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Research

New Issue: Rural Hipotecario XX, Fondo de Titulizacion

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New Issue: Rural Hipotecario XX, Fondo de Titulizacion

Ratings Detail

Ratings					
Class	**Rating***	**Class size (€)**	**Credit enhancement (%)§**	**Interest**	**Legal final maturity**
A	AA (sf)	594,700,000	13.0	EURIBOR plus 0.30%	September 2062
B-Dfrd	AA (sf)	55,300,000	4.5	EURIBOR plus 0.45%	September 2062

*Our ratings address timely receipt of interest and ultimate repayment of principal on the class A notes and ultimate interest and principal payment on the class B notes. §Our credit enhancement calculations include subordination and the reserve fund. EURIBOR--Euro Interbank Offer Rate.

Transaction Summary

- Rural Hipotecario XX, Fondo de Titulizacion (Rural Hipotecario XX) is a static RMBS transaction that securitizes a portfolio of €650 million prime first-lien mortgage loans secured on residential properties in Spain. The loans in the pool were originated by Cajasiete, Caja Rural, S.C.C., Caja Rural de Zamora, C.C., Caja Rural de Aragón, S.C.C., Caja Rural de Extremadura, S.C.C., and Caja Rural de Gijon, S.C.A.C.
- At closing, the issuer used the class A and B-Dfrd notes' issuance proceeds to purchase the "participaciones hipotecarias" (PHs) and "certificados de transmisión hipotecaria" (CTHs) from the sellers.
- We consider the collateral to be prime, based on the overall performance of the originators' residential mortgage book and their lending criteria, and the absence of loans in arrears over 30 days in the securitized pool, with only 0.15% up to 30 days in arrears.
- Of the pool, around 21.70% are loans granted to self-employed, 2.20% to non-Spanish residents, and 7.72% are for second home acquisitions. We consider all these factors as having a higher default probability, and reflected this in our credit analysis.
- Credit enhancement for the rated notes consists of subordination, the reserve fund, and excess spread.
- The transaction features a reserve fund which was fully funded at closing by a subordinated loan.
- There are no rating constraints in the transaction under our operational risk or structured finance sovereign risk criteria. The counterparty criteria cap the ratings at 'AA'. We consider the issuer to be bankruptcy remote.
- Our rating addresses timely payment of interest and ultimate payment of principal on the class A notes and ultimate interest and principal payment on the class B-Dfrd notes.

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The credit story

Strengths	Concerns and mitigating factors
The originators' historical performance has been strong given the originators' underwriting criteria and understanding of the local markets.	The pool's high geographic concentration; 89.7% of the outstanding loans stem from the Extremadura, Canary Islands, Castilla-Leon, and Aragon regions. We have adjusted our weighted-average foreclosure frequency (WAFF) in accordance with our asset-specific criteria in our analysis.
The current loan-to-value ratio is relatively low at 52.76%, which may result in lower loss severity.	Cajasiete, Caja Rural, S.C.C., Caja Rural de Zamora, C.C., Caja Rural de Aragón, S.C.C., Caja Rural de Extremadura, S.C.C., and Caja Rural de Gijon, S.C.A.C. are Spanish cooperativas de crédito (credit unions) with a strong regional and rural presence in their home markets. This is the second transaction in the Rural Hipotecario shelf that we rate. The originators, which are not rated by S&P Global Ratings, will remain the servicers of the loans. We rely on the general availability of servicers in the Spanish market to mitigate the risk of servicing disruption. We have stressed servicer replacement fees in line with our criteria. In addition, to address the risk related to loss of collections due to insolvency of the servicer, we have stressed commingling as a loss in our analysis.
The reserve was fully funded at closing by a subordinated loan to meet revenue shortfalls on the class A and class B notes and principal losses on the most senior class of notes.	Of the portfolio, 0.22% was granted to employees of Caja Aragon. The transaction is exposed to potential employee setoff risk if Caja Aragon becomes insolvent. In the absence of any mitigant, we have incorporated this exposure in our cash flow assumptions as a loss.
Amortization of the notes is fully sequential. Credit enhancement can therefore build up over time for the rated notes, enabling the capital structure to withstand performance shocks.	21.70% of the loans are to self-employed borrowers, which we consider to have higher default probability. In addition, 7.72% are loans granted for the acquisition of second homes. We have adjusted our WAFF accordingly in our analysis.
Approximately half of the loans in the pool were originated in 2018 or after. The pool's weighted-average seasoning of 86 months is very high. More seasoned loans are associated with a lower likelihood of foreclosure. We have considered this in our seasoning adjustment to the WAFF.	All the loans are monthly amortizing floating-loans referenced to 12-month Euro Interbank Offer Rate (EURIBOR), paying on a monthly basis. The notes pay three-month EURIBOR plus a margin. Since assets and liabilities are referenced to different indices, this could result in basis risk. The transaction is unhedged. We considered basis risk under our cash flow analysis.
	Around 66% of the pool can benefit from margin reductions due to product features. We have captured this risk in our analysis by considering the minimum potential margin in our cash flow analysis.
	Loans included in the pool are current or up to 30 days in arrears, with the latter representing only 0.15% of the pool. Loans in arrears are likely to have higher default probability. We have adjusted our WAFF accordingly in our analysis. Under our credit analysis, we consider that arrears might increase. However, we capture this risk through the originator adjustment in our analysis.
	Only 2.20% of the loans were granted to non-Spanish citizens. Historical data shows such loans have higher default probability. We have applied an adjustment to the WAFF as per our criteria for this characteristic.
	The reserve fund is amortizing, resulting in a potential reduction of credit enhancement when the structure may need it. For example, if the pool experiences high prepayments, there may be a risk of adverse selection, so that loans of a lesser credit quality make up more of the pool than at closing. The reserve does not amortize for the first three years and amortizes to a floor subsequently. We have accounted for this in our cash flow analysis.

