1.25), 18.0% (base x 1.50) and 21.0% (base x 1.75). The 30.0% / 12.0% scenario would represent the base case assumptions used in the initial rating process.

The chart below shows the parameter sensitivities for this transaction with respect to the Aaa rated tranche.

TABLE 2:*

Tranche A

		MILAN Aaa CE OUTPUT			
		30.0%	33.0%	36.0%	39.0%
MEDIAN EXPECTED LOSS	12.0%	Aaa*	Aaa (0)	Aa1 (1)	Aa1 (1)
	15.0%	Aaa (0)	Aaa (0)	Aa1 (1)	Aa2 (2)
	18.0%	Aaa (0)	Aaa (0)	Aa1 (1)	Aa2 (2)
	21.0%	Aaa (0)	Aaa (0)	Aa1 (1)	Aa2 (3)

* Results under base case assumptions indicated by asterisk ' * '. Change in model-indicated rating (# of notches) is noted in parentheses.

In this particular transaction, the junior tranches are subject to a greater volatility in their probability of default assessment (not affecting the expected loss assessment), given the unique definition of the interest deferral triggers. The deferral of interest will also be affected by the level of payments in kind ("daciones en pago"), since they are excluded from its definition and a higher amount in payments in kind will translate in a later deferral of interest.

Worse case scenarios: At the time the rating was assigned, the model output indicated that Class A would have achieved the Aaa rating even if expected loss was as high as 21.0% assuming Milan Aaa CE at 33.0% and all other factors remained the same. The model output further indicated that the Class A would not have been assigned a Aaa rating with Milan Aaa CE of 36.0%, and expected loss of 12.0%.

Monitoring

Moody's will monitor the transaction on an ongoing basis to ensure that it continues to perform in the manner expected, including checking all supporting ratings and reviewing periodic servicing reports. Any subsequent changes in the rating will be publicly announced and disseminated through Moody's Client Service Desk.

Originator Linkage: The originator will act as servicer, swap counterparty and issuer account holder. There is no back-up servicing agreement, but there are triggers in place for both swap counterparty and paying agent functions.

Significant Influences: In addition to the counterparty issues noted, the following factors may have a significant impact on the subject transaction's ratings: further deterioration in the real estate market beyond the stress which was modelled.

COUNTERPARTY RATING TRIGGERS	CONDITION	REMEDIES
Interest Rate Swap Counterparty	In accordance with Moody's swap guidelines*	
Treasury Account Bank	Loss of P-1	Replace or find a P-1 rated guarantor or substitute within 30 days
Principal Account Bank	Loss of P-1	Replace or find a P-1 rated guarantor or substitute within 30 days

* See Framework for De-Linking Hedge Counterparty Risks from Global Structured Finance Transactions Moody's Methodology, May 15 2006

Monitoring Report:

Data Quality:

» Moody's has reviewed the template for the investor report and found it to be in line with the Spanish market standards.

» Key performance indicators used by the primary analysts to rate the transaction are reported by the management company (cumulative 90+ days, 18+ months defaults and recovery information).

» As of the date of publication there is no commitment from the management company to provide Moody's with updated pool cut on a periodic basis.

Data Availability:

» The management company (SdT) will be in charge of providing periodically the investor reports (quarterly) and the pool updated information reports (monthly).

» The investor report will be provided within seven days after the payment date.

Investor report will be available on the management company website: http://www.santanderdetitulizacion.es/

Related Research

For a more detailed explanation of Moody's approach to this type of transaction as well as similar transactions please refer to the following reports:

Methodology Used:

» Cash Flow Analysis in EMEA RMBS: Testing Features with the MARCO Model (Moody's Analyser of Residential Cash Flows), January 2006 (SF58290)

» Moody's updated methodology for rating Spanish RMBS, 29 July 2008 (SF133138)

» V Scores and Parameter Sensitivities in the Major EMEA RMBS sectors, April 2009 (SF158654)

Credit Opinion:

» Banco Santander

Performance Overview:

» Santander Hipotecario 1

» Santander Hipotecario 2

» Santander Hipotecario 3

» Santander Hipotecario 4

Pre-Sale Reports:

» Santander Hipotecario 1

» Santander Hipotecario 2

» Santander Hipotecario 3

» Santander Hipotecario 4

Special Reports:

» Investor/Servicer Reports: Important Considerations for Moody's Surveillance of EMEA ABS and RMBS Transactions, June 2009 (SF154502)

» Spanish Prime RMBS Indices, November 2009 (SF178064)

» Structural Features in the Spanish RMBS Market Artificial Write-Off Mechanisms: Trapping the Spread, January 2004 (SF29881)

» Introducing Moody's Arrears Index for Spanish Mortgage-Backed Securities, March 2002 (SF12700)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

Report Number: SF203090