

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

# FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER CONSUMER SPAIN AUTO 06

## ASSET-BACKED SECURITIES

1,360,200,000 €

Series A	1,282,500,000 €	EURIBOR 3M + margin between 0,09% and 0,18%	AAA/AAA
Series B	22,300,000 €	EURIBOR 3M + margin between 0,15% and 0,25%	AA/AA
Series C	22,300,000 €	EURIBOR 3M + margin between 0,19% and 0,35%	A/A
Series D	22,900,000 €	EURIBOR 3M + margin between 0,40% and 0,60%	BBB/BBB
Series E	10,200,000 €	EURIBOR 3M + margin between 0,50% and 1,00%	CCC-/CCC

### BACKED BY CREDIT RIGHTS ISSUED BY



### CO-LEAD MANAGERS



### UNDERWRITERS INTERNATIONAL TRANCHE



### Paying Agent



### Fund Promoted and Managed by:



*This Prospectus is a translation into English of the original “Folleto Informativo” drafted in Spanish language and registered with the “Comisión Nacional del Mercado de Valores” (the Spanish Securities Market Commission “CNMV”) on October 9, 2006. The “Folleto Informativo” drafted in Spanish language is the only official document.*

## **TABLE OF CONTENTS**

<b>RISK FACTORS</b> .....	<b>5</b>
I.    SPECIFIC RISK FACTORS OF THE FUND:.....	5
II.   SPECIFIC RISK FACTORS OF THE CREDIT RIGHTS BACKING THE ISSUE:.....	6
III.  RISK FACTORS SPECIFIC TO THE SECURITIES .....	7
<b>REGISTRATION DOCUMENT</b> .....	<b>8</b>
1.    PERSONS RESPONSIBLE .....	9
1.1  Persons responsible for the information appearing in the Registration Document .....	9
1.2  Declaration by those responsible for the Registration Document .....	9
2.    STATUTORY AUDITORS OF THE FUND .....	9
2.1  Name and address of the Fund’s auditors (together with any membership of any relevant professional body) .....	9
2.2  Fiscal years and statutory filing of annual financial statements.....	9
3.    RISK FACTORS.....	10
4.    INFORMATION ABOUT THE ISSUER.....	10
4.1  Statement that the Issuer has been established as a securitization fund.....	10
4.2  Legal and professional name of the Fund .....	10
4.3  Registration of Issuer .....	10
4.4  Date of Constitution and period of activity of the Fund, except where indefinite.....	10
4.5  Domicile and legal form of the Issuer, legislation under which it operates.....	14
4.6  Description of the amount of the Fund’s authorized and issued capital.....	16
5.    BUSINESS OVERVIEW .....	16
5.1  Brief description of the Issuer’s principal activities .....	16
5.2  Global overview of the parties to the securitization program.....	16
6.    ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE MANAGEMENT COMPANY .....	19
6.1  Corporate bodies of the Management Company .....	19
8.    FINANCIAL INFORMATION CONCERNING THE ISSUER’S CREDIT RIGHTS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES .....	29
8.1  Declaration concerning the commencement of operations and the financial statements of the Issuer prior to the Registration Document Date.....	29
8.2  Historical Financial Information.....	29
8.2 bis This paragraph may be used only for issues of Credit Rights backed securities having a denomination per unit of at least EUR 50,000.....	29
8.3  Legal and arbitration proceedings.....	29
8.4  Material adverse change in the Issuer’s financial position.....	29
9.    THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST.....	30
9.1  Statement or report attributed to a person as an expert.....	30
9.2  Information sourced from a third party.....	30
10.   DOCUMENTS ON DISPLAY.....	30
<b>SECURITIES NOTE</b> .....	<b>32</b>
1.    PERSONS RESPONSIBLE .....	33
1.1  Persons responsible for the information appearing in the Securities Note and in the Additional Building Block .....	33
1.2  Declaration by those responsible for the Securities Note and for the Additional Building Block .....	33
2.    RISK FACTORS.....	33
3.    KEY INFORMATION .....	33
3.1  Interest of natural and legal persons involved in the issue .....	33

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

4.	INFORMATION CONCERNING THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING.....	34
4.1	Total amount of the securities.....	34
4.2	Description of type and class of securities.....	36
4.3	Legislation of the securities.....	36
4.4	Representation of the securities. Mention if the securities are nominative or made out to/the bearer and if they are represented by certificates or book entries.....	36
4.5	Currency of the issue.....	37
4.6	Order of Priority of Payments.....	37
4.7	Description of the rights attached to the securities and procedure for exercise of said rights.....	38
4.8	The Nominal Interest Rate and provisions relating to interest payable.....	39
4.9	Redemption price and provisions concerning maturity of the securities.....	44
4.10	Indication of investor yield and calculation method.....	45
4.11	Representation of the security holders.....	50
4.12	Resolutions, authorizations and approvals by virtue of which the securities are issued.....	50
4.13	Issue Date.....	50
4.14	Restrictions on free transferability of the securities.....	51
5.	ADMISSION TO TRADING AND DEALING ARRANGEMENTS.....	52
5.1	Indication of Market where the securities will be traded.....	52
5.2	Paying Agent and Depository Institutions.....	52
6.	EXPENSES OF THE OFFER AND ADMISSION TO LISTING.....	54
7.	ADDITIONAL INFORMATION.....	54
	<b>ADDITIONAL BUILDING BLOCK TO SECURITIES NOTE.....</b>	<b>61</b>
1.	THE SECURITIES.....	61
1.1	Amount of issue.....	61
1.2	Confirmation that disclosure relating to an undertaking/ debtor not involved in the issue has taken place.....	61
2.	THE UNDERLYING ASSETS.....	61
2.1	Confirmation as to the Credit Rights' capacity to produce funds to service payments on the securities.....	61
2.2	Credit Rights backing up the issue.....	62
2.2.1	The legal jurisdiction by which the pool of Credit Rights is governed.....	62
2.2.2	General characteristics of the Debtors.....	62
3.	STRUCTURE AND CASH FLOW.....	86
3.2	Description of the entities participating in the issue and description of the functions to be performed by them.....	88
3.3	Description of the method and of the date of sale, transfer, novation or assignment of the Credit Rights.....	89
3.4	An explanation of the flow of funds, including:.....	92
3.5	Name, address and significant business activities of the Assignor.....	113
3.6	Return on and/or repayment of the securities linked to others which are not assets of the issuer.....	114
3.7	Administrator and functions of the Management Company.....	114
	<b>DEFINITIONS.....</b>	<b>129</b>

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

This document is the information prospectus (hereinafter, the "**Information Prospectus**" or the "**Prospectus**") for the FONDO DE TITULIZACIÓN DE ACTIVOS SANTANDER CONSUMER SPAIN AUTO 06 (hereinafter the "**Fund**") approved and registered in the *Comisión Nacional del Mercado de Valores* (Spanish Securities Market Commission, hereinafter, the "**CNMV**") on October 9, 2006, in accordance with the stipulations in Regulation 809/2004, which includes the following:

1. A description of the main risk factors related to the issue, the securities and the assets which support the issue (hereinafter, the "**Risk Factors**");
2. A registration document for the securities, drawn up in accordance with Annex VII of Regulation 809/2004 (hereinafter the "**Registration Document**");
3. A note on the securities drafted in accordance with Annex XIII of Regulation 809/2004 (hereinafter, the "**Securities Note**"); and
4. An additional module to the Securities Note drafted by following the module stipulated in Annex VIII of Regulation 809/2004 (hereinafter, the "**Additional Building Block**").
5. A glossary of definitions (hereinafter the "**Definitions**").

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

## **RISK FACTORS**

### **I. Specific Risk Factors of the Fund:**

#### **(i) Risk of insolvency of the Fund:**

If the Fund is unable to meet its payment obligations on a generalized basis, the provisions of article 11 of Royal Decree 926/1998 will apply: that is, the Management Company, after informing the CNMV, will proceed with the orderly liquidation of the Fund, in accordance with the rules established in this regard in this Prospectus.

The Fund shall only be liable for the performance of its obligations up to the amount of its assets.

#### **(ii) Absence of legal status of the Fund:**

The Fund lacks legal status. Consequently, the Management Company must carry out its administration and representation and comply with the obligations legally established in relation to the Fund. It shall be liable to the Bondholders and the remaining ordinary creditors of the Fund up to the limit of its net worth in the event of breach of said obligations.

#### **(iii) Limitation of actions as regards the Management Company:**

The Bondholders and the other ordinary creditors of the Fund will only be able to bring an action against the Management Company of the Fund in the case of non-compliance with its functions or failure to observe the stipulations in the Deed of Incorporation or in this Prospectus.

#### **(iv) Compulsory substitution of Management Company:**

In accordance with articles 18 and 19 of Royal Decree 926/1998, the Management Company shall be replaced in the event it is held to be insolvent vis-à-vis its creditors. If, in such a case, four (4) months should have elapsed since the occurrence of the cause for the substitution and no other Management Company shall be appointed, an Early Liquidation of the Fund and an Early Redemption of the Bonds shall occur.

#### **(v) Validity of assignment in case of insolvency of Assignor:**

There is no jurisprudence which enables one to ascertain the interpretation of the courts of the regulations contained in Law 22/2003, of July 9 (the "**Insolvency Proceedings Act**"). Notwithstanding the foregoing, in accordance with Additional Provision Two of Insolvency Proceedings Act, the insolvency specialties of Additional Provision Five of Law 3/1994, of April 14 remain in force. Consequently, if no fraud exists in the assignment, the Credit Rights assigned to the Fund should not form part of the bankruptcy estate in the event of an insolvency proceeding involving the Assignor.

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

In the event that Santander Consumer is held to be insolvent vis-à-vis its creditors, in its capacity as Administrator, the Fund, acting through the Management Company, shall have a right to separation in respect of the assigned Credit Rights. Notwithstanding the foregoing, this right to separation shall not necessarily extend to the money received by Santander Consumer, in its capacity as Administrator, and held thereby on account of the Fund prior to the date of declaration of insolvency since, given its fungible nature, it could become attached to the results of the insolvency proceeding according to majority interpretation of article 80 of Insolvency Proceedings Act. In addition, in order to mitigate the aforementioned risk, certain mechanisms have been stipulated and are described in sections 3.4.4., 3.4.5. and 3.7.1.(5) of the Additional Building Block.

**(vi) Breach of contract by third parties:**

The Fund has formalized different contracts with third parties to provide certain services with regard to the Bonds. Therefore, the bondholder may be damaged in the case any of the above mentioned parties do not fulfill with its obligations assumed by virtue of the contracts with third parties.

The contracts subscribed by the Management Company on behalf of the Fund are described in section 3.1 of the Additional Building Block.

**II. Specific Risk Factors of the Credit Rights Backing the Issue:**

**(i) Risk of non-payment of the Credit Rights:**

The holders of Bonds issued against the Fund shall assume the risk of non-payment of the Credit Rights pooled therein.

Santander Consumer, E.F.C., S.A. (hereinafter referred as "Santander Consumer") assumes no liability for non-payment of the Debtors, whether for principal, interest, or any other amount they may owe by virtue of the Credit Rights. The Assignor shall only be liable for the existence and legitimacy of the Credit Rights at the time of the assignment and in the terms and conditions stated in the Prospectus, as well as for the legal status pursuant to which the assignment is made.

**(ii) Risk of prepayment of the Credit Rights:**

The Credit Rights pooled into the Fund are susceptible to being prepaid when the Debtors prepay, on the terms contained in each loan agreement from which the Credit Rights derive, the portion of principal pending amortization.

**(iii) Liability:**

The Bonds issued by the Fund do not represent an obligation of the Management Company or the Assignor. The flow of funds used to meet the obligations to which the Bonds give rise is insured or guaranteed solely under the specific circumstances and up to the limits described under section 2 of the Additional Building Block. With the exception of these guarantees, there are no others granted by any public or private entity, including the Assignor, the Management Company or any affiliate company or investee company of any of the above. The Credit Rights pooled into

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

the Fund and the rights they carry with them constitute the sole source of income of the Fund and, therefore, of payments to the titleholders of its liabilities.

**(iv) Protection:**

An investment in Bonds may be affected, *inter alia*, by a deterioration of the general economic conditions which has an adverse effect on the payments of the Credit Rights which back the issue of the Fund. In the event that non-payments should reach an elevated level, they could reduce, or even eliminate, the protection against losses in the Loan portfolio enjoyed by the Bonds as a result of the existence of the credit enhancements described under section 3.4.2 of the Additional Building Block. The foregoing considerations notwithstanding, the Bondholders have their risk mitigated by the Order of Priority of Payments described under section 3.4.6.(1)(b) of the Additional Building Block.

**III. Risk Factors Specific to the Securities**

**(i) Limited liquidity:**

There is no guarantee that trading in the Bonds with a minimum frequency or volume will occur in the market.

There is no commitment for intervention in secondary trading on the part of any entity, thereby giving liquidity to the Bonds through the offering of compensation.

Furthermore, in no case may the Fund repurchase the Bonds from the Bondholders, although they may indeed be redeemed early in their entirety, in the case of Early Liquidation of the Fund, on the terms established under section 4.4.c.1(i) of the Registration Document.

**(ii) Yield:**

The calculation of the average life, return and duration of the Bonds is subject, *inter alia*, to hypotheses relating to prepayment rates of the Credit Rights which may not materialize, as well as future market interest rates, given the variable nature of the nominal interest rates. Compliance with the rate of prepayment of the loans is also determined by a variety of geographic, economic and social factors such as seasonal variation, market interest rates, the sectorial distribution of the portfolio and general economic activity.

*This Prospectus is a translation into English of the original “Folleto Informativo” drafted in Spanish language and registered with the “Comisión Nacional del Mercado de Valores” (the Spanish Securities Market Commission “CNMV”) on October 9, 2006. The “Folleto Informativo” drafted in Spanish language is the only official document.*

## **REGISTRATION DOCUMENT**

This Registration Document has been prepared in accordance with Annex VII of Regulation (EC) No. 809/2004 and approved by the Comisión Nacional del Mercado de Valores (*Spanish Securities Market Commission*) on October 9, 2006.



*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

## **1. PERSONS RESPONSIBLE**

### **1.1 Persons responsible for the information appearing in the Registration Document.**

- a) MR. IGNACIO ORTEGA GAVARA, acting in his capacity as General Manager, by virtue of the powers expressly conferred upon him by the Board of Directors at its meeting on September 11, 2006, for and on behalf of SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A., having its registered offices at Ciudad Grupo Santander, Avda. de Cantabria s/n, 28660, Boadilla del Monte (Madrid), assumes responsibility for the information contained in this Registration Document.

SANTANDER DE TITULIZACION, S.G.F.T., S.A. is the promoter of the securitization fund FONDO DE TITULIZACION DE ACTIVOS, SANTANDER CONSUMER SPAIN AUTO 06 and shall be responsible for the administration and legal representation thereof.

### **1.2 Declaration by those responsible for the Registration Document.**

- a) MR. IGNACIO ORTEGA GAVARA declares that, having taken all reasonable care to ensure that such is the case, the information given in the Registration Document is, to the best of his knowledge, in accordance with the facts and does not omit anything likely to affect its contents.

## **2. STATUTORY AUDITORS OF THE FUND**

### **2.1 Name and address of the Fund's auditors (together with any membership of any relevant professional body).**

In accordance with the stipulations in section 4.4 of this Registration Document, the Fund lacks historical financial information.

However, during the term of the Fund, the annual accounts will be audited on an annual basis by the auditors.

The Board of Directors of the Management Company, at its meeting on September 11, 2006 at which the establishment of this Fund was resolved, appointed the following accounting firm as the Fund's Statutory Auditors: Deloitte, S.L. whose data are detailed in section 5.2 h) of this Registration Document.

### **2.2 Fiscal years and statutory filing of annual financial statements.**

The fiscal year of the Fund will coincide with the calendar year. However, and as an exception, the first fiscal year will start on the Constitution Date of the Fund, and the last fiscal year will finish on the date on the expiration date of the Fund.

The Management Company shall file the Fund's annual financial statements with the CNMV, together with the auditors' report in respect thereof, within four (4) months following the closing date of the Fund's fiscal year (i.e. prior to April 30 of each year).

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

The Fund's annual financial statements and relevant auditors' report shall be filed with the Mercantile Registry on an annual basis.

### **3. RISK FACTORS**

The risk factors specific to the Fund are those described under section I of the document included at the beginning of this Prospectus entitled "RISK FACTORS".

### **4. INFORMATION ABOUT THE ISSUER**

#### **4.1 Statement that the Issuer has been established as a securitization fund.**

The Issuer is an asset securitization fund established for the purpose of acquiring the Credit Rights assigned to the Fund by Santander Consumer, and issuing the Bonds. It has no legal status under Spanish law.

The Fund shall have open-end revolving assets and closed-end liabilities. Its assets will be comprised of the Initial Credit Rights, which it will acquire on the Constitution Date, and the Additional Credit Rights, arising from the renewal of repaid Credit Rights, which it may acquire on each Payment Date during the Revolving Period, which will end on the Payment Date corresponding to April 20, 2009, unless early termination of such Revolving Period occurs as provided in section 2.2.2.2. of the Additional Building Block.

#### **4.2 Legal and professional name of the Fund.**

The Fund will be established under the name FONDO DE TITULIZACION DE ACTIVOS, SANTANDER CONSUMER SPAIN AUTO 06, under Spanish law.

#### **4.3 Registration of Issuer.**

The establishment of the Fund and issue of the Bonds has as a prior requirement that it be registered in the official registries of the CNMV in Spain.

This Prospectus was registered with the CNMV on October 9, 2006.

Neither the constitution of the Fund nor the Bonds, which are issued and charged to its assets, will be registered in the Mercantile Register, making use of the power contained in article 5.4 of Royal Decree 926/1998.

#### **4.4 Date of Constitution and period of activity of the Fund, except where indefinite.**

##### **a) Constitution Date.**

The execution of the Deed of Incorporation is scheduled to take place and, consequently, the Fund's Constitution Date to be on October 10, 2006.

The Deed of Incorporation may not undergo any change except under exceptional circumstances and, as the case may be, in accordance with the conditions established by current regulations in force, and provided that the amendment does not impair

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

the ratings assigned to the Bonds by the Rating Agencies or cause any damage to the Bondholders. The contents of said amendment shall first be reported to the Rating Agencies and the CNMV, obtaining authorization from the latter, if necessary.

The Management Company guarantees that the contents of the Deed of Incorporation will coincide with that of the Prospectus and that the Deed of Incorporation will coincide with the draft deed which has been submitted to the CNMV as a consequence of the registration of this Prospectus.

**b) Period of activity of the Fund.**

It is planned that the Fund will develop its activity from the Constitution Date until the Legal Maturity Date, that is, until October 20, 2016, or, if this is not a Business Days, the following Business Days, without prejudice to the stipulations in sections 4.4.c).1) y 4.4.c).2). below.

**c) Early liquidation of the Fund: Cases. Cancellation of the Fund. Actions for liquidation and cancellation of the Fund.**

**c.1) Early liquidation: Cases.**

Notwithstanding the provisions of section b) above, the Management Company is empowered to proceed with the Early Liquidation of the Fund and, consequently, the Early Redemption of the Bonds on a Payment Date, in the terms established in this section, in the following circumstances:

- (i) When the Outstanding Balance of the Credit Rights is less than ten per cent (10%) of the Outstanding Balance of the Initial Credit Rights on the Constitution Date of the Fund, provided that the payment obligations deriving from the Bonds of each Series may be paid and cancelled in full in accordance with the Order of Priority of Liquidation Payments.

Payment obligations derived from the Bonds of each Series on the date of Early Liquidation of the Fund shall be considered to be the Balance of the Principal Pending Payment of the Bonds on that date plus the interest accrued and unpaid up to that date. These amounts shall be considered to be due and payable on that date.

- (ii) When, due to an event or circumstance of any foreign nature or not related to the development of the Fund, a substantial alteration or permanent impairment of the financial balance of the Fund required by article 5.6 of Law 19/1992 occurs. This includes circumstances such as the existence of a change in the regulation or additional legislative developments, the establishment of withholding obligations or other situations that might permanently affect the financial balance of the Fund. In this case, after informing the CNMV, the Management Company shall proceed to settle the Fund in an orderly manner in accordance with the rules set out in the Deed of Incorporation and in this Prospectus.

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

- (iii) In the case contemplated in article 19 of Royal Decree 926/1998, which establishes the obligation to liquidate the Fund in the case where four (4) months have elapsed since the Management Company went into receivership, a decisive factor for the compulsory substitution of the Management Company, without a new management company having been found.
- (iv) When a default on payment occurs or is expected to occur which is indicative of a serious and permanent imbalance in relation to any of the Bonds.
- (v) When eighteen (18) months have elapsed from the date of the Final Maturity Date of Fond even though there are expired debits pending, that is to say, six (months) prior to the Legal Maturity of the Fund.

Liquidation of the Fund shall be first reported to the CNMV and, afterwards, to the Bondholders, in the manner contemplated by sections 4.b) of the Additional Building Block, at least thirty (30) Business Days in advance of the day on which Early Redemption must take place, which must necessarily be carried out on a Payment Date.

#### **c.2) Cancellation of the Fund**

The cancellation of the Fund shall take place (i) as a consequence of the payment in full of the Credit Rights, (ii) as a consequence of the full redemption of the Bonds, (iii) as a consequence of the Early Liquidation provided in the sections 4.4.c).1 above, (iv) due to the occurrence of the Legal Maturity Date, or (v) when the provisional ratings of the Bonds are not confirmed as being definitive prior to the start of the Subscription Period.

In the event that any of the situations described in the foregoing sections should occur, the Management Company shall inform the CNMV and shall initiate the pertinent formalities for cancellation of the Fund.

#### **c.3) Actions for the liquidation and cancellation of the Fund.**

In order that the Fund, through its Management Company, may carry out the liquidation and cancellation of the Fund and, as the case may be, the Early Liquidation of the Fund and Early Redemption of the Bonds in those cases determined by section 4.4.c.1), above, and specifically, in order that the Fund shall have sufficient Available Funds to meet its payment obligations, the Management Company, on behalf of the Fund, shall proceed to carry out any or all of the following actions:

- (i) sell the Credit Rights remaining in the Fund for a price which may not be less than the sum of the principal pending payment plus the accrued and unpaid interest in respect of the Credit Rights pending amortization. For this purpose, the Management Company shall request an offer from at least five (5) entities of those most active in the sale and purchase of similar assets, and may not sell them at a price less than the best offer received. The Assignor shall have a right of first refusal to acquire said Credit Rights, in the conditions established by the Management Company at the time of the liquidation, in such a manner that it shall have preference over third parties to

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

acquire the Credit Rights. In order to exercise the right of first refusal, the Assignor shall have a period of five (5) Business Days from the date on which the Management Company notifies it of the conditions (price, form of payment, etc.) under which the disposal of the Credit Rights shall proceed. The Assignor's offer must equal at least the best of the offers made by third parties.

In the event that no offer covers the value of the principal plus accrued and unpaid interest of the Credit Rights pending amortization, the Management Company shall accept the best offer received for the Credit Rights which, in its judgment, covers the market value thereof. In order to set the market value, the Management Company may obtain from third party entities different from the above, such valuation reports as it deems necessary. In this case, the Assignor shall also enjoy the right of first refusal described above, provided that its offer at least equals the best of those made by third parties.

This right of first refusal in no case implies an agreement or obligation to repurchase the Assets on the part of the Assignor; and/or

- (ii) canceling those contracts which are not necessary for the liquidation process of the Fund; and/or
- (iii) arrange a credit facility, the drawdown of which shall be paid into the Principal Account, and which will be used only and immediately to meet the Early Redemption of the Bond issue. The repayment of this credit facility will be guaranteed only by the flows of interest and principal derived from the Credit Rights to be repaid and the proceeds from the sale of the assets which remain in the Issuer; and/or
- (iv) sell any other assets of the Fund other than the Credit Rights and other than the cash for a price not less than market value. In order to set the market value, the Management Company will request from at least one entity specializing in the valuation or marketing of assets similar to those whose sale is intended such valuation reports as it deems necessary, proceeding with the sale of the assets in question through the procedure which allows obtaining a higher price in the market.

The Management Company shall immediately apply all amounts it has obtained on disposal of the Credit Rights and any other assets of the Fund to the payment of the various concepts, in the manner, amount and Order of Priority of Liquidation Payments which applies, as determined under section 3.4.6.(5) of the Additional Building Block, except for the amounts of the credit facility which will be used entirely for the Early Redemption of the Bond issue. Early Redemption of all of the Bonds in any of the cases provided under section 4.4.c.1), above, shall be carried out for the Balance of Principal Pending Payment up to that date plus interest accrued and not paid up to the Early Redemption date, which must necessarily coincide with a Payment Date, after deducting, as the case may be, any withholding tax, and free of expenses for the holder, which amounts, for all legal purposes, shall be deemed to be due and payable on this latter date.

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

In the event that, once the Fund has been liquidated and all scheduled payments have been made pursuant to the Order of Priority of Liquidation Payments contemplated under section 3.4.6.(5) of the Additional Building Block, any remainder should exist or any judicial or notary proceedings brought as a consequence of the non-payment by any Debtor of the Credit Rights should remain pending resolution (all in accordance with the provisions of section 3.4.5.b) of the Additional Building Block), both the said remainder as well as the continuation and/or proceeds of the resolution of the proceedings cited above shall inure to Santander Consumer's favor.

In any case, the Management Company, acting for and on behalf of the Fund, shall not proceed with cancellation of the Fund until it has not proceeded with liquidation of the Credit Rights and any other remaining assets of the Fund and the distribution of the Fund's Available Funds, in following the Order of Priority of Liquidation Payments contemplated under 3.4.6.(5) of the Additional Building Block.

Once a maximum period of six (6) months since the liquidation of the Credit Rights and any other remaining assets of the Fund and the distribution of the available funds has transpired, the Management Company shall execute an official attestation before a notary public declaring (i) the Fund to be cancelled, as well as the causes contemplated in this Registration Document which motivated its cancellation, (ii) the procedure carried out for notifying the Bondholders and the CNMV, and (iii) the distribution of the available amounts from the Fund in following the Order of Priority of Liquidation Payments contemplated under section 3.4.6.(5) of the Additional Building Block and shall comply with such further administrative formalities as may be applicable. Said notarized attestation shall be sent by the Management Company to the CNMV.

In the event that the cause of termination stated under section 4.4.c.2)(v), above, should occur, the constitution of the Fund as well as the Bonds issue and the contracts executed by the Management Company, acting on behalf of the Fund, shall be terminated, except for the Subordinated Loan Agreement, against which the constitution and issue expenses incurred by the Fund shall be paid. Said termination shall be reported forthwith to the CNMV and, once one (1) month from the cause for termination of the constitution of the Fund has transpired, the Management Company shall execute before a notary public the attestation which it shall send to the CNMV, Iberclear, AIAF and the Rating Agencies, declaring the cancellation of the Fund and the cause thereof.

#### **4.5 Domicile and legal form of the Issuer, legislation under which it operates.**

##### **a) Domicile of the Fund.**

The Fund lacks a registered office because it lacks separate legal status. For all purposes, the Fund's registered office is deemed to be that of the Management Company, to wit:

SANTANDER DE TITULIZACION, S.G.F.T., S.A.  
Ciudad Grupo Santander  
Avenida de Cantabria, s/n  
28660 Boadilla del Monte (Madrid)  
Telephone: 91.289.32.89

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

**b) Legal status of the Fund.**

The Fund shall be comprised of an open-end revolving assets and closed-end liabilities, lacking legal status, in accordance with the provisions of article 4 of Royal Decree 926/1998. The Management Company is entrusted with the constitution, administration and legal representation of the Fund, as well as manager of third party business, the representation and defense of the interest of the bondholders and the rest of the ordinary creditors of the Fund.

**c) Legislation under which it operates and country of constitution.**

The Fund shall be incorporated in Spain under Spanish law.

In particular, the Fund shall be incorporated in accordance with (i) Royal Decree 926/1998 and provisions implementing same; (ii) Law 19/1992, with regard to anything not contemplated by Royal Decree 926/1998 and as applicable thereto; (iii) The Spanish Securities Market Act; (iv) Additional Provision Five of Law 3/94, and (v) such other legal and regulatory provisions as are in force and applicable from time to time.

This Prospectus was prepared pursuant to the standard forms contemplated in Regulation (EC) No. 809/2004.

**d) Tax scheme of the Fund.**

In accordance with Law 19/1992, Royal Legislative Decree 4/2004, Royal Decree 1777/2004, Law 37/1992 and Royal Legislative Decree 1/1993, the characteristics of the Fund's tax scheme are as follows:

- (i) The constitution of the Fund is exempt from the concept of "corporate transactions" of Transfer Tax/Stamp Duty.
- (ii) The Fund is subject to the general scheme of Corporate Income Tax, the general rate of which at present is thirty-five per cent (35%).
- (iii) The returns on the Credit Rights which constitute the Fund's income will not be subject to withholding or interim tax deposit (article 59, section k) of Royal Decree 1777/2004).
- (iv) The management and custodial services rendered by the Management Company to the Fund shall be exempt from Value Added Tax (article 20.One.18.n. of Law 37/1992).
- (v) The issue, subscription, transfer, redemption and repayment of the Bonds is exempt from Transfer Tax/Stamp Duty (article 45.I.B. no. 15 of Royal Legislative Decree 1/1993).
- (vi) The assignment of the Credit Rights to the Fund is a transaction subject to and exempt from Value Added Tax.

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

#### **4.6 Description of the amount of the Fund's authorized and issued capital.**

The Fund lacks share capital.

### **5. BUSINESS OVERVIEW**

#### **5.1 Brief description of the Issuer's principal activities.**

The Issuer is an asset securitization fund and, as such, its principal business consists of acquiring the Credit Rights deriving from the Loans from Santander Consumer and issuing the Bonds. That is, through securitization, Santander Consumer transfers the Credit Rights to the Fund, who pays the price thereof with the proceeds from the Bonds issue subscribed by the institutional investors to whom said issue is directed.

Thus, through this operation, Santander Consumer is advanced the payment of the future flows pertaining to the Loans, i.e. the Credit Rights become liquid to Santander Consumer, even though they were not liquid at the time of the assignment to the Fund.

#### **5.2 Global overview of the parties to the securitization program.**

- a) SANTANDER DE TITULIZACION, S.G.F.T., S.A. intervenes as the Fund's Management Company and as legal and financial adviser to the operation's structure.

SANTANDER DE TITULIZACION, S.G.F.T., S.A. is a Securitization Fund Management Company having its registered offices at Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte (Madrid), holder of Tax Identification Code number A-80481419. A brief description thereof is stated under section 3.2.a) of the Additional Building Block.

It is registered in the Mercantile Register of Madrid, in Volume 4, 789, Sheet 75, Page M-78658, entry 1. It is also registered in the Special registry of the CNMV, with number 1.

The Management Company has not been assigned a rating by any rating agency.

- b) SANTANDER CONSUMER, E.F.C., S.A. ("Santander Consumer") intervenes as the Assignor of the Credit Rights.

Santander Consumer is a Spanish financial establishment of credit with registered business address at Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte (Madrid), with Tax Identification Code number A-39000013 and C.N.A.E. 651. A brief description thereof is stated in section 3.2.b) of the Additional Building Block.

Santander Consumer has not been assigned a rating by any rating agency.

- c) BANCO SANTANDER CENTRAL HISPANO, S.A. ("BSCH") intervenes as Lead Manager of the Bonds issue and as Paying Agent.



*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

In its capacity as Lead Manager, it carries out the following function, in the terms established by article 35.1 of Royal Decree 1310/2005:

To receive the mandate of the Management Company in order to direct the operations concerning the design of the temporary and commercial financial conditions of the issue, as well as the co-ordination of the relations with the market operators, with the potential investors and with the rest of the placement and underwriters.

BSCH, S.A. is a Spanish credit institution having its registered offices in Santander, at Paseo de Pereda 9-12, 39004, with its operational headquarters located at Ciudad Grupo Santander, Avenida de Cantabria sin número, 28660 Boadilla del Monte (Madrid), holder of Tax Identification Code number A-39000013 and C.N.A.E. 651.

The ratings of BSCH's unsubordinated and unsecured short and long-term debt, as assigned by the rating agencies, are:

- Fitch: AA (long-term) and F1+ (short term).
- Standard & Poor's: AA- (long-term) and A-1+ (short-term).
- Moody's: Aa3 (long-term) and P1 (short term).

- d) SANTANDER CONSUMER FINANCE, S.A. ("SCF") intervenes as counterpart of the Fund in the Swap Agreement, the Subordinated Loan Agreement and the Guaranteed Rate Reinvestment Agreement and as Underwriter.

SCF Spanish credit institution having its registered offices in Ciudad Grupo Santander Avda. de Cantabria s/n 28660 Boadilla del Monte (Madrid), holder of Tax Identification Code number CIF: A-28122570. Registered in the Bank of Spain with number 0224.

The ratings of SCF's unsubordinated and unsecured short and long-term debt, as assigned by the rating agencies, are:

- Fitch: AA- (long-term) and F1+ (short term).
- Standard & Poor's: AA (long-term) and A-1+ (short-term).
- Moody's: Aa3 (long-term) and P1 (short term).

SCF is the parent company of the financial group to which it gives its name, and is the owner in Spain of 100% of Santander Consumer.

- e) UBS LIMITED ("UBS") intervenes as Underwriter of the Bonds issue and as Lead Manager of the International Tranche of the Bond issue.

In its capacity as Lead Manager, it carries out the following function, in the terms established by article 35.1 of Royal Decree 1310/2005:

To receive the mandate of the Management Company in order to direct the operations concerning the design of the temporary and commercial financial conditions of the issue, as well as the co-ordination of the relations with the

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

market operators, with the potential investors and with the rest of the placement and underwriters.

UBS is an entity incorporated under the law of England and Wales with registered office at 1 Finsbury Avenue, London EC2M 2PP, U.K and tax identification number 447151456.

The ratings assigned by the agencies of UBS's unsubordinated and unsecured short and long-term debt are:

- Fitch: AA+
- Standard & Poor's: AA+
- Moody's: Aa2

- f) STANDARD & POOR'S ("Standard & Poor's") intervenes as credit rating agency of the Bonds.

Standard & Poor's is a Spanish stock company and subsidiary of the credit rating agency Standard & Poor's Limited, having its registered offices in Madrid, at Marqués de Villamejor, 5, 28006, holder of Tax Identification Code number A-90310824.

- g) FITCH RATINGS ESPAÑA, S.A. UNIPERSONAL, ("Fitch") intervenes as credit rating agency of the Bonds.

Fitch Ratings España, S.A. Unipersonal, is a Spanish stock company and subsidiary of the credit rating agency Fitch Ratings Limited, having its registered office in Barcelona, at Paseo de Gracia number 85, holder of Tax Identification Code number A-58090655.

- h) DELOITTE, S.L. intervenes as auditor of the Management Company and Santander Consumer. Furthermore, it will prepare an Auditors' Report on the portfolio of the Loans that will comprise the Fund and such company has been appointed Auditors of the Fund.