Environmental, social, and governance

Our analysis considers a transaction's potential exposure to environmental, social, and governance (ESG) credit factors. For RMBS, we view the exposure to environmental credit factors as average, social credit factors as above average, and governance credit factors as below average (see "ESG Industry Report Card: Residential Mortgage-Backed Securities," published on March 31, 2021).

In our view, the exposure to social credit factors is in line with the sector benchmark. Social credit factors are generally considered above average because housing is viewed as one of the most basic human needs. Conduct risk presents a direct social exposure for lenders and servicers, particularly as regulators are increasingly focused on ensuring fair

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treatment of borrowers. This is particularly the case in Spain, where Government aims to protect weaker borrowers under the Code of Good Practices, recently updated. For RMBS, social risk is generally factored into our base-case assumptions.

In our view, the exposure to environmental credit factors is in line with the sector benchmark. Physical climate risks could severely damage properties and reduce their value, affecting recoveries if borrowers default. We believe that well-diversified portfolios reduce exposure to extreme weather events.

In our view, the exposure to governance credit factors is in line with the sector benchmark. There are very tight restrictions on what activities the special-purpose entity (SPE) can undertake compared to other entities. Given that this transaction securitizes a static pool with no reinvestment or prefunding features, the originators' roles become less active over the transaction's life, mitigating the risk of loosening underwriting standards or potential adverse selection.

Collateral

We received loan-level data as of Feb. 12, 2024, and historical performance data on the originators' book since 2019. The data quality is in line with our standards. We performed our credit analysis on the preliminary pool. Our expectation is that the final pool's credit quality is not materially different because it is a subset of the preliminary pool.

We received a pool audit report and there were no errors. The audit performed on this sample transaction covers the typical standard fields that we typically see audited in Spain. The sample size is being selected on the basis of confidence level of 95% and 5% precision, these levels are lower than what we typically see in other transactions. We have adjusted our WAFF accordingly.

As of the Feb. 12, 2024 pool cutoff date, the pool of €753,783,178 comprised 11,233 loans secured on Spanish first-ranking residential mortgage loans (mainly in Extremadura, Canary Islands, Castilla-Leon, and Aragon; see chart 1).

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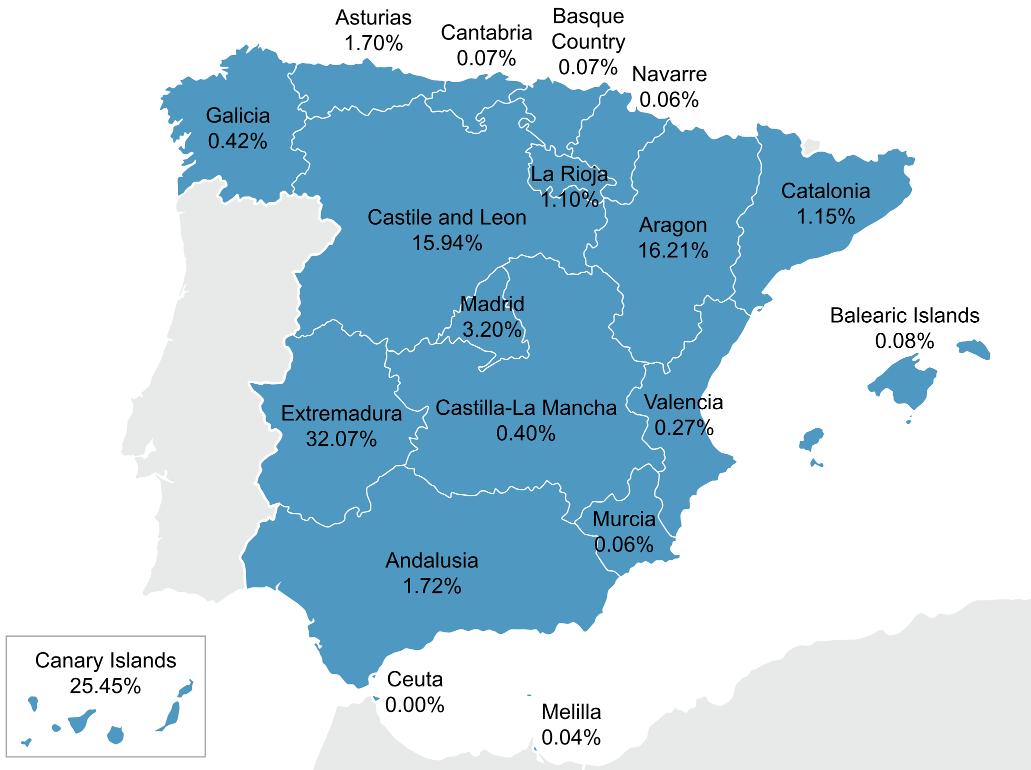
Chart 1

Geographic distribution



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All the loans were granted for acquisition or renovation (see chart 2).

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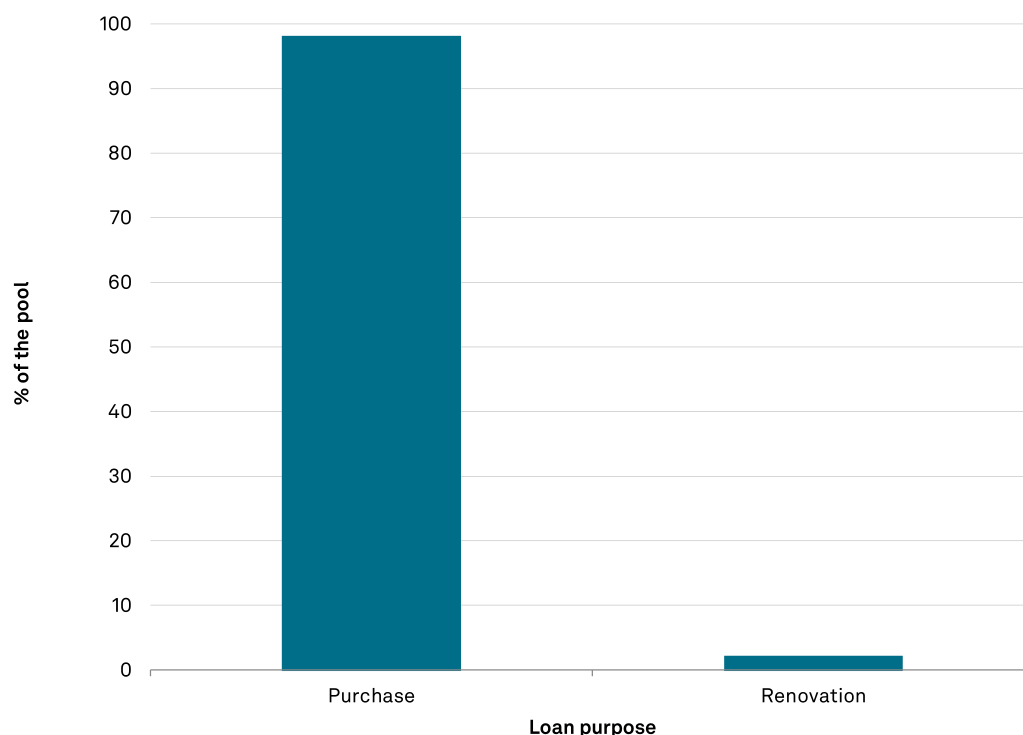
Chart 2

Loan purpose distribution



These results are according to our methodology.

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Table 1

Collateral key features*

	Rural Hipotecario XX
Pool cutoff date	Feb. 12, 2024
Jurisdiction	Spain
Principal outstanding of the pool (€)	753,783,178
Number of loans	11,233
Weighted-average margin (%)	1.57
Average loan balance (€)	67,104
Weighted-average indexed current LTV ratio (%)	52.8
Weighted-average original LTV ratio (%)	74.2
Weighted-average seasoning (months)	86
Top three regional concentration (by balance)	Extremadura (32.07%), Canary Islands (25.45%), Aragon (16.21%), and Castilla-Leon (15.94%).
Repayment (%)	100.0
Jumbo valuations (%)	2.6
Weighted-average 'AAA' RMVD (%)	53.2
Current arrears > one month (%)	0.0

*Calculations are according to S&P Global Ratings' methodology. LTV--Loan-to-value. RMVD--Repossession market value declines.

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Originators

Cajasiete, Caja Rural de Zamora, Caja Rural de Aragón, Caja Rural de Extremadura, and Caja Rural de Gijon are Spanish credit unions with a strong regional and rural presence in their home markets. They are duly incorporated and registered in the Companies Register and in the Register of Credit Institutions of the Bank of Spain.

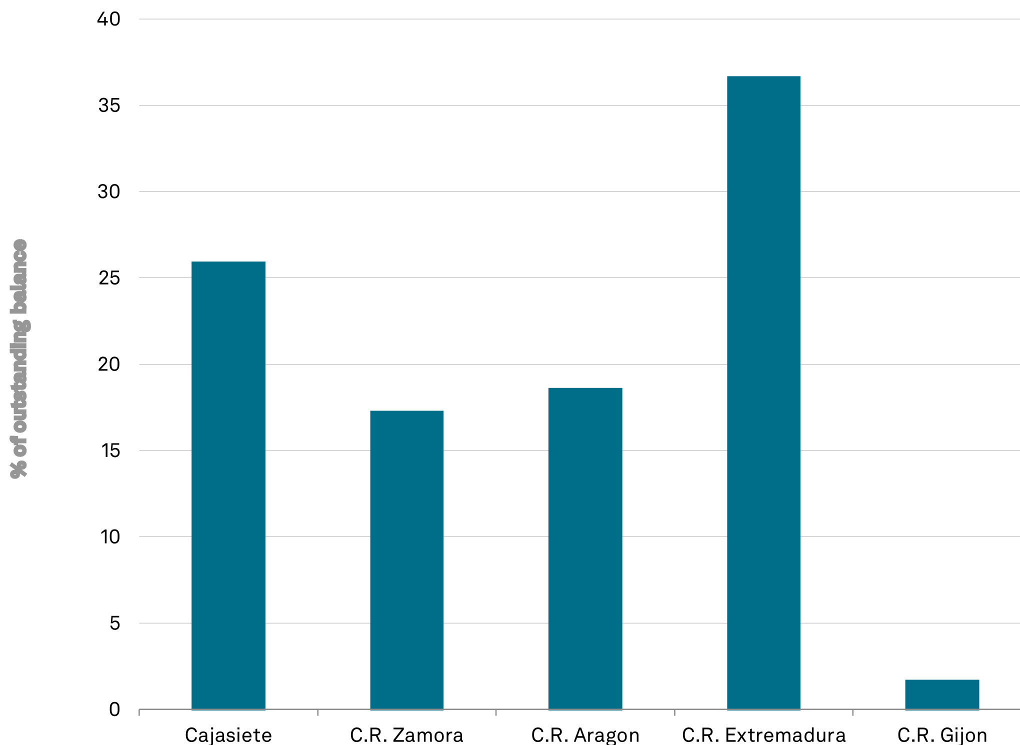
The originators are experienced multi-originator securitizations as they have taken part in 11 transactions in the Rural Hipotecario shelf. Securitization is an integral part of the originators' funding strategy. In addition to originating the mortgage loans, they will service them.