Deloitte, S.L. has its registered offices in Madrid, at Torre Picasso, Plaza Pablo Ruiz Picasso, s/n, holder of Tax Identification Code number B-79104469, registered with the Official Registry of Certified Public Accountants (*Registro Oficial de Auditores de Cuentas; R.O.A.C.*) under number S0692, as registered with the Mercantile Registry of Madrid, under Volume 3190, Section 8, Folio 1, Page M-54.414, 1<sup>st</sup> registration entry.

- i) JONES DAY intervenes as legal adviser with respect to the structure of the operation.

JONES DAY is an international law firm with twenty-nine (29) offices throughout the world and more than two thousand two hundred (2.200) attorneys.

For the purpose of article 4 of the Spanish Securities Market Act, SANTANDER DE TITULIZACION, S.G.F.T., S.A. forms part of the SANTANDER GROUP.

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

There is no knowledge of the existence of any other relationship involving direct or indirect ownership or control between the aforesaid legal entities participating in the securitization program.

## **6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE MANAGEMENT COMPANY**

### **6.1 Corporate bodies of the Management Company**

In accordance with Royal Decree 926/1998, Asset Securitization Funds lack separate legal status. The Securitization Fund Management Companies are entrusted with the constitution, administration and legal representation thereof, as well as the representation and defense of the interest of the holders of the securities issued against the funds they administer and of the remaining ordinary creditors thereof.

By virtue of the foregoing, this section details the information relating to SANTANDER DE TITULIZACION, S.G.F.T., S.A., in its capacity as the Management Company that is incorporating, administering and representing the securitization fund FONDO DE TITULIZACION DE ACTIVOS, SANTANDER CONSUMER SPAIN AUTO 06.

#### **a) Name and business address.**

Corporate name: SANTANDER DE TITULIZACION, SOCIEDAD GESTORA DE FONDOS DE TITULIZACION, S.A.

Business address: Ciudad Grupo Santander, Avenida de Cantabria s/n, 28660 Boadilla del Monte (Madrid).

Tax Identification Code number A-80481419

C.N.A.E.: 8199

#### **b) Incorporation and registration with Mercantile Registry, as well as information relating to administrative authorizations and registration with the Comisión Nacional del Mercado de Valores (*Spanish Securities Market Commission*).**

SANTANDER DE TITULIZACION, S.G.F.T., S.A. was incorporated by public deed executed on December 21, 1992 before Madrid Notary Public Francisco Mata Pallarés, under number 1310 of his official record, with the prior authorization of the Ministry of Economy and Finance awarded on December 1, 1992. It is registered with the Mercantile Registry of Madrid, under Volume 4789, Folio 75, Page M-78658, 1st registration entry. Furthermore, it is registered with the special registry of the CNMV, under number 1.

In addition, the Management Company amended its Bylaws by resolution of its Board of Directors adopted on June 15, 1998, as formalized in a public deed authorized by Madrid Notary Public Roberto Parejo Gamir on July 20, 1998, under number 3070 of his official record, in order to adapt to the requisites established for Asset Securitization Fund Management Companies by Royal Decree 926/1998. Such

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

amendment was authorized by the Ministry of Economy and Finance on July 16, 1998, in accordance with the provisions of the Sole Transitional Provision of the aforesaid Royal Decree 926/1998.

The duration of the Management Company is indefinite, except for the occurrence of any of the causes where the legal and statutory provisions, as the case may be, may call for dissolution.

**c) Corporate Purpose and brief description of the Management Company's principal activities.**

As required by law, article two of the Management Company's Corporate Bylaws establishes that: "the company shall have as its exclusive purpose the constitution, administration and legal representation of Mortgage Securitization Funds in the terms of article six of Law 19/1992, of July 7, on the Scheme of Real Estate Investment Companies and Funds and on Mortgage Securitization Funds and Asset Securitization Funds, in accordance with the provisions of article 12, point 1, of Royal Decree 926/1998, of May 14, regulating Asset Securitization Funds and Securitization Fund Management Companies. As a manager of third party businesses, it is responsible for the representation and defense of the interest of the holders of the securities issued against the Funds it administers and of the remaining ordinary creditors thereof, as well as the implementation of the further duties attributed to Securitization Fund management companies by current law in force.

The Management Company manages the following assets on August 31, 2006:

This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.

MORTGAGE SECURITISATION FUNDS						
FUNDS	CLASSES	OUTSTANDING BALANCE	INTEREST RATE PER CLASS	RATING AGENCIES	DATE OF INCORPORATION	INITIAL BALANCE
FTH HIPOTEBANSA VI	Class A	36,810,106,47 €	Libor 3M+ 0.12%	S&P España / Moody's España	27/10/1997	262,942,795,67 €
	Class B	3,681,011,13 €	Libor 3M+ 0.50%			
	<b>Total</b>	<b>40,491,117,60 €</b>				
FTH HIPOTEBANSA VII	Class A	65,485,883,55 €	Libor 3M+ 0.15%	S&P España / Moody's España	5/5/1998	317,334,391,12 €
	Class B	6,548,588,07 €	Libor 3M+ 0.525%			
	<b>Total</b>	<b>72,034,471,62 €</b>				
FTH UCI 4	Class A	29,012,885,90 €	Libor 3M+ 0.16%	S&P España	25/6/1998	180,303,631,32 €
	Class B	2,901,288,16 €	Libor 3M+ 0.575%			
	<b>Total</b>	<b>31,914,174,06 €</b>				
FTH HIPOTEBANSA VIII	Class A	76,220,416,56 €	Libor 3M+ 0.27%	Fitch IBCA / Moody's España	17/12/1998	328,302,862,02 €
	Class B	7,622,041,85 €	Libor 3M+ 0.800%			
	<b>Total</b>	<b>83,842,458,41 €</b>				
FTH UCI 5	Class A	57,802,201,60 €	Euribor 3M+ 0.23%	Moody's España	3/6/1999	265,000,000,00 €
	Class B	4,624,177,20 €	Euribor 3M+ 0.625%			
	<b>Total</b>	<b>62,426,378,80 €</b>				
FTH BANESTO 1	Class A	145,083,972,36 €	Euribor 3M+ 0.23%	Moody's España	29/7/1999	759,000,000,00 €
	Class B	11,606,718,48 €	Euribor 3M+ 0.625%			
	<b>Total</b>	<b>156,690,690,84 €</b>				
FTH HIPOTEBANSA IX	Class A	151,525,191,72 €	Euribor 3M+ 0.27%	Fitch IBCA / Moody's España	10/11/1999	519,200,000,00 €
	Class B	14,000,000,00 €	Euribor 3M+ 0.75%			
	<b>Total</b>	<b>165,525,191,72 €</b>				
FTH BANESTO 2	Class A	205,002,450,00 €	Euribor 3M+ 0.27%	Moody's España	8/5/2000	715,000,000,00 €
	Class B	14,350,172,50 €	Euribor 3M+ 0.625%			
	<b>Total</b>	<b>219,352,622,50 €</b>				
FTH BANESTO 3	Class A	215,569,520,48 €	Euribor 3M+ 0.23%	Moody's España	16/7/2001	545,000,000,00 €
	Class B	17,700,000,00 €	Euribor 3M+ 0.60%			
	<b>Total</b>	<b>233,269,520,48 €</b>				
FTH BANESTO 4	Class A	933,998,692,50 €	Euribor 3M+ 0.20%	S&P España	15/11/2003	190,500,000,00 €
	Class B	45,000,000,00 €	Euribor 3M+ 0.65%			
	<b>Total</b>	<b>978,998,692,50 €</b>				
FTH UCI 10	Class A	394,055,613,00 €	Euribor 3M+ 0.16%	S&P España	14/5/2004	700,000,000,00 €
	Class B	21,000,000,00 €	Euribor 3M+ 0.50%			
	<b>Total</b>	<b>415,055,613,00 €</b>				
<b>TOTAL MSF</b>		<b>2,459,600,931,53 €</b>				

This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.

ASSETS SECURITISATION FUNDS						
FUNDS	CLASSES	OUTSTANDING BALANCE	INTEREST RATE PER CLASS	RATING AGENCIES	DATE OF INCORPORATION	INITIAL BALANCE
FTA SANTANDER 1	Intern.			S&P España / Moody's España	26/11/1998	
	P.Notes	4,155,568,637,09				
	Domestic P. Notes	689,100,000,00				
	<b>Total</b>	<b>4,844,668,637,09 €</b>				
FTA UCI 6	Class A	116,396,389,82	Euribor 3M + 0.295%	Moody's España	19/6/2000	457,000,000,00 €
	Class B	10,242,882,38	Euribor 3M + 0.775%			
	<b>Total</b>	<b>126,639,272,20 €</b>				
FTA UCI 7	Class A	146,952,403,68	Euribor 3M + 0.250%	S&P España / Moody's España	25/10/2001	455,000,000,00 €
	Class B	10,286,667,12	Euribor 3M + 0.700%			
	<b>Total</b>	<b>157,239,070,80 €</b>				
FTA HIPOTEBANSA X	Class A	395,295,711,36	Euribor 3M + 0.21%	S&P España / Moody's España	4/3/2002	917,000,000,00 €
	Class B	18,300,000,00	Euribor 3M + 0.55%			
	<b>Total</b>	<b>413,595,711,36 €</b>				
FTA FTPYME	Class A1(G)	0,00 €	Euribor 3M + 0.01%	Fitch IBCA / Moody's España	11/6/2002	500,000,000,00 €
BANESTO 1	Class A1	0,00 €	Euribor 3M + 0.35%			
	Class A2(G)	0,00 €	Euribor 3M + 0.04%			
	Class A2	0,00 €	Euribor 3M + 0.38%			
	Class A3(G)	166,700,000,00	Euribor 3M + 0.07%			
	Class A3	41,700,000,00	Euribor 3M + 0.48%			
	Class B(G)	2,619,258,00	Euribor 3M + 0.20%			
	Class B	2,619,258,00	Euribor 3M + 0.90%			
	Class C	3,492,344,00	Euribor 3M + 1.80%			
	<b>Total</b>	<b>217,130,860,00 €</b>				
FTA UCI 8	Class A	193,301,984,88	Euribor 3M + 0.220%	S&P España / Moody's España	24/6/2002	600,000,000,00 €
	Class B	12,757,930,02	Euribor 3M + 0.600%			
	<b>Total</b>	<b>206,059,914,90 €</b>				
FTA HIPOTEBANSA 11	Class A	553,886,491,04	Euribor 3M + 0.24%	S&P España / Moody's España	26/11/2002	1,062,000,000,00 €
	Class B	21,200,000,00	Euribor 3M + 0.45%			
	<b>Total</b>	<b>575,086,491,04 €</b>				
SANTANDER CONSUMER FINANCE SPAIN 02-1 FTA	Class A	394,619,221,80	Euribor 3M + 0.30%	Fitch / Moody's España / S&P España	9/12/2002	850,000,000,00 €
	Class B	25,190,348,40	Euribor 3M + 0.60%			
	<b>Total</b>	<b>419,809,570,20 €</b>				
FTA CONSUMO SANTANDER 1	Class A	314,924,792,40	Euribor 3M + 0.25%	S&P España / Moody's España	4/3/2003	1,080,000,000,00 €
	Class B	37,800,000,00	Euribor 3M + 0.43%			
	Class C	35,100,000,00	Euribor 3M + 0.73%			
	Class D	35,100,000,00	Euribor 3M + 1.40%			
	<b>Total</b>	<b>422,924,792,40 €</b>				

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

ASSETS SECURITISATION FUNDS						
FUNDS	CLASSES	OUTSTANDING BALANCE	INTEREST RATE PER CLASS	RATING AGENCIES	DATE OF INCORPORATION	INITIAL BALANCE
FTA SANTANDER EMPRESAS 1	Class A1	1,012,947,734,16	Euribor 3M+0.02%	S&P España/ Fitch España	27/10/2005	3,100,000,000,00 €
	Class A2	1,240,000,000,00	Euribor 3M+0.12%			
	Class B	80,600,000,00	Euribor 3M+0.21%			
	Class C	96,100,000,00	Euribor 3M+0.29%			
	Class D	170,500,000,00	Euribor 3M+0.59%			
	<b>Total</b>	<b>2,600,147,734,16 €</b>				
FTAUCI 14	Class A	1,263,418,205,00	Euribor 3M+ 0.15%	S&P España/ Fitch España	30/11/2005	1,350,000,000,00 €
	Class B	34,100,000,00	Euribor 3M+ 0.29%			
	Class C	38,400,000,00	Euribor 3M+0.58%			
	<b>Total</b>	<b>1,335,918,205,00 €</b>				
FTAUCI 15	Class A	1,340,600,000,00	Euribor 3M+ 0.14%	S&P España/ Fitch España	28/4/2006	1,430,000,010,22 €
	Class B	32,900,000,00	Euribor 3M+ 0.27%			
	Class C	56,500,000,00	Euribor 3M+0.53%			
	Class D	21,600,000,00	Euribor 3M+ 0.58%			
	<b>Total</b>	<b>1,451,600,000,00 €</b>				
FTA SANTANDER HIPOTECARIO 2	Class A	1,801,500,000,00	Euribor 3M+0.15%	S&P España/ Mbody's España	30/6/2006	1,955,000,000,00 €
	Class B	51,800,000,00	Euribor 3M+0.20%			
	Class C	32,300,000,00	Euribor 3M+0.30%			
	Class D	49,800,000,00	Euribor 3M+0.55%			
	Class E	19,600,000,00	Euribor 3M+2.10%			
	Class F	17,600,000,00	Euribor 3M+1.00%			
	<b>Total</b>	<b>1,972,600,000,00 €</b>				
<b>TOTAL ASF</b>		<b>23,373,565,322,47 €</b>				
<b>TOTAL (MSF+ ASF)</b>		<b>25,833,166,254,00 €</b>				

d) Share Capital

i) Par value subscribed and paid-in:

The Management Company's share capital is nine hundred one thousand, six hundred fifty (901,650) euros, represented by fifteen thousand (15,000) registered shares each having a par value of sixty euros and eleven cents (60.11), consecutively numbered from one (1) through fifteen thousand (15,000), both inclusive, all of which are fully subscribed and paid-in.

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

**ii) Classes of Shares:**

All of the shares are of the same class and vest identical political and economic rights.

**e) Corporate bodies.**

The governance and administration of the Management Company are entrusted by the bylaws to the General Shareholders' Meeting and to the Board of Directors. Their competencies and authorities are those vested in said bodies in accordance with the provisions of the Spanish Corporations Law (*Ley de Sociedades Anónimas*), Law 19/1992 and Royal Decree 926/1998, in relation to the corporate purpose.

**i) Directors**

The Board of Directors is formed by the following persons:

Chairman: José Antonio Alvarez Alvarez

Directors: Ana Bolado Valle

Emilio Osuna Heredia

Santos González Sánchez

Ignacio Ortega Gavara

Marcelo Alejandro Castro

Eduardo García Arroyo

Francisco Pérez Mansilla

Fermín Colomé Graell and

José Antonio Soler Ramos

Secretary/Non-Director: María José Olmedilla González

**(ii) General Management**

The Manager's General Management Company is Mr. Ignacio Ortega Gavara.

**(iii) The most relevant external activities of the persons mentioned in this section are described below:**



*This Prospectus is a translation into English of the original “Folleto Informativo” drafted in Spanish language and registered with the “Comisión Nacional del Mercado de Valores” (the Spanish Securities Market Commission “CNMV”) on October 9, 2006. The “Folleto Informativo” drafted in Spanish language is the only official document.*

Name	Post in Banco Santander Central Hispano	Company which the activity is provided in	Post or functions which are held or carried out in the company mentioned
<b>Emilio Osuna Heredia</b>	Manager of Coordination SGC (Santander Global Connect)	AIAF, Mercado de Renta Fija	Director
<b>Fermín Colomés Graell</b>	Manager of Coordination SGC (Santander Global Connect)	Open Bank , S.A.	Director
		Geoban S.A.	President
<b>Ana Bolado Valle</b>	Manager of Executive Resource Management SCH	-----	-----
<b>Santos González Sánchez</b>	Manager of Mortgage Business SCH	Hipotebansa , EFC	Director and General Manager.
<b>Francisco Pérez Mansilla</b>	Manager of Companies and SME's SCH	Santander Central Hispano Lease, SA, EFC	Director
		Santander Central Hispano Multileasing, S.A., EFC	Director
		Santander Central Hispano, Factoring y Confirming, S.A., EFC	Director
<b>Eduardo García Arroyo</b>	Manager of Technology SCH	Ingeniería de Software bancario, S.L.	Director
<b>Marcelo Alejandro Castro</b>	Treasurer for Europe SCH	MEFF, Mercados Españoles Futuros Financieros	Director
		Holding Mercados S.A.	Director
<b>José Antonio Álvarez Álvarez</b>	General Financial Manager SCH	Santander Consumer Finance	Director
<b>José Antonio Soler Ramos</b>	Manager of Financial Management SCH	Santander Comercial Paper SAU	President
		Santander Perpetual SAU	President
		Santander US Debt SAU	President
		Santander Finance Preferred SAU	Director and President
		Santander Issuances SAU	Director and President
		Santander International Debt SAU	Director and President
		Santander Finance Capital SAU	Director and President

The persons mentioned in this section 6.1.e) are not holders, directly or indirectly, of any share, convertible bond or other securities which confer upon their titleholder a right to acquire shares of the Management Company.

The business address for all persons mentioned in this section 6.1.e) is as follows:

Santander Titulización, S.G.F.T., S.A.  
Ciudad Grupo Santander  
Avenida de Cantabria s/n  
28660 Boadilla del Monte (Madrid)

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

**f) Lenders of the Management Company (more than ten per cent (10%).**

The Management Company has not received any loan or credit facility from any person or entity. The long and short-term debts that appear in the balance sheet attached hereto, are tax debts owed to BSCH in view of the tax consolidation system between the Management Company and BSCH.

**g) Significant litigation and disputes.**

As at the verification date of this Prospectus, the Management Company is not subject to any insolvency-related situation and no significant litigation or disputes exist which may affect its economic-financial position or, in the future, its capacity to carry out the duties of management and administration of the Fund as contemplated in this Prospectus.

**h) Financial information concerning the Management Company.**

The annual accounts of the Management Company corresponding to the 2003, 2004 and 2005 fiscal years were audited by Deloitte, S.L. and deposited in the Mercantile Register of Madrid. The auditor's report corresponding to each one of these annual accounts contained no provisions.

The Management Company will carry out the accounting of the Fund according to the General Accounting Plan approved by Royal Decree 1643/1990, December 20.

The balance sheet and statement of income for fiscal years 2004 and 2005 and the first six-month period of 2006 are detailed below:

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

**Balance sheet at December 31, 2004 December 31, 2005 and first six-month period of 2006 (000 euros)**

<b>ASSETS</b>	<b>2004</b>	<b>2005</b>	<b>1<sup>st</sup> six month period 2006</b>
<b>FIXED ASSETS::</b>			
Intangible assets	3	6	9
Material assets	172	107	212
<b>Fixed Assets Total</b>	<b>175</b>	<b>113</b>	<b>221</b>
<b>ASSETS CURRENT:</b>			
Debtors	125	178	147
Loans to employees	59	89	105
Other obligors	66	89	42
Temporary financial investments	-	-	-
Cash	6,687	10,307	9,530
Adjustments for periodization	589	821	723
<b>Assets Current Total</b>	<b>7,401</b>	<b>11,306</b>	<b>10,253</b>
<b>ASSETS TOTAL</b>	<b>7,576</b>	<b>11,419</b>	<b>10,621</b>

<b>LIABILITIES</b>	<b>2004</b>	<b>2005</b>	<b>1<sup>st</sup> six month period 2006</b>
<b>SHAREHOLDER'S FUNDS:</b>			
Subscribed capital	902	902	902
Reserves	182	1,160	182
Trading results	2,628	3,298	1,762
Active interim dividend	(1,650)	-	-
<b>Shareholder's Funds total</b>	<b>2,062</b>	<b>5,360</b>	<b>2,846</b>
<b>LONG-TERM CREDITORS</b>			
Debts with Group companies	3,833	4,068	4,068
	<b>3,833</b>	<b>4,068</b>	<b>4,068</b>
<b>SHORT-TERM CREDITORS</b>			
Public finance (Hacienda Pública)	37	41	2,770
Other debts	13	14	28
Debts with Group Companies	1,415	1,782	-
Adjustments for periodization	216	154	97
<b>Short term creditors Total</b>			812
<b>LIABILITIES TOTAL</b>	<b>1,681</b>	<b>1,991</b>	<b>3,707</b>
	<b>7,576</b>	<b>11,419</b>	<b>10,621</b>

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

**Profit and Loss Accounts of the years 2004 and 2005 ended December 31 and first six-month period of 2006 (000 euros).**

<b>DEBTOR</b>	<b>2004</b>	<b>2005</b>	<b>1<sup>st</sup> six month period 2006</b>
<b>EXPENSES:</b>			
<b>Personnel Costs</b>			
Wages, salaries and similar	827	880	404
Social expenses	127	137	71
Other personnel expenses	18	21	16
	972	1.038	491
<b>Allocation for fixed assets amortization</b>	110	145	29
<b>Other exploitation expenses</b>			
External Services	198	84	14
Taxes	-	2	-
Other ordinary management expenses	107	147	76
	305	233	90
<b>Exploitation profits</b>	<b>4.000</b>	<b>5,002</b>	<b>2,607</b>
Financial and similar expenses	-	-	-
<b>Positive trading profits</b>	<b>44</b>	<b>83</b>	<b>110</b>
<b>Ordinary activities profits</b>	<b>4,044</b>	<b>5,085</b>	<b>2,717</b>
Extraordinary expenses	1	10	-
<b>Positive extraordinary outcomes</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profits prior Taxes</b>	<b>4,043</b>	<b>5,080</b>	<b>2,717</b>
Corporate Tax	1.415	1.782	955
	<b>2,628</b>	<b>3,298</b>	<b>1,762</b>
<b>Outcome of business year (profit)</b>		<b>3,298</b>	<b>1,762</b>

<b>CREDITOR</b>	<b>2004</b>	<b>2005</b>	<b>1<sup>st</sup> six month period 2006</b>
<b>REVENUES:</b>			
Revenues Net amount			
Rendering of services	5,387	6,418	3,327
Other interests and similar revenue	44	83	110
Extraordinary revenue	-	5	-
<b>Negative extraordinary outcome</b>	<b>1</b>	<b>5</b>	<b>-</b>

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

## **7. MAJOR SHAREHOLDERS OF THE MANAGEMENT COMPANY**

- a) The title to the Management Company's shares is distributed between the companies listed below, indicating the stake in the Management Company's share capital owned by each one of them:

<b>SHAREHOLDERS</b>	<b>% SHARE CAPITAL</b>
Santander Investment Services, S.A.	19%
Banco Santander Central Hispano, S.A.	81%

- b) **Description of nature of such control and measures in place to ensure that such control is not abused.**

For the purpose of article 4 of the Spanish Securities Market Act, SANTANDER DE TITULIZACION, S.G.F.T., S.A. forms part of the SANTANDER GROUP.

In order to ensure the absence of abuses of control on the part of Banco Santander Central Hispano, S.A. on the Management Company, the Management Company approved Internal Rules of Conduct in application of the provisions of Chapter II of Royal Decree 629/1993, of May 3, on rules of conduct in the securities markets and obligatory records, which were reported to the CNMV.

## **8. FINANCIAL INFORMATION CONCERNING THE ISSUER'S CREDIT RIGHTS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES**

- 8.1 Declaration concerning the commencement of operations and the financial statements of the Issuer prior to the Registration Document Date.**

The Management Company declares that, as at the verification date of this Registration Document, the Fund has not yet been incorporated and, therefore, its operations have not begun and no financial statement in respect thereof has been prepared.

- 8.2 Historical Financial Information.**

Not applicable.

- 8.2 bis This paragraph may be used only for issues of credit rights backed securities having a denomination per unit of at least EUR 50,000.**

Not applicable.

- 8.3 Legal and arbitration proceedings**

Not applicable.

- 8.4 Material adverse change in the Issuer's financial position**

Not applicable

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

## **9. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST**

### **9.1 Statement or report attributed to a person as an expert.**

Not applicable.

### **9.2 Information sourced from a third party.**

Not applicable

## **10. DOCUMENTS ON DISPLAY**

The following documents (or copies thereof) will be available to the public during the term of this Registration Document:

- (a) **The Corporate Bylaws and deed of incorporation of the Management Company.**
- (b) **This Prospectus.**
- (c) **The Deed of Incorporation of the Fund.**
- (d) **The Subordinated Loan Agreement, Swap Agreement, Guaranteed Rate Reinvestment Agreement, Lead Manager and International Subscription Agreement in respect of the International Tranche and Credit Rights Assignment Agreement.**
- (e) **Auditors' Report on the portfolio of Loans** granted by Santander Consumer, from which the Credit Rights which are the object of assignment to the Fund shall be taken, as prepared by the firm Deloitte, S.L.
- (f) **Certification of the resolution of Santander Consumer Board of Directors** meeting of May 18, 2006, at which it was resolved to carry out the assignment of the Credit Rights to the Fund, and **the certification of the resolution of the Management Company's Board of Directors** meeting of September 11, 2006, at which the following matters, *inter alia*, were resolved: the constitution of the Fund, the acquisition by the Fund of the Credit Rights assigned by Santander Consumer, and the issue of the Bonds against the Fund;
- (g) **The letters disclosing the provisional ratings and the letters disclosing the definitive ratings** on the part of Standard & Poor's España, S.A. and Fitch.
- (h) **The letters accepting the mandate from the Lead Managers and the letter from the Assignor.**
- (i) **The Annual Financial Statements and auditors' report of the Management Company.**

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

A copy of all of the above documents may be inspected at the registered offices of the Management Company.

In addition, a copy of all documents mentioned in the above sections except for those contained in section a) and i) may be inspected at the CNMV, at Paseo de la Castellana 19, Madrid.

A copy of the Prospectus will be available to the public on the CNMV's webpage ([www.cnmv.es](http://www.cnmv.es)), AIAF's webpage ([www.aiaf.es](http://www.aiaf.es)).

The Deed of Incorporation will also be available to the public at Iberclear.

*This Prospectus is a translation into English of the original “Folleto Informativo” drafted in Spanish language and registered with the “Comisión Nacional del Mercado de Valores” (the Spanish Securities Market Commission “CNMV”) on October 9, 2006. The “Folleto Informativo” drafted in Spanish language is the only official document.*

## **SECURITIES NOTE**

This Securities Note was prepared in accordance with Annex XIII of Regulation (EC) No. 809/2004 and was approved by the Comisión Nacional del Mercado de Valores (*Spanish Securities Market Commission*) on October 9, 2006.



*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

## **1. PERSONS RESPONSIBLE**

### **1.1 Persons responsible for the information appearing in the Securities Note and in the Additional Building Block.**

MR. IGNACIO ORTEGA GAVARA, acting in his capacity as General Manager, by virtue of the powers expressly conferred upon him by the Board of Directors at its meeting on September 11, 2006, for and on behalf of SANTANDER DE TITULIZACION, S.G.F.T., S.A., having its registered offices at Ciudad Grupo Santander, Avda. de Cantabria s/n, 28660, Boadilla del Monte (Madrid), assumes responsibility for the information contained in this Securities Note and in the Additional Building Block.

SANTANDER DE TITULIZACION, S.G.F.T., S.A. is the promoter of the securitization fund FONDO DE TITULIZACION DE ACTIVOS, SANTANDER CONSUMER SPAIN AUTO 06 and shall be responsible for the administration and legal representation thereof.

### **1.2 Declaration by those responsible for the Securities Note and for the Additional Building Block.**

MR. IGNACIO ORTEGA GAVARA, having taken all reasonable care to ensure that such is the case, the information given in the Securities Note and in the Additional Building Block is, to the best of his knowledge, in accordance with the facts and does not omit anything likely to affect its contents.

## **2. RISK FACTORS**

The risk factors specific to the Credit Rights backing the issue and to the securities are those respectively described under sections II and III of the document included at the beginning of this Prospectus entitled "RISK FACTORS".

## **3. KEY INFORMATION**

### **3.1 Interest of natural and legal persons involved in the issue.**

The natural and legal persons involved in the issue are:

- a) SANTANDER DE TITULIZACION, S.G.F.T., S.A. intervenes as the Fund's Management Company and as legal and financial adviser to the operation's structure.
- b) SANTANDER CONSUMER, E.F.C., S.A. intervenes as the Assignor of the Credit Rights.
- c) BANCO SANTANDER CENTRAL HISPANO, S.A. intervenes as Lead Manager of the International Tranche of the Bond issue and as Paying Agent.
- d) SANTANDER CONSUMER FINANCE, S.A. intervenes as counterpart of the Fund in the Swap Agreement, Subordinated Loan Agreement and the Guaranteed Rate Reinvestment Agreement as well as Underwriter.

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

- e) UBS intervenes as Underwriter and Lead Manager of the International Tranche of the Bond issue.
- f) Standard & Poor's intervenes as Rating Agency of the Bonds.
- g) Fitch intervenes as Rating Agency of the Bonds.
- h) Deloitte S.L. intervenes as auditor of the Management Company and Santander Consumer. Furthermore, it has prepared an audit report on the portfolio of the Loans and it has been appointed as auditor of the Fund.
- i) JONES DAY intervenes as legal adviser with respect to the structure of the operation.

Said persons have no interest, including conflicting ones, that is material to the issue, except as specifically described in the Registration Document.

### **3.2 Purpose of the operation.**

The Bonds issue is fully intended for the acquisition of the Credit Rights pooled in the Fund and for the provision of the Initial Reserve Fund in the case of Series E Bonds.

## **4. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING**

### **4.1 Total amount of the securities**

- a) Total issue amount.

The total amount of the Bonds being issued is ONE BILLION THREE HUNDRED AND SIXTY MILLION TWO HUNDRED THOUSAND EUROS (€1,360,200.000), which represents 100% of the par value of the Bonds, fully underwritten and represented by THIRTEEN THOUSAND SIX HUNDRED AND TWO (13,602) Bonds each having a face value of ONE HUNDRED THOUSAND EUROS (€100,000), distributed in five (5) Series of Bonds (A, B, C, D and E), the following total face amount being assigned to each one of them:

**Series A:** having a total face value of ONE BILLION TWO HUNDRED AND EIGHTY-TWO MILLION FIVE HUNDRED THOUSAND EUROS (€1,282,500,000), represented by TWELVE THOUSAND EIGHT HUNDRED AND TWENTY-FIVE (12,825) Bonds each having a face value of ONE HUNDRED THOUSAND, EUROS (€100,000);

**Series B:** having a total face value of TWENTY-TWO MILLION THREE HUNDRED THOUSAND EUROS (€22,300,000), represented by TWO HUNDRED AND TWENTY-THREE (223) Bonds, each having a face value of ONE HUNDRED THOUSAND EUROS (€100,000);

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

**Series C:** having a total face value of TWENTY-TWO MILLION THREE HUNDRED THOUSAND EUROS (€22,300,000), represented by TWO HUNDRED AND TWENTY-THREE (223) Bonds, each having a face value of ONE HUNDRED THOUSAND EUROS (€100,000);

**Series D:** having a total face value of TWENTY-TWO MILLION NINE HUNDRED THOUSAND EUROS (€22,900,000), represented by TWO HUNDRED AND TWENTY-NINE (229) Bonds, each having a face value of ONE HUNDRED THOUSAND EUROS (€100,000);

**Series E:** having a total face amount of TEN MILLION TWO HUNDRED THOUSAND EUROS (€10,200,000), represented by ONE HUNDRED AND TWO (102) Bonds, each having a face value of ONE HUNDRED THOUSAND EUROS (€100,000); and

**b) Underwriting and Placement.**

The Underwriters shall place the Bonds among institutional investors. In addition, each Underwriter shall assume the obligations contained the International Subscription Agreement in respect of the International Tranche and which, basically, shall be the following: (1) joint commitment for subscription of any Bonds not subscribed once the Subscription Period has closed, up to their amount established in the relevant agreement; (2) payment to the Paying Agent prior to 2:00 p.m. on the Disbursement Date, for value that same day, of the nominal amount underwritten by them; and (3) delivery to the Bonds` subscribers who so request, within a deadline of five (5) days from the Disbursement Date, of a document evidencing subscription by the latter of the Bonds awarded and of the cash amount they have paid-in for said subscription. The validity of such document being limited to the date on which the book-entry in the relevant book-entry ledger takes place.

As payment for the commitments assumed by the Underwriters, these will receive an underwritten and placement commission, which is included within the initial expenses of the Fund. The underwriting commissions are estimated at EIGHT HUNDRED SIXTEEN THOUSAND AND ONE HUNDRED TWENTY EUROS (€816.120) and each Underwriter of the Bonds will receive the commissions for each Bonds included in the following chart, applied to the face value underwritten by each of them under the Lead Manager and International Subscription Agreement in respect of the International Tranche:

<b>Series</b>	<b>Underwriting Commission</b>
Bonds A	Between 0,00 % and 0,06 %
Bonds B	Between 0,00 % and 0 06 %
Bonds C	Between 0,00 % and 0,06 %
Bonds D	Between 0,00 % and 0,06 %
Bonds E	Between 0,00 % and 0,06 %

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

and which the Underwriters shall deduct from the amounts they remit to the Paying Agent in compliance with their underwriting commitments.

The sole cause for termination established in the Lead Manager and International Subscription Agreement in respect of the International Tranche is the failure to confirm the provisional ratings of the Bonds as being definitive prior to the commencement of the Subscription Period.

The Bonds issue will be placed in the international markets by UBS and SCF with regard to the following amounts:

### **International Tranche**

<b>Underwriters</b>	<b>Bonds Series A</b>	<b>Bonds Series B</b>	<b>Bonds Series C</b>	<b>Bonds Series D</b>	<b>Bonds Series E</b>
UBS	1,282,500,000	22,300,000	22,300,000	22,300,000	
SCF					10,200,000
<b>TOTAL</b>	<b>1,282,500,000</b>	<b>22,300,000</b>	<b>22,300,000</b>	<b>22,300,000</b>	<b>10,200,000</b>

BSCH and UBS, in their capacity as Lead Managers appointed for the International Tranche, act in that capacity according to the terms detailed in section 5.2 of the Registration Document, and will not charge any commission for this concept.

#### **4.2 Description of type and class of securities.**

The Bonds will have the legal nature of fixed income negotiable securities with explicit return, and are subject to the scheme stipulated in the Law on the Stock Market and its implementation rules and are issued under Royal Decree 926/1998.

#### **4.3 Legislation of the securities.**

"FONDO DE TITULIZACIÓN DE ACTIVOS, SANTANDER CONSUMER SPAIN AUTO 06" is constituted under Spanish Law and will be subject to it, and specifically to, (i) the Deed of Incorporation of the Fund, (ii) Royal Decree 926/1998 and its Implementation Rules, (iii) Royal Decree 1310/2005, (iv) Law 19/1992, (v) Law 24/1988, (vi) Order EHA/3537/2005, and (vii) the other legal and regulation provisions in force which are duly applicable.