In March 2024, we reviewed the origination, underwriting, collections, servicing, and risk management policies of the five originators. In view of the current macroeconomic environment, we also considered their business continuity and disaster management plans. In our view, their origination process and servicing procedures are in line with market standards and our criteria for assessing operational risk.

The servicing is in-house. In our operational risk analysis, we look at the risk that cash flows may be disrupted following an operational failure of the servicer. We rely on the general availability of servicing in the Spanish market to mitigate the risk of servicing disruption. We have also incorporated necessary assumptions in our cash flow analysis.

Chart 3

Originator distribution



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Asset description

All loans in the portfolio are first-lien amortizing residential mortgage loans.

Of the portfolio, only 2.20% of the loans were granted to non-Spanish residents, 21.70% were granted to self-employed borrowers, 1.36% were granted to unemployed borrowers, and 7.72% were granted for the acquisition of second homes. Such loans are typically riskier, and therefore we applied adjustments as per our asset-specific criteria.

There are no broker-originated loans in the pool or commercial or mixed-use properties.

The assets are primarily concentrated in Extremadura (32.07%), Canary Islands (25.45%), Aragon (16.21%), and Castilla-Leon (15.94%). Given that the concentration in these four regions exceeds the thresholds defined in our criteria, we applied adjustments in our WAFF calculations.

Approximately half of the loans in the pool were originated in 2018 or after. We consider that loans with higher seasoning have a lower likelihood of foreclosure. We have considered this in our seasoning adjustment to the WAFF.

All the loans in the pool are monthly amortizing floating-loans referenced to 12-month EURIBOR, paying on a monthly basis. The notes pay three-month EURIBOR plus a margin. The transaction is unhedged. We considered basis risk and margin compression under our cash flow analysis. Around 66% of the pool can benefit from margin reductions due to product features. We have captured this risk in our analysis by applying margin compression under our cash flow analysis.

Loans included in the pool are current or up to 30 days in arrears, with the latter representing only 0.15% of the pool. We have adjusted our WAFF accordingly.

Of the pool, 0.22% were granted to employees of Caja Aragon. The transaction is exposed to potential employee setoff risk if Caja Aragon becomes insolvent. In the absence of any mitigant, we have incorporated this exposure in our cash flow assumptions as a loss.

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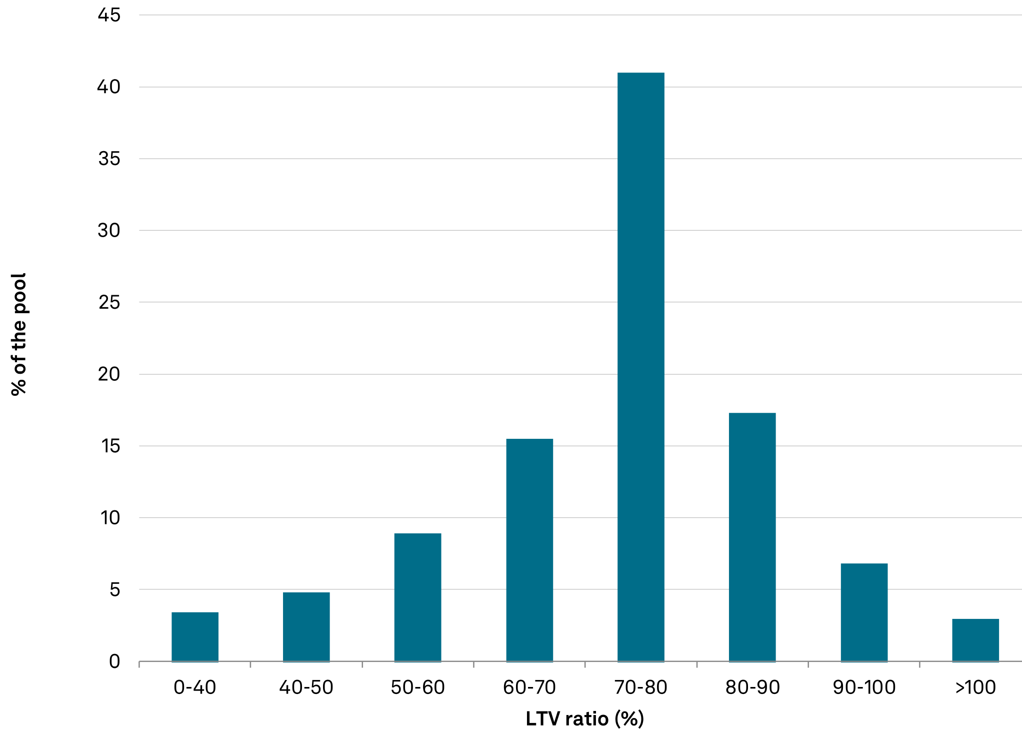
Chart 4

Original LTV ratio distribution



LTV--Loan to value.

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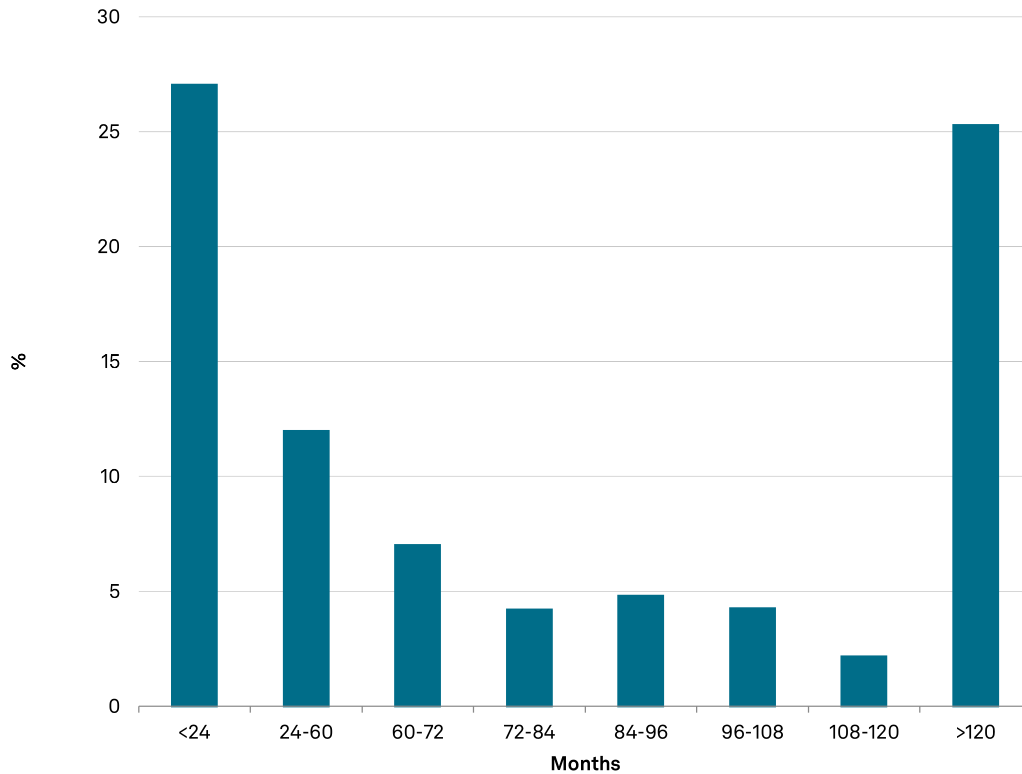
Chart 5

Seasoning distribution



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Asset performance

The pool does not contain any loans in arrears for more than 30 days or defaulted loans. We have received the historical performance data on the originators' mortgage book and on previous securitizations of the Rural Hipotecario shelf in which they participated.

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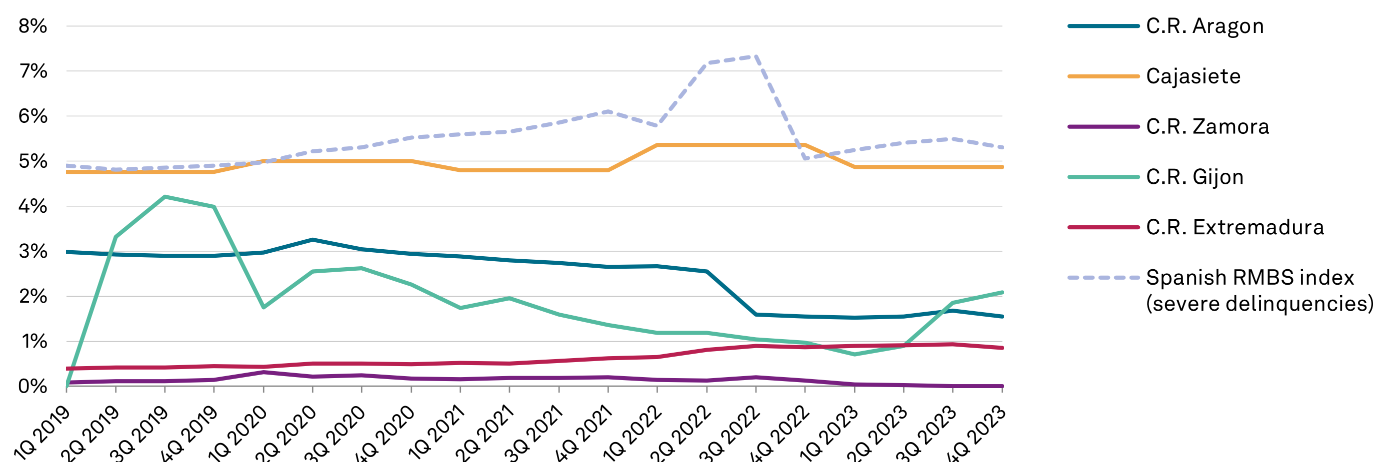
Chart 6

Historical 90+ arrears distribution by originator



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Credit Analysis And Assumptions

We applied our global residential loans criteria to the pool to derive the WAFF and the weighted-average loss severity (WALS) at each rating level (see table 2).