This Securities Note was drafted following the model stipulated in Regulation (EC) no. 809/2004.

#### **4.4 Representation of the securities. Mention if the securities are nominative or made out to/the bearer and if they are represented by certificates or book entries.**

The Bonds will be represented by book entries in accordance with the stipulations of Royal Decree 926/1998, will be constituted as such by virtue of their corresponding accounts registry. The Deed of Incorporation will give rise to the effects stipulated in article 6 of the Law on the Stock Market.

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

The Bondholders will be identified as such (in their own names or by third parties) as recorded in the accounting register kept by the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) (Manager of the Securities Registration, Compensation and Settlement Systems), whose address is in Madrid, at Plaza de la Lealtad nº 1, which will be designated as the entity in charge of the accounting registry of the Bonds in the Deed of Incorporation of the Fund so that the compensation and settlement of the Bonds will be made in accordance with the rulings regarding securities admitted to trading in the AIAF Fixed Income Market, and represented by the book entries established or which might be approved in the future by Iberclear.

#### **4.5 Currency of the issue.**

The Bonds shall be denominated in EUROS.

#### **4.6 Order of Priority of Payments.**

The Management Company, on behalf of the Fund, shall proceed to apply on each Payment Date the amount of the Available Funds towards the relevant payments and withholding, as per the Order of Priority of Payments described under section 3.4.6.(1)(b) of the Additional Building Block which, as regards the payment of interest and principal on the Bonds may be summarized as follows, without prejudice to the Order of Priority of Liquidation Payments described under section 3.4.6.(5) of the Addition Building Block.

##### **a) Payment of interest:**

- a.1 The payment of interest accrued on the Series A Bonds holds third (3<sup>rd</sup>) place in the Order of Priority of Payments.
- a.2 The payment of interest accrued on the Series B Bonds holds fourth (4<sup>th</sup>) place in the Order of Priority of Payments, except if the payment of these is set back, to eighth (8<sup>th</sup>) position in the order of priority according to the exceptional rules described in section 3.4.6.(3) of the Additional Building Block, thereby remaining postponed in ranking with respect to the payment of interest accrued on the Series A Bonds.
- a.3 The payment of interest accrued on the Series C Bonds holds fifth (5<sup>th</sup>) place in the Order of Priority of Payments, except if the payment of these is set back, to ninth (9<sup>th</sup>) position in the order of priority according to the exceptional rules described in section 3.4.6.(3) of the Additional Building Block, thereby remaining postponed in ranking with respect to the payment of interest accrued on the Series A and B Bonds.
- a.4 The payment of interest accrued on the Series D Bonds holds sixth (6<sup>th</sup>) place in the Order of Priority of Payments, except if the payment of these is set back, to tenth (10<sup>th</sup>) position in the order of priority according to the exceptional rules described in section 3.4.6.(3) of the Additional Building Block, thereby remaining postponed in ranking with respect to the payment of interest accrued on the Series A, B and C Bonds.

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

- a.5 The payment of interest accrued on the Series E Bonds holds twelfth (12<sup>th</sup>) place in the Order of Priority of Payments, thereby remaining postponed in ranking with respect to (i) the payment of interest accrued on the Series A, B, C and D Bonds; (ii) the Withholding on Principal amount, and (iii) withholding of a sufficient amount to duly maintain the Reserve Fund at its Required Level.

**b) Redemption of principal:**

The Withholding on Principal amount designed for the acquisition of Additional Credit Rights and, after the termination of the Revolving Period, for the redemption of Series A, B, C and D Bonds, holds seventh (7<sup>th</sup>) place in the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of the Additional Building Block. The redemption shall be carried out in accordance with the following rules of subordination between these four (4) Series:

- b.1 Principal Available Funds on each Payment Date, shall be applied towards redemption of principal of the Series A Bonds, until redeemed in full.
- b.2 Once the Series A Bonds have been redeemed, all of the Principal Available Funds on each Payment Date shall be applied towards the redemption of principal of the Series B Bonds, until redeemed in full.
- b.3 Once the Series B Bonds have been redeemed, all Principal Available Funds on each Payment Date shall be applied towards the redemption of principal of the Series C Bonds, until redeemed in full.
- b.4 Once the Series C Bonds have been redeemed, all of the Principal Available Funds on each Payment Date shall be applied towards the redemption of principal of the Series D Bonds, until redeemed in full.

The Series E Bonds shall be fully redeemed in one sole payment on the last Payment Date, holding for such purpose twelfth (12<sup>th</sup>) place in the Order of Priority of Liquidation Payments established in section 3.4.6 (5) of the Additional Building Block in the event of Early Liquidation of the Fund.

**4.7 Description of the rights attached to the securities and procedure for exercise of said rights.**

In accordance with current law in force, the Bonds detailed in this Securities Note shall not counter upon the investor that acquires them any present and/or future political right in respect of the Fund.

The economic and financial rights for the investor associated with the acquisition and holding of the Bonds, shall be those derived from the interest rate conditions, returns and form of redemption pursuant to which they are issued and which are reflected under sections 4.8 and 4.9, below.

The financial servicing of the Bonds shall be handled by BSCH, as Paying Agent, who on each one of the Payment Dates of the Bonds, shall proceed to make the

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

interest payment and principal repayment on the Bonds in accordance with the instructions received from the Management Company.

Payments to be made by the Paying Agent shall be made through the relevant entities participating in Iberclear, in whose records the Bonds are registered, as per the procedures being followed at the said service.

Bondholders may not claim against the Management Company except in the event that it breaches its obligations described in this Prospectus or those provided by law. The Management Company is the only authorized representative of the Fund as regards third parties and in any legal proceedings, in accordance with applicable legislation.

Any question, discrepancy or dispute concerning the Fund or the Bonds which might arise during the period of operation or on its settlement, whether this involves the bondholders or the Management Company, will be submitted to the Spanish Courts, waiving any other jurisdiction which might correspond to the parties.

#### **4.8 The Nominal Interest Rate and provisions relating to interest payable.**

The return on the Bonds shall be determined, for each Series, through a variable interest rate, pursuant to the following provisions:

- a) All Bonds Series shall accrue an annual variable nominal interest payable quarterly on each Payment Date provided that the Fund has sufficient Available Funds in the Cash Account, in accordance with the Order of Priority of Payments contemplated for each Series under section 3.4.6.(1)(b) of the Additional Building Block.

Any withholding, contributions and taxes established or to be established in the future on principal, interest or returns on the Bonds shall be for the exclusive account and expense of the Bondholders and their amount shall be deducted, as the case may be, by the Management Company, acting for and on behalf of the Fund, through the Paying Agent, in the manner legally established.

- b) The duration of the issue shall be divided into successive Interest Accrual Periods comprising the days actually transpired between each Payment Date, including in each Interest Accrual Period the initial Payment Date and excluding the final Payment Date. The first Interest Accrual Period shall have a duration equivalent to the days actually elapsed between the Disbursement Date and the first Payment Date. The last Interest Accrual Period will terminate on the Final Maturity Date of the Fund.
- c) The Nominal Interest Rate applicable to the Bonds for each Interest Accrual Period shall be determined by the Management Company, acting for and on behalf of the Fund, at the Rate Setting Time, which shall be the second Business Day as per the calendar of TARGET (Transeuropean Automated Real-time Gross Settlement Express Transfer System) preceding each Payment Date, at 11:00 a.m. (Madrid time) on such day, and shall be applicable to the following Interest Accrual Period.

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

The Nominal Interest Rate on the Bonds for the First Interest Accrual Period shall be determined in the manner established in section d) below, on the basis of the Reference Interest Rate existing at 11:00 a.m. (Madrid time) on the Constitution Date.

The nominal interest rates determined for all Bonds Series for successive Interest Accrual Periods shall be notified to the Bondholders within the deadline and manner contemplated under section 4 b) of the Additional Building Block.

The Management Company will notify the CNMV, as additional information, the Nominal Interest Rate of the Bonds for the First Interest Accrual Period.

- d) The Nominal Interest Rate determined for each Interest Accrual Period shall be that which results from adding together: (i) the Reference Interest Rate of EURIBOR at three (3) months or, as the case may be, its substitute (as described under section e), below and (ii) a margin for each Series:

- From 0.09% to 0.18% for the Series A Bonds;
- From 0.15% to 0.25% for the Series B Bonds;
- From 0.19% to 0.35% for the Series C Bonds;
- From 0.40% to 0.60% for the Series D Bonds;
- From 0.50% to 1.00% for the Series E Bonds.

all of which rounded up to the closest one thousandth of one per cent.

The definitive margins applicable to Series A, B, C, D and E respectively shall be set and reported to the Management Company, on the Constitution Date by the Lead Managers, prior to 9:00 a.m. (Madrid time). In the absence of the notice which must be given by the Lead Managers, the Management Company shall set the margin for Series A at 0,14%, the margin for Series B at 0,20%, the margin for Series C at 0,27%, the margin for Series D at 0,50%, the margin for Series E at 0.75%.

- e) The Reference Interest Rate shall be the following:
- (i) Except for the first Interest Accrual Period, the EURIBOR rate (*Euro Interbank Offered Rate*) is the money market reference rate for deposits in euros at three (3) months maturity. The EURIBOR rate at three (3) months shall be that which results from the REUTERS screen, page "EURIBOR01" (or such other page as may come to replace it in this service) at the Rate Setting Time.

Exceptionally, the Reference Interest Rate for the first Interest Accrual Period will be that resulting from the lineal interpolation between the EURIBOR rate at three (3) months and the EURIBOR rate at four (4) months, established at 11:00 am (CET time) on the second Business Day prior to the Disbursement Date, taking into account the number of days of the first Interest Accrual Period.



*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

The calculation of the Interest Rate of Reference for the first Interest Accrual Period will be made according to the following formula:

$$R = E3 + \left[ \frac{(E4 - E3)}{d4 - d3} \right] \times (dt - d3)$$

R= Interest Rate of Reference for the first Interest Accrual Period.

dt= Number of days in the first Interest Accrual Period.

d3= Number of days corresponding to Euribor at three (3) months.

d4= Number of days corresponding to Euribor at four (4) months.

E3= Euribor Rate at three (3) months.

E4= Euribor Rate at four (4) months.

- (ii) In the absence of rates as provided in section (i) above, a substitute Interest Rate of Reference will be applied, which will be the interest rate resulting from taking the simple average of the interbank interest rate offered for deposits in euros (EURIBOR) over three months, as soon as possible following the Rate Setting Time, by the following entities:

- Banco Santander Central Hispano, S.A. London Branch
- Bank of America N.T.&S.A., London Branch
- J.P. Morgan Securities Ltd.

all of which rounded up to the closest one thousandth of one per cent.

Should it be impossible to apply the substitute Reference Interest Rate mentioned above, owing to the fact that one of the aforesaid entities has not provided quotations continuously, the interest rate resulting from the calculation of the simple average of the interest rates quoted by the remaining two (2) entities will apply.

And if one of the remaining two (2) institutions mentioned above should cease to furnish a declaration of quotations, the last Nominal Interest Rate applicable to the last Interest Accrual Period shall apply, and so on for successive Interest Accrual Periods, as long as the said situation persists.

If at least two (2) of the institutions mentioned above should once again provide quotations, the subsidiary substitute Reference Interest Rate will again apply, as provided above.

The Management Company shall keep lists of the content of the REUTERS screen or, as the case may be, the declarations of quotations of the institutions mentioned above, as documents evidencing the relevant rate.

At each of the Rate Setting Times, the Paying Agent shall notify the Management Company of the Reference Interest Rate which will

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

serve as a basis for calculating the Nominal Interest Rate applicable to each Bonds Series.

- f) The Nominal Interest Rate will accrue on the days that have effectively elapsed in each Interest Accrual Period for which it was been determined, which will be calculated on the basis of one year/ three hundred and sixty (360) days.
- g) The interest accrued on the Bonds belonging to all Series shall be payable quarterly, on each Payment Date, i.e. on January 20, April 20, July 20 and October 20 of each year, until redeemed in full, provided that the Fund has Available Funds in the Cash Account in accordance with the Order of Priority of Payments contemplated for each Series in section 3.4.6.(1)(b) of the Additional Building Block.

In the event that any of the dates established in the above paragraph is not a Business Day, the interest payment shall be made on the immediately following Business Day, with interest pertaining to the Interest Accrual Period in progress accruing up to the above-mentioned first Business Day, non-inclusive.

- h) The first interest payment on the Bonds belonging to all Series shall take place on January 20, 2007, with interest accruing at the relevant Nominal Interest Rate from the Disbursement Date (inclusive) up to January 20, 2007 (non-inclusive).
- i) The calculation of the interest for each Series to be paid on each Payment Date for each Interest Accrual Period shall be performed in accordance with the following formula:

$$I = P * R / 100 * d / 360$$

Where:

I = Interest to be paid on a given Payment Date.

P = Balance of Principal Pending Payment on the Bonds of each Series on the Determination Date pertaining to the said Payment Date.

R = Nominal Interest Rate expressed as a percentage.

d = Number of actual days which pertain to each Interest Accrual Period.

Both the interest resulting in favor of the Bondholders, calculated as provided above, as well as the amount of interest accrued and not paid, shall be notified to the Bondholders in the manner described under section 4 of the Additional Building Block at least one (1) calendar day in advance of each Payment Date.

- j) The payment of accrued interest shall take place on each Payment Date, provided that the Fund has Available Funds in the Cash Account, in accordance with the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of the Additional Building Block.

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

**4.8.1 Valid deadline in which interest may be claimed.**

Interest on the Bonds shall be paid until the respective redemption thereof on each Payment Date and provided that the Fund has Available Funds for doing so in accordance with the Order of Priority of Payments stated in section 3.4.6.(1)(b) of the Additional Building Block.

In the event that on a Payment Date the Fund cannot meet full or partial payment of the interest accrued on the Bonds of any of the Series, in accordance with the Order of Priority of Payments reflected under section 3.4.6.(1)(b) of the Additional Building Block, the amounts which the Bondholders have failed to receive shall be accumulated on the next Payment Date to the interest of the Series itself which, as the case may be, is applicable to pay on that same Payment Date, and shall be paid in accordance with the aforesaid Order of Priority of Payments and applied by order of maturity in the event it is not possible for them to be paid in full due to insufficient Available Funds, without implying a capitalization of the debt.

The Fund, through its Management Company, may not defer the payment of interest on the Bonds beyond the Legal Maturity Date or, if such date is not a Business Day, the next Business Day.

**4.8.2 Description of the underlying rate and historical information in relation thereto.**

Solely as a matter of illustration, the following are data on the EURIBOR rates at three (3) months, as furnished by REUTERS on the dates indicated, including a recent update, which in any case would be two (2) Business Days prior to the proposed Payment Date, as well as the rates which would apply to all Bonds Series.

The margin used as a reference in the following table consists of the margin which the Management Company would set in the event that the Lead Managers do not notify the definitive margins in accordance with the provisions of section 4.8.d), above.

<b>Fechas</b>	<b>EURIBOR</b>	<b>Bonos Serie A</b>	<b>Bonos Serie B</b>	<b>Bonos Serie C</b>	<b>Bonos Serie D</b>	<b>Bonos Serie E</b>
16/02/2006	2,604%	2,744%	2,804%	2,874%	3,104%	3,354%
16/03/2006	2,704%	2,844%	2,904%	2,974%	3,204%	3,454%
18/04/2006	2,769%	2,909%	2,969%	3,039%	3,269%	3,519%
18/05/2006	2,893%	3,033%	3,093%	3,163%	3,393%	3,643%
16/06/2006	2,966%	3,106%	3,166%	3,236%	3,466%	3,716%
18/07/2006	3,104%	3,244%	3,304%	3,374%	3,604%	3,854%
17/08/2006	3,234%	3,374%	3,434%	3,504%	3,734%	3,984%
18/09/2006	3,340%	3,480%	3,540%	3,610%	3,840%	4,090%
04/10/2006	3,453%	3,593%	3,653%	3,723%	3,953%	4,203%

**4.8.3 Description of any episode of market distortion of underlying rate.**

Not applicable.

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

**4.8.4** Rules for adjustment of underlying rate.

Not applicable.

**4.8.5** Calculation Agent.

Not applicable.

**4.9 Redemption price and provisions concerning maturity of the securities.**

**4.9.1** Redemption price.

The Bonds shall be redeemed at par.

**4.9.2** Date and forms of redemption.

Once the Revolving Period has finalized, the Bonds will be redeemed by the reduction of their face value on January 20, April 20, July 20 and October 20 of each year (or the next Business Day) until redeemed in full, in accordance with the ordinary redemption rules established below.

Principal Available Funds are the amounts which will be assigned to the acquisition of Additional Credits Right on each Payment Date during the Revolving Period and, once such period has elapsed, to the redemption of Series A, B, C and D Bonds, and which will be:

- a) The Withholding on Principal amount situated in seventh (7th) place of the Available Funds on the relevant Payment Date.
- b) Until the Payment Date immediately following the end of the Revolving Period inclusive, the balance of the Principal Account and, as the case may be, the balance of the Excess Fund Account transferred from the Principal Account on the Determination Date preceding the relevant Payment Date.

The deficit of principal amounts (the "Principal Deficit") on a Payment Date will be the positive difference, if any, between (i) the amount of the Withholding on Principal, and (ii) the amount of the Available Funds actually applied to the Withholding on Principal.

**a) Series A, B, C and D Bonds**

**Redemption of Series A Bonds:**

Once the Revolving Period has finalized, the redemption of the principal in respect of Series A Bonds shall be made by partial redemption, according to the Principal Available Funds, on each Payment Date as from the Payment Date on which its redemption commenced until it has been redeemed in full.

The first redemption payment in respect of Series A Bonds will be on July 20, 2009, except in case of early termination of the Revolving Period, at which time the first redemption payment of the Series A Bonds will be made in advance and

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

will coincide with the Payment Date on which such early termination of the Revolving Period occurs.

#### **Redemption of Series B Bonds:**

Once the Series A Bonds have been redeemed, all Principal Available Funds shall be used quarterly for redemption of principal on the Series B Bonds and shall be made by partial redemption at each Payment Date as from the Payment Date on which its redemption commenced until it has been redeemed in full.

#### **Redemption of Series C Bonds:**

Once the Series B Bonds have been redeemed, all Principal Available Funds shall be used quarterly for redemption of principal on the Series C Bonds and shall be made by partial redemption at each Payment Date as from the Payment Date on which its redemption commenced until it has been redeemed in full.

#### **Redemption of Series D Bonds:**

Once the Series C Bonds have been redeemed, all Principal Available Funds shall be used quarterly for redemption of principal on the Series D Bonds and shall be made by partial redemption at each Payment Date as from the Payment Date on which its redemption commenced until it has been redeemed in full.

### **b) Series E Bonds:**

#### **Redemption of Series E Bonds:**

The redemption of the Bonds of Series E will be made in full and in one sole payment on the last Payment Date, for which purpose the amount existing in the Reserve Fund will be used.

Notwithstanding the foregoing, the Management Company is authorized to proceed with the Early Liquidation of the Fund and, consequently, with Early Redemption on a Payment Date of the entire Bonds issue, on the terms established under section 4.4.c) of the Registration Document.

The Fund, via its Management Company, shall not be able to defer the redemption of the Bonds beyond the Legal Maturity Date, or, if this date is not a Business Day, the following Business Day.

## **4.10 Indication of investor yield and calculation method**

The IRR for the Bondholders of each Series shall be calculated by means of the following formula:

$$100.000 = \sum_{i=1}^N ai(1 + I)^{-[ni/365]}$$

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

**Where:**

***I*** = IRR expressed as an annual rate as a whole number.

***ai*** = Total amounts of redemption and interest to be received by the investors.

(a1.....aN)

***ni*** = Number of days running between the Disbursement Date and the Payment Dates , non-inclusive.

The principal characteristics of the Bonds reside in the fact that their periodical redemption and, consequently, their average life and term, depends fundamentally on the speed with which the Debtors decide to pay off their Loans.

In this regard, prepayments which the Debtors decide to make are subject to continuous changes and are estimated in this Prospectus by the use of various future CAPR's. Consequently, they will directly affect the speed of repayment of the Credit Rights and, therefore, the average life and duration of the Bonds.

Furthermore, other variables exist, also subject to continuous changes, which affect the average life and duration of the Bonds. These variables and their hypothetical values assumed in all of the tables appearing in this section are:

- (i) Interest rate on portfolio of the Loans: 6.34 % (average weighted interest rate on September 13, 2006);
- (ii) Late payments in portfolio of Loans: 0% per annum; 0% monthly (late payment as from ninety days with a recovery period of 12 months);
- (iii) Nonperforming Loans of the portfolio: 0%;
- (iv) That the Disbursement Date of the Bonds is October 16, 2006;
- (v) That the Revolving Period of the Credit Rights will end on April 20, 2009, and during that period Additional Credit Rights will be acquired on each Payment Date and for the total amount of the Principal Available Funds on each of those dates; and
- (vi) That the CAPR remains constant throughout the life of the Bonds.

The variables in (i) to (v) and the CAPR used in the charts included below arise from the historical information provided by the Assignor and reasonable for the portfolio of Credit Rights.

Finally, the duration of the Bonds will also depend on their variable interest rate, and in all of the tables that appear in this section constants are assumed for Series A at 3.593%; at 3.653% for Series B, at 3.723% for Series C, at 3.953% for Series D and for Series E, at 4.203% taking as reference the 3.374% (EURIBOR at 3 months on October 4, 2006) plus a margin of 0.14 % for Series A, 0.20% for Series B, 0.27% for Series C, 0.50% for Series D and 0.75% and for Series E.

Assuming that the Management Company, acting on behalf of the Fund, proceeds with the Early Liquidation of the Fund, as contemplated under section 4.4.c) of the Document of Registration when the Outstanding Balance of the Credit Rights is less

This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.

than ten per cent (10%) of the initial balance of the Credit Rights, the average life, duration, maturity and IRR of the Bonds shall be as follows, as per different CAPR's:

CAPR	12%	14%	16%
<b>SERIES A</b>			
ESTIMATED AVERAGE LIFE	4,04	3,99	3,95
ESTIMATED DURATION	3,63	3,60	3,56
ESTIMATED MATURITY	20/01/2013	20/01/2013	20/10/2012
IRR	3,6417%	3,6417%	3,6417%
<b>SERIES B</b>			
ESTIMATED AVERAGE LIFE	6,27	6,27	6,02
ESTIMATED DURATION	5,44	5,44	5,24
ESTIMATED MATURITY	20/01/2013	20/01/2013	20/10/2012
IRR	3,7033%	3,7033%	3,7033%
<b>SERIES C</b>			
ESTIMATED AVERAGE LIFE	6,27	6,27	6,02
ESTIMATED DURATION	5,42	5,42	5,23
ESTIMATED MATURITY	20/01/2013	20/01/2013	20/10/2012
IRR	3,7753%	3,7753%	3,7753%
<b>SERIES D</b>			
ESTIMATED AVERAGE LIFE	6,27	6,27	6,02
ESTIMATED DURATION	5,37	5,37	5,18
ESTIMATED MATURITY	20/01/2013	20/01/2013	20/10/2012
IRR	4,0120%	4,0120%	4,0120%
<b>SERIES E</b>			
ESTIMATED AVERAGE LIFE	6,27	6,27	6,02
ESTIMATED DURATION	5,32	5,32	5,13
ESTIMATED MATURITY	20/01/2013	20/01/2013	20/10/2012
IRR	4,2697%	4,2697%	4,2697%

The said figures were calculated pursuant to the following formulas:

***Average life of the Bonds***

$$A = \frac{\sum(B \times d)}{C} \times \frac{1}{365}$$

**Where:**

- A** = Average life of each Series of Bonds issued expressed in years.
- B** = Principal to be redeemed on each Bonds Series on each Payment Date.
- d** = Number of days elapsed from the Disbursement Date up to the Payment Date in question.
- C** = Total nominal amount in euros of each Series Bonds.

***Duration of Bonds:*** The concept of duration applied to a fixed income bond, according to the definition of Macaulay as commonly used, is a measure of the sensitivity of the value of the asset in relation to the change of index representing the profitability observed in the market. To summarize, the duration is a measure of the risk of the change in the value of the bond as a consequence of the change in the profitability of its market references.

*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

*(Macaulay formula, adjusted):*

$$D = \frac{\sum (P \times VA)}{PE} \times \frac{1}{1 + I}$$

**Where:**

- D =** Duration of each Bonds Series expressed in years.
- P =** Time transpiring (in years) between the Disbursement Date up to each one of the Payment Dates in question.
- VA=** Present value of each one of the amounts comprising principal and gross interest to be paid on each one of the Payment Dates discounted at a IRR.
- PE=** Price of the issue of the Bonds, 100,000 euros
- I =** IRR for each of the Series.

The Manager expressly states that the charts of the financial service of each of the Series which are described below are merely theoretical and for descriptive purposes, and do not represent any obligation to pay, taking into account that:

- The TACP are assumed as constant 14% respectively throughout the life of the Bonds.
- The Balance of the Principal Pending Payment of the Bonds on each Payment Date, and, therefore, the interest to be paid on each of these will depend on the prepayment, on the late payments and on the Nonperforming Loans.
- The nominal interest rates of the Bonds are assumed to be constant for each Series. In all cases, the hypothetical values mentioned at the beginning of this section are assumed.
- It is assumed that the Manager will exercise the option of the Early Liquidation of the Fund and with this the Early Redemption of the Bonds issue, when the Outstanding Balance of the Credit Rights is less than 10% of the initial Outstanding Balance of the Credit Rights on the constitution of the Fund.

The charts of the financial service of each of the Series, for the TACP 14%, are here below:



*This Prospectus is a translation into English of the original "Folleto Informativo" drafted in Spanish language and registered with the "Comisión Nacional del Mercado de Valores" (the Spanish Securities Market Commission "CNMV") on October 9, 2006. The "Folleto Informativo" drafted in Spanish language is the only official document.*

	INTERES			INTERES			INTERES			INTERES			INTERES		
	AMORTIZ.	BRUTO	TOTAL	AMORTIZ.	BRUTO	TOTAL	AMORTIZ.	BRUTO	TOTAL	AMORTIZ.	BRUTO	TOTAL	AMORTIZ.	BRUTO	TOTAL
	SERIE A	SERIE A	SERIE A	SERIE B	SERIE B	SERIE B	SERIE C	SERIE C	SERIE C	SERIE D	SERIE D	SERIE D	SERIE E	SERIE E	SERIE E
16-Oct-06															
20-Jan-07	0,00	958,13	958,13	0,00	974,13	974,13	0,00	992,80	992,80	0,00	1,054,13	1,054,13	0,00	1,120,80	1,120,80
20-Apr-07	0,00	898,25	898,25	0,00	913,25	913,25	0,00	930,75	930,75	0,00	988,25	988,25	0,00	1,050,75	1,050,75
20-Jul-07	0,00	908,23	908,23	0,00	923,40	923,40	0,00	941,09	941,09	0,00	999,23	999,23	0,00	1,062,43	1,062,43
20-Oct-07	0,00	918,21	918,21	0,00	933,54	933,54	0,00	951,43	951,43	0,00	1,010,21	1,010,21	0,00	1,074,10	1,074,10
20-Jan-08	0,00	918,21	918,21	0,00	933,54	933,54	0,00	951,43	951,43	0,00	1,010,21	1,010,21	0,00	1,074,10	1,074,10
20-Apr-08	0,00	908,23	908,23	0,00	923,40	923,40	0,00	941,09	941,09	0,00	999,23	999,23	0,00	1,062,43	1,062,43
20-Jul-08	0,00	908,23	908,23	0,00	923,40	923,40	0,00	941,09	941,09	0,00	999,23	999,23	0,00	1,062,43	1,062,43
20-Oct-08	0,00	918,21	918,21	0,00	933,54	933,54	0,00	951,43	951,43	0,00	1,010,21	1,010,21	0,00	1,074,10	1,074,10
20-Jan-09	0,00	918,21	918,21	0,00	933,54	933,54	0,00	951,43	951,43	0,00	1,010,21	1,010,21	0,00	1,074,10	1,074,10
20-Apr-09	0,00	898,25	898,25	0,00	913,25	913,25	0,00	930,75	930,75	0,00	988,25	988,25	0,00	1,050,75	1,050,75
20-Jul-09	15,123,71	908,23	16,031,94	0,00	923,40	923,40	0,00	941,09	941,09	0,00	999,23	999,23	0,00	1,062,43	1,062,43
20-Oct-09	10,522,18	779,34	11,301,52	0,00	933,54	933,54	0,00	951,43	951,43	0,00	1,010,21	1,010,21	0,00	1,074,10	1,074,10
20-Jan-10	9,678,82	682,73	10,361,54	0,00	933,54	933,54	0,00	951,43	951,43	0,00	1,010,21	1,010,21	0,00	1,074,10	1,074,10
20-Apr-10	9,004,66	580,95	9,585,60	0,00	913,25	913,25	0,00	930,75	930,75	0,00	988,25	988,25	0,00	1,050,75	1,050,75
20-Jul-10	8,203,35	505,62	8,708,97	0,00	923,40	923,40	0,00	941,09	941,09	0,00	999,23	999,23	0,00	1,062,43	1,062,43
20-Oct-10	7,598,21	435,85	8,034,06	0,00	933,54	933,54	0,00	951,43	951,43	0,00	1,010,21	1,010,21	0,00	1,074,10	1,074,10
20-Jan-11	6,814,96	366,08	7,181,04	0,00	933,54	933,54	0,00	951,43	951,43	0,00	1,010,21	1,010,21	0,00	1,074,10	1,074,10
20-Apr-11	6,266,96	296,91	6,563,87	0,00	913,25	913,25	0,00	930,75	930,75	0,00	988,25	988,25	0,00	1,050,75	1,050,75
20-Jul-11	5,503,32	243,29	5,746,61	0,00	923,40	923,40	0,00	941,09	941,09	0,00	999,23	999,23	0,00	1,062,43	1,062,43
20-Oct-11	4,999,00	195,43	5,194,43	0,00	933,54	933,54	0,00	951,43	951,43	0,00	1,010,21	1,010,21	0,00	1,074,10	1,074,10
20-Jan-12	4,308,95	149,53	4,458,48	0,00	933,54	933,54	0,00	951,43	951,43	0,00	1,010,21	1,010,21	0,00	1,074,10	1,074,10
20-Apr-12	3,870,47	108,77	3,979,24	0,00	923,40	923,40	0,00	941,09	941,09	0,00	999,23	999,23	0,00	1,062,43	1,062,43
20-Jul-12	3,182,43	73,62	3,256,05	0,00	923,40	923,40	0,00	941,09	941,09	0,00	999,23	999,23	0,00	1,062,43	1,062,43
20-Oct-12	2,775,94	45,20	2,821,15	0,00	933,54	933,54	0,00	951,43	951,43	0,00	1,010,21	1,010,21	0,00	1,074,10	1,074,10
20-Jan-13	2,147,05	19,71	2,166,77	100,000,00	933,54	100,933,54	100,000,00	951,43	100,951,43	100,000,00	1,010,21	101,010,21	100,000,00	1,074,10	101,074,10
	<b>100,000,00</b>	<b>14,543,43</b>	<b>3,6417%</b>	<b>100,000,00</b>	<b>23,216,84</b>	<b>3,7033%</b>	<b>100,000,00</b>	<b>23,661,73</b>	<b>3,7753%</b>	<b>100,000,00</b>	<b>25,123,51</b>	<b>4,0120%</b>	<b>100,000,00</b>	<b>26,712,40</b>	<b>4,2697%</b>

#### **4.11 Representation of the security holders.**

For the securitization Bonds, the establishment of a Bondholder Syndicate is not contemplated.

In the terms stipulated in article 12 of the Royal Decree 926/1998, it corresponds to the Management Company, in its capacity as manager of third party business, to represent and defend the interests of the titleholder of the Bonds issued and charged to the Fund and of the rest of the ordinary creditors of the Fund. Consequently, the Management Company must subject its actions to the defense of these and comply with the provisions that are duly established to this effect.

#### **4.12 Resolutions, authorizations and approvals by virtue of which the securities are issued.**

The resolutions, approvals and authorizations by virtue of which this Bonds issue is being carried out, are those enumerated below:

- a) Corporate resolutions:
  - a.1 Resolution of the Santander Consumer's Board of Directors dated May 18, 2006 to assign the Credit Rights.
  - a.2 Resolution of the Management Company's Board of Directors dated September 11, 2006.
- b) Registration of this Prospectus with the CNMV which took place on October 9, 2006.
- c) Execution of the Deed of Incorporation which will take place on October 10, 2006, a copy of which will be sent to the CNMV, AIAF and Iberclear prior to the commencement of the Subscription Period.

#### **4.13 Issue Date.**

The issue date of the Bonds will be October 16, 2006, the Disbursement Date.

##### *4.13.1 Collective of potential investors.*

The placement of the issue is aimed at institutional investors for the purposes of article 39 of Royal Decree 1310/2005, that is to say, for descriptive purposes and not limited to, legal persons authorized or regulated to operate on financial markets, including, credit entities, investment services companies, insurance companies, collective investment institutions and their management companies, pension funds and their management companies, other authorized or regulated financial entities, etc.

Once the issue has been totally placed and the Bonds are admitted to negotiation in AIAF, the Bonds may be acquired freely through this market in accordance with their own contracting rules.

The subscription of the Bonds implies the acceptance of the terms of the Deed of Incorporation and this Prospectus for each Bondholder.

#### *4.13.2 Subscription Period*

The Subscription Period will start at 9:00 hours (Madrid time) on October 13, 2006 and will finish at 17.00 hours (Madrid time) on the same day.

#### *4.13.3 Where and before whom may the subscription be processed*

The applications for subscription must be presented during the Subscription Period to the entities mentioned in section 5.2 of the Registration Document, by any means accepted by law, and in accordance with the procedure which is explained below. The subscription to or tenure of a Series does not imply the subscription to or tenure of another Series.

#### *4.13.4 Placement and Adjudication of the Bonds*

The Underwriters will freely accept or not accept the applications for subscription received, taking care that there is not discriminatory treatment as regards the applications that have similar characteristics. Nevertheless, the Underwriters may give priority to the requests from those clients they consider to be most appropriate or advisable.

At the end of the Subscription Period, the Underwriters undertake to subscribe in their own name the number of Bonds required to complete the figure of their commitment to underwrite the amounts established in the Lead Manager and International Subscription Agreement in respect of the International Tranche.

#### *4.13.5 Disbursement Date and Form*

The Disbursement Date will be October 16, 2006.

The investors who have been awarded the Bonds must pay the Underwriters the price of the issue that corresponds for each Bonds awarded, issue at 100% of its face value, before [11:00] hours, Madrid time on the Disbursement Date, at the value on that same day.

On the Disbursement Date, the Underwriters shall pay the respective amount underwritten, deducted its underwriting commission, into the account opened in the name of the Fund at the Paying Agent, at the value of that same day before fourteen [14:00] hours, Madrid time.

#### **4.14 Restrictions on free transferability of the securities.**

The Bonds may be freely transferred by any means admitted in Law and in accordance with the norms of the AIAF. The ownership of each Bonds will be transferred by account entry. The registration of the transfer in favor of the acquirer in the accounts will have the same effect as the titles and, from this moment, the transfer will be considered valid vis-à-vis third parties. Thus, any third party that acquires the Bonds represented by account entries from the person who, according

to the entries in the accounting register, appears as authorized to transfer them will not be subject to any action for repossession unless at the time of acquisition they acted in bad faith or gross negligence.

The creation of real limited rights or any other encumbrance over the Bonds must be registered in the corresponding account. The registration of the pledge shall be equal to the possession of title.

The creation of the encumbrance shall be valid vis-a-vis third parties from the moment it has been registered.

## **5. ADMISSION TO TRADING AND DEALING ARRANGEMENTS**

### **5.1 Indication of Market where the securities will be traded.**

The Management Company will request immediately on the Disbursement Date the admission of the Bonds issue to negotiation on the AIAF, created by the Association of Financial Asset Intermediaries. In addition, the Management Company will request the inclusion of the issue in Iberclear, in representation and on behalf of the Fund so that the compensation and settlement may be carried out under the operating norms that it has established or may be approved in the future by Iberclear with regard to the securities admitted to trading on AIAF and represented by account entries.

The Management Company undertakes that the trading of the issue in AIAF will be concluded within a period of thirty days (30) from the Disbursement Date once the corresponding authorizations have been obtained.

In the event such deadline is not met, the Management Company shall disclose the causes of the breach to the CNMV and the public by inclusion of a legal notice in a national newspaper, in the Daily Bulletin of Transactions of the AIAF Fixed Income Securities Market, or in any other media generally accepted by the market which guarantees adequate dissemination of the information, in time and content, concerning the reasons for this non-compliance and the new date stipulated for admission of the issued securities to trading, notwithstanding any liabilities incurred as a consequence thereof.

The Management Company hereby states for the record that it is familiar with the requisites and conditions required for admission, maintenance and exclusion of the Bonds on AIAF as per current law in force, as well as the requirements of its Governing Bodies and hereby accepts that it will abide by them.

It is not planned to contract with any entity that will undertake to facilitate the liquidity of the Bonds during the life of the issue.

### **5.2 Paying Agent and Depository Institutions.**

#### **a) Paying Agent:**

The Management Company, acting for and on behalf of the Fund, appoints BSCH, which accepts, as paying Agent to carry out the financial servicing of the Bonds issue.

The obligations assumed by BSCH, in its capacity as Paying Agent under the Lead Manager and International Subscription Agreement in respect of the International Tranche, are as follows:

### **Disbursement of issue**

The Paying Agent shall proceed to pay to the Fund prior to 3:00 p.m. (Madrid time) on the Disbursement Date, for value that same day, the amount which, as established in the Lead Manager and International Subscription Agreement in respect of the International Tranche has received from each Underwriter, by placement into the Cash Account.

### **Notice of EURIBOR Reference Rate.**

At each one of the Rate Setting Times, the Paying Agent shall notify the Management Company of the Reference Interest Rate which shall serve as a basis for calculation of the Nominal Interest Rate applicable to each Bonds Series.

### **Payments against the Fund.**

On each of the Payment Dates of the Bonds, the Paying Agent shall proceed to pay the interest and reimburse the principal in respect of the Bonds in accordance with the instructions received from the Management Company.

Payments to be made by the Paying Agent shall be carried out through the relevant institutions participating in Iberclear, in whose records the Bonds are registered, as per the procedures being implemented at said service.

If on a Payment Date there are no Available Funds in the Cash Account, the Paying Agent shall not be required to make any payment.

In the event that BSCH's unsubordinated and unsecured short-term debt should undergo, at any time during the life of the Bonds issue, a decline in its rating below A-1 or F1 (as per the rating scales of Standard & Poor's and Fitch, respectively), the Management Company shall have a maximum deadline of thirty (30) Calendar Days from when such situation takes place, to

- (i) Revoke, acting for and on behalf of the Fund, BSCH appointment as Paying Agent and proceed to appoint as new Paying Agent, in the terms it deems most appropriate for the Fund, a bank whose unsubordinated and unsecured short-term debt has a minimum rating of A-1 and F1. Under no circumstance will BSCH's appointment as Paying Agent be revoked if a new entity has not been appointed as Paying Agent.
- (ii) Obtain from an entity whose unsubordinated and unsecured short-term debt has a minimum rating of A-1 and F1 (according to the rating scale of Standard & Poor's and Fitch, respectively), always subject to the prior notification to the Rating Agencies, a warranty which secure the commitments assumed by the Paying Agent to the Fund.

Should BSCH be replaced as Paying Agent, the Management Company will be entitled to establish a commission in favor of the replacement which will held the

first (1st) position in the Order of Priority of Payment described in section 3.4.6.(1)(b) of the Additional Building Block. BSCH will not receive any commission whatsoever as Paying Agent. Paying.

**b) Depository Institutions.**

Not applicable.

**6. EXPENSES OF THE OFFER AND ADMISSION TO LISTING**

The expenses contemplated are as follows:

**a) Constitution Expenses (Expenses related to documentation and official charges):**

	<b>Euros</b>
CNMV Official Charges (for the offer and admission to trading):	48,033.00 €
AIAF Official Charges:	78,890.80 €
Iberclear Official Charges:	2,900.00 €
Miscellaneous (Legal advice, notary, auditing):	431,056.20 €
	<hr/>
<b>Subtotal (0.041%)</b>	<b>560,880.00 €</b>

**b) Issue Expenses:**

	<b>Euros</b>
Structuring fee of Management Company	90,000.00 €
Underwriting and placement fee (according to section 4.1 b) of this Securities Note):	816,120.00 €
	<hr/>
<b>Subtotal (0.067%):</b>	<b>906,120.00 €</b>
	<hr/>
<b>GRAND TOTAL (0.109%):</b>	<b>1,467,000.00 €</b>

The constitution and issue expenses stated herein shall be paid against the Subordinated Loan described under section 3.4.3.a) of the Additional Building Block.

Any expenses incurred on the occasion of the Fund's liquidation shall be the responsibility and on account of the Fund.

**7. ADDITIONAL INFORMATION**

**7.1 Persons and entities advising the issue.**

- a) SANTANDER DE TITULIZACION, S.G.F.T., S.A. intervenes as legal and financial adviser to the program structure.
- b) JONES DAY intervenes as legal adviser with respect to the structure of the operation.

**7.2 Information in the Securities Note reviewed by auditors.**

Not applicable.

**7.3 Statement or report attributed to a person as an expert.**

Deloitte, S.L., whose name, address and registration dates are contemplated in section 2.1 of the Registration Document, has prepared an audit on the principal attributes of the Credit Rights and which is reflected under section 2.2 of the Additional Building Block, and has performed the audit of the annual financial statements of the Management Company and of Santander Consumer relating to the last three fiscal years and it has been appointed as auditor of the financial statements of the Fund.

**7.4 Information provided by from third parties.**

The Manager confirms that the information provided by Santander Consumer in its capacity as Assignor, in connection with Santander Consumer and the Credit Rights, has been faithfully reproduced and that, insofar as it is aware and may take decisions based on the information provided by Santander Consumer, no fact has been omitted which would render the information inexact or deceitful.

**7.5 Ratings**

The Bonds included in this Securities Note are assigned the following provisional ratings by the credit Rating Agencies:

	<b>Standard &amp; Poor's</b>	<b>Fitch</b>
<b>Series A</b>	AAA	AAA
<b>Series B</b>	AA	AA
<b>Series C</b>	A	A
<b>Series D</b>	BBB	BBB
<b>Series E</b>	CCC-	CCC

The rating scales for unsubordinated and unsecured long-term debt employed by the agencies are as follows:

## Standard & Poor's

The rating scales of Standard & Poor's regarding issues of long and short-term debt are as follows:

	Long-Term	Short-Term
Investment Level	AAA	A-1+
	AA +	
	AA	
	AA-	A-1
	A +	
	A	
	A-	A-2
	BBB +	
	BBB	
	BBB-	A-3
Speculative Level	BB +	B
	BB	
	BB-	
	B +	
	B	
	B-	
	CCC +	C
	CCC	
	CCC-	
	CC	
	C	
	D	

The following is a description of the meaning attributed by Standard & Poor's to the unsubordinated and unsecured long and short term ratings employed in this Information Prospectus.

### Long Term

AAA A debtor classified as "AAA" has an extremely strong capacity to comply with its financial obligations. "AAA" is the maximum rating granted by Standard & Poor's.



- AA A debtor classified as "AA" has a very strong capacity to comply with its financial obligations. It differs from debtors with the maximum rating only to small degree.
- A A debtor classified as "A" has a strong capacity to comply with its financial obligations but is somewhat more sensitive to the adverse effects of the changes in economic circumstances than the debtors in higher categories.
- BBB A debtor classified as "BBB" has adequate capacity to comply with its financial obligations. However, it is more likely that adverse economic conditions or a change of circumstances might lead to a weakening of the capacity of the debtor to comply with their financial obligations.
- BB An obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the debtor's inadequate capacity to meet its financial commitment on the obligation.
- CCC A debtor rated "CCC" is currently vulnerable to nonpayment, and is dependent upon favorable business, financial, and economic conditions for the debtor to meet its financial commitment on the obligation. In the event of adverse business, financial, or economic conditions, the debtor is not likely to have the capacity to meet its financial commitment on the obligation.

The ratings from "AA" to "CCC" may be modified by the addition of a (+) or (-) to show relative standing within the major rating categories.

#### Short Term

- A-1 A debtor classified as "A-1" has satisfactory capacity to comply with their financial obligations. This is the highest category of rating of Standard & Poor's. Within this category, certain debtors are classified with a (+) sign. This means that the debtor has an extremely strong capacity to comply with their financial obligations.
- A-2 A debtor classified as "A-2" has a satisfactory capacity to comply with their financial commitments. This level of security is inferior to the level for issues classified as "A-1".

## Fitch

The rating scales of Fitch regarding issues of unsubordinated and unsecured long and short-term debt are as follows:

	Long-Term	Short-Term	
Investment Level	AAA	F-1+	
	AA +		
	AA		
	AA-	F-1	
	A +		
	A		
	A-	F-2	
	BBB +		
	BBB		
	BBB-	F-3	
BB +			
BB			
Speculative Level	BB-	B	
	B +		
	B		
	B-		
	CCC		
	CC	C	
	C		
	D		
			D

The following is a description of the meaning attributed by Fitch to the long and short term ratings employed in this Information Prospectus.

### Long Term

**AAA** AAA rating denotes the highest quality of credit of the corresponding issuer, and is only assigned in cases of exceptionally strong capacity to duly address the payments owed at any given time.

**AA** AA rating denotes very high credit quality.

**A** A rating denotes high quality.

**BBB** Bonds rated as BBB have a good credit quality.

BB rating indicates that there exists the possibility of a credit risk, particularly as a result of an adverse economic change at a given time.

### Short Term

- F1 F1 rating indicates the strongest capacity to address the payment of financial commitments, and may have the (+) sign added in order to indicate exceptionally strong capacity.
- F2 F2 rating shows satisfactory capacity to duly address the financial commitments of the Issuer although the security margin is not as great as in the higher ratings.
- F3 F3 rating denotes adequate capacity to address the financial commitments although adverse changes in the short term might suppose reduction to a speculation level.

Fitch could add "+" or "-" to a rating to indicate a relative position within the rating categories. However, these cannot be added to the "AAA" category of the long-term rating, to categories less than "CCC" or to short-term ratings that are not F1.

### **An analysis of the ratings.**

The ratings made by Standard & Poor's on the risk constitute opinions on the capacity of the Fund to duly comply with the payment of interest on each Payment Date stipulated and the repayment of the principal during the life of the operation and as regards any other before the Legal Maturity Date thereof.

The ratings assigned to each Bonds Series by Fitch are an opinion regarding the Fund's capacity to make punctual payment of the interest and the principal of the Bonds throughout the life of the transaction and, in any event, on or prior to the Final Maturity Date, in accordance with the terms stipulated for each Bonds Series on the Prospectus and on the Deed of Incorporation, which permit the deferment of the interest payment of the Series B, C and D, in certain circumstances described in this Prospectus. This involves why the interest on these Bonds may not be received during a period of time if the circumstances established for the deferment trigger is reached and without causing any default in the payment of the Bonds.

The ratings assigned by Fitch are based on the documents and information provided by the issuer, legal advisers and agents and they are subject to the receipt of the final documents. Fitch does not audit, verify or check the accuracy of such information. The ratings do not constitute an analysis in respect of the suitability of the market price, the suitability of the Bonds for a particular investor, tax exemption, or the taxable nature of the payments made in respect to the Bonds. The ratings may be revised, withdrawn, suspended or placed on "Rating Watch" as a result of changes in the information, or as a result of the receipt of additional information, insufficient information or for any other reason considered sufficient by Fitch.

The ratings of the Rating Agencies take into account the structure of the Bonds issue, its legal aspects and those of the Fund that issues them, the characteristics of the

assets selected for their assignment to the Fund and the regularity and continuity of the flows of the operation.

The ratings of the Rating Agencies do not constitute an evaluation of the probability that the Debtors make prepayments of the capital or to what extent those prepayments differ from those established originally. The ratings do not imply in any way a qualification of the actuarial yield.

The ratings assigned, as well as revisions or suspension of these:

- (i) are drafted by the Rating Agencies on the basis of a substantial amount of information they receive, the precision of which they do not guarantee or state to be complete so that they cannot be considered responsible for these in any way;
- (ii) and they do not constitute and may not, in any way, be interpreted as an invitation, recommendation or encouragement to the investors to carry out any type of operation concerning the Bonds and, in particular, to acquire, conserve, encumber or sell these Bonds.

The final ratings assigned may be revised, suspended or withdrawn at any time by the Rating Agencies depending on any information they may receive. These situations, which do not constitute cases of Early Liquidation of the Fund, will be immediately notified to the Securities and Exchange Commission (CNMV) and to the bondholders, in compliance with section 4.b) of the Additional Building Block.

In order to carry out the rating and monitoring process, the Rating Agencies confide in the accuracy and completeness of the information they are provided with by Santander Consumer, the Management Company, the auditors, the legal advisers and other experts.

The above credit ratings are only an estimate and are not intended for potential investors to avoid the need to perform their own analysis of the securities to be acquired.

If, prior to the start of the Subscription Period, the Rating Agencies do not confirm any of the provisional ratings assigned as being final, this circumstance shall be reported immediately to the CNMV and made public in the manner provided by section 4 of the Additional Building Block. This circumstance would lead to the termination of the constitution of the Fund, of the Bonds issue, of any contracts and of the assignment of the Credit Rights.

## **ADDITIONAL BUILDING BLOCK TO SECURITIES NOTE**

### **(Annex VIII of Regulation (EC) No. 809/2004 of the Commission)**

#### **1. THE SECURITIES**

##### **1.1 Amount of issue.**

The Fund will be constituted with the Credit Rights which Santander Consumer will assign to the Fund on the Constitution Date, whose principal will be equal to, or slightly higher than ONE BILLION THREE HUNDRED AND FIFTY MILLION EUROS (€1,350,000,000), amount equal to the nominal value of the issue of Series A, B, C and D Bonds.

##### **1.2 Confirmation that disclosure relating to an undertaking/debtor not involved in the issue has taken place.**

Not applicable.

#### **2. THE UNDERLYING ASSETS**

##### **2.1 Confirmation as to the Credit Rights' capacity to produce funds to service payments on the securities.**

The Management Company confirms that the flows of principal, interest and any other amounts generated by the Credit Rights allow, as per their contractual characteristics, meeting payments due and payable on the Bonds.

Notwithstanding the foregoing, in order to cover possible payment breaches by the Debtors, a series of enhancement operations have been contemplated which mitigate the risk of default, with respect to both principal and interest on the Bonds, and which are described under sections 3.4.2, 3.4.3 and 3.4.4 of this Additional Building Block. In exceptional circumstances, said enhancement operations could be insufficient.

Not all of the Bonds have the same risk of default given the different credit ratings assigned to the different Bonds Series and which are detailed under section 7.5 of the Securities Note.

When due to a change in current regulations in force or the occurrence of exceptional circumstances, there occurs, in the judgment of the Management Company, a substantial alteration in the Fund's financial equilibrium or it is permanently impaired, or when a default indicative of a serious and permanent imbalance in relation to any of the Bonds takes place or is foreseen to take place, the Management Company may proceed with the Early Liquidation of the Fund and the consequent Early Redemption of the Bonds issue in the terms provided by section 4.4.c) of the Registration Document.

## **2.2 Credit Rights backing up the issue.**

The Loans from which the Credit Rights assigned to the Fund derived are Loans granted by Santander Consumer to individuals and legal entities resident in Spain for the sole purpose of financing the acquisition of passenger cars, sport utility vehicles, passenger car derivatives, industrial vehicles and coaches, both new and used.

The requirements to be met by the Credit Rights to be assigned to the Fund, the characteristics of the Initial Credit Rights and the system for subsequent assignments of Additional Credit Rights during the Revolving Period, are described hereinafter in this section in accordance with the provisions of the Deed of Incorporation.

### **Maximum Credit Right Amount.**

The maximum amount of the Outstanding Balance of the Credit Rights pooled in the Fund shall be EUR ONE BILLION THREE HUNDRED, FIFTY MILLION (1,350,000,000.00) (the “**Maximum Credit Right Amount**”), equivalent to the face value of the Bonds issue of Series A, B, C and D Exceptionally, on the Constitution Date, the amount of the Credit Rights assigned may be slightly upper to the nominal value of the Bonds issue of Series A, B, C and D.

### **2.2.1 The legal jurisdiction by which the pool of Credit Rights is governed.**

The Credit Rights are governed by Spanish law.

### **2.2.2 General characteristics of the Debtors.**

#### **2.2.2.1 Initial Credit Rights.**

On the Constitution Date, at the same act and immediately after the execution of the Deed of Incorporation, by the Credit Rights Assignment Agreement, the Management Company, by and on behalf of the Fund, and Santander Consumer will execute the agreement of assignment of the Initial Credit Rights in a non determine number whose total Outstanding Balance will be equal to the Maximum Credit Right Amount (EUR 1,350,000,000.00). The amount of the Credit Rights assigned may be a slightly upper amount closest thereto given how difficult it is to exactly adjust to that amount because each of the Loans will be assigned at each of their total Outstanding Balance upon being assigned.

The portfolio of loans selected from the Initial Credit Rights is comprised of 174,395 loans, whose principal pending maturity on September 13, 2006 amounts to €1,466,687,284.93.

The preliminary Loan portfolio, on September 13, 2006, was the subject of a report drafted by Deloitte, S.L., and dealt with a series of qualitative and quantitative items (attributes) of a sample of this preliminary portfolio, specifically, as regards:

- Nature of the Loan and debtor
- Concession Procedure
- Execution of the Loan
- Nature and identification of the debtor

- Loan formalization date
- Maturity of the Loan
- Original life of the Loan
- Current balance of the Loan
- Fixed interest rate;
- Personal guarantee
- Late Payment
- Transfer of the loans
- Type of Debtor
- New or used vehicle
- Type of vehicle.

a) **Type of vehicle.**

The following tables shows a breakdown of the Loans by type of vehicle.

<b>TYPE OF VEHICLE</b>				
<b>Type of vehicle</b>	<b>Outstanding Balances</b>		<b>Loans</b>	
	<b>(000) euros except total in euros</b>	<b>(%)</b>	<b>N°</b>	<b>(%)</b>
01 passenger cars	1,138,389.17	77.62	137,736.00	78.98
02 sport utility vehicles	79,375.95	5.41	5,783.00	3.32
03 passenger car derivatives	88,490.18	6.03	13,289.00	7.62
04 Industrial	159,927.31	10.90	17,569.00	10.07
05 coaches	504.67	0.03	18.00	0.01
<b>TOTALS</b>	<b>1,466,687,284.93</b>	<b>100.00</b>	<b>174,395.00</b>	<b>100.00</b>

The Loans will be distributed between new and used vehicles as follows:

<b>TYPE OF VEHICLE N/U</b>				
<b>Type of vehicle</b>	<b>Outstanding Balances</b>		<b>Loans</b>	
	<b>(000) euros except total in euros</b>	<b>(%)</b>	<b>N°</b>	<b>(%)</b>
New vehicle	1,271,419.75	86.69	141,047	80.88
Used vehicle	195,267.53	13.31	33,348	19.12
<b>TOTALS</b>	<b>1,466,687,284.93</b>	<b>100.00</b>	<b>174,395</b>	<b>100.00</b>

**b) Maximum, minimum and average Loan principals**

The following tables shows a breakdown of the Loans by outstanding principal.

<b>OUTSTANDING LOAN PRINCIPAL</b>				
<b>Intervals (Euros)</b>	<b>Outstanding Balances</b>		<b>Loans</b>	
	<b>(000) euros except total in euros</b>	<b>%</b>	<b>Nº</b>	<b>%</b>
30,70 - 5.999,99	222,481,91	15,16	62,666	35,93
6.000,00 - 11.999,99	654,051,20	44,59	74,656	42,8
12.000,00 - 17.999,99	428,756,12	29,23	29,797	17,08
18.000,00 - 23.999,99	116,451,42	7,93	5,801	3,32
24.000,00 - 29.999,99	26,696,83	1,82	1,016	0,58
30.000,00 - 35.999,99	8,353,17	0,56	256	0,14
36.000,00 - 41.999,99	3,009,18	0,2	78	0,04
42.000,00 - 47.999,99	2,193,02	0,14	49	0,02
48.000,00 - 53.999,99	1,666,42	0,11	33	0,01
54.000,00 - 59.999,99	1,200,54	0,08	21	0,01
60.000,00 - 65.999,99	382,15	0,02	6	0,00
66.000,00 - 71.999,99	208,01	0,01	3	0,00
72.000,00 - 77.999,99	295,62	0,02	4	0,00
78.000,00 - 148.238,24	941,64	0,06	9	0,00
<b>TOTALS</b>	<b>1,466,687,284,93</b>	<b>100</b>	<b>174,395,00</b>	<b>100</b>
<b>Max. outs. balance:</b>	<b>148.238,24</b>			
<b>Min. outs. balance:</b>	<b>29,14</b>			
<b>Aver. outs. balance:</b>	<b>8.410,14</b>			

**c) Debtors.**

The following chart shows the distribution according to the type of debtor (an individual or company)

<b>TYPE OF VEHICLE</b>				
	<b>(000) euros except total in euros</b>		<b>(%)</b>	
	<b>(000) euros except total in euros</b>	<b>(%)</b>	<b>Nº</b>	<b>(%)</b>
Individual	1,349,851,14	92,03	162,155	92,98
Body corporate.	116,836,14	7,97	12240	7,02
<b>TOTALS</b>	<b>1,466.687,284,93</b>	<b>100,00</b>	<b>174,395</b>	<b>100</b>



d) **Maximum, minimum and average initial Loan amounts**

<b>INITIAL LOAN AMOUNTS</b>					
<b>Interval</b>	<b>Outstanding Balances</b>		<b>Loans</b>		
	<b>(000) euros</b>	<b>%</b>	<b>Nº.</b>	<b>%</b>	
<b>(euros)</b>	<b>except total in euros</b>				
981,65 - 5.999,99	79,189,00	3,72	17622	10,10	
6.000,00 - 11.999,99	690,039,00	32,43	76784	44,02	
12.000,00 - 17.999,99	795,468,00	37,39	54891	31,47	
18.000,00 - 23.999,99	399,158,00	18,76	19707	11,30	
24.000,00 - 29.999,99	94,550,00	4,44	3610	2,07	
30.000,00 - 35.999,99	33,791,00	1,58	1055	0,60	
36.000,00 - 41.999,99	13,465,00	0,63	349	0,20	
42.000,00 - 47.999,99	6,468,00	0,30	146	0,08	
48.000,00 - 53.999,99	3,949,00	0,18	78	0,04	
54.000,00 - 59.999,99	2,720,00	0,12	48	0,02	
60.000,00 - 65.999,99	2,418,00	0,11	39	0,02	
66.000,00 - 71.999,99	1,168,00	0,05	17	0,00	
72.000,00 - 77.999,99	370,00	0,01	5	0,00	
78.000,00 - 83.999,99	733,00	0,03	9	0,00	
84.000,00 - 89.999,99	1,139,00	0,05	13	0,00	
90.000,00 - 95.999,99	465,00	0,02	5	0,00	
96.000,00 - 101.999,99	400,00	0,01	4	0,00	
102.000,00 - 107.999,99	106,00	0,00	1	0,00	
108.000,00 - 113.999,99	0,00	0,00	0	0,00	
114.000,00 - 119.999,99	115,00	0,00	1	0,00	
120.000,00 - 195.255,50	1,646,00	0,07	11	0,00	
<b>TOTALS</b>	<b>2,125,365,401,13</b>	<b>100</b>	<b>174395</b>	<b>100,00</b>	
<b>Maximum initial amount:</b>	<b>195,255,5</b>				
<b>Minimum initial amount:</b>	<b>981,65</b>				
<b>Average initial amount:</b>	<b>12,198,54</b>				

e) **Effective interest rate or finance charge applicable at the present time: maximum, minimum and average rates on the Loans**

One hundred per cent (100%) of the Loans have a fixed interest rate of between four per cent (4%) and nine point ninety-nine per cent (9.99%), the average global rate of the Loans being six point thirty-four per cent (6.34%).

The following table shows the distribution of the Loans in intervals of zero point five per cent (0.5%) of the present nominal interest rate.

<b>PRESENT INTEREST RATES ON LOANS</b>					
<b>Interval</b>	<b>Outstanding Balances</b>		<b>Loans</b>		
	<b>(000) euros except total in euros</b>	<b>%</b>	<b>n°</b>	<b>%</b>	
4 - 4,49	10,245,80	0,69	1,294	0,74	
4,5 - 4,99	99,040,04	6,75	10,609	6,08	
5 - 5,49	172,729,66	11,77	17,788	10,19	
5,5 - 5,99	376,946,27	25,7	41,990	24,07	
6 - 6,49	248,398,16	16,93	26,591	15,24	
6,5 - 6,99	239,771,03	16,34	28,095	16,1	
7 - 7,49	134,178,96	9,14	16,290	9,34	
7,5 - 7,99	79,163,06	5,39	11,649	6,67	
8 - 8,49	54,304,83	3,7	8,784	5,03	
8,5 - 8,99	30,815,49	2,1	5,616	3,22	
9 - 9,49	13,958,50	0,95	3,512	2,01	
9,5 - 9,99	7,135,43	0,48	2,177	1,24	
<b>TOTALS</b>	<b>1,466,687,284,93</b>	<b>100</b>	<b>174,395,00</b>	<b>100</b>	

**Maximum interest rate: 9.99**

**Minimum interest rate: 4.00**

**Weighted interest rate: 6.34**

f) **Loan formalization dates as well as earliest and latest final maturity dates.**

*Formalization Date*

<b>LOAN FORMALIZATION DATE</b>				
<b>Interval</b>	<b>Outstanding Balances</b>		<b>Loans</b>	
	<b>(000) euros except total in euros</b>	<b>%</b>	<b>nº</b>	<b>%</b>
28/11/2000 - 31/12/2000	1,67	0,00	2	0,00
1/1/2001 - 30/6/2001	7,23	0,00	3	0,00
1/7/2001 - 31/12/2001	541,14	0,03	334	0,19
1/1/2002 - 30/6/2002	4,125,51	0,28	1,643	0,94
1/7/2002 - 31/12/2002	8,478,39	0,57	2,639	1,51
1/1/2003 - 30/6/2003	15,133,50	1,03	3,492	2,00
1/7/2003 - 31/12/2003	42,499,43	2,89	8,845	5,07
1/1/2004 - 0/6/2004	89,169,32	6,07	16,319	9,35
1/7/2004 - 31/12/2004	224,078,43	15,27	30,238	17,33
1/1/2005 - 30/6/2005	373,940,59	25,49	42,492	24,36
1/7/2005 - 31/12/2005	466,555,28	31,81	46,296	26,54
1/1/2006 - 1/4/2006	242,156,74	16,51	22,092	12,66
<b>TOTALS</b>	<b>1,466,687,23</b>	<b>100,00</b>	<b>174,395,00</b>	<b>100</b>

**Maximum formalization date::** 1/4/2006

**Minimum formalization date:** 28/11/2000

**Average formalization date** 26/04/2005

*Final maturity date.*

<b>LOAN MATURITY DATES</b>				
<b>Interval</b>	<b>Outstanding Balances</b>		<b>Loans</b>	
	<b>(000) euros except total in euros</b>	<b>%</b>	<b>nº</b>	<b>%</b>
15/9/2006 - 31/12/2006	3,630,10	0,24	4,248	2,43
1/1/2007 - 30/6/2007	20,113,88	1,37	9,472	5,43
1/7/2007 - 31/12/2007	42,437,40	2,89	11,703	6,71
1/1/2008 - 30/6/2008	67,321,49	4,59	13,604	7,80
1/7/2008 - 31/12/2008	103,259,18	7,04	16,523	9,47
1/1/2009 - 30/6/2009	131,295,19	8,95	17,988	10,31
1/7/2009 - 31/12/2009	187,138,92	12,75	21,567	12,36
1/1/2010 - 30/6/2010	222,364,94	15,16	22,542	12,92
1/7/2010 - 31/12/2010	272,042,61	18,54	24,402	13,99
1/1/2011 - 30/6/2011	214,229,66	14,60	17,553	10,06
1/7/2011 - 31/12/2011	133,992,90	9,13	9,999	5,73
1/1/2012 - 25/3/2012	68,860,96	4,69	4,794	2,74
<b>TOTALS</b>	<b>1,466,687,284,23</b>	<b>100,00</b>	<b>174,395,00</b>	<b>100,00</b>

**Maximum Maturity Date:** 25/3/2012

**Minimum Maturity Date** 15/9/2006

**Average Maturity Date** 23/3/2010

**g) Initial Term of the Loans.**

<b>INITIAL TERM</b>					
<b>Interval</b>	<b>Outstanding Balances</b>		<b>Loans</b>		
	<b>(000) euros except</b>	<b>(%)</b>	<b>Nº.</b>	<b>(%)</b>	
<b>(months)</b>	<b>total in euros</b>				
6 - 29	31,277,70	2,13	10,178	5,83	
30 - 35	1,342,74	0,09	306	0,17	
36 - 41	116,388,63	7,93	24,296	13,93	
42 - 47	997,44	0,06	173	0,09	
48 - 53	232,983,86	15,88	33,317	19,10	
54 - 59	2,182,35	0,14	286	0,16	
60 - 65	662,232,36	45,15	70,830	40,61	
66 - 71	995,35	0,06	99	0,05	
72 - 72	418,186,81	28,51	34,910	20,01	
<b>TOTALS</b>	<b>1,466,687.284,93</b>	<b>100,00</b>	<b>174,395</b>	<b>100</b>	
<b>Maximum Term:</b>	<b>72,00</b>				
<b>Minimum Term:</b>	<b>6,00</b>				
<b>Average weight term:</b>	<b>58,00</b>				

**h) Indication of Geographic Breakdown by Autonomous Communities.**

<b>OUTSTANDING LOAN BALANCES BROKEN DOWN BY AUTONOMOUS COMMUNITIES</b>				
<b>Autonomous Communities</b>	<b>Outstanding Balances</b>		<b>Loans</b>	
	<b>(000) euros except total in euros</b>	<b>%</b>	<b>n°</b>	<b>%</b>
01 Andalucía	384,139,53	26,19	46,727	26,79
02 Aragón	14,333,81	0,97	1,721	0,98
03 Asturias	24,218,82	1,65	2,809	1,61
04 Baleares	24,625,01	1,67	2,988	1,71
05 Canarias	151,831,65	10,35	19,578	11,22
06 Cantabria	3,212,83	0,21	346	0,19
07 Castilla-La mancha	92,801,21	6,32	10,905	6,25
08 Castilla-León	68,191,01	4,64	8,029	4,60
09 Cataluña	168,832,00	11,51	18,904	10,83
10 Ceuta	3,118,00	0,21	368	0,21
11 Extremadura	40,425,26	2,75	5,141	2,94
12 Galicia	62,461,91	4,25	7,963	4,56
13 La Rioja	8,309,02	0,56	935	0,53
14 Madrid	202,193,70	13,78	22,737	13,03
15 Melilla	1,748,63	0,11	217	0,12
16 Murcia	47,551,49	3,24	5,324	3,05
17 Navarra	9,663,34	0,65	1,034	0,59
18 País Vasco	32,078,30	2,18	3,607	2,06
19 Valencia	126,951,65	8,65	15,062	8,63
<b>TOTALS</b>	<b>1,466,687,284,93</b>	<b>100,00</b>	<b>174,395</b>	<b>100,00</b>

i) **Indication of Geographic Breakdown by Province.**

<b>OUTSTANDING LOAN BALANCES BROKEN DOWN BY PROVINCE</b>				
<b>Province</b>	<b>Outstanding Balances</b>		<b>Loans</b>	
	<b>(000) euros except total in euros</b>	<b>%</b>	<b>Nº.</b>	<b>%</b>
ÁLAVA	3,556,51	0,23	411	0,24
ALBACETE	8,176,63	0,53	1,038	0,60
ALICANTE	54,875,28	3,59	6,553	3,76
ALMERÍA	31,707,96	2,07	3,409	1,95
ÁVILA	4,933,16	0,32	572	0,33
BADAJOZ	26,396,23	1,73	3,410	1,96
BALEARES	24,625,01	1,61	2,988	1,71
BARCELONA	126,638,42	8,28	13,959	8,00
BURGOS	11,272,61	0,74	1,253	0,72
CÁCERES	14,029,03	0,92	1,731	0,99
CÁDIZ	63,055,59	4,12	7,785	4,46
CASTELLÓN	13,721,39	0,90	1,687	0,97
CIUDAD REAL	25,027,11	1,64	3,074	1,76
CÓRDOBA	37,896,60	2,48	4,799	2,75
LA CORUÑA	22,579,00	1,48	2,946	1,69
CUENCA	6,021,98	0,39	717	0,41
GERONA	19,219,07	1,26	2,289	1,31
GRANADA	30,775,27	2,01	3,650	2,09
GUADALAJARA	13,376,61	0,87	1,545	0,89
GUIPÚZCOA	12,487,34	0,82	1,440	0,83
HUELVA	37,256,52	2,44	4,600	2,64
HUESCA	4,888,57	0,32	561	0,32
JAÉN	21,656,40	1,42	2,577	1,48
LEON	17,211,32	1,13	2,100	1,20
LÉRIDA	8,449,51	0,55	971	0,56
LA RIOJA	8,309,02	0,54	935	0,54
LUGO	11,187,76	0,73	1,466	0,84
MADRID	202,193,70	13,22	22,737	13,04
MÁLAGA	60,777,32	3,98	7,153	4,10
MURCIA	47,551,49	3,11	5,324	3,05
NAVARRA	9,663,34	0,63	1,034	0,59
ORENSE	4,270,88	0,28	566	0,32
ASTURIAS	24,218,82	1,58	2,809	1,61
PALENCIA	3,037,65	0,20	339	0,19
LAS PALMAS	86,368,59	5,65	11,451	6,57
PONTEVEDRA	24,424,26	1,60	2,985	1,71
SALAMANCA	10,253,79	0,67	1,358	0,78
S. C TENERIFE	65,463,06	4,28	8,127	4,66
CANTABRIA	3,212,83	0,21	346	0,20
SEGOVIA	4,236,40	0,28	482	0,28
SEVILLA	101,013,83	6,61	12,754	7,31
SORIA	1,678,46	0,11	202	0,12
TARRAGONA	14,524,99	0,95	1,685	0,97
TERUEL	857,33	0,06	94	0,05
TOLEDO	40,198,87	2,63	4,531	2,60
VALENCIA	58,354,97	3,82	6,822	3,91
VALLADOLID	12,362,91	0,81	1,347	0,77
VIZCAYA	16,034,44	1,05	1,756	1,01
ZAMORA	3,204,67	0,21	376	0,22
ZARAGOZA	8,587,90	0,56	1,066	0,61
CEUTA	3,118,00	0,20	368	0,21
MELILLA	1,748,63	0,11	217	0,12
<b>TOTALS</b>	<b>1,528,953,248,02</b>	<b>100,00</b>	<b>174,395</b>	<b>100,00</b>

**j) Default on Loan portfolio assigned by Santander Consumer.**

The following chart shows, at September 13, 2006, the delays in the payment of the installments in the portfolio of Loans selected.

<b>LATE PAYMENTS</b>				
<b>Interval</b>	<b>Outstanding Balances</b>		<b>Loans</b>	
	<b>(000) euros except total in euros</b>	<b>%</b>	<b>n°</b>	<b>%</b>
<b>(days)</b>				
0 - 0	1,466,687,28	100,00	174,395,00	100,00
<b>TOTALS</b>	<b>1,466,687,284,93</b>	<b>100,00</b>	<b>174,395,00</b>	<b>100,00</b>

**2.2.2.2 Additional Credit Rights.**

Once constituted, and providing the Election Requirements are met, the Fund, represented by the Management Company, will on each Payment Date during the Revolving Period make successive acquisitions of Additional Credit Rights to restore the Outstanding Balance of the Credit Rights for a maximum amount equal to the Principal Available Funds ("Maximum Acquisition Amount").

**Revolving Period.**

The Management Company shall, for and on behalf of the Fund, make quarterly acquisitions of Additional Credit Rights on each Payment Date within the time-period comprised between the first Payment Date, January 20, 2007, and the Payment Date falling on April 20, 2009, both inclusive (the "Revolving Period").

**Early termination of the Revolving Period.**

An early and definitive termination of the Revolving Period will occur, after the Payment Date of the Revolving Period, inclusive, in any of the following circumstances:

- (i) That the amount of the Outstanding Balance of the Defaulting Loans divided by the Outstanding Balance of the Credit Rights exceeds 1,5%, and/or
- (ii) A Deficit of Principals, as described in section 4.9.2. of the Securities Note, occurs, and/or
- (iii) The Accumulated Balance of the Nonperforming Loans, without considering the collection, exceeds on a Payment Date the following percentage:
  - On the first Payment Date: 0.13% of the initial balance of the Credit Rights
  - On the second Payment Date: 0.26% of the initial balance of the Credit Rights

- On the third Payment Date: 0.39% of the initial balance of the Credit Rights
  - On the fourth Payment Date: 0.52% of the initial balance of the Credit Rights
  - On the fifth Payment Date: 0.65% of the initial balance of the Credit Rights
  - On the sixth Payment Date: 0.78% of the initial balance of the Credit Rights
  - On the seventh Payment Date: 0.91% of the initial balance of the Credit Rights
  - On the eighth Payment Date: 1.04% of the initial balance of the Credit Rights
  - On the ninth Payment Date: 1.17% of the initial balance of the Credit Rights
  - On the Last Payment Date of the Revolving 1.25% of the initial balance of the Credit Rights
- (iv) The Reserve Fund does not have level required on the current Payment Date, being between 0.76% and 1.5%, of the initial amount of the Series A, B, C and D Bonds and/or
- (v) The tax legislation is amended in such a way that the assignment of Additional Credit Rights becomes excessively cumbersome for the Assignor, and/or
- (vi) The Outstanding Balance of the Credit Rights is less than 90% of the Balance of Principal Pending Payment on the Series A, B, C and D Bonds on two (2) consecutive Payment Dates, and/or
- (vii) If the interest accrued from Series A, B, C and D Bonds remains unpaid due to insufficient Available Funds for two Business Days after the Payment Date on which that payment should have been made, and/or
- (viii) The Swap Agreement is cancelled and no replacement, guarantor or alternative solution acceptable to the Rating Agencies has been found within a period of fifteen (15) Business Days, and/or
- (ix) Santander Consumer has filed for insolvency, suspension of payments, loses its authority to grant loans for the acquisition of vehicles, and/or
- (x) Any of the Santander Consumer's auditor's report for 2006, 2007 and 2008 fiscal year would be unfavorable (during the Revolving Period); and/or



- (xi) Santander Consumer ceases to be the Administrator of the Credit Rights, or fails to comply with its obligations established in the Deed of Incorporation.

### **Acquisition Amount**

The price for the assignment of the Additional Credit Rights will be at par and will be an amount equal to the nominal value of the Outstanding Balance of the Additional Credit Rights grouped in the Issuer on the respective Payment Date (the "Acquisition Amount").

The maximum amount that the Management Company will allocate on each Payment Date when this is appropriate to the acquisition of Additional Credit Rights will be equal to the Available Principal Funds on that Payment Date (the "Maximum Acquisition Amount").

During the Revolving Period, the remaining Available Principal Funds not used to acquire Additional Credit Rights will remain deposited in the Principal Account.

### **Election Requirements.**

In order to be assigned to and incorporated in the Fund, the Additional Credit Rights must, on the respective assignment date, comply with all the election requirements set forth in this section (the "Election Requirements").

#### *Individual Requirements*

Each of the Additional Credit Rights must comply with the following Election Requirements individually (the "Individual Requirements") in order to be assigned to the Fund:

1. The loans have been formalized by Santander Consumer using its customary criteria for the concession of credits.
2. The Debtor is an individual or company resident in Spain.
3. The loan will be used to acquire a vehicle (passenger cars, sport utility vehicles, passenger car derivatives, industrial vehicles and coaches).
4. The respective Debtor of each loan will have paid at least two (2) installments and there will be no amounts outstanding.
5. The interest on the Loan and redemption installments are settled on a monthly basis, loans with high final installment being expressly prohibited.
6. The loan agreement does not contain any clause that permits the deferment of payment of interest or principal.
7. The Debtor is not an employee, director or manager of Santander Consumer.
8. The outstanding amount of the principal of the Loan is between five hundred (500) and two hundred thousand (200,000) Euros.

9. The Loan is denominated in euros.
10. The Loan is established at a fixed rate of interest, which is not lower than 5.0 %.
11. The monthly settlement takes place through direct bank debit generated automatically and authorized by the relevant Debtor in the moment the transaction is formalized.
12. The amount of the Loan, at the time of its formalization, must not exceed the value of the vehicle that will be acquired with that Loan.
13. The maturity date of the Loan will not be later than September 25, 2014.

*Global Requirements.*

Aside from the fulfillment of the Individual Requirements, the Election Requirements which the Credit Rights, including the Additional Credit Rights, must fulfill as a whole for their assignment to the Fund (the "Global Requirements") are as follows:

1. On each Offer Date the Outstanding Balance of the Credit Rights pertaining to the same Debtor are not greater than 0.05% of the total of the Outstanding Balance of the Credit Rights.
2. On each Offer Date, only referred to the Additional Credit Rights assigned to the Fund on that date, the average maturity of the Additional Credit Rights as from the date of assignment to the Fund weighted by the Outstanding Balance of the Additional Credit Rights is not lower than 43 months.
3. The average period of time that has elapsed since the formalization of the Loan will be equal to or will be more than 6 months.
4. The total volume of the Credit Rights with an outstanding balance higher than EUR 50,000 will not exceed 0.75% of the total balance of the Credit Rights on each Offer Date.
5. On each Offer Date, the Credit Rights corresponding to companies will not exceed 10% of the total balance of the Outstanding Balance of the Credit Rights.
6. On each Offer Date, the Outstanding Balance of the Credit Rights corresponding to the debtors of the same Autonomous Community will not exceed 26.5% of the total Outstanding Balance of the Credit Rights.
7. On each Offer Date, the Outstanding Balance of the Credit Rights corresponding to the debtors of the three autonomous communities with the highest amount of loans may not exceed 60% of the total Outstanding Balance of the Credit Rights.

8. In order to maintain the quality of the Credit Rights, the composition of the portfolio must remain as follows:
  - i Passenger cars > 75% on the Outstanding Balance of the Credit Rights
  - ii Light industrial vehicles < 12% on the Outstanding Balance of the Credit Rights
  - iii Coach < 0,05% on the Outstanding Balance of the Credit Rights
  - iv Passenger car derivatives < 7% on the Outstanding Balance of the Credit Rights
  - v Sport utility vehicles < 6% on the Outstanding Balance of the Credit Rights.

As far as the classification of new or used vehicle is concerned, the percentage of new vehicles must exceed 86%.

#### **Offer Dates.**

The "Offer Request Dates" shall be the dates falling on the seventh (7<sup>th</sup>) Business Day preceding each Payment Date in the Revolving Period on which Additional Credit Rights should be acquired.

"Offer Dates" shall be the dates falling on the sixth (6<sup>th</sup>) Business Day preceding each of the Payment Dates in the Revolving Period on which Additional Credit Rights should be acquired.

#### **Procedure for the acquisition of Additional Credit Rights.**

On each Offer Request Date, the Management Company shall send the Assignor a written notice demanding the assignment of Additional Credit Rights for the Fund, specifying the Maximum Acquisition Amount and the Payment Date on which the assignment to the Fund and payment for the assignment shall be made.

Before 17 pm (CET time) on the Offer Date, the Assignor shall send the Management Company a written notice offering to assign Additional Credit Rights, along with a data file detailing the selected loans and their characteristics included in the assignment offer and which shall satisfy the Election Requirements and the other characteristics given in section 2.2.8. of this Additional Building Block.

Before the fifth (5<sup>th</sup>) Business Day preceding the Payment Date, the Management Company shall send the Assignor a written notice accepting the assignment of Additional Credit Rights, along with a data file with the details of the Additional Credit Rights accepted and their characteristics notified by the Assignor.

In determining which Additional Credit Rights to include on the assignment acceptance, the Management Company shall:

- (i) Check that the Loans listed on the assignment offer satisfy the Individual Requirements and the Global Requirements in accordance with the characteristics notified by the Assignor.
- (ii) Determine the Additional Credit Rights which are acceptable and eligible for assignment to the Fund for a total amount which does not exceed the Available Principal Funds.

Each year, the Management Company will entrust, at the Fund's expense, an audit of the attributes of the Additional Credit Rights which will deal with the same attributes audited in respect of the Initial Credit Rights and described in section 2.2.2.1 of this Additional Building Block. Such report will be carried out by an auditor registered in the Official Registry of Auditors ("*Registro Oficial de Auditores de Cuentas*", R.O.A.C.) and will be sent to the CNMV within the first six months of the year.

### **2.2.2.3 Outstanding Balance of the Credit Rights.**

The outstanding balance of a Credit Right shall be the sum of the capital or principal not yet due and the capital or principal due and not paid to the Fund on the specific Loan on a given date.

The Outstanding Balance of the Credit Rights on a date shall be the sum of the outstanding balance of each and every one of the Credit Rights on that date.

### **2.2.3 Legal nature of the assets.**

The assets object of securitization through their assignment to the Fund are Credit Rights deriving from Loans granted by Santander Consumer for financing the acquisition of passenger cars, sport utility vehicles, passenger car derivatives, industrial vehicles and coaches, both new and used.

The selected loans can be classified according to the ancillary guarantees in (i) Loans without a special guarantee, and (ii) Loans guaranteed exclusively by personal guarantees of third parties.

The Loans shall be directly assigned to the Fund upon being sold by Santander Consumer and acquired by the Fund, on the terms provided for in section 3.3 of this Additional Building Block.

### **2.2.4 The expiration or maturity date(s) of the assets.**

Each of the Loans selected has a maturity date, without prejudice to the partial prepayments made periodically, according to the particular conditions of each one.

The Debtors may repay all or part of the capital pending amortization in advance at any time during the term of the Loans, and the interest will cease to accrue on the part cancelled in advance as from the date on which repayment was made.

The Final Maturity Date of the Loans selected is September 25, 2014 (The last maturity date of the Loans assigned on the Constitution Date of the Fund is March 25, 2012 and the last final maturity date of the Loans subsequently assigned to the

Fund during the Revolving Period will be September 25, 2014). Consequently, the Final Maturity Date of the Fund is October 20, 2014.

The Loans assigned upon Constitution Date have an average maturity of 3.62 years.

### **2.2.5 Amount of the assets.**

The assets of the Fund will be comprised of the Credit Rights which Santander Consumer will assign to the Fund on the Date of Constitution. The maximum amount of the Outstanding Balance of the Credit Rights pooled in the Fund will be one billion, three hundred fifty million euros (€1,350,000,000) equal to the nominal value of the issue of the Series A, B, C and D Bonds. Exceptionally, on the Constitution Date, the amount of the Credit Rights assigned may be slightly upper to the nominal value of the Series A, B, C and D Bonds issue.

The portfolio of the selected loans, from which the Loans to be assigned to the Fund on the Date of Constitution will be extracted, is comprised of 174,395 Loans, with an aggregate outstanding principal as of September 13, 2006, amounts to 1,466,687,284.93 euros. Loans that have default payments may not be assigned.

### **2.2.6 Ratio of the outstanding balance of the Loan to Valuation or Level of Collateralization.**

The selected loans have no real estate mortgage security, with the result that the information concerning the ratio of the outstanding balance of the principal to the amount of the valuation does not apply.

There is no extra collateralization in the Fund, since the Maximum Credit Right Amount will be one billion three hundred and fifty million (1,350,000,000) euros, the nominal value amount of the issue of the Series A, B, C and D.

### **2.2.7 Description of the procedures established by Santander Consumer for the formalization of loans and credit facilities ("Internal Memorandum").**

The Loans selected for their assignment to the Fund have been granted by Santander Consumer following its usual procedures of analysis and evaluation of the credit risk regarding the concession of loans to individuals and companies to finance the acquisition of both new and used vehicles. The procedure for the formalization of the Loans is described below.

#### **Distribution Channels**

Loans can originate in two ways:

- Direct: The customer contacts Santander Consumer directly.
  - Offices and Santander Consumer's specialized network.
  - Agencies: located in significant places Santander Consumer has no office.
  - Call Centers: Konecta.Net

- Indirect: Approximately 85% of the loans are requested from intermediaries
  - Representatives: They provide cover for the network of car dealers in small and medium-sized places.
  - Call Centers: Approximately 75% of the transactions formalized in Santander Consumer E.F.C., S.A. have been negotiated in call centers.
  - Internet: Ten per cent (10%) of the agreements are entered into via the Internet. The concessionaires have the possibility of securing transactions via the Internet, including the automatic print-out of the contract.

### **Admission. Risk analysis.**

The registration of the computerized application requires the introduction of all data identifying the title owner and guarantors (name and surname, company name, tax number) the terms and conditions of the operation (amount, term, objective, payments...) and informative data (personal, labor and solvency).

In the event the operation is approved and will be formalized in a contract, the aforementioned information is validated and verified by documents provided such as the National Identity Card, Fiscal Identification Number, last payroll deposited, last tax return, justification of property owned, bank statement, Deed of Incorporation, company tax, etc.

Aside from the information provided by clients, additional information is obtained automatically the moment the numbers of the clients' Identity Cards are inserted in the computerized application. This additional information stems from the company's own data base in respect of previous operations, as well as from external data bases (negative, such as Asnef-Equifax o Experian, or of debtors such as R.A.I. o B.D.I.).

With this information, and any other information considered necessary, the application enters the evaluation process which can be:

- automatic, when analyzed by one of the models for scoring, or
- according to the criteria of an analyst when the decision to be taken is contrary to the model "forzajes" or when transactions are in the name of companies.

As a working rule, all cases will require:

- The complete control of the veracity of the information put into the system for its evaluation by means of quality control of each transaction, after receiving the documents requested and via the system created to penalize intermediaries.

### **Scoring tools**

Santander Consumer uses two credit scoring systems for the admission of automotive financing transactions in the name of individuals, one for new vehicles and the other for used vehicles.

The computerized application is automatically evaluated by one of the decision-taking methods that correspond to the type of vehicle to be financed (new or used), as long as the requirements established for such evaluation by that method are fulfilled.

<b>SYSTEM</b>	<b>LINE OF BUSINESS</b>	<b>OWNER</b>	<b>LIMIT OF INVESTMENT</b>	<b>OBSERVATIONS</b>
SEAN	New Vehicles	Individual	Any Amount	Limited by credit rule to 42,000 euros and a term of 120 months
SEAU	Used Vehicles	Individual	Any Amount	Limited by credit rule to 42,000 euros and a term of 120 months

The method for internal risk assessment SEAN (Evaluation System of New Vehicles) is a scoring method whereby transactions are awarded points according to the probability of payments being delayed (unpaid over 90 days) and is applied to the applications for financing that meet the following initial conditions:

- Individuals: The client must have a Fiscal Identification Number.
- Passenger cars, sport utility vehicles, coaches or light industrial vehicles.
- One sole purpose.
- For new vehicles.

The method for internal risk assessment (Evaluation System of Used Vehicles) is a scoring method whereby transactions are awarded points according to the probability of payments being delayed (unpaid over 90 days) and is applied to the applications for financing that meet the following initial conditions:

- Individuals: The client must have a Fiscal Identification Number.
- Passenger cars, sport utility vehicles, coaches or light industrial vehicles.
- One sole purpose.
- For used vehicles that are less than 6 years old, or which are 6 years old or more as long as the investment does not exceed 6.010,12€ and the term does not exceed 49 months.

Both methods have two ways of making a distinction: scoring tables and credit rules.

Scoring tables: The following variables are used:

- Socio-demographic variables of the clients.
- Variables of the transaction.
- Variables of experience.

Credit Rules:

- Rules concerning the contract holder (age, income).
- Rules concerning the terms and conditions of the transaction (term, value, initial downpayment).
- Rules relating to personal experience for all elements of risk.
- Rules relating to third party experience for all elements of risk.
- The system also includes a series of "informative" rules that serve as an alert.

### **Resolution of transactions**

On the strength of the punctuation obtained and the category of the credit rules breached, a resolution matrix is created to determine whether the operation is accepted or rejected. The same matrix decides, on the basis of a foreseeable risk, if the person has sufficient potential to be reconsidered, which can lead to his acceptance or rejection.

Approximately 75% of the applications result in transactions. Of 75%, 72% are automatically accepted and the remaining 28% are approved once the persons authorized by SANTANDER CONSUMER analyze the transaction.

The next step, once the proposal has been approved, is the signature of the contract, which is carried out before a Notary Public if the amount requested, or this amount plus the present risk exceeds 30.000 euros.

On certain occasions, additional guarantees are demanded in the case of youngsters or foreigners who have lived a short time in Spain, and which are specified in the request for guarantors to afford cover or stability to the transaction.

#### **2.2.8 Representations and other warranties given to the Issuer in relation to the assets.**

Santander Consumer, as title owner of the Loans until its assignment to the Fund and as Assignor of the Credit Rights, will represent and warrant to the Management Company, in the name and on behalf of the Fund on the Date of Constitution and to the Underwriters and the Lead Managers Entity, the following:



**(a) In relation to the Santander Consumer:**

- (1) That Santander Consumer is a credit institution duly incorporated under current Spanish law, recorded in the Mercantile Registry of Santander and is entitled to grant loans for the acquisition of motor vehicles.
- (2) That Santander Consumer's corporate bodies have validly adopted all necessary corporate resolutions for the assignment to the Fund of the Credit Rights and in order to execute the Deed of Incorporation thereof.
- (3) That neither as at the date of registration of the Prospectus, or at any time after constitution, has Santander Consumer been subject to a situation of insolvency, creditors' proceedings, temporary receivership or bankruptcy.
- (4) That it has the annual financial statements relating to the last three fiscal years (2003, 2004 y 2005), duly audited, and the auditors' report relating to the last fiscal year 2005 with favorable opinion. The audited annual financial statements pertaining to the last three fiscal years are filed with the Mercantile Registry and the CNMV.

**(b) In relation to the Credit Rights:**

- (1) The concession of the Loans as well as their assignment to the Fund and all aspects thereof, have been and will be carried out according to market criteria.
- (2) The Loans, are valid and enforceable in accordance with applicable law, all current legal provisions having been observed in the establishment thereof.
- (3) Santander Consumer has faithfully followed the granting policy contained in the "Memorandum Interno" and described in under section 2.2.7 of this Additional Building Block, in the granting of each and every one of the Loans.
- (4) Santander Consumer is the legal and beneficial owner, without limitation, of all the Loans, free and clear of all and any liens and claims.
- (5) The Loans are not secured with any real guarantee whatsoever but are personal Loans and the Debtor or Debtors shall be liable for fulfilling the same with all their current or future assets. Some of them are also guaranteed by means of a surety given by a person other than the Debtor or Debtors.
- (6) The guarantees, if any, on the Loans are valid and enforceable in accordance with applicable legislation, all existing legal provisions have been observed in establishing them, and Santander Consumer is

- unaware of the existence of any circumstances to prevent their enforcement.
- (7) The Loans are duly supported by documentation, whether it be in private contract or in a public deed signed by a Notary Public. They are deposited at the registered office of Santander Consumer at the disposal of the Management Company, although not all are recorded in the Chattels Register.
  - (8) The respective deeds or private documents that support the Loans do not contain clauses that impede the assignment of the Loans or which demand authorization or notification in order to assign the Loan, and in those documents in which the Loan may not be freely transferred without the consent of the debtor, such consent has been obtained.
  - (9) All the Loans have been granted to individuals or companies resident in Spain, none of whom are workers, employees, officers or directors of Santander Consumer.
  - (10) All the Loans have been granted to finance the acquisition of new or used motor vehicles for individuals or bodies corporate.
  - (11) Santander Consumer has considered as a policy for granting the Loan that the principal Loan amount is not, upon their origination, in excess of the value of the financed motor vehicle.
  - (12) On the date of assignment to the Fund, it has not come to Santander Consumer's notice that any Debtor has been declared insolvent.
  - (13) The Loans are denominated and payable exclusively in euros.
  - (14) None of the Loans have clauses allowing deferment of periodic interest payment or principal repayment.
  - (15) Payment on the Loans takes place through direct bank debit generated automatically and authorized by the relevant Debtor at the time of formalizing the transaction.
  - (16) At the time of the assignment of the Loans to the Fund, the respective Debtors of each Loan have paid at least two (2) installments and have no installments outstanding.
  - (17) The Loans are clearly identified both on computer support and from their agreements or, as the case may be, standard agreements endorsed by a public attesting officer and are the subject of analysis and follow-up by Santander Consumer.
  - (18) On Constitution Date, the Outstanding Balance of the Credit Rights is equivalent to the capital figure for which the Credit Right is assigned to the Fund.

- (19) The final maturity date of the Credit Rights is at no event after March 25, 2012.
- (20) As from the time of their granting the Loans have been and are being serviced by Santander Consumer in accordance with the customary procedures it has established.
- (21) Santander Consumer is unaware of the existence of litigation of any type in relation to the Loans which may impair the validity and enforceability thereof or which may lead to the application of article 1535 of the Spanish Civil Code.
- (22) All the Loans accrue interest at fixed rate.
- (23) The data included in the Prospectus in relation to the Credit Rights accurately reflect their situation as at the portfolio selection date and are correct.
- (24) No person holds any preferred right over the Fund with respect to the Loans.
- (25) Santander Consumer has not received any notification from the Debtors regarding the early redemption of the Loans.
- (26) The Loan has not matured before, and does not mature on, the date of assignment to the Fund.
- (27) The outstanding principal balance of the Loan is between EUR five hundred (500) and EUR two hundred thousand (200,000), both inclusive.
- (28) Loan's interest and repayment installment frequency is monthly.
- (29) Santander Consumer is unaware of any of the Debtors of the Loans being the holder of any credit right vis-à-vis Santander Consumer that grants such Debtor the right to set off there against and which may adversely affect the rights attributed to the Fund as a result of the assignment of the Loans.
- (30) All the Loans satisfy the Election Requirements established upon being assigned.
- (31) That the payments of the Debtor deriving from the Loans are not subject to any tax deduction or withholding.
- (32) That it constitutes a valid payment obligation binding upon the Debtor and is enforceable in accordance with its own terms.
- (33) That the Credit Rights are governed by Spanish law.

The Management Company has obtained the statements and guarantees regarding the characteristics from the Assignor as regards the Loans which are described in this section and will be ratified in the Deed of Incorporation.

### **2.2.9 Substitution of the Credit Rights.**

In the event of early redemption of the Credit Rights due to prepayment of the relevant Loan capital, there will be no direct substitution of the Credit Rights affected thereby, notwithstanding the acquisition by the Fund of Additional Credit Rights during the Revolving Period.

In the event that it should be observed throughout the life of the Credit Rights that any of them failed on the assignment date to meet the Election Requirements set forth on section 2.2.2.2 of this Additional Building Block or the characteristics contained in section 2.2.8. of this Additional Building Block, the Originator agrees, subject to the Management Company's consent, to proceed forthwith to remedy and, if that is not possible, substitute or, as the case may be, redeem the affected Credit Right not substituted, by automatically terminating the assignment of the affected Credit Rights, subject to the following rules:

- a) The party becoming aware of the existence of a non-conforming Credit Right, whether the Originator or the Management Company, shall notify the other party of this circumstance. Santander Consumer shall have not more than fifteen (15) Business Days from said notice to proceed to remedy that circumstance if it may be remedied or, in order to proceed to a substitution thereof.
- b) The substitution shall be made for the Outstanding Balance of the Credit Rights plus interest accrued and not paid and any amount owing to the Fund until that date on the relevant substituted Credit Right.

In order to proceed to the substitution, the Assignor shall notify the Management Company of the characteristics of the Loans proposed to be assigned satisfying the characteristics given in section 2.2.8. of this Additional Building Block and the (Individual and Global) Election Requirements and similarly characterized as to purpose, term, interest rate and outstanding principal balance. Once the Management Company has checked that the (Individual and Global) Election Requirements are satisfied and expressly stated to the Assignor that the Loans to be assigned are appropriate, the Assignor shall proceed to terminate the assignment of the affected Credit Right and assign a new or new replacement Credit Rights.

The substitution of the Initial Credit Rights will be made by entering into and agreement for the assignment of new Credit Rights and the execution of a certificate of remedy of the Deed of Incorporation, and a copy of said documents will be filed with the CNMV.

The substitution of the Additional Credit Rights will be made complying with the same formalities as those stipulated for the assignment of such Additional Credit Rights.

- c) In the event that any Credit Right should not be substituted on the terms set in rule b) of this section, the Assignor shall proceed to automatically terminate the assignment of the affected Credit Right not replaced. That termination shall take place by a repayment in cash to the Fund of the outstanding principal, interest accrued and not settled, and any other amount owing to the Fund until that date on the relevant Credit Right, which shall be paid into the Cash Account.
- d) In the event of termination of Credit Rights due to both substitution and repayment, the Assignor shall be vested in all the rights attaching to those Credit Rights accruing from the termination date or accrued and not due, and overdue amounts on that same date.

Santander Consumer must immediately reimburse in cash the Outstanding Balance of the Credit Rights to be substituted into the Cash Account, the accrued and unpaid interest and any amount which could correspond to the Fund up to that date.

**2.2.10 Relevant Insurance Policies relating to the Loans.**

Not applicable.

**2.2.11 Information relating to Debtors in cases in which the assets comprise obligations of five (5) or fewer Debtors that are legal persons, or where an Debtor accounts for twenty per cent (20%) or more of the assets, or where an Debtor accounts for a material portion of the assets.**

Not applicable.

**2.2.12 Details of the relationship between the issuer, the guarantor and the Debtor if it is material to the issue.**

Material relations do not exist for purpose of the Bonds issue between the Fund, the Assignor, the Management Company and other parties involved in the program other than as reflected under sections 5.2 of the Registration Document and 3.2 of this Additional Building Block.

**2.2.13 Where the assets comprise fixed income securities, description of the principal conditions.**

Not applicable.

**2.2.14 Where the assets comprise equity securities, description of the principal conditions.**

Not applicable.

**2.2.15 Where more than ten per cent (10%) of the assets comprise equity securities not traded on a regulated or equivalent market, description of the principal conditions.**

Not applicable.

**2.2.16 Where are material portion of the assets are secured on or backed by real property, a valuation report relating to the property setting out both the valuation of the property and cash flow /income streams.**

Non applicable.

**2.3 Assets actively managed backing the issue.**

Not applicable.

**2.4 Where an issuer proposes to issue further securities backed by the same assets, a prominent statement to that effect and description of how the holders of that class will be informed.**

Not applicable.

**3. STRUCTURE AND CASH FLOW**

**3.1 Description of the structure of the transaction.**

Through this securitization program, Santander Consumer shall transfer the Credit Rights to the Fund. The Fund will acquire the Credit Rights and issue the Bonds.

This transaction shall be formalized through the Deed of Incorporation of the Fund and the issue of thirteen thousand, six hundred two (13,602) Bonds distributed in five (5) Series of Bonds A, B, C, D and E.

A copy of the Deed of Incorporation shall be submitted to Iberclear, the CNMV and AIAF for inclusion in its official registries prior to the opening of the Bonds Subscription Period.

At the same act and immediately after the execution of the Deed of Incorporation of the Fund, a Credit Rights Assignment Agreement will be made through which the Initial Credit Rights will be assigned to the Fund.

Through the Credit Rights Assignment Agreement, the Management Company, acting for and on behalf of the Issuer, will execute with Santander Consumer an agreement for the assignment of the Credit Rights with the following characteristics:

- (i) Assignment of the Initial Credit Rights, with their guarantees, at the establishment of the Issuer.
- (ii) Undertaking assumed by the Management Company, acting on behalf of the Issuer, to request from Santander Consumer and to acquire for the Fund, on each of the Payment Dates during the Restitution Period, Additional Credit Rights, with their guarantees, in an amount not exceeding the Available Principal Funds existing on the relevant Payment Date, unless any of the circumstances giving rise to the early termination of the Revolving Period occurs, as established in section 2.2.2.2 of this Additional Building Block.

- (iii) Undertaking assumed by Santander Consumer to offer and assign to the Fund on each of the Payment Dates during the Revolving Period Additional Credit Rights for an amount not exceeding the Available Principal Funds existing on that Payment Date, that comply with the Election Requirements as established in section 2.2.2.2 of this Additional Building Block, unless any of the circumstances giving rise to the early termination of the Revolving Period occurs, as established in section 2.2.2.2. of this Additional Building Block.

On another subject, and in order to consolidate its financial structure and procure the greatest coverage possible for the risks inherent to the issue, the Management Company, acting on behalf of the Fund, shall proceed to formalize, *inter alia*, the contracts established below, with the power, in order to comply with the Fund's operating structure in the terms contemplated in the Deed of Incorporation and regulations in force from time to time, to extend or modify such contracts, substitute each one of the providers of services to the Fund there under and, even, if necessary, enter into new contracts, subject to notice to the CNMV and, as the case may be, obtaining the pertinent authorization and to the Rating Agencies, provided that the rights of the Bondholders are not thereby hampered and, in particular, provided that a decline in their rating does not take place.

The Management Company shall formalize with SCF the following agreement:

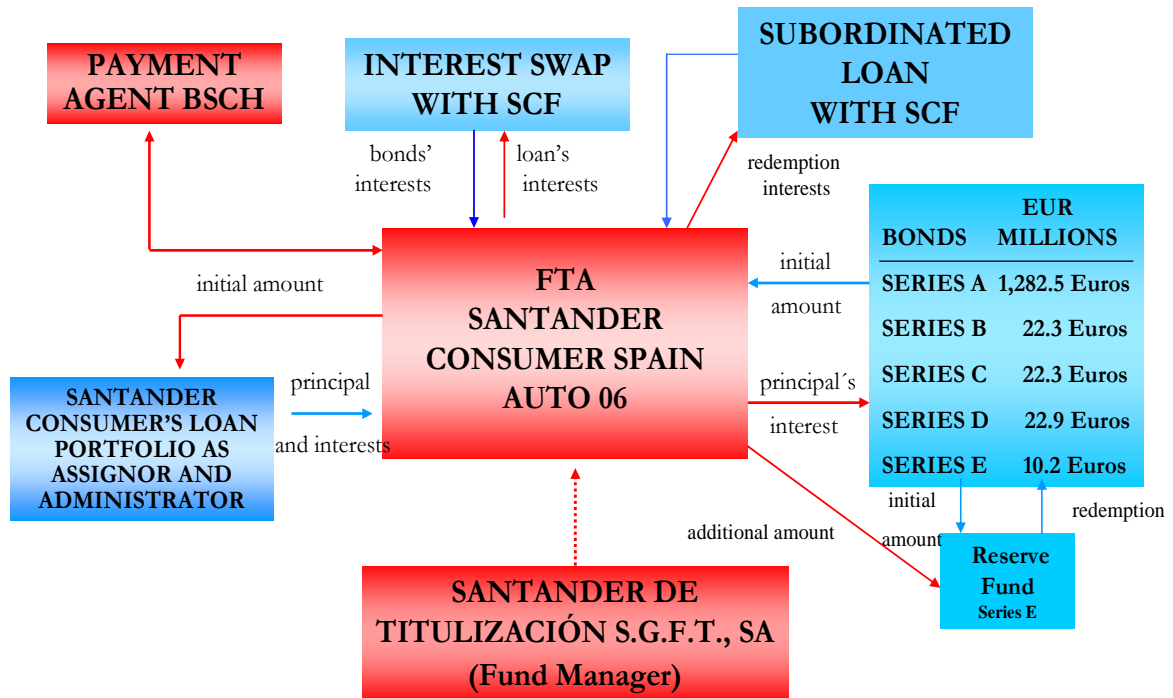
- (i) Guaranteed Rate Reinvestment Agreement, by virtue of which SCF shall guarantee a variable yield on the amounts deposited by the Fund through the Management Company into the Cash Account and into the Principal Account.
- (ii) Swap Agreement, as per the ISDA 1992 standard form contract.
- (iii) Subordinated Loan Agreement, to be applied to financing the Fund's constitution expenses and Bonds issue and towards partially financing the acquisition of the Credit Rights.

The Reserve Fund will be initially endowed with Funds obtained from the subscription and payment of Series E Bonds, and subsequently with additional amounts, as explained in section 3.4.2.2 of the Additional Building Block.

Finally, the Management Company, acting for and on behalf of the Fund, shall enter into with the Underwriters and the Lead Managers the Lead Manager and International Subscription Agreement in respect of the International Tranche.

The description of the contracts included under this section and under sections 4.1.b), and 5.2 of the Securities Note, and 3.4.3.a), 3.4.4 and 3.4.7 of this Additional Building Block, accurately reflects the most relevant information contained in those contracts. No data or information which may turn out to be material to the investor has been omitted.

The following includes a diagram explaining the transaction:



### Initial Balance Sheet of the Fund

The Fund's Balance Sheet as at the close of the Disbursement Date shall be as follows:

ASSETS		LIABILITIES	
FIXED ASSETS	1.351.470.000.00€	BONDS ISSUE	1,360,200,000.00 €
	1,350,003,000.00€	Series A Bonds	1,282,500,000.00 €
	1,467,000.00€	Series B Bonds	22,300,000.00 €
Constitution and issue		Series C Bonds	22,300,000.00 €
Expenses	10,200,000 €	Series D Bonds	22,900,000.00 €
CURRENT ASSETS		Series E Bonds	10,200,000.00 €
Cash Account/Reserve Fund	10,200,000 €	OTHER L/T DEBTS	1,470,000.00 €
		Subordinated Loan	1,470,000.00 €
<b>TOTAL:</b>	<b>1361,670,000.00 €</b>	<b>TOTAL:</b>	<b>1,361,670,000.00</b>

### 3.2 Description of the entities participating in the issue and description of the functions to be performed by them.

- a) SANTANDER DE TITULIZACIÓN, S.G.F.T., S.A. intervenes as Management Company of the Fund.



The Management Company, in accordance with its own legal nature, and as established by law, is responsible for:

The constitution, management and legal representation of both asset securitization funds and mortgage securitization funds; and

The representation and defense of the interests of the holders of the securities issued against the funds it manages and of their remaining ordinary creditors.

- b) SANTANDER CONSUMER, E.F.C., S.A. intervenes as the entity which is the Assignor of the Credit Rights.
- c) BANCO SANTANDER CENTRAL HISPANO, S.A. intervenes as Paying Agent and Lead Manager in respect of the International Tranche.
- d) SANTANDER CONSUMER FINANCE, S.A. intervenes as counterpart of the Fund of the Swap Agreement, the Subordinated Loan Agreement and the Guaranteed Rate Reinvestment Agreement as well as Underwriter.
- e) UBS intervenes as Underwriter and Lead Manager in respect of the International Tranche.

A description of the entities included under sections b) through e), inclusive is reflected under section 5.2 of the Registration Document.

### **3.3 Description of the method and of the date of sale, transfer, novation or assignment of the Credit Rights.**

#### **3.3.1 Execution of the assignment of the Credit Rights.**

There is no jurisprudence which enables one to ascertain the interpretation of the courts of the regulations contained in Law 22/2003, of July 9. Notwithstanding the foregoing, in accordance with Additional Provision Two of Law 22/2003, of July 9 (insolvency proceedings act), the insolvency specialties of Additional Provision Five of Law 3/1994, of April 14 remain in force. Consequently, we are of the opinion that, if no fraud in the assignment exists, the Assets assigned to the Fund would not form part of bankruptcy estate in the event of an insolvency proceeding involving the Assignor.

In the event that Santander Consumer is held to be insolvent vis-à-vis its creditors, the Fund, acting through the Management Company, shall have a right to separation in respect of the assigned Assets. Notwithstanding the foregoing, this right to separation shall not necessarily extend to the money received by Santander Consumer and held thereby on account of the Fund prior to the date of declaration of insolvency since, given its fungible nature, it could become attached to the results of the insolvency proceeding as per doctrine's majority interpretation of article 80 of Insolvency Proceedings Act. In addition, in order to mitigate the aforementioned risk, certain mechanisms have been stipulated and are described in sections 3.4.4., 3.4.5. and 3.7.1.(5) of the Additional Building Block.

The Originator shall be liable to the Fund for the existence and lawfulness of the Credit Rights to the same extent laid down in articles 348 of the Commercial Code and 1529 of the Civil Code.

The Originator shall not bear the risk of default on the Credit Rights and shall therefore have no liability whatsoever for default by the Debtors of principal, interest or any other amount owing to them by the Debtors under the Loans, and will not be liable for the enforceability of security collateral thereto or the accessibility or effects, as the case may be, of exchange proceedings. The Assignor will moreover have no liability whatsoever to directly or indirectly guarantee that the transaction will be successfully completed, nor give any guarantees or security, nor indeed agree to replace or repurchase the Credit Rights, other than as provided in section 2.2.9 of this Additional Building Block.

The assignment of the Credit Rights by Santander Consumer will be carried out as described below.

**a) Assignment of the Credit Rights**

**(1) Assignment of the Initial Credit Rights:**

Santander Consumer, at the constitution of the Fund, will assign the Initial Credit Rights to the Fund through a credit right purchase and sale agreement executed in a private document at the same time that the execution of the Deed of Incorporation, the "Credit Rights Assignment Agreement".

The assignment will be complete and unconditional and will be made for the entire term remaining until total maturity of the Initial Credit Rights as from the time on which the Credit Rights Assignment Agreement is entered into.

**(2) Additional Credit Rights.**

After its constitution, the Fund, represented by the Management Company, will make on each Payment Date during the Revolving Period successive acquisitions of Additional Credit Rights to restore the amount of the Outstanding Balance of Credit Rights that have been repaid or substituted for as contemplated in section 2.2.9. of this Additional Building Block.

Additional Credit Rights will be assigned to the Fund by the making of offers to purchase and their acceptance by the Fund as contemplated in the Credit Rights Assignment Agreement. All taxes and expenses arising from the execution of the respective assignments shall be for the account of Santander Consumer.

On each new acquisition of Additional Credit Rights, the Management Company will refer the following documents to the CNMV:

- (i) By means of Cifradoc, detail of the Additional Credit Rights assigned to the Fund and their main characteristics.

- (ii) Representation of the Management Company, also signed by Santander Consumer, that said Additional Credit Right comply with all the Election Requirements established for their assignment to the Fund.

The assignment will be complete and unconditional and will be made for the entire term remaining until total maturity of the Credit Rights as from the Payment Dated on which their acquisition takes place.

**b) Sale price or assignment of the Credit Rights.**

**(1) Price of Assignment of Initial Credit Rights.**

The price of the assignment of the Initial Credit Rights will be at par. The price that the Fund, through its Management Company, should pay to Santander Consumer on the Disbursement Date for the acquisition of the Initial Credit Rights will be equal to the sum of the Outstanding Balance of the Initial Credit Rights grouped in the Fund on the Constitution Date of the Fund.

The price will be paid in full before 15.00 hours (Madrid time) on the Disbursement Date (October 16, 2006) value such day. Payment will be made by order placed by the Management Company with SCF for the latter to charge the total price of the subscription for the Initial Credit Rights to the Cash Account open with SCF in the name of the Fund.

In the event that the constitution of the Fund is terminated and, consequently, the assignment of the Assets (i) the obligation of the Fund to pay the price for the acquisition of the Assets will be extinguished, (ii) the Management Company will be obliged to reimburse Santander Consumer as regards any rights which may have accrued to the Fund due to the assignment of Initial Credit Rights.

The Assignor will not receive any interest as a result of the deferment of the payment of the sale price since the Date of Constitution until the Disbursement Date.

**(2) Price of Assignment of Additional Credit Rights.**

The price for the assignment of the Additional Credit Rights will be at par, that is to say, an amount equal to the Outstanding Balance of the Additional Credit Rights grouped in the Fund on the respective Payment Date (the "Acquisition Amount").

The price shall be fully paid on the relevant Payment Date on which the assignment occurs, for same day value, upon Santander Consumer debiting the Cash Account opened on behalf of the Fund.

**c) Description of the rights which, in favor of their holder, are conferred by the assets on the Loans backing them.**

The Fund as holder of the Credit Rights deriving from the Loans will have the right to receive all payments made in respect of the following items:  
Specifically, the Assets confer the following rights:

- a) All of the amounts accrued on the amortization of capital or principal of the Loans;
- b) All of the amounts accrued for ordinary interest on the Loans;
- c) Any other amounts, assets or rights received by Santander Consumer, as the case may be, either in the form of the knock-down price or amount determined by a court decision, on the sale or utilization of the assets awarded or, upon enforcing, in the administration or interim possession of the assets in enforcement proceedings.
- d) All possible rights or indemnities which may result in favor of Santander Consumer, deriving from payments made by possible guarantors, etc., and those arising from any right ancillary to the Credit Rights.

All the aforesaid rights will be payable to the fund from the date of their assignment to the Fund through the execution of the Credit Rights Assignment Agreement or, as the case may be, of the assignments of Additional Credit Rights.

Payments made in respect of default interest, fees for demands for unpaid invoices, fees for subrogation, fees for early repayment or cancellation and any other fees or expenses will not be assigned to the Fund and will therefore continue to correspond to Santander Consumer.

The rights of the Fund resulting from the Assets are tied to the payments made by the Debtors against the Loans and, therefore, are directly affected by the evolution, lateness, advance payment or any other incident in relation thereto.

### **3.4 An explanation of the flow of funds, including:**

#### **3.4.1 How the cash flow from the Credit Rights will meet the issuer's obligations to holders of the securities.**

The amounts received by the Fund deriving from the Credit Rights, shall be deposited by the Administrator into the Cash Account immediately or, in any event, before the twenty-four (24) hours following the day on which they were received by the Administrator. Therefore, the Fund shall practically be receiving daily revenues into the Cash Account.

The average weighted interest rate on the selected loans as at September 13, 2006, as detailed under section 2.2.2.1 e), above, is 6.34%, this being greater than three point six hundred seven per cent (3.607%) which is the average weighted nominal rate on the Bonds which hypothetically have been assumed with the margins applied to each Series of Bonds established in section 4.8.d) of the Securities Note and the interest rate EURIBOR at 3 months on October 4, 2006. Notwithstanding the foregoing, the Swap mitigates the interest rate risk suffered by the Fund for the fact of having fixed interest Loans and different reviewing periods and settlement at the interest rates on the Bonds referenced to three-month EURIBOR, and with quarterly settlement and accrual periods, as well as the risk deriving from possible re-negotiations of the interest rates on the Loans.

### 3.4.2 Information on any credit enhancements.

#### 3.4.2.1 Credit enhancements

In order to consolidate the financial structure of the Fund, to increase the security or the regularity of the payment of the Bonds, to cover temporary mismatches of the schedule of flows of principal and interest of the Loans and the Bonds, or, in general, transform the financial characteristics of the Loans, and complement the administration of the Fund, the Management Company, in representation of the Fund, will formalize the agreements and operations which are described below in the act authorizing the Deed of Incorporation, in accordance with applicable legislation.

The operations for the improvement of credit which are incorporated into the structure of the Fund are as follows:

**a) *Reserve Fund.***

Mitigates the risk of credit due to default or non-payment of the Loans. The Reserve Fund is detailed below on section 3.4.2.2. of this Additional Building Block.

**b) *Interest Exchange (Swap).***

This mitigates the risk of the interest rate that occurs due to the existence of different interest rates for the Credit Rights and the Bonds.

**c) *Guaranteed Interest Rate Reinvestment Agreement and Excess Funds Account.***

The Principal Account, the Cash Account and, as the case may be, the Excess Funds Account are remunerated at rates agreed to in such a way that a minimum return of the balances in the Principal Account, Cash Account and, as the case may be in the Excess Funds Account is guaranteed.

**d) *Subordination and postponement of payment of principal and interest between the different Series of Bonds.***

The redemption of all Series will be carried out in sequence so that the redemption of one of the Series will not commence until the former has been fully redeemed, with the exception of the redemption of Series E, will be carried out according to section 4.9 of the Securities Note.

Likewise, in the event of the postponement of the payment of interest in accordance with section 3.4.6.(3) of the Additional Building Block, the interest payment will be carried out in sequence, so that the payment of the interest of one Series will not commence until the interest of the previous Series has been fully paid, with the exception of the payment of the interest of Series E which will be carried out as established in section 4.6 of the Securities Note.

### **3.4.2.2 Reserve Fund**

The Management Company, in representation and on behalf of the Fund, will endow a Reserve Fund charged to the funds obtained from the subscription and payment of the Series E Bonds, with the following characteristics:

**(i) Required Level:**

The Reserve Fund will have an initial amount equal to ten million two hundred thousand (€10,200,000) euros, equal to zero point seven six zero per cent (0.76%) of the initial amount of the Series A, B, C and D of the Bonds.

Following its constitution, and in any event prior to the end of the Revolving Period, the Reserve Fund will increase on the Payment Dates until it reaches TWENTY MILLION TWO HUNDRED FIFTY THOUSAND EUROS (€20,250,000.00), equal to one point five per cent (1.5%) of the initial amount of Series A, B, C and D Bonds. The withholding of the amount required to maintain the Required Level of the Reserve Fund at each moment occupies eleventh (11<sup>th</sup>) place in the Order of Priority of Payments established in section 3.4.6.(1) (b) of this Additional Building Block.

Until such time as the Reserve Fund reaches the level of 1.5% of the Initial Balance of Series A, B, C and D Bonds, the amount assigned to the growth of the Reserve Fund on each Payment Date will be the amount that remains after all payment obligations of the Fund have been fulfilled and before the payment of the variable fee which holds sixteenth (16<sup>th</sup>) place, holding fifth (15<sup>th</sup>) place in the Order of Priority of Payment established in section 3.4.6.(1) (b) of this Additional Building Block.

The Required Level of the Reserve Fund at each moment is detailed below:

The Reserve Fund may not decrease during the first three (3) years, remaining fixed once it reaches TWENTY MILLION TWO HUNDRED FIFTY THOUSAND EUROS (€20,250,000), equal to one point five per cent (1.5%) of the initial amount of the Series A, B, C and D Bonds.

When the Reserve Fund reaches three per cent (3%) of the Outstanding Balance of the Series A, B, C and D of the Bonds, it may decrease quarterly on each Payment Date, maintaining this percentage until the Reserve Fund reaches a minimum level equal to zero point seventy-six per cent (0.76%) of the initial amount of the Series A, B, C and D Bonds, that is to say, a Minimum Level of the Reserve Fund equal to TEN MILLION TWO HUNDRED THOUSAND (€10,200,000) EUROS, which will remain unchanged until the Legal Maturity Date of the Fund.

On the last Payment Date and once the Outstanding Balance of the Credit Rights is equal to zero (0), the Reserve Fund (whose Minimum Level is equal to the amount initially contributed by the subscription and disbursement of the Series E Bonds), will be applied to the redemption of the Series E Bonds.

The Required Level of the Reserve Fund may not be reduced if any of the following circumstances should occur:

- That on the preceding Payment Date the Reserve Fund was not provisioned up to the Required Level on that Payment Date.
- That on the Determination Date preceding the relevant Payment Date, the amount of the Outstanding Balance of Defaulting Loans is greater than one point five per cent (1.5%) of the Outstanding Balance of the Loans which are not considered Nonperforming Loans.
- That the Accumulated Outstanding Balance of the Nonperforming Loans will be greater than 1% of the initial Balance of the Credit Rights.
- Three years have not elapsed since the Constitution Date of the Fund.

**(ii) Use:**

The Reserve Fund shall be applied, on each Payment Date, towards performance of the payment obligations contained in the Order of Priority of Payments contained under section 3.4.6.(1)(b), below.

**(iii) Return:**

The amount of this Reserve Fund will be paid into the Cash Account on the Disbursement Date, and will be the subject of the Guaranteed Interest Rate Reinvestment Agreement of the Cash Account to be made with SCF according to the terms described in section 3.4.4. of the Additional Building Block.

### **3.4.3 Details of any subordinated debt finance.**

**a) Subordinated Loan Agreement.**

The Management Company, acting for and on behalf of the Fund, shall enter into with SCF, the Subordinated Loan Agreement, of a commercial nature in the total amount of ONE MILLION FOUR HUNDRED SEVENTY THOUSAND (€1,470,000) euros, which shall be applied to (i) financing the Fund's constitution, (ii) financing the expenses of the Bond issue, and (iii) partially financing the acquisition of the Credit Rights (for the difference between the total nominal value of the capital obtained from the acquisition of the Credit Rights and the nominal amount of the Series A, B, C and D Bonds).

The amount of the Subordinated Loan shall be disbursed into the Cash Account on the Disbursement Date.

The Subordinated Loan shall accrue an annual nominal interest rate, determined quarterly for each Interest Accrual Period, which shall be that which results from adding together: (i) the Reference Interest Rate determined for the Bonds, and (ii) a margin of 0.65%, which shall be paid only if the Fund has sufficient Available Funds in accordance with the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of this Additional Building Block. Interest accrued, which shall be paid on a specified Payment Date, shall be calculated by taking as a base: (i) the actual days existing in each Interest Accrual Period, and (ii) a year composed of three hundred sixty (360) days.

Interest accrued and not paid on a Payment Date shall accumulate, accruing interest at the same rate as the nominal interest on the Subordinated Loan, and shall be paid, provided that the Fund has sufficient Available Funds and in accordance with the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of this Additional Building Block, on the immediately following Payment Date.

The Subordinated Loan will be repaid linearly each quarter during the first three (3) years after the constitution of the Fund and the Bonds issue, with the exception of the excess of funds assigned to cover the cost of the issue which will be redeemed in advance on the first Payment Date and provided that the Fund has sufficient Available Funds and in accordance with the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of this Additional Building Block.

Notwithstanding the foregoing, the Subordinated Loan may be prepaid provided that the Fund has sufficient liquidity and in accordance with the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of this Additional Building Block.

This loan, due its subordinated nature, shall be postponed in ranking with respect to several of the other creditors of the Fund in the terms provided by section 3.4.6.(1)(b) of this Additional Building Block, including, but not only, the Bondholders.

If, prior to the start of the Subscription Period, the Rating Agencies do not confirm as definitive any of the provisional ratings assigned, this circumstance will lead to the termination of the Subordinated Loan Agreement, except as regards the initial expenses for constitution of the Fund and the Bonds issue.

SCF specifically and irrevocably waives any right of set-off vis-à-vis the Fund, which could correspond to SCF by virtue of any contract entered into with the Fund.

**b) Rules of subordination among the Bonds.**

**(i) Payment of interest:**

- The payment of interest accruing on the Series A Bonds holds third (3<sup>rd</sup>) place in the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of this Additional Building Block.
- The payment of interest accruing on the Series B Bonds holds fourth (4<sup>th</sup>) place in the Order of Priority of Payments contemplated under section



3.4.6.(1)(b) of this Additional Building Block. Consequently, it shall be postponed in ranking with respect to the payment of interest accruing on the Series A Bonds.

- The payment of interest accruing on the Series C Bonds holds fifth (5<sup>th</sup>) place in the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of this Additional Building Block. Consequently, it shall be postponed in ranking with respect to the payment of interest accruing on the Series A and B Bonds.
- The payment of interest accruing on the Series D Bonds holds sixth (6<sup>th</sup>) place in the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of this Additional Building Block. Consequently, it shall be postponed in ranking with respect to the payment of interest accruing on the Series A, B and C Bonds.
- The payment of interest accruing on the Series E Bonds holds twelfth (12<sup>th</sup>) place in the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of this Additional Building Block. Consequently, it shall be postponed in ranking with respect to the payment of interest accruing on the Series A, B, C and D Bonds.

The foregoing is construed without prejudice to the exceptional rules of priority reflected under section 3.4.6.(3) of this Additional Building Block regarding postponement of payments.

**(ii) Redemption of principal:**

The principal on the Bonds of the Series A, B, C and D holds seventh (7<sup>th</sup>) place in the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of this Additional Building Block. Once the Revolving Period has elapsed, the Principal Available Funds on each Payment Date shall be applied to redeeming principal on the Series A Bonds, until redeemed in full. The Series B Bonds will be postponed with regard to the payment of principal to those of Series A; those of Series C to those of Series A and B; and those of Series D to those of Series A, B and C, in accordance with the Order of Priority of Payments contemplated under section 3.4.6.(1)(b) of this Additional Building Block.

The principal of the Bonds of the Series E holds twelfth (12<sup>th</sup>) place in the Order of Priority of Liquidation Payments contemplated under section 3.4.6.(5) of this Additional Building Block. The redemption of the Series E Bonds will be made fully and in one sole payment on the last Payment Date once the Outstanding Balance of the Credit Rights is equal to zero (0). The Available Funds for Redemption of Series E Bonds will be obtained from the amount which until that date formed part of the Reserve Fund.

**3.4.4 An indication of any investment parameters for the investment of temporary liquidity surpluses and description of the parties responsible for such investment.**

The Management Company, acting for and on behalf of the Fund, and SCF, shall enter into the Guaranteed Rate Reinvestment Agreement by virtue of which SCF shall guarantee a yield on the amounts deposited by the Fund, through its Management Company, into the Principal Account and into the Cash Account.

**Cash Account**

Specifically, the amounts received by the Fund, for:

- (i) principal and interest on the Credit Rights;
- (ii) any other amounts deriving from the Credit Rights, and for the disposal or exploitation of the real properties adjudicated to the Fund or in administration and interim possession of the property, as well as all possible rights or indemnities, including those derived from any right attached to the Credit Rights, excluding prepayment or early termination fees and any other right that may not be integrated in the debt claimed from the Debtor in the event of default on the Loans;
- (iii) amounts which constitute the Reserve Fund from time to time (as described in section 3.4.2.2 of this Additional Building Block);
- (iv) the amounts which, as the case may be, are paid to the Fund and derive from the Swap;
- (v) the amounts of the returns obtained on the reinvestments made with the amounts of the Cash Account and of the Principal Account,

will be deposited in the Cash Account opened at SCF in the name of the Fund by the Management Company.

All the collections and payments during the entire term of the Fund will be centralized in the Cash Account.

On the Disbursement Date, the Cash Account will receive the effective amount of the payment of the subscription to the issue of Bonds, net of commissions, and the initial amount of the Subordinated Loan Agreement, and will pay the price of acquisition of the Credit Rights assigned by Santander Consumer at the initial amount and the expenses of constituting the Fund.

**Principal Account.**

By virtue of the Guaranteed Interest Rate Reinvestment Agreement all amounts of the Available Principal Funds will be deposited in the Principal Account opened at SCF in the name of the Fund by the Management Company.

Likewise, the amounts drawn from the credit facility that the Management Company is authorized to arrange for the Early Liquidation of the Fund will also be deposited in said account.

## **Yield**

SCF guarantees to the Fund, through its Management Company, a variable annual yield each quarter and paid monthly for the amounts deposited into the Principal Account and the Cash Account, equal to the Reference Interest Rate of the Bonds EURIBOR interest rate at three (3) months taken on Rate Setting Time during the Interest Accrual Period immediately preceding each Payment Date.

The calculation of the yield obtained on the investments made shall be carried out by taking the actual days and by using as a base a year composed of three hundred sixty-five (365) days. Interest shall be settled monthly, five (5) Business Days preceding the 11<sup>th</sup> day of each month or, if any of these dates is not a Business Day, the immediately following Business Days.

Merely by way of illustration, the EURIBOR at three (3) months on the Constitution Date, settled on 11<sup>th</sup> of November and December of 2006 and 11<sup>th</sup> of January 2007 will be taken for the first Interest Accrual Period (which is the period comprised between the Disbursement Date (included) and January 20, 2007 (excluded)). The EURIBOR interest rate at three (3) months on the relevant Rate Setting Time, that is January 18, 2007, settled on 11<sup>th</sup> of February. March and April of 2007 will be taken for the second Interest Accrual Period (which is the period comprised between January 20, 2007 (included) and April 20, 2007 (excluded)).

In order to obtain the maximum return for the balance of the Principal Account and/or Cash Account and, when applicable, the Excess Funds Account described below, the Management Company may invest the balances in fixed income assets in euros in the short-term issued by entities which have been rated at least A-1 and F1, as long as the period of the investment made is less than thirty (30) days up to a maximum of twenty per cent (20%) of the Balance of the Principal Pending Payment on the Bonds in accordance with the ratings of Standard & Poor's and Fitch, respectively, or A-1+ and F1+ for longer periods, of the short-term debt which is not subordinated and is not guaranteed, according to the rating scales of Standard & Poor's and Fitch respectively. In any case, the maturity of these Credit Rights must be previous to the following Payment Date.

## **Decrease in SCF 's rating**

In the event that SCF's unsubordinated and unsecured short-term debt should undergo, at any time during the life of the Bonds issue, a decline in its rating below A-1 or F1 (as per the rating scales of Standard & Poor's and Fitch, respectively), the Management Company shall have a maximum deadline of thirty (30) Calendar Days from when such situation takes place, to adopt one of the following options:

(i) transfer the Principal Account and the Cash Account of the Fund to a bank whose unsubordinated and unsecured short-term debt possesses a minimum rating of A-1 and F1 (as per the rating scales of Standard & Poor's and Fitch, respectively), and the Management Company shall contract the highest yield possible for the balance

thereof, which may differ from that contracted with SCF, being able to subsequently transfer it to SCF when its unsubordinated and unsecured short-term debt once again achieves the rating A-1 and F1 (according to the aforesaid rating scales), or

(ii) demand from SCF that it obtains a warranty with an entity whose unsubordinated and unsecured short-term debt possesses a minimum rating of A-1 and F1 (as per the rating scales of Standard & Poor's and Fitch, respectively), always subject to prior notification to the rating Agencies. Such warranty will secure the prompt payment by SCF of its obligation to reimburse the amounts deposited in the Principal Account, during the period in which the loss in ratings A-1 and F1 continues.

Through the Guaranteed Rate Reinvestment Agreement, the risk of temporary shortfall between the Fund's income from principal and interest having a varied frequency and the redemption and payment of interest on the Bonds, having a quarterly frequency, is mitigated.

In addition, and without prejudice to the foregoing, in the event that the sum accumulated in the Principal Account or in the Cash Account at any given moment, without taking into account any possible fixed income investments, exceeds 20% of the Balance of Principal Pending Payment on the Bonds and the unsubordinated and unsecured short-term debt of SCF undergo, at any moment during the life of the Bonds issue, a decline in its rating below A-1 or F1 (according to the rating scales of Standard & Poor's and Fitch, respectively), the Management Company, on account of the Fund, shall open a new account at other entity with a rating of A-1+ and F1+ (according to the rating scales of Standard & Poor's and Fitch, respectively) (the "**Excess Funds Account**") into which all sums which exceed the aforementioned 20% shall be deposited, contracting the maximum yield possible for its balances which will, at least, be equal to that contracted for the Principal Account or the Cash Account.

In the event that the new bank should forfeit the rating A-1+ or F1+ (according to the rating scales of Standard & Poor's and Fitch, respectively), the Management Company shall have 30 Calendar Days to find a new bank with a rating of A-1+ and F1+ (according to the rating scales of Standard & Poor's and Fitch, respectively) in order to maintain the Bonds' rating. The Management Company shall notify Standard & Poor's and Fitch with as much advance notice as possible as to the probability of this event occurring.

The Excess Fund Account, once created, shall remain open during the entire term of the Fund although the balance on that Account will suffer variations as a result of the transfer of the funds that may have been deposited therein to the Principal Account and the Cash Account sufficiently in advance so that it is available on the Payment Dates on which this Excess Fund Account has sufficient funds. The balance of the Excess Fund Account will include the excess of the 20% accumulated in the Principal Account and the Cash Account as well as the amounts received as income thereof.

SCF specifically and irrevocably waives any right of set-off vis-à-vis the Fund, which could corresponding to SCF by virtue of any contract entered into with the Fund.

### **3.4.5 How payments are collected in respect of the Credit Rights.**

Santander Consumer, as collection Management Company, shall receive on account of the Fund such sums of money as are paid by the Debtors as deriving from the Credit Rights, both for principal or interest, as well as any other concept assigned to the Fund, and shall proceed to deposit into the Cash Account the amounts which pertain to the Fund, immediately and, in any case, within a period not exceeding twenty- four (24) hours.

#### **Powers and authorities of the title owner of the Credit Rights in case of breach by the Debtor of its obligations.**

Santander Consumer, as Administrator of the Credit Rights, shall apply the same diligence and procedure for making a claim for amounts due and not paid on the Credit Rights as in the remaining loans in its portfolio. In particular, it shall take appropriate action if, once the internal limitation periods for a judicial action aimed at obtaining satisfaction of the interest of the Fund have elapsed, it has not achieved the desired effect. In any event, Santander Consumer will take the mentioned action if, after analysis of the specific circumstances, the Management Company, on behalf of the Fund, with the approval of Santander Consumer, deems it appropriate.

Additionally, Santander Consumer undertakes to inform the Management Company, on behalf of the Fund, on a daily basis, about non-performing loans, early repayments or revisions of interest rates, and to punctually provide information regarding payment requirements, certified notifications provided to the Debtor, judicial actions, or any other circumstances affecting the Loans. Likewise, Santander Consumer shall provide the Management Company with all documentation that it may require in connection with such Loans and, in particular, with all documentation required for the filing of judicial actions by the Management Company, as the case may be.

#### **a) Action against the Administrator.**

The Management Company, acting for and on behalf of the Fund, shall be entitled to an executory action against the Administrator for enforcing the maturities of the Credit Rights for principal and interest, when the breach of the payment obligation for such concepts is not a consequence of the non-payment by the Debtors of the Credit Rights.

Furthermore, in the event that Santander Consumer does not perform the obligations described in section 3.7.1 of this Additional Building Block, the Fund, through the Management Company, shall be entitled to a declaratory action against Santander Consumer for breach of the aforesaid obligations regarding the Loans, all of which in accordance with the formalities contemplated for such proceeding by the Civil Procedure Act.

The Credit Rights having been cancelled, the Fund, through its Management Company, shall preserve suit against the Administrator until the performance of its obligations.

**b) Actions in case of non-payment of the Loans.**

The Fund, as holder of the Credit Rights, will be entitled to all legal action arising from the title ownership of such Rights, pursuant to the legislation in force.

To those effects, in the Deed of Incorporation, the Management Company, acting on behalf of the Fund, will grant a power of attorney, as broad and sufficient as may be required by Law in favor of Santander Consumer so that Santander Consumer, acting through any of its representatives sufficiently empowered for such purpose, may (including acting in its own name in the corresponding proceeding, although on behalf of the Fund) demand from the Debtor of any of the Credit Rights the payment of its debt and take legal action against them, in addition to other faculties required for the exercise of its functions as Administrator. These faculties may also be granted in a document separate from the Deed of Incorporation or increased if necessary for the exercise of such functions.

In general, the Administrator must initiate the corresponding judicial proceedings if, during a period of six (6) months, an Debtor of a Loan that has breached its payment obligations should not renew the payments to the Administrator and the Administrator, with the consent of the Management Company, should not have achieved a satisfactory payment commitment in respect to the interest of the Fund. In the event the Administrator is entitled to file for executive proceedings, it will have to immediately demand the execution thereof, should the Managing Company, on behalf of the Fund consider it necessary, and once the specific circumstances of the case has been analyzed. In order to speed up claim proceedings, the Management Company may give general powers to the Administrator in the terms and with the limitations considered appropriate, without prejudice to the obligations to provide information stipulated in this section.

**3.4.6 Origin and Application of Funds.**

**(1) Origin and Application of Funds**

- (a) Origin:** Available Funds into the Cash Account and, as the case may be, into the Exceed Fund Account on each specific Payment Date shall be as follows:
- (i) Amounts received for principal on the Credit Rights in each Determination Period prior to Payment Date.
  - (ii) Interest collected on the Credit Rights during each preceding Determination Period prior to Payment Date.
  - (iii) The return obtained on the reinvestment of the Reserve Fund as well as on the amounts deposited into the Principle Account and Cash Account, the payment of which will occur on the 11<sup>th</sup> day of each month, into the Excess Funds Account, if applicable.

- (iv) The Reserve Fund, in the terms of section 3.4.2.2 of this Additional Building Block.
  - (v) The net amount received by virtue of the terms of the Swap Agreement, as described under section 3.4.7 of this Additional Building Block.
  - (vi) Any other amounts which the Fund may receive, including those which may result from the distraint of vehicles awarded to it.
- (b) **Application:** The Management Company, on behalf of the Fund, shall proceed to apply on each Payment Date the amount of the Available Funds to the following payments and withholdings, in accordance with the Order of Priority of Payments described below.
1. Payment of the ordinary and extraordinary expenses, provided or not by the Management Company and duly justified, including the management fee in favor of it, and other expenses and service fees, including payment agency fees. In this sense, only will be paid in favor of Santander Consumer and regarding the administration of the Credit Rights, the expenses which has been anticipated or provided on behalf of the Fund and the amounts which should be returned, all of it duly justified.
  2. Payment to SCF of the net amount of the Swap, in accordance with the stipulations in section 3.4.7 of the Additional Building Block, and only in the event of the termination of mentioned Agreements due to non compliance by the Fund or if the Fund is the sole party which incurs a cause for early termination, will the Fund, as the case may be, have to pay the amounts that correspond to the liquidation payment of the Swap.
  3. Payment of interest accruing on the Series A Bonds.
  4. Payment of the interest accruing on the Series B Bonds, except if the payment of these is set back, to 8<sup>th</sup> position in the order of priority as described in section 3.4.6.(3) of this Additional Building Block.
  5. Payment of the interest accruing on the Series C Bonds, except if the payment of these is set back, to 9<sup>th</sup> position in the order of priority as described in section 3.4.6.(3) of this Additional Building Block.
  6. Payment of the interest accruing on the Series D Bonds, except if the payment of these is set back, to 10<sup>th</sup> position in the order of priority as described in section 3.4.6.(3) of this Additional Building Block.
  7. The amount of the Withholding on Principal for the acquisition of Additional Credit Rights and, as from the termination of the Revolving Period, for the redemption of Series A, B, C, D and E of the Bonds in the order described in section 4.6.b) of the Securities Note.

8. Payment of the interest on the Series B Bonds when the payment is set back from the fourth (4th) place in the Order of Priority of Payment as established in the relevant section.
9. Payment of interest on the Series C Bonds when the payment is set back from the fifth (5th) place in the Order of Priority of Payment, as established in the relevant section.
10. Payment of interest on the Series D Bonds when the payment is set back from the sixth (6th) place in the Order of Priority of Payment, as established in the relevant section.
11. Withholding of a sufficient amount to duly maintain the Required Level of the Reserve Fund from time to moment, in accordance with the stipulations in section 3.4.2.2. of this Additional Building Block. On the first Payment Dates, and always before the termination of the Revolving Period, the withholding of the Reserve Fund will hold fifth (15<sup>o</sup>) place, with the result that following payments of the Order of Priority of Payments will be renumbered.
12. Payment of the interest on the Series E Bonds.
13. Payment in the event of termination of the Swap Agreement due to failure of SCF.
14. Payment of interest due on the Subordinated Loan Agreement.
15. Lineal Redemption of the principal of the Subordinated Loan Agreement.
16. Payment to Santander Consumer of a variable amount as remuneration or compensation for the financial intermediation process carried out equal to the difference between the booked income and expenses for the Fund, on the relevant Payment Date.

**The expenses reflected in first place in the above order of priority are broken down into the following:**

Ordinary Expenses:

- Expenses deriving from the annual audits of the Fund's financial statements.
- Expenses deriving from maintenance of the ratings of the five (5) Bonds Series.
- Expenses which arise and derive from the redemption of the Bonds.
- Expenses related to any notices which, in accordance with the provisions of this Prospectus, must be given to the holders of Bonds in circulation.



- In general, any other expenses borne by the Management Company, and arising out of its work involving representation and management of the Fund.

Extraordinary Expenses:

- As that case may be, all expenses derived from preparation and formalization by the modification of the Deed of Incorporation and the agreements, and by the holding of all additional agreements.
- Expenses necessary to cause the execution of the loans underlying to the Credit Rights.
- In general all other extraordinary expenses borne by the Fund or by the Management Company in representation or on account thereof.

In the event that on a Payment Date prior to the Payment Date in progress any amount should remain unpaid, the Order of Priority of Payments established in this section will be strictly followed, commencing with the payment longest overdue.

**(2) Origin and application of the Available Principal Funds**

- (a) **Origin:** On such Payment Date, Available Principal Funds shall be as following:
- (i) The Withholding on Principal amount applied in seventh (7th) place of the Available Funds on the relevant Payment Date.
  - (ii) Up to the Payment Date next succeeding the end of the Revolving Period, inclusive, the Principal Account balance and, as the case may be, the Excess of Funds Account balance transferred from the Principal Account, on the Determination Date preceding the relevant Payment Date.
- (b) **Application:** The Available Principal Funds shall be applied on each Payment Date in accordance with the following rules:
1. During the Revolving Period of the Credit Rights, payment of the assignment price which amounts to the nominal value of the Outstanding Balance of the Additional Credit Rights acquired by the Fund on the relevant Payment Date.

The remaining Available Principal Funds which have not been used to acquire Additional Credit Rights will remain on deposit in the Principal Account.

2. Since the completion of the Revolving Period, the Available Principal Funds will be applied in sequence, firstly, towards the redemption of the Series A Bonds, until redeemed in full; secondly, towards the redemption of the Series B Bonds, until redeemed in full; thirdly, towards the

redemption of Series C Bonds, until redeemed in full, and in fourth place, towards the redemption of Series D Bonds, until redeemed in full.

### **(3) Exceptional rules of priority of payments on account of the Fund.**

If the substitution of Santander Consumer as Loan Administrator should take place, in favor of another entity not forming part of Santander Consumer's consolidated group, a fee shall accrue in favor of the third party, the new administrator, placed on 1<sup>st</sup> place in the Order of Priority of Payments established under section 3.4.6.(1)(b), above.

The payment of interest on the Series B Bonds shall be postponed with respect to the Withholding on Principal, holding the eight (8<sup>th</sup>) position in the Order of Priority of Payments, if on the Determination Date preceding the relevant Payment Date, the cumulative outstanding balance of Nonperforming Loans without bearing in mind any amounts recovered since the constitution of the Fund is greater than eight point one per cent (7.37%) of the initial amount of the Credit Rights, and provided that the full redemption of the Series A Bonds has not occurred and is not going to occur on the relevant Payment Date.

The payment of interest on the Series C Bonds shall be postponed with respect to the Withholding on Principal, holding the ninth (9<sup>th</sup>) position in the Order of Priority of Payments, when on the Determination Date preceding the relevant Payment Date, the cumulative outstanding balance of Nonperforming Loans bearing in mind any amounts recovered since the constitution of the Fund is greater than five point eight per cent (5.27%) of the initial amount of the Credit Rights, and provided that the full redemption of the Series A and B bonds has not occurred and is not going to occur on the relevant Payment Date.

The payment of interest on the Series D Bonds shall be postponed with respect to the Withholding on Principal, holding the tenth (10<sup>th</sup>) position in the Order of Priority of Payments, when on the Determination Date preceding the relevant Payment Date, the cumulative outstanding balance of Nonperforming Loans without bearing in mind any amounts recovered since the constitution of the Fund is greater than four point one per cent (3.91%) of the initial amount of the Credit Rights, and provided that the full redemption of the Series A, B and C Bonds has not occurred and is not going to occur on the relevant Payment Date.

### **(4) Failure to comply with the obligation of pay interests**

In the event that on a Payment Date, the Fund is not able to make the total or partial payment of the interest accrued by the Bonds of any Series, according to the Order of Priority of Payments contained in section 3.4.6.(1)(b) above, the amounts that the bondholders would have ceased to receive will accrue on the following Payment Date to the interest of its Series that should be paid on that Payment Date, and it shall accrue an interest equal to that applied to the Bonds of its own Series without applying another additional default interest. Such interest will be paid according to the Order of Priority of Payments and applied according to the maturity date order if it is not possible to pay such interest in full owing to a lack of Available Funds.

## **(5) Order of Priority of Liquidation**

The Management Company will liquidate the Fund when its liquidation takes place on the Legal Date of Maturity or the Date of Payment on which the Early Liquidation takes place according to sections 4.4.c of the Registration Document, which, in both cases, will coincide with the last Payment Date, by applying the funds available for the following concepts (hereinafter, the "Funds Available for Liquidation"): (i) of the Available Funds, (ii) of the amounts that are obtained by the Fund through the transfer of the remaining Credit Rights and of any other assets, and, as the case may be, (iii) the amount available of the credit facility for the final redemption of the Bonds according to the provisions of section 4.4 c)3 (iii) of the Registration Document, in the following order of payment according to priority (the "Order of Priority of Liquidation Payments"):

1. Payment of the ordinary and extraordinary expenses of the Fund, whether paid or not by the Management Company and duly justified, including the administration fee in favor of the Management Company, and the other expenses and service fees, including the fees of the paying agency. In this order, Santander Consumer will be paid, in connection with the administration of the Credit Rights, those expenses that it has advanced on account of the Fund in addition to those amounts owed to it, all duly justified.
2. Payment to SCF of the net amount of the Swap, according to the provisions of section 3.4.7 of the Additional Building Block, and, only in the case of the rescission of the said Agreements due to non compliance by the Fund, or if the Fund is the only party that has provoked a cause for early termination, will the Fund have to pay the amounts that correspond to the settlement payment.
3. Payment of the interest accrued of the Series A Bonds.
4. Redemption of the Series A Bonds.
5. Payment of the interest accrued of the Series B Bonds.
6. Redemption of the Series B Bonds.
7. Payment of the interest accrued of the Series C Bonds.
8. Redemption of the Series C Bonds.
9. Payment of the interest accrued of Series D Bonds.
10. Redemption of the Series D Bonds.
11. Payment of the interest accrued of Series E Bonds.
12. Redemption of the Series E Bonds.
13. Payment of the accrued interests and reimburse of the principal's credit facility arranged in the event the credit facility was arranged for early amortization of

the Bonds issue according to the provisions of section 4.3.c)(iii) of the Registry Document.

14. Payment in the event of termination of the Swap Agreement due to failure of SCF to comply with the Contract.
15. Payment of Accrued Interest of the Subordinated Loan Agreement.
16. Lineal Redemption of the principal of the Subordinated Loan Agreement.
17. Payment to Santander Consumer of a variable amount as remuneration or compensation for the process of financial intermediation performed, equal to the difference between the accounting income and expenditure for the Fund.

### **3.4.7 Details of other agreements on which interest and principal payments to the Bondholders depend.**

The Management Company shall enter into, acting for and on behalf of the Fund, with SCF, a Swap agreement, as per ISDA 1992 standard form, the most relevant terms of which are described below.

The entering into the Swap Agreement responds to the need to mitigate the interest rate risk which takes place at the Fund due to the fact of having the Credit Rights subject to fixed interests and different adjustment periods and settlement periods for variable interest established for each one of the Bonds Series issued against the Fund.

By means of the Interest Swap, the Fund will make payments to SCF, calculated on the interest rate of the Credit Rights and, as counterpart, SCF shall make payments to the Fund, calculated on the average weighted Nominal Interest Rate of the Bonds Series, all of which as described above:

Party A: The Fund, as represented by the Management Company.

Party B: SCF.

#### **Settlement Dates.**

The Settlement Dates shall coincide with the Bonds Payment Dates, i.e. January 20, April 20, July 20 and October 20 of each year or, if any of these dates is not a Business Day, the immediately following Business Day. The first Settlement Date shall be January 20, 2006.

#### **Settlement Periods.**

The Settlement Periods for Party A and for Party B are identical. The Settlement Period will be understood to be the days that effectively elapse between two consecutive Settlement Dates, the first included and the last excluded. Exceptionally, the first Settlement Period for each of the Parties will have a term equal to the days that have effectively elapsed between 16 October 2006 (included) and the Determination Date immediately preceding the first Payment Date, which will be January 20 2007 (excluded).

### **Amounts to be paid by Party A.**

This will be the result of applying the Party A Interest Rate to the Notional of the Swap for Party A, adjusted to the number of days of the Settlement Period (i.e. the same or equivalent to: number of days / 360).

### **Party A Interest Rate.**

This will be, on each Settlement Date, the annual interest rate which results from dividing (i) the sum of the ordinary interest received of the Credit Rights and deposited to the Fund during the expiring Settlement Period, by (ii) the Notional of the Swap for Party A, all of which multiplied by the result of dividing 360 between the number of days of the Settlement Period.

### **Notional Amount for Party A.**

This will be the Balance of the Credit Rights defined as the daily average during the maturing Settlement Period of the Outstanding Balance of the Credit Rights which are not subject to lateness in the payments of amounts due by more than ninety (90) days.

### **Amounts to be paid by Party B.**

This will be the result of adding (i) the amount resulting from applying the Party B Interest Rate to the Notional of the Swap for Party B, adjusted to the number of days elapsed between two Payments Dates (i.e. the same or equivalent to: number of days / 360) and (ii) the amount accrued by the administration contract at the corresponding liquidation date only in the case of substitution of Santander Consumer as Administrator of the Loans.

### **Party B Interest Rate.**

This will be, for each Settlement Period, the annual interest rate that results from adding: (i) the Reference Interest Rate of the Bonds established for the current Interest Accrual Period, plus (ii) the average margin of the Series A, B, C and D weighted by the Balance of the Principal Pending Payment on each Series during the current Interest Accrued Period, plus (iii) three per cent (3%).

### **Notional Amount for Party B.**

This will be the greater amount of: (i) the Notional of Swap for Party A, and (ii) the Notional Adjusted to the Return on the Credit Rights.

The Notional Adjusted to the Return on the Credit Rights for each settlement period shall be the lesser amount of:

- (i) the sum of the ordinary interest received on the Credit Rights and deposited to the Fund during the maturing Settlement Period, divided by the Party B Interest Rate, multiplied by the result of dividing 360 between the number of days of the settlement period.

- (ii) The Outstanding Balance of the Credit Rights on the immediately preceding Settlement Date or, as the case may be, the Outstanding Balance of the Credit Rights on the Fund's Constitution Date.

The possible notionals of Party B mentioned in the above paragraph are:

- a) Notional of Swap for Party A. This notional is equal to the Notional Balance of the Credit Rights defined as the daily average, during the maturing settlement period, of the Outstanding Balance of the Credit Rights which are not subject to lateness in payment of the amounts due by more than ninety (90) days.
- b) The ordinary interest received on the Credit Rights and deposited to the Fund during the maturing Settlement Period, divided by the Party B Interest Rate, all of which multiplied by the result of dividing 360 between the number of days of the Settlement Period.
- c) The Outstanding Balance of the Credit Rights on the immediately preceding Settlement Date or, as the case may be, for the first settlement of the Swap, the Outstanding Balance of the Credit Rights on the Fund's Constitution Date.

### **Possible scenarios**

By definition, the notional described under paragraph c), above, is always greater than the notional described under paragraph a).

**Scenario 1:** In the event that the notional described under paragraph b) is greater than the notional described under paragraph c), this would mean that the interest rate risk would not have materialized and, in turn, that the portfolio default rate is such that this would not affect the financial equilibrium of the Fund. In this case, Santander Consumer would pay to the fund the Party B Interest Rate on the notional described under paragraph c). The net of the Swap in this circumstance is positive for the Party B.

**Scenario 2:** In the event that the value of the notional described under paragraph b) is greater than the notional described under paragraph a) and is less than the notional described under paragraph c), this would mean that the portfolio default rate is such that it affects the financial equilibrium of the Fund. In this case, the Party B would pay to the Party A the Party B Interest Rate on the Notional described under b). The net of the Swap in this case would be equal to zero.

**Scenario 3:** In the event that the notional described under paragraph b) is less than the notional described under paragraph a), this would mean that the interest rate risk has materialized. In this case, the Party B would pay to the Party A the Party B Interest Rate on the notional described under paragraph a). The net of the Swap in this case would be positive for the Party A.

The net of the Swap in this case would be positive for the Party A, because the notional of the Swap is equal for Party A and Party B and the interest rate collected by the Fund is less than the Party B interest rate. The Party B would pay the Party A.

In the event that on a Payment Date the Party A does not have sufficient Available Funds to make payment of the entire net amount (in the event that the amount to be paid by the Party A to the Party B is greater than the amount to be paid by the Party B and to be received by the Party A) to be paid by the Party A to the Party B, the portion of the net amount not paid shall accumulate, accruing default interest at the same interest rate applicable for the calculation of the amount to be paid by the Fund, and shall be settled on the next Payment Date on which the Fund has sufficient Available Funds in accordance with the Order of Priority of Payments, in such a manner that the Swap is not terminated.

If on a Payment Date, the Party B does not meet its payment obligations for the total net amount it is responsible for paying to the Party A, the Management Company will be able to terminate the Swap. In this case, the Party B shall assume the payment obligation of the net amount contemplated in the Swap. Furthermore, in this case, if the net amount of the Swap inures to the Party A, the payment thereof shall be postponed in accordance with the Order of Priority of Payments contemplated under section 3.4.6.(1)(b), above.

The net amount shall be calculated by the Management Company, as calculation agent of the Swap, in function of the market value of the Swap.

**a) Change in Party B rating.**

Party B irrevocably undertakes that in the case of, at any time during the life of the Bonds issue, decrease in the rating of Party B's unsubordinated and unsecured debt below A (according to Fitch's ratings scale for long-term debt) or below A-1 (according to Standard & Poor's for rating short-term debt), and within a maximum deadline of thirty (30) Calendar Days from the day on which notification of such circumstance takes place, Party B shall determine, on the terms and conditions set out by the Management Company, after notifying the Rating Agencies, in order to the rating assigned to each Series Bonds by the Rating Agencies will not be impaired, one of the following alternatives:

- (i) obtain that a third party with its unsubordinated and unsecured debt rating equal to or greater than A for its long-term debt and F-1 for its short-term debt (according rating scale of Fitch) and A-1 (according to short-term ratings of Standard & Poor's), guarantees the fulfillment of its contractual obligations under the Swap Agreement;
- (ii) that a third-party with the same ratings required for option (i) above undertakes its contractual position and replaces it in the Swap Agreement, or, as the case may be, that a new swap agreement be entered into with that third-party on the same terms and conditions as the Swap Agreement; or

- (iii) create a deposit of cash or securities pledged for the benefit of the Party A, if Party B's unsubordinated and unsecured short-term debt is rated with a minimum of F2 and its unsubordinated and unsecured long-term debt is rated with a minimum of BBB+ (according to short-term and long-term ratings of Standard & Poor's) and of BBB on its long-term debt (according long-term Standard & Poor's rating scale), as guarantee of the fulfillment of its contractual obligations equal to an amount calculated, according to the market value which allows the ratings assigned to each Series of Bonds to remain unchanged as required by the Rating Agencies and, when necessary, depending on the rating assigned to Party B one of the options set above in letters (i) and (ii) may also be carried out.

**b) Subsequent change in Party B rating.**

Should the unsubordinated and unsecured debt of Party B was rated lower than BBB- (according to Standard & Poor's rating scale), Party B will be replaced in its contractual position within a maximum period of ten (10) Calendar Days by an entity with a minimum unsubordinated and unsecured short-term debt rating of A-1 (according to rating scale of Standard & Poor's).

Whether the Party B breaches the obligations established under the above paragraphs, the Management Company, on behalf of the Fund, shall be entitled to replace the Party B by other entity with the characteristics established under section a)(i), above.

All costs, expenses and taxes incurred on the performance of the above obligations shall be for the account of the Party B.

The occurrence, as the case may be, of the early termination of the Interest Swap will not in itself constitute a cause for early liquidation of the Bonds issue and Early Liquidation of the Fund, unless in conjunction with other events or circumstances relating to the financial position of the Fund, a substantial or permanent alteration of its financial equilibrium should occur.

The Interest Swap shall be terminated at law in the event that the Rating Agencies do not confirm, prior to the start of the Subscription Period, as definitive, the ratings provisionally assigned to each one of the Series.

The Management Company shall employ all means within its reach which are necessary for a Swap Agreement to exist and be in effect at all times.

In the event that Santander Consumer is substituted as Administrator of the Loans, the Swap shall cover the management fee, that is, an amount equal to the sum of (i) the amount to be paid by Party B, and (ii) the accrued amount in the way of a management fee or as a result of from the new administration contract that may be signed.

The termination of the Swap shall be the earliest of the two following:

- (i) the Legal Maturity Date, or



- (ii) the date on which the Early Liquidation ("Liquidación Anticipada") of the Fund has concluded, according to section 4.4 c) of the Registration Document, on which date all of the Credit Rights and remaining assets in the Fund have been liquidated and all the Available Liquidation Funds ("*Fondos Disponibles para Liquidación*") have been distributed following the Order of Priority of Liquidation Payments.

SCF specifically and irrevocably waives any right of set-off vis-à-vis the Fund, which could correspond to SCF by virtue of any contract entered into with the Fund.

### **3.5 Name, address and significant business activities of the Assignor.**

The Assignor of the Credit Rights is Santander Consumer, E.F.C., S.A..

The principal financial activities of Santander Consumer are those characteristic of any financial establishment of credit, in accordance with the specific nature of such entities and as established by law. In this regard, the following activities should, basically, be highlighted:

- Lending, including consumer credit, mortgage credit and financing of commercial transactions.
- Factoring, with or without recourse, and complementary activities such as investigation and classification of clienteles, accounting of debtors and, in general, any other activity intended to favor the administration, evaluation, security and financing of the accounts receivable assigned thereto that arise in domestic or international trade operations.
- Financial leasing, including the following complementary activities:
  - Maintenance and upkeep of the leased properties.
  - Grant of financing in relation to a present or future financial lease.
  - Intermediation in and management of financial leasing transactions.
  - Non-financial leasing transactions, which may or may not be supplemented with a call option.
  - Commercial reports and advisory services.
- Issuing and administering credit cards.
- Grant of guarantees and similar commitments.

The selected financial information on Santander Consumer with regard the first six month period of 2006 fiscal year, and the comparison between the fiscal year closed on December 31, 2005 and the fiscal year closed on December 31, 2004 is shown below.

The information corresponding to June 30, 2006 and December 31, 2005 in millions of Euros was prepared in accordance with the International Norms on Financial Information which are applicable according to Regulation EC 1606/2002 and Memorandum 4/2004 of Bank of Spain. The information corresponding to June 30, 2005 in millions of Euros was also drafted for comparative purposes in accordance with the International Norms on Financial Information so that the comparison between the periods is standardized.

## SANTANDER CONSUMER FINANCE, E.F.C., S.A.

(Importes en miles de euros)

Balance SCF, EFC	DIC. 2004	DIC. 2005 (1)	Var. %	JUN 2006
Activos Totales Balance	3,769,123	6,154,502	63,29%	6,611,957
Créditos sobre clientes en Balance	3,681,042	6,012,006	63,32%	6,510,494
Fondos Propios Totales SCF EFC	124,559	229,110	83,94%	267,397
Cuenta de Resultados SCF EFC	DIC. 2004	DIC. 2005	Var. %	JUN 2006
Margen de Intermediación	139,424	203,068	45,65%	105,851
Margen Ordinario	199,145	278,838	40,02%	147,912
Margen de Explotación	111,846	166,479	48,85%	84,009
Beneficios antes de impuestos	68,755	84,409	22,77%	68,434
Beneficio despues de impuestos	36,726	57,934	57,75%	49,287
Ratios Relevantes SCF, EFC	DIC. 2004	DIC. 2005	Var. %	JUN 2006
Indice de Morosidad	1,78%	1,71%	-3,93%	1,85%
Indice de Cobertura de Morosidad	145,25%	175,61%	20,90%	174,85%
Ratio de Eficiencia (2)	43,84%	40,30%	-8,08%	43,20%
Ratio BIS	4,66%	5,11%	9,66%	6,11%
Información Complementaria	DIC. 2004	DIC. 2005	Var. N°	JUN 2006
Número de oficinas en España	85	89	4	90
Número de oficinas resto del mundo	3	3	0	3

(1) Se incorpora mediante fusión por absorción la sociedad Bansander de Financiaciones S.A., EFC. (Bansafina)

(2) Incluye amortizaciones

### 3.6 Return on and/or repayment of the securities linked to others which are not assets of the issuer.

Not applicable.

### 3.7 Administrator and functions of the Management Company.

#### 3.7.1 Administrator.

Santander Consumer, whose name, address and significant activities are detailed under section 3.5, above, the entity that is the Assignor of the Credit Rights, in accordance with the provisions of article 2.2 of Royal Decree 926/1998, is obliged

to exercise custody and administration of the Credit Rights, the relations between Santander Consumer and the Fund being regulated by this Prospectus.

Santander Consumer shall accept the mandate received from the Management Company and, by virtue of such mandate, agrees as follows:

- (i) To exercise administration and management of the Credit Rights acquired by the Fund in the terms of the scheme and ordinary procedures of administration and management established in this Prospectus;
- (ii) To continue administering the Credit Rights, dedicating the same time and attention and the same level of expertise, care and diligence in the administration thereof as that which it would devote and exercise in the administration of its own loans and, in any case, it shall exercise an adequate level of expertise, care and diligence in providing the services contemplated in this Additional Building Block;
- (iii) That the procedures it applies and will apply for administration and management of the Credit Rights are and will continue to be in accordance with the laws and legal rules in force which are applicable;
- (iv) To abide by the instructions given to it by the Management Company, with due loyalty;
- (v) To indemnify the Fund for damages which may derive from the breach of the obligations so contracted.

A description of the scheme and of the ordinary procedures of administration and custody of the Credit Rights is contained in the following sections.

#### **(1) Term of Duration**

The services shall be rendered by Santander Consumer until, once all of the Credit Rights have been redeemed, all of the obligations assumed by Santander Consumer in relation to said Credit Rights have been cancelled, without prejudice to the possible early revocation of its mandate.

Both in case of breach by the Administrator of the obligations established in this Additional Building Block, as well as in the case of a severe decline in its credit rating so as to entail an impairment or risk for the financial structure of the Fund or for the rights and interest of the Bondholders, the Management Company may carry out one of the following actions:

- (i) Formally demand that the Administrator subcontract, delegate or be secured in the performance of said obligations by another entity which, in the judgment of the Management Company, has the adequate legal and technical capacity, and provided that an adverse impact on the rating of the Bonds does not take place.
- (ii) If the above action is not possible, the Management Company shall directly assume the rendering of the services.

The Management Company shall bear in mind the proposals which the Administrator formulates to it both on the subcontracting, delegation or appointment of the substitute in the performance of its obligations, as well as on the entity which could guarantee it in the execution and enforcement thereof.

The Administrator may voluntarily decide not to administer and manage the Credit Rights, if possible under the law in force at each moment and provided that (i) it is authorized by the Management Company, (ii) the Management Company has appointed a new Administrator, (iii) the Administrator has indemnified the Fund for damages caused thereto by the resignation and substitution, in addition to the fact that any additional cost shall be its responsibility, not collecting it, therefore, from the Fund, and (iv) no adverse impact on the rating of the Bonds takes place.

**(2) Liability of Santander Consumer as to custody and administration.**

Santander Consumer agrees to act diligently in the custody and administration of the Loans and the documents regarding such Loans which would be deposited in Santander Consumer, and will be liable to the Fund, through its Management Company, for any damage which may arise from its negligence.

Santander Consumer shall indemnify the Fund, through its Management Company, for any damage, loss or expense incurred as a consequence of the breach of its obligations relating to custody and/or administration of the Loans and the documents regarding the Loans.

**(3) Liability of Santander Consumer in collection management.**

Santander Consumer agrees to act in the management of collections on the Loans, with all due diligence, and shall be liable to the Fund, through its Management Company, for any damage which may derive from its negligence.

Santander Consumer does not howsoever assume any liability in directly or indirectly guaranteeing the successful conclusion of the transaction, nor will it grant guarantees or bank guarantees, or subject itself to repurchase agreements in respect of the Credit Rights with the exception of those which do not conform to the representations and warranties contained under section 2.2.8 of this Additional Building Block.

**(4) Custody of contracts, deeds, documents and files.**

The Administrator shall maintain all contracts, documents and database records regarding the Loans, under safe custody and shall not abandon the possession, custody or control thereof without the prior written consent of the Management Company to such effect, unless a document is requested thereof in order to start proceedings for foreclosure or enforcement of a Loan.

The Administrator shall reasonably provide access, at all times, to said contracts, documents and records, to the Management Company or to the Fund's auditor, duly authorized by the latter. Furthermore, if so requested the Management Company shall furnish, within five (5) Business Days following the said request, free of charge, a copy or photocopy of any of the said contracts and documents. The Administrator

will act in the same manner, in the case of requests for information from the Fund's auditor.

The Administrator in any case waives the privileges granted to it by law in its capacity as collection manager of the Fund and custodian of the Loan agreements and, in particular, those provided by articles 1730 and 1780 of the Spanish Civil Code (relating to retention under pledge of property on deposit) and 276 of the Spanish Commercial Code (similar guarantee to retention under pledge of property on deposit).

**(5) Collection management.**

Santander Consumer, as collection manager, shall receive for the account of the Fund such amounts as are paid by the Debtors arising out of the Credit Rights, both for principal or interest, as well as any other concept, assigned to the Fund, and shall proceed to deposit into the Cash Account the amounts which pertain to the Fund, immediately and, in any case, within a deadline not to exceed twenty-four (24) hours.

**(6) Advance of funds.**

Santander Consumer shall in no case advance any amount it has not first received from the Debtors as principal or installment pending maturity, interest or finance charge, prepayment, etc., as deriving from the Credit Rights.

**(7) Reporting.**

The Administrator shall report periodically to the Management Company on the degree of compliance by the Debtors with the obligations deriving from the Loans, the compliance by the Administrator with its obligation to deposit the amounts received as deriving from the Credit Rights, and the actions carried out in case of default and of the existence of any hidden defects in the Loans.

The Administrator shall prepare and submit to the Management Company such additional information as, in relation to the Loans or the rights deriving there from, may be reasonably requested by the Management Company.

**(8) Subrogation of the Debtor of the Credit Rights.**

The Administrator shall be authorized to allow substitutions in the position of Debtor in the Loan agreements, exclusively in cases in which the characteristics of the new Debtor are similar to those of the former one, and they meet the criteria for granting loans, as described under section 2.2.7 of this Additional Building Block, and provided that the expenses deriving from this modification are paid in full by the Debtors. The Management Company may totally restrict this power of the Administrator when such substitutions could adversely affect the ratings assigned to the Bonds by the Rating Agencies.

In any case, any subrogation made in accordance with the provisions of the above paragraph shall be immediately reported by the Administrator to the Management Company.

**(9) Powers and actions in relation to Loan re-negotiation processes.**

The Management Company enables the Administrator on a general basis to carry out re-negotiations, with or without prior consent, in the terms and conditions described below.

The Administrator may not voluntarily cancel the guarantees of the Credit Rights for a cause other than payment of the Asset, waive or settle in respect of the latter, forgive the Credit Rights in whole or in part or extend them, nor in general carry out any act which diminishes the ranking, legal effectiveness or economic value of the guarantees or of the Credit Rights, without prejudice to proceeding to service requests from the Debtors with the same diligence and procedure as if dealing with other loans.

In no case may the Administrator start by its own initiative, without a request from the Debtor, interest rate re-negotiations which may yield a decrease in the interest rate applicable to an Asset.

Under no circumstance will the Administrator be able to re-negotiate the interest rate.

The Management Company authorizes the Administrator to re-negotiate always within the following limits:

- a) In no case may the Loan amount be increased.
- b) The frequency of Loan payments may not be modified.

The extension of the maturity term of a specific Loan may be carried out provided that the following requisites are met:

- The amount of the principal of the Loans assigned to the Fund about the extension of the maturity takes place, shall not exceed 10% of the Initial Outstanding Balance of the Credit Rights at the Constitution Date.
- That, in any case, the term between principal redemption payments on the Loan is maintained or reduced, and the same redemption system is maintained.
- That the new final maturity date or last Loan amortization is, September 25, 2014, the latest.

In any case, after any re-negotiation takes place in accordance with the provisions of this section, the Administrator shall proceed to immediately notify the Management Company of the conditions resulting from each re-negotiation.

The Management Company, on behalf of the Fund, may at any time leave in suspense or modify the authorization and the requisites for re-negotiation on the part of the Administrator, as reflected under this section.

**(10) Exceptional expenses**

On the other hand, Santander Consumer, on each Payment Date, shall be entitled to the reimbursement of all exceptional expenses incurred, subject to justification thereof to the Management Company, in relation to the administration of the Credit Rights. Said expenses shall include, *inter alia*, those caused by enforcement of guarantees, shall be paid provided that the Fund has sufficient Available Funds in the Cash Account and in accordance with the provisions of section 3.4.6.(1)(b) of this Additional Building Block. in respect of the Order of Priority of Payments.

**(11) Other expenses and remuneration.**

Furthermore, Santander Consumer shall be entitled to receive on an annual basis, as remuneration or compensation for the brokerage carried out, a subordinated and variable amount equal to the difference between the book income and expenses for the Fund in one fiscal year, in such a manner that the financial margin obtained is removed. The payments which may be made quarterly for this concept on each Payment Date, in accordance with the Order of Priority of Payments contemplated under section 3.4.6.(1)(b), shall be deemed to be interim payments of the brokerage which is last in the Order of Priority of Payments.

**(12) Compensation**

In the event that any of the Debtors of the Loans had a payable, expired, liquid right of credit vis-à-vis the Administrator and, therefore, this meant that one of the Loans would be totally or partially compensated against this right of creditor, the Administrator shall remedy this circumstance or, if it is not possible to remedy it, the amount which would have been compensated plus the interest due and which would have corresponded to the Fund up to the date on which the income calculated in accordance with the conditions applicable to the corresponding Loan shall be deposited in the Fund by the Administrator.

**(13) Subcontracting**

The Administrator may subcontract any of the services which it has undertaken to provide by virtue of the above stipulations, except for those services which cannot be delegated pursuant to the legislation in force. Under no circumstance will this subcontracting entail any additional cost or expense for the Fund or the Management Company, and may not give rise to a decrease in the rating given by the Rating Agencies to each of the Series of Bonds. Notwithstanding any subcontracting or delegating, the Administrator will not be exonerated nor released from any of its responsibilities assumed and which are legally attributable to or obligatory for the Administrator through this subcontracting or delegating.

**(14) Notifications**

The Management Company and the Assignor have agreed not to notify the assignment to the respective Debtors. For these purposes, notification is not a requisite for the validity of the assignment of the Loans.

However, the Assignor will grant the widest powers of attorney which in Law are necessary to the Management Company so that it can, in the name of the Fund, notify the Debtors of the assignment at the time it considers appropriate.

Nevertheless, in the event of insolvency, or indications of insolvency, of intervention by the Bank of Spain, of liquidation or the substitution of the Administrator or because the Management Company considers it to be reasonably justified, the Management Company may request the Administrator to notify the Debtors of the transfer of the Loans pending repayment to the Fund, as well as the fact that the payments deriving from these will only be of a releasing nature if they are made into the Cash Account opened in the name of the Fund. However, both in the case that the Administrator had not notified the Debtors within the three (3) Business Days following the reception of the request, and in the case of insolvency of the Administrator, it shall be the Management Company which directly notifies the Debtors. The Management Company will notify in the shortest possible period of time.

The Assignor will assume the expenses involved in notifying the Debtors even when notification is made by the Management Company.

### **3.7.2 Management Company**

The administration and legal representation of the Fund is vested in the Management Company, whose name, address and significant business activities are detailed under section 6 of the Registration Document in the terms provided by Royal Decree 926/1998, and other applicable regulations.

The Management Company, as manager of third-party businesses, is also responsible for the representation and defense of the interests of the Bondholders and of the remaining ordinary creditors of the Fund. Consequently, the Management Company shall at all times safeguard the interests of the Bondholders, giving the defense of such interests priority and adhering to the provisions established in regulations for such purpose.

The actions which the Management Company shall perform in order to comply with its duties of administration and legal representation of the Fund are, purely as a matter of illustration and without prejudice to other actions contemplated under this Additional Building Block, as follows:

- (i) Open in the name of the Fund the Cash Account and the Principal Account, initially with SCF, as long as SCF's unsubordinated and unsecured short-term debt rating does not descend from A-1 or F1 (as per the scales of Standard & Poor's and Fitch, respectively).
- (ii) Should the unsubordinated and unsecured short-term debt of SCF undergo, at any moment during the life of the Bonds issue, a decline in its rating established in section (i) above and when that the sum accumulated in the Principal Account or in the Cash Account at any given moment, without taking into account any possible fixed income investments, exceeds 20% of the Balance of Principal Pending Payment on the Bonds, the Management



Company, on behalf of the Fund, will open a new account at a new bank with a rating of A-1+ and F1+ (according to the rating scales of Standard & Poor's and Fitch, respectively) (the Excess Funds Account) in the terms detailed in section 3.4.4 of the Additional Building Block.

In the event that the new entity loses the A-1+ or F1 rating mentioned, the Management Company will have 30 days to find a new entity with the proper rating. The Management Company will notify Standard & Poor's and Fitch of the probability that this event will occur as soon as possible.

- (iii) Exercise the rights inherent to the ownership of the Credit Rights of the Fund and, in general, carry out all acts of administration and disposal as necessary for the proper performance of the administration and legal representation of the Fund;
- (iv) Carry out the financial servicing of the Credit Rights with diligence and rigor, without prejudice to the duties of management assumed by the Assignor in its capacity as Administrator in accordance with the provisions of section 3.7.1, above;
- (v) Verify that the amount of income effectively received by the Fund corresponds to the amounts to be received by the Fund in accordance with the conditions of each Asset and the conditions of the various contracts;
- (vi) Validate and control the information it receives from the Administrator regarding the Loans, both as regards collections of ordinary payments, prepayments of principal, payments received for unpaid payments and status and control of non-payments;
- (vii) Calculate the available funds and movements of funds which it shall have to make once the application thereof has been carried out in accordance with the relevant order of priority of payments, ordering transfers of funds between the various asset and liability accounts and the applicable payment instructions, including those assigned to meet the financial servicing on the Bonds;
- (viii) Calculate and settle the amounts which, for interest and fees, must be received and paid by the various asset and liability financial accounts, as well as the fees to be paid for the various financial services arranged and the amounts which, for repayment of principal and interest, pertain to each one of the Bonds Series;
- (ix) In the event that the ratings of Santander Consumer's debt assigned by the Rating Agencies at any time during the life of the Bonds, decrease as regards the capacity of Santander Consumer as Administrator, carry out the actions which are described under section 3.7.1 of this Additional Building Block;
- (x) In the event that the ratings of BSCH's debt assigned by the Rating Agencies at any time during the life of the Bonds, decrease as regards the capacity of BSCH as Payment Agent, carry out the actions described under section 5.2

- (xi) Comply with its calculation obligations contemplated in this Additional Building Block and in the Subordinated Loan Agreement, Guaranteed Interest Rate Reinvestment Agreement and Swap Agreement which are described under sections 3.4.3, 3.4.4 and 3.4.7 of this Additional Building Block;
- (xii) Monitor the actions of the Administrator for recovery of non-payments, giving instructions, when applicable, in order to bring a foreclosure proceeding and. Exercise the actions which apply when circumstances occur which so require;
- (xiii) On each Offer Request Date, determine if on the immediately subsequent Payment Date, the acquisition of Additional Credit Rights should be made and, if appropriate calculate the Maximum Acquisition Amount which on the immediately subsequent Payment Date may be assigned to the acquisition of Additional Credit Rights.
- (xiv) Remit to Santander Consumer, if appropriate, written notice of the request for Additional Credit Rights indicating the Maximum Acquisition Amount and the Payment Date in which the assignment to the Fund and the payment for the assignment shall be made and formalized.
- (xv) Verify that the Loans included in the offer of assignment of Additional Credit Rights made by Santander Consumer comply with the Election Requirements (both Individual and Global) established for the acquisition of Additional Credit Rights and notify Santander Consumer the list of Additional Credit Rights accepted for the assignment to the Fund on the relevant Payment Date.
- (xvi) On each Payment Date on which the assignment of Additional Credit Rights must be carried out, formalize the assignment with Santander Consumer and notify the CNMV, by means of Cifradoc the information of the Additional Credit Rights, in addition to the relevant written representation stating that such Credit Rights comply with the Election Requirements established for the acquisition of Additional Credit Rights.
- (xvii) Carry the accounting of the Fund with due separation from the accounting of the Management Company, perform a rendering of accounts and comply with the tax or other legal obligations which are the Fund's responsibility.
- (xviii) Furnish the holders of the Bonds issued against the Fund, the CNMV and the Rating Agencies, such information and notices as are provided by current law in force and, especially, those contemplated in this Prospectus.
- (xix) In order to allow the Fund's operations in the terms contemplated in the Prospectus and by current regulations in force from time to time, renew or modify the contracts it has executed on behalf of the Fund, substitute each one of the providers of services to the Fund by virtue thereof and, included, if necessary, enter into additional contracts, all of which subject to current law in force from time to time, prior authorization, if necessary, from the CNMV or competent administrative body, and notification thereof to the

Rating Agencies, and provided that such actions do not yield a decrease in the rating on the Bonds and do not impair the interests of the Bondholders. Any modification to the Deed of Incorporation shall first be reported to the CNMV and to the Rating Agencies.

- (xx) Appoint and replace, as the case may be, the auditor that performs the audit on the Fund's annual financial statements.
- (xxi) Prepare and submit to the CNMV and the competent bodies, all documents and information which must be submitted as established by current regulations in force and in this Prospectus, or requested thereof, as well as prepare and submit to the Rating Agencies any information they reasonably request thereof.
- (xxii) Adopt the appropriate decisions in relation to the liquidation of the Fund, including the decision for early termination of the Bonds issue and liquidation of the Fund, in accordance with the provisions of this Prospectus.
- (xxiii) Not carry out actions which could deteriorate the rating of the Bonds and procure the adoption of those measures which are reasonably in its reach so that the rating of the Bonds is not adversely affected at any time.
- (xiv) Manage the Fund in such a manner that the net asset value thereof is always zero.

The Management Company shall perform its activity with the diligence required thereof in accordance with Royal Decree 926/1998, representing the Fund and defending the interests of the Bondholders and of the remaining creditors of the Fund as if dealing with its own interests, caring for the levels of diligence, reporting and defense of the interests of the former and avoiding situations which entail conflicts of interest, giving priority to the interests of the Bondholders and to those of the remaining creditors of the Fund as opposed to those which are its own. The Management Company shall be liable to the Bondholders and remaining creditors of the Fund for all damages caused thereto by the breach of its obligations. Furthermore, it shall be liable as regards sanctions applicable thereto pursuant to the provisions of Law 19/1992.

The Management Company has the necessary means, including adequate information systems, to carry out the duties of administration of the Fund attributed thereto by Royal Decree 926/1998.

The Management Company has established a set of Internal Regulations of Conduct in application of the provisions of Chapter II of Royal Decree 629/1993, of May 3, on rules of action in the securities markets and obligatory records, which have been reported to the CNMV.

The Management Company may act as Management Company of the Fund, as well as of any other securitization fund, without the simultaneous management thereof constituting in any form whatsoever a violation of its obligations of diligence as Management Company of the Fund or other securitization funds.

### **3.7.3 Substitution of the Management Company**

The Management Company shall be substituted in the administration and representation of the Fund in accordance with the provisions to be established by regulation for such purpose. Thus, in accordance with the provisions of articles 18 and 19 of Royal Decree 926/1998, the substitution of the Management Company shall be carried out through the following procedure:

- (i) The Management Company may resign from its duties when it deems pertinent and voluntarily request its substitution, by letter addressed to the CNMV reflecting the appointment of the substitute management company. Included with such letter shall be that of the new management company, duly authorized and registered as such in the special registries of the CNMV, in which the latter declares it is willing to accept such duties and is interested in the pertinent authorization. The resignation of the Management Company and appointment of a new company as management company of the Fund shall be approved by the CNMV. In no case may the Management Company waive the exercise of its duties until all of the requisites and formalities for its replacement to be able to fully assume its duties in relation to the Fund have been fulfilled. Nor may the Management Company waive its duties if, as a result of the aforesaid substitution, the rating assigned to any of the Bonds Series issued against the Fund should decrease. All expenses generated as a consequence of such substitution shall be paid by the Management Company itself, and may not be attributed, in any case, to the Fund.
- (ii) In the event of the occurrence in the Management Company of any of the causes for dissolution contemplated under number 1 of article 260 of the Spanish Corporations Law ("Ley de Sociedades Anónimas"), the substitution of the Management Company shall proceed. The occurrence of any of such causes shall be notified by the Management Company to the CNMV. In this case, the Management Company shall be obliged to comply with the provisions of section (i), above, prior to its dissolution.
- (iii) In the event that the Management Company is declared insolvent, or has its authorization revoked, a management company to replace it must be appointed. The substitution shall have to be made effective prior to four (4) months elapsing from the date on which the event determining the substitution took place. If, four (4) months from when the event determining the substitution took place have elapsed and the Management Company has not appointed a new management company, the Early Liquidation of the Fund and the redemption of the Bonds shall proceed, for which the actions contemplated under section 4.4.c.3) of the Registration Document shall be carried out.
- (iv) The substitution of the Management Company and appointment of the new company, approved by the CNMV in accordance with the provisions of the above paragraphs, shall be reported to the Rating Agencies and shall be published, within a deadline of fifteen (15) days by legal notice in two nationally-circulated newspapers and in the bulletin of the AIAF Market.

The Management Company is obliged to execute the necessary public and private documents in order to proceed with its substitution by another management company in accordance with the scheme provided in the above paragraphs of this section. The substitute management company shall be subrogated in the rights and obligations which, in relation to this Prospectus, are vested in the Management Company. Furthermore, the Management Company shall deliver to the new management company such documents and accounting and database records relating to the Fund as are in its possession.

**Scheme of remuneration in favor of the Management Company for performance of its duties**

The Management Company shall have a right:

- (i) to an structuring fee payable on the Disbursement Date on a lump-sum, one-off basis in an amount equal to NINE THOUSAND EUROS (€90,000); and
- (ii) on each Payment Date of the Bonds, provided the Fund has Available Funds at the Cash Account in accordance with the Order of Priority of Payments contemplated for each Series under section 3.4.6.(1)(b) of the Additional Building Block, to a periodic administration fee equal to zero point zero twenty per cent (0.020%) per annum, with a minimum of FOURTY FIVE THOUSAND EUROS (€45,000) per annum and a maximum of SEVEN HUNDRED, SEVENTY FIVE THOUSAND EUROS (€ 775,000) per annum, to accrue on the actual days of each Interest Accrual Period, payable quarterly on each Payment Date, and calculated on the sum of the Balances Pending Payment on the Bonds of all Series, on the Determination Date corresponding to that Payment Date. The fee accruing from the Fund's Constitution Date up to the first Payment Date of the Bonds shall be adjusted in proportion to the days transpiring between both dates, calculated on the face value of the Bonds issued.

The calculation of the periodic administration fee, payable on a given Payment Date, shall be made pursuant to the following formula:

$$A = B \times 0,020\% \times \frac{d}{365 \times 100}$$

***Where:***

A = Fee payable on a given Payment Date.

B = Sum of Balances Pending Payment on the Bonds of all Series, on the Determination Date pertaining to that Payment Date.

d = Number of days transpiring during each Interest Accrual Period.

**3.8 Name and address and brief description of any counterparts in swap, credit, liquidity or account transactions.**

The Management Company, on behalf of the Fond, has entered into the contracts described below. A brief description of each counterparts in these contracts is included under section 5.2 of the Registration Document.

**a) Guaranteed Rate Reinvestment Agreement.**

The Cash Account and the Principal Account are initially open at SCF. Said accounts shall be maintained at SCF as long as SCF's unsubordinated and unsecured short-term rating does not descend from A-1 or F1 (as per the scales of Standard & Poor's and Fitch respectively).

A description of the contract is reflected under section 3.4.4 of this Additional Building Block

**b) Subordinated Loan Agreement.**

A description of the contract is reflected under section 3.4.3.a) of this Additional Building Block.

**c) Swap Agreement.**

A description of the contract is reflected under section 3.4.7 of this Additional Building Block.

**4. POST ISSUANCE REPORTING**

**a) Obligations and deadlines contemplated for the drawing up, auditing and approval of the annual financial statements and management report.**

The Management Company shall present to the CNMV the Fund's annual financial statements and the auditors' report in respect thereof, within four (4) months following the close of the Fund's fiscal year which shall coincide with the calendar year (i.e. prior to April 30 of each year) and the auditor's report on the principal attributes of the Additional Credit Rights before June 30 of each year.

**b) Obligations and deadlines contemplated for the placement at the disposal of the public and forwarding to the CNMV and the Rating Agencies of periodic information on the economic-financial status of the Fund.**

**b.1.- Ordinary periodic notifications.**

The Management Company, in its task involving management and administration of the Fund, agrees to forward to the CNMV and to the Rating Agencies, with the utmost diligence possible, quarterly or at any other time requested thereof, the information requested thereof in relation to the Bonds, the performance of the Credit Rights, prepayments and the Fund's economic-financial position, irrespective of making them aware of any additional information as may be requested.

**(b.1')** Within a deadline between the Rate Setting Time and the following three (3) Business Days, by the latest, following each Payment Date, it shall proceed to notify the Bondholders of the nominal interest rates resulting for each Bonds Series for the following Interest Accrual Period.

**(b.1'')** With advance notice of at least one (1) calendar day preceding each Payment Date, it shall proceed to notify the Bondholders of the following:

- i. The resulting interest on the Bonds together with the redemption thereof;
- ii. The Average Prepayment Rates of the Credit Rights, as at the Determination Date;
- iii. The residual average life of the Bonds calculated pursuant to the hypothesis of maintenance of said actual prepayment rate.
- iv. The Balance Pending Payment (after the redemption to be settled on each Payment Date) on each Bonds, and the percentage which such Balance Pending Payment represents as to the total initial face amount of each Bonds.
- v. Outstanding balance of the Credit Rights, interest accrued, both collected and not collected in respect thereof and amount in default on the Credit Rights.
- vi. Report on the appropriateness and subsequent application of the Available Funds in accordance with the Order of Priority of Payments contained under section 3.4.6.(1)(b) of this Additional Building Block to the Securities Note.

Furthermore, and if applicable, the Bondholders shall be informed of the interest accruing on the Bonds and unpaid due to insufficiency of Available Funds.

Notices of these sections b.1') and b.1'') shall be Given as provided by section b.3, below, and shall also be reported to Iberclear and AIAF within a maximum deadline of two (2) Business Days prior to each Payment Date.

## **b.2 Extraordinary Notices**

The Fund, through its Management Company, shall also report to the Bondholders and to the CNMV any material fact which may occur in relation to the Credit Rights, the Bonds, the Fund, and the Management Company itself, which may considerably influence the trading of the Bonds and, in general, any relevant modification to the assets or liabilities of the Fund and any change on the Deed of Incorporation, and also as to an eventual decision to Early Redemption of the Bonds for any of the causes provided in the Prospectus. The attestation executed before a notary public concerning the liquidation and procedure referred to in section 4.4.c.3 of the Registration Document, shall also be submitted to the CNMV in such case.

### **b.3 Procedure**

The notifications to the Bondholders which, in the light of the above, must be made by the Fund, through its Management Company, shall be given as follows:

1. Ordinary periodic notices referred to under section b.1), supra, by publication either in the AIAF daily bulletin, or any other which may come to replace it in the future or other of similar characteristics, or through publication in a widely-circulated newspaper in Spain.
2. Extraordinary notices referred to under section b.2), supra, by publication in a widely-circulated newspaper in Spain.

In addition, the above notices may be given by publication in other generally-disseminated media.

These notices shall be deemed to be given on the date they are published. Any day of the calendar, whether a Business Day or Non-Business Day, can be suitable for this purpose (for purposes of this Prospectus).

#### **(c) Reporting to Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores; CNMV*).**

The Management Company shall inform the CNMV of any information set forth in the foregoing sections, as well as any information which, irrespective of the above, is requested thereof.

#### **(d) Information to be furnished by Santander Consumer to the Management Company**

In addition, Santander Consumer is obliged to inform the Management Company, on behalf of the Fund, on a quarterly basis and, in any case, at the request thereof, of any non-payments, prepayments and modifications of interest rates and, punctually, of payment demands, judicial actions, and any other circumstances which affect the Credit Rights. Furthermore, Santander Consumer shall furnish the Management Company with all documentation the latter may request thereof in relation to the said Loans and, especially, the necessary documentation to start, as the case may be, judicial actions by the Management Company.

**Ignacio Ortega Gavara, for and on behalf of SANTANDER DE TITULIZACIÓN, S.G.F.T., in his capacity as General Manager, hereby signs this Prospectus in Madrid, this 9 day of October, 2006.**



## DEFINITIONS

For adequate interpretation of this Prospectus, capitalized terms shall be construed in accordance with the definition given to each such term below, unless any other meaning is expressly attributed thereto. Any terms not expressly defined shall be construed in their natural and obvious sense according to the general usage thereof. Furthermore, it is stated for the record that terms in the singular shall include the plural and vice versa, whenever the context so requires.

The capitalized terms listed below shall have the following meaning:

**"Administrator"**: Means Santander Consumer, E.F.C., S.A.

**"Rating Agencies"**: Means, collectively, Standard & Poor's España, S.A. and Fitch.

**"Paying Agent"**: Means Banco Santander Central Hispano, S.A.

**"AIAF"**: Means AIAF, Mercado de Renta Fija (*ALAF Fixed Income Securities Market*).

**"Early Redemption"**: This means the amortization of the Bonds on a date previous to the Final Expiry Date in the cases of Early Liquidation of the Fund in accordance with the requisites which are laid down in section 4.4.c) of the Registration Document.

**"BSCH"** Means Banco Santander Central Hispano, S.A.

**"Bonds"**: Means the securitization bonds issued against the Fund.

**"Assignor"**: Means Santander Consumer, E.F.C., S.A.

**"Memorandum 4/2004"**: This means Memorandum 4/2004 of the Bank of Spain, of December 22, to credit entities, on the norms on public and reserved financial information and financial statement form.

**"CNMV"**: Means Comisión Nacional del Mercado de Valores (*Spanish Securities Market Commission*).

**"Lead Manager and International Subscription Agreement in respect of the International Tranche"**: Means the Bonds underwriting and placement agreement to be entered into by the Management Company, for and on behalf of the Fund, and the Underwriters of the International Tranche.

**"Subordinated Loan Agreement"**: Means the subordinated loan agreement in the amount of ONE MILLION FOUR HUNDRED SEVENTY THOUSAND EUROS (€1,470,000) to be entered into by the Management Company, for and on behalf of the Fund, and SCF, to be applied towards financing the acquisition of the Credit Rights (by difference between the total nominal value of the acquisition of the Credit Rights and the nominal amount of the Series A, B, C and D Bonds issue).

**"Guaranteed Rate Reinvestment Agreement"**: Means the guaranteed interest rate reinvestment agreement in respect of the Cash Account, the Principal Account and, as the

case may be, the Excess Funds Account to be entered into by the Management Company, acting for and on behalf of the Fund, and SCF, whereby SCF will guarantee a variable yield on the amounts deposited by the Fund (through its Management Company) into the Cash Account.

**"Swap Agreement"; "Swap"**: Means the interest rate swap agreement, as per the standard form 1992 ISDA Agreement, to be entered into by the Management Company, acting for and on behalf of the Fund, and SCF.

**"Excess Funds Account"**: Means the account to be opened at a bank different from SCF which meets the ratings established by the Rating Agencies, in the name of the Fund, by the Management Company, into which all amount which exceed twenty per cent (20%) of the Balance of Principal Pending Payment on the Bonds accumulated in the Cash Account shall be deposited.

**"Principal Account"**: Means the financial account opened at SCF in the name of the Fund in accordance with the Guaranteed Rate Reinvestment Agreement in which the Management Company, on behalf of the Fund, will deposit the amounts of the Available Principal Funds not used for the acquisition of Additional Credit Rights during the Revolving Period.

**"Cash Account"**: Means the account to be opened at SCF in the name of the Fund, by the Management Company, the operational aspects of which shall be the object of the Guaranteed Rate Reinvestment Agreement.

**"Principal Deficit"**: On a Payment Date shall be the positive difference, if any, between (i) the Principal Withholding amount, and (ii) the amount actually applied of the Available Funds to Principal Withholding.

**"Credit Rights"**: Means the portfolio of Credit Rights that will integrate the Fund, comprised of Credit Rights deriving from loans for the acquisition of new and used vehicles, assigned by the Assignor (the "Loans"), comprised of the Initial Credit Rights and the Additional Credit Rights.

**"Additional Credit Rights"**: Means each one of the Credit Rights assigned to the Fund by the Assignor following the Date of Constitution, during the Revolving Period.

**"Initial Credit Rights"**: Means each one of the Credit Rights assigned to the Fund by the Assignor upon its constitution.

**"Debtors"**: Means the individuals, having their domicile in Spain, to whom Santander Consumer has granted the Loans from which the Credit Rights subject to securitization derive.

**"Business Day"**: Means any day except:

- (i) Saturday;
- (ii) Sunday;
- (iii) holiday as per the TARGET calendar (for the sole purpose of determining the Nominal Interest Rate applicable for each Interest Accrual Period). It includes, apart

- from the days recognized in sections (i) and (ii), above, January 1, Good Friday, Easter Monday, May 1, December 25 and December 26; and
- (iv) holiday in Madrid (for the purpose of determining the Nominal Interest Rate applicable for each Interest Accrual Period and for the remaining conditions of the issue).

**"Calendar Day"**: Means all the days of a year including Sundays and bank holidays.

**"Registration Document"**: Means the registration document, formed by Annex VII, as approved by the CNMV on October 9, 2006.

**"Underwriters"**: Means, UBS and SCF.

**"Lead Managers"**: Means collectively, UBS and BSCH.

**"Deed of Incorporation"**: Means the deed of incorporation of the securitization fund Fondo de Titulización de Activos Santander Consumer Spain Auto 06, Assignment of Credit Rights and Issuance of Securitization Bonds.

**"Constitution Date"**: Means the date on which the Deed of Incorporation is executed. The Constitution Date is scheduled to be October 10, 2006.

**"Disbursement Date"**: Means October 16, 2006.

**"Determination Dates"**: Means the dates which coincide with the fifth (5<sup>th</sup>) Business Day preceding each Payment Date.

**"Offer Dates"**: Means the dates corresponding to the sixth (6<sup>th</sup>) Business Day preceding each Payment Date in the Revolving Period on which Additional Credit Rights should be acquired.

**"Payment Dates"**: Means January 20, April 20, July 20 and October 20 of each year or, if any of these dates is not a Business Day, the immediately following Business Day.

**"Offer Request Dates"**: Means the dates corresponding to the seventh (7<sup>th</sup>) Business Day preceding each Payment Date in the Revolving Period on which Additional Credit Rights should be acquired.

**"Final Maturity Date of the Loans"**: Means September 25, 2014, or, if not a Business Day, the immediately following Business Days.

**"Final Maturity Date of the Fund"**: Means, October 20, 2014 or, if not a Business Day, the next Business Days.

**"Legal Maturity Date"**: Means October 20, 2016 or, if not a Business Day, the next Business Day.

**"Fitch"**: Means Fitch Ratings España, S.A. Unipersonal.

**"Prospectus"**: Means, collectively, the table of contents, the document describing the risk factors, the Registration Document, the Securities Note, the Additional Building Block and the document containing the definitions.

**"Fund" or "Issuer"**: Means Fondo de Titulización de Activos, SANTANDER CONSUMER SPAIN AUTO 06.

**"Reserve Fund"**: Means the reserve fund to be funded by the Management Company, for and on behalf of the Fund, in accordance with the provisions of section 3.4.2.2 of the Additional Building Block.

**"Available Funds"**: Means the sum deposited in the Cash Account, which the Management Company will proceed to allocate on behalf of the Fund, on each Payment Date, to the payments and withholdings described in the Order of Priority of Payments and which will include the amounts received by the Fund in the way of principal and ordinary interest of the Credit Rights, the return on the Cash Account and on the Excess Funds Account, the Reserve Fund, the income received from the amounts deposited in the Principal Account which will have been deposited in the Cash Account and the net amount of the Swap Agreement and any amounts which the Fund might receive, as established in section 3.4.6.(1)(a) of the Additional Building Block, which will be applied on each Payment Date to the payments established in the Order of Priority of Payment included in section 3.4.6.(1)(b) of the Additional Building Block.

**"Available Principal Funds"**: Means the amount available on each Payment Date which will be allocated for the acquisition of Additional Credit Rights during the Revolving Period and, at the end of such period, to the redemption of the Series A, B, C and D Bonds and will be a) the Principal Withholding amount applied in seventh (7<sup>th</sup>) place of the Available Funds on the relevant Payment Date and b), up to the Payment Date immediately following the end of the Revolving Period, included, the balance of the Principal Account and the Excess Funds Account transferred from the Principal Account at the Determination Date preceding the relevant Payment Date.

**"Funds Available for Liquidation"**: Means:

- a) The Funds Available, and
- b) The amounts which the Fund obtains due to the disposal of the Credit Rights which remain and of any other assets, as the case may be, in the cases of advanced settlement of the Fund in accordance with the requisites which are established in section 4.3.c of the Registration Document, and
- c) the amount of the credit facility made available for the final redemption of the Bonds in accordance with the provisions of section 4.3.c) (iii) of the Registration Document.

**"Available Funds for Redemption of the Series E Bonds"**: Means the final amount of the Reserve Fund equal to the amount provided in the moment of the subscription and payment of the Series E Bonds which coincides with the Minimum Level of the Reserve Fund and which is available for the redemption of the Bonds of such series on the last Payment Date.

**"Iberclear"**: Means Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores (*securities registration, clearing and settlement management company*).

**"Acquisition Amount"**: Means the amount that the Management Company, for and on behalf of the Fund, will allocate on each Payment Date of the Revolving Period to the acquisition of Additional Credit Rights. The Acquisition Amount shall be equal to the Maximum Acquisition Amount.

**"Maximum Acquisition Amount"**: Means the maximum amount that the Management Company will allocate on each relevant Payment Date, to the acquisition of Additional Credit Rights, which will be equivalent to the Available Principal Funds on such Payment Date.

**"Maximum Amount of the Credit Rights"**: Means the maximum amount of the Outstanding Balance of the Credit Rights pooled in the Fund, which will be an amount equal to the nominal value of the Bonds and, consequently, equal to the initial balance of the Credit Rights. Exceptionally, on the Constitution Date of the Fund, the amount of the assigned Credit Rights might be slightly higher than the nominal value of the Series A, B, C and D Bonds issue.

**"V.A.T."**: Means Value Added Tax.

**"Law 19/1992"**: Means Law 19/1992, of July 7, on the scheme of Real Estate Investment Companies and Funds and on Mortgage Securitization Funds and its amendments.

**"Law 37/1992"**: Means Law 37/1992, of December 28, on Value Added Tax.

**"Law 3/1994"**: Means Law 3/1994, of April 14, on Adaptation to Second Banking Directive.

**"Insolvency Act"**: Means Law 22/2003, of July 9, Insolvency Act.

**"Civil Procedure Act"**: Means Law 1/2000, of January 7, on Civil Procedure.

**"Securities Market Act"** or **"Law 24/1988"**: Means Law 24/1988, of July 28, regulating the Securities Market, as amended by Law 37/1998, of November 16, by Law 44/2002, of November 22 and by Royal Decree Law 5/2005, of March 11.

**"Early Liquidation"**: Means the settlement of the Fund and, thus, the prepayment of the issue of Bonds on a date previous to the July 20, 2016, in the cases and in accordance with the procedure set out in section 4.4.c) of the Registration Document.

**"AIAF Market"**: Means, Fixed Income Market of the Association of Financial asset Intermediaries.

**"Additional Building Block"**: Means the additional building block to the securities note relating to the Bonds issue, as prepared in accordance with Annex VIII of (EC) Regulation 809/2004, as approved by the CNMV on October 9, 2006.

**"Rate Setting Time"**: Means the second Business Day as per the calendar of TARGET (*Trans-European Automated Real-time Gross Settlement Express Transfer System*) preceding each Payment Date, at 11:00 a.m. (Madrid time) on said day.

**"Minimum Level of Reserve Fund"**: Means TEN MILLION TWO HUNDRED THOUSAND EURO (€ 10,200,000), equal to zero point seven six per cent (0.76%) of the initial amount of the Series A, B, C and D Bonds, the principal amount of the Series E Bonds.

**"Required Level of the Reserve Fund" or "Required Level"**: Means the amount which the Reserve Fund must have on each Payment Date. Such amount will be the following: i) during the first three years, a fixed amount equal to 1.5% of the initial amount of the Series A, B, C and D Bonds, and ii) once it reaches 3% of the Balance of Principal Pending Payment on the Series A, B, C and D Bonds, it may decrease quarterly on each payment date, until its amount coincides with the Minimum Level of the Reserve Fund.

**"International Norms on Financial Information"**: Means the International Norms on Financial Information which are applicable to the financial information provided by Santander Consumer in accordance with Regulation EC 1606/2002 and Memorandum 4/2004 of the Bank of Spain.

**"Securities Note"**: Means the securities note relating to the Bonds issue, as prepared in accordance with Annex XIII of (EC) Regulation 809/2004, as approved by the CNMV on October 9, 2006.

**"Order of Priority of Payment"**: Means the order of priority for the application of the payment or deduction obligations as regards the application of the Funds Available on each Payment Date.

**"Order of Priority of Payment of Liquidation"**: Means the order of priority of the payment or deduction obligations of the Fund as regards the application of the Available Funds for Liquidation on the Date of Liquidation.

**"Order EHA/3537/2005"**: Means Order EHA/3537/2005, whereby article 27.4 of Law 24/1988, of July 28, on the Stock Market, was developed.

**"Subscription Period"**: Means the period of five hours, between 9:00 and 17:00 Madrid time on the Business Day following execution of the Deed of Incorporation, during which subscription applications shall be formulated at the offices of the Underwriters.

**"Interest Accrual Periods"**: Means each one of the periods into which the Bonds issue is divided, comprising the days actually transpired between each Payment Date, including in each Interest Accrual Period the initial Payment Date of the relevant period and excluding the final Payment Date of the relevant period. The first Interest Accrual Periods will have a duration equal to the period between the Disbursement Date (October 16, 2006) and the first Payment Date (January 20, 2007)

**"Determination Periods"**: Means each one of the periods between two consecutive Determination Dates, including in each Determination Period the initial Determination Date of the relevant period and excluding the final one of the relevant period. The term of the first Determination Period will be between the Constitution Date and the Determination Date prior to the first Payment Date.

**"Revolving Period"** Means each Payment Date in the period comprised between the first Payment Date, January 20, 2007, and the Payment Date falling on April 20, 2009, both inclusive, or on a previous Payment Date in the event of early termination of the Revolving Period.

**"Loans"**: Means the Loans granted by Santander Consumer to individuals and companies resident in Spain, for the purpose of financing the acquisition of passenger cars, sport utility vehicles, passenger car derivatives, industrial vehicles and coaches, both new and used.

**"Nonperforming Loans"**: Means those Loans whose debt Santander Consumer considers will not be recovered or those Loans which have installments pending for periods greater than 12 months.

**"Defaulting Loans"**: Means those loans whose payment on any date is overdue by ninety (90) days, excluding the Nonperforming Loans.

**"Royal Decree 1643/1990"**: Means Royal Decree 1643/1990, December 20, approving the Accounting General Plan.

**"Royal Decree 926/1998"**: Means Royal Decree 926/1998, of May 14, whereby Asset Securitization Funds and the Management Companies of Securitization Funds are regulated.

**"Royal Decree 1777/2004"**: Means Royal Decree 1777/2004, of July 30, approving the Corporate Income Tax Regulations.

**"Royal Decree 1310/2005"**: Means Royal Decree 1310/2005, of November 4, whereby Law 24/1988, of July 28, on the Stock Market, was partially developed as regards admission to negotiation of securities on official secondary markets, public offers of sale or subscription and the prospectus required for these purposes.

**"Royal Legislative Decree 4/2004"**: Means Royal Legislative Decree 4/2004, of March 5, approving the Corporate Income Tax Act, as amended.

**"Royal Legislative Decree 1/1993"**: Means Royal Legislative Decree 1/1993, of September 24, approving the Transfer Tax/Stamp Duty Act, as amended.

**"(EC) Regulation 809/2004"**: Means Commission Regulation (EC) No. 809/2004, of April 29, 2004, implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, Constitution by reference and publication of such prospectuses and dissemination of advertisements.

**"Internal Rules of Conduct"**: Means the internal Rules of Conduct of the Management Company in application of the stipulations in Chapter II of Royal Decree 629/1993, of May 3, on the rules of acting on the stock markets and obligatory registries, which the CNMV has been notified of.

**"Election Requirements"**: Means the requirements to be satisfied by the Additional Credit Rights to be assigned to and included in the Fund on the relevant assignment date.

**"Global Requirements"**: Means the requirements the Additional Credit Rights must satisfy as a whole to be assigned to and included in the Fund on the relevant assignment date.

**"Individual Requirements"**: Means the individual requirements each of the Additional Credit Rights shall satisfy to be assigned to and included in the Fund on the relevant assignment date.

**"Withholding on Principal"**: Means, on each Payment Date, the positive difference if any on the Determination Date preceding the relevant Payment Date between (i) the Balance of Principal Pending Payment on the Series A, B, C and D Bonds, and (ii) the sum of the Outstanding Balance of the Credit Rights which do not have any late payment installment superior to twelve (12) months.

**"Balance of Principal Pending Payment on the Bonds"**: Means the total outstanding balances on the Bonds of all Series (i.e. the principal amount of the Bonds pending redemption).

**"Outstanding Balance of (the) Credit Rights"** or **"Outstanding Balance"**: Means the amounts of principal due and unpaid together with amounts of principal still not due and pending maturity of the Credit Rights, that is to say, including the amounts due and unpaid.

**"Santander Consumer"**: Means, Santander Consumer, E.F.C., S.A.

**"SCF"**: Means, Santander Consumer Finance, S.A.

**"Series"**: Means each one of the five (5) series into which the total amount of the Bonds issue is broken down.

**"Series A"**: Means the Series having a total face amount of ONE BILLION TWO HUNDRED EIGHTY-TWO MILLION, FIVE HUNDRED THOUSAND EUROS (€1,282,500,000), represented by TWELVE THOUSAND FIFTEEN (12,015) Bonds each having a face value of ONE HUNDRED THOUSAND, EUROS (€100,000);

**"Series B"**: Means the Series having a total face amount of TWENTY-TWO MILLION, THREE HUNDRED THOUSAND EUROS (€22,300,000), represented by TWO HUNDRED TWENTY-THREE (223) Bonds each having a face value of ONE HUNDRED THOUSAND EUROS (€100,000);

**"Series C"**: Means the Series having a total face amount of TWENTY-TWO MILLION, THREE HUNDRED THOUSAND EUROS (€22,300,000), represented by TWO HUNDRED TWENTY-THREE (223) Bonds each having a face value of ONE HUNDRED THOUSAND EUROS (€100,000);

**"Series D"**: Means the Series having a total face amount of TWENTY-TWO MILLION, NINE HUNDRED THOUSAND EUROS (€22,900,000), represented by TWO HUNDRED TWENTY-NINE (229) Bonds each having a face value of ONE HUNDRED THOUSAND EUROS (€100,000);



**“Series E”**: Means the Series having a total face amount of TEN MILLION, TWO HUNDRED THOUSAND EUROS (€10,200,000), represented by ONE HUNDRED AND TWO (102) Bonds each having a face value of ONE HUNDRED THOUSAND EUROS (€100,000); and

**“Management Company”**: Means Santander de Titulización, S.G.F.T., S.A.

**“Standard & Poor’s”**: Means Standard & Poor’s España, S.A.

**“CAPR”**: Means Constant Annual Prepayment Rate.

**“International Tranche”**: This means the international tranche of the Bonds issue described in section 4.1.b) in the Securities Note.

**“Nominal Interest Rate”**: Means the interest rate applicable on each Bonds Series on each Payment date which results from adding together: (i) the Reference Interest Rate of EURIBOR at three (3) months or, as the case may be, its substitute (as described under section e) below and (ii) the relevant margin for each Series.

**“Reference Interest Rate”**: Means the interest rate which is used to determine the Nominal Interest Rate.

**“IRR”**: Means Internal Rate of Return for the holders of each Bonds Series.