The WAFF and WALS assumptions increase at each rating level because notes with a higher rating should be able to withstand a higher level of mortgage defaults and loss severity. Our credit analysis reflects the characteristics of loans, properties, and associated borrowers.

Table 2

Portfolio WAFF and WALS

Rating level	WAFF (%)	WALS (%)	Credit coverage (%)
AAA	17.35	25.24	4.38
AA	11.81	20.58	2.43
A	9.03	13.20	1.19
BBB	6.83	9.54	0.65
BB	4.52	7.22	0.33
B	2.90	5.33	0.15

WAFF--Weighted average foreclosure frequency. WALS--Weighted average loss severity.

Macroeconomic And Sector Outlook

In our analysis, we considered the following economic data and their baseline effect on collateral credit quality in determining our credit assumptions (see "Related Research").

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For Spain, our current expectations are described in the table below.

Table 3

Spain housing market statistics

	2023	2024f	2025f	2026f
Nominal house prices, % change y/y	1.0	(0.3)	1.5	2.0
Real GDP, % change	2.5	1.8	1.9	2.0
Unemployment rate	12.1	11.5	11.4	11.3
CPI inflation (average, y/y%)	3.4	3.0	2.0	2.0
Policy rate (end of year)	4.5	3.4	2.65	2.65

Sources: National statistics offices, Eurostat, S&P Global Ratings. Y/Y--Year on year. f--Forecast. CPI--Consumer price index.

Transaction Summary

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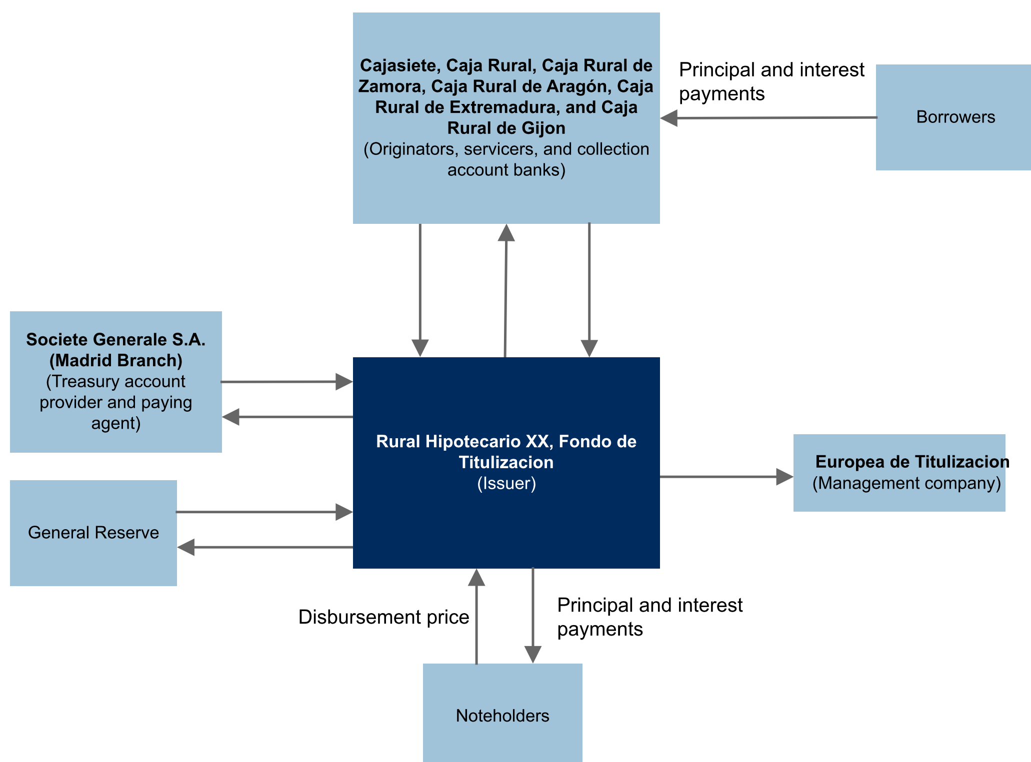
Chart 7

Transaction structure



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The issuer is a "Fondo de Titulizacion", an SPE dedicated to securitization, established under Spanish law. We consider it a bankruptcy remote entity, in line with our legal criteria (see "Related Criteria").

The legal opinion provides assurance on the true sale of the assets.

Interest is paid quarterly on the interest payment dates, beginning in September 2024. The rated notes pay interest equal to EURIBOR plus a margin. Interest and principal payment on the class B-Dfrd notes are fully subordinated to the interest and principal payments on the class A notes. The amortization of the notes is fully sequential. All of the notes will reach legal final maturity in September 2062.

Recent changes introduced to Spanish interest stripping rules could limit the issuer's ability to deduct net interest expenses if they exceed a certain threshold. In considering the issuer's tax status for the purposes of our legal criteria,

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we have taken account of forecasts provided by the originator indicating that the issuer's net interest expense should not exceed that threshold.

Available funds

Available amounts include:

- Principal collections;
- Interest collections;
- Interest on the treasury account;
- Reserve fund;
- Recoveries; and
- On the first payment date, the excess of the initial expenses loan.

Payment priority

The transaction has a combined interest and principal waterfall. Interest on the notes is payable quarterly in arrears in accordance with the combined waterfall. The amortization is fully sequential, with interest on the class A notes paid before amortization of the class B-Dfrd notes.

The class B-Dfrd notes are deferrable. Unpaid interest does not accrue interest, unpaid interest is due at maturity, and interest can be deferred even if they are the most senior class of notes outstanding.

If the security trustee delivers an enforcement notice to the issuer following an early liquidation event, all funds from the enforced security are distributed according to the liquidation priority of payments. We have reviewed the issuer early liquidation events and have concluded that they are remote in our ratings scenarios. As a result, our analysis solely focuses on the priority of payments prior to a liquidation event.

Table 4

Combined interest and principal priority of payments
Senior fees (including servicing fees in case of substitution)
Class A notes' interest
Class A notes' principal
Class B-Dfrd notes' interest
Reserve fund replenishment (until class A is fully amortized)
Class B-Dfrd notes' principal
Reserve fund replenishment (only if class A is fully amortized)
Subordinated loan interest
Subordinated loan principal
Initial expenses loan interest
Initial expenses loan principal
Servicer fees' (unless replaced)
Excess spread

The target amortization amount is the positive difference between the outstanding amounts of the notes and the

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outstanding balance of the non-defaulted collateral balance (up to 18 months past due), at such calculation date.

Reserve fund

The transaction features a reserve fund that can cover shortfalls on the senior fees, interest on both tranches, and principal payments on the most senior class of notes outstanding.

The reserve fund was fully funded at closing by a subordinated loan, representing 4.5% of the notes' balance at inception. Three years after closing, the reserve fund can amortize in line with the notes' balance, subject to a floor of half of its initial balance. However, it will only amortize if:

- The outstanding balance of 90+ day arrears is lower than 1% of the collateral balance, excluding defaults.
- The reserve fund is not at its required level.

Excess amounts above the required amount will be released in the waterfall.

Clean-up call

The management company, following communication to the Spanish regulator (CNMV), can exercise a clean-up call option as soon as the principal balance outstanding on the collateral is below 10% of the principal balance at closing, as long as it has enough resources to meet all payment obligations under the outstanding notes. In our analysis, we have not considered the occurrence of a clean up call.

Renegotiations and permitted variations

The margin on around 66% of the loans can be reduced due to product features. Each originator can lower the margin on the loans to up to 10% of the original balance sold by each of them, as long as the weighted-average margin of the pool sold by each originator does not drop below 100 basis points. The same limits apply to fixed to floating renegotiations. Finally, the originators can also extend the maturity of up to 10% of the original balance of the loans sold by each of them. We have assumed that the margin on these loans will migrate to the minimum covenanted margin to factor in the risk of margin compression, considering benefits and renegotiations and various sensitivities to account for the permitted variations.

Cash Flow Modeling And Analysis

We stress the transaction's cash flows to test the credit and liquidity support that the assets, subordination, and reserve provide.

We apply these stresses to the cash flows at all relevant rating levels. In our stresses on the class A notes, these notes must pay full and timely principal and interest. Our rating on the class B-Dfrd notes addresses ultimate interest and principal payment.

Commingling

All borrowers pay monthly into the collection accounts held at each servicer. All collections are transferred the next business day to the treasury account in the issuer's name.

We have therefore determined that the transaction may be exposed to a credit loss of about one month of collections if

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the servicers become insolvent, during the period when borrowers are notified of the event. There is no mechanism in place to mitigate this risk; therefore, we have stressed this in our analysis.

Spread compression

The asset yield on the pool can decrease if higher-paying assets default or prepay. Our cash flow analysis accounts for this by assuming that the weighted-average margin on the portfolio drops by 0.16% at the 'AA' level.

Fees

Contractually, the issuer is obliged to pay periodic fees to various parties providing services to the transaction such as servicers (in case of substitution), and management company, among others. We accounted for these in our analysis. In particular, we applied a stressed servicing fee of 0.35% (the higher of 1.5x actual fees and 0.35% of the pool balance) to account for the potential increase in costs to attract a replacement servicer, based on our global RMBS criteria.

Setoff

Deposit setoff risk is mitigated under the Spanish legal framework. There is employee setoff risk exposure in the transaction. If the servicer becomes insolvent, setoff risk may arise because employees can set off their loan installments against their salary. We have considered this under cash flow analysis.

Default and recovery timings

We used the WAFF and WALS derived in our credit analysis as inputs in our cash flow analysis (see table 5). At each rating level, the WAFF specifies the total balance of the mortgage loans we assume will default over the transaction's life. Defaults are applied on the assets' outstanding balance as of the closing date. We simulate defaults following two paths (that is, one front-loaded and one back-loaded) over a six-year period. During the recessionary period within each scenario, we assume 25% of the expected WAFF is applied annually for three years (see table 5).

To simulate the effects of varying recession timings, the criteria envisage two different starting points for the recession period (as shown in the first column of table 5): (i) at inception, and (ii) at the end of the third year.

Table 5

Default timings for front-loaded and back-loaded default curves

Year after closing	Front-loaded defaults (% of WAFF per year)	Back-loaded defaults (% of WAFF per year)
1	25.0	5.0
2	25.0	10.0
3	25.0	10.0
4	10.0	25.0
5	10.0	25.0
6	5.0	25.0

WAFF--Weighted-average foreclosure frequency. WALS--Weighted-average loss severity.

Recovery timing

We have assumed that the issuer regains any recoveries 42 months after a payment default in Spanish RMBS transactions. We have also tested longer recovery periods to account for potential delays in the judicial phase.

We always base the WALS that we use in a cash flow model on principal loss, including costs. We assumed no recovery of any interest accrued on the mortgage loans during the foreclosure period. After we apply the WAFF to the

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balance of the mortgages, the asset balance is likely to be lower than that of the liabilities (a notable exception is when a transaction relies on overcollateralization). Other structural mechanisms in the transaction address the interest reduction created by the defaulted mortgages during the foreclosure period.

Delinquencies

To simulate the effect of delinquencies on liquidity, we model a proportion of scheduled collections equal to one-third of the WAFF (in addition to assumed foreclosures reflected in the WAFF) to be delayed. We apply this in each of the first 18 months of the recession and assume a full recovery of these delinquencies will occur 36 months after they arise. The cash flow stress for delinquencies is independent of the arrears adjustment to the WAFF.

Prepayments

To assess the impact on excess spread and the absolute level of defaults in a transaction, we model two prepayment scenarios: high and low (see table 6).

Table 6

Prepayment assumptions

	High	Low
Pre-recession	24	1
During recession	1	1
Post-recession	24	1

Interest rates

Our cash flows are tested under up and down interest rate paths.

The combination of default timings, interest rates, and prepayment rates described above gives rise to different scenarios. Our ratings reflect the class A notes' timely payment of interest and ultimate principal and class B-Dfrd notes' ultimate interest and principal payment under each of these scenarios at the assigned rating level.

Summary

Table 7

RMBS stress scenarios

Total number of scenarios	Prepayment rate	Interest rate	Default timing
8	High and low	Up and down	Front-loaded and back-loaded

Forward-looking view

We have considered the transaction's resilience in case of additional stresses, such as increased defaults, to determine our forward-looking view. We also considered the notes' ability to withstand lower and delayed recoveries on defaulted assets.

In our view, the ability of the borrowers to repay their mortgage loans will be highly correlated to macroeconomic conditions, particularly the unemployment rate, consumer price inflation, and interest rates. Our current forecast on policy interest rates for Spain in 2024 is 3.4%, and our forecasts for unemployment for 2024 and 2025 are 11.5% and 11.4%, respectively.

Furthermore, a decline in house prices typically affects the level of realized recoveries. For Spain we expect them to

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decrease by 0.3% in 2024 and increase by 1.5% in 2025.

Given our current macroeconomic forecast and our forward-looking view of the Spanish' housing market, our sensitivity scenarios consider, all else being equal, the hypothetical effect on our credit ratings of different combinations of:

- An increase in WAFF (foreclosure frequency/defaults) by up to 30% at each rating level; and
- An increase in WALS (loss severity) by up to 30% at each rating level.

We therefore ran eight scenarios with increased defaults and higher loss severity, as shown in the table below.

Table 8

Sensitivity stresses

	WALS		
WAFF	**0**	**1.1x**	**1.3x**
0	Base case	Scenario 3	Scenario 4
1.1x	Scenario 1	Scenario 5	Scenario 7
1.3x	Scenario 2	Scenario 6	Scenario 8

WAFF--Weighted-average foreclosure frequency. WALS--Weighted-average loss severity.

Table 9

Sensitivity scenarios

Class	Base case	1	2	3	4	5	6	7	8
A	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
B-Dfrd	AA	AA-	A+	AA	AA-	AA	A+	A+	A+

The results of the above sensitivity analysis indicate a deterioration of no more than two notches on the notes, which is in line with the credit stability considerations in our rating definitions.

The transaction embeds some strengths that may offset deteriorating collateral performance. Therefore, given its sequential amortization, credit enhancement is expected to build-up over time. The existence of a reserve fund and excess spread may, to a certain extent, insulate the notes against credit losses and liquidity stresses.

Counterparty Risk

The issuer is exposed to Societe Generale, S.A. (Madrid branch) as the treasury account provider (see table 10). We do not rate this entity. Therefore, as per our bank-branch criteria, we rely on the parent company rating (Societe Generale, S.A.; A/Stable/A-1). The documented replacement mechanisms adequately mitigate the transaction's exposure to counterparty risk in line with our current counterparty criteria for the treasury account. The obligation to implement remedies in line with our criteria remains with the management company, but the replacement costs will not be borne by the ineligible counterparty. Therefore, we stressed one-off replacement fees of €100,000 under our cash flow analysis.

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Table 10

Supporting ratings

Institution/role	Current counterparty rating	Minimum eligible counterparty rating	Remedy period (calendar days)	Maximum supported rating
Societe Generale S.A. (Madrid Branch) as treasury account provider	NR	A-	30	AA
Societe Generale S.A.	A/Stable/A-1	A-	30	AA

Sovereign Risk

Under our structured finance sovereign risk criteria, the maximum differential between the rating on the security and the rating on the sovereign depends on the asset sensitivity to country risk and the sovereign rating. We view the asset sensitivity to the country risk as low, and our long-term unsolicited sovereign rating on Spain is 'A'.

Considering this transaction's structural features, the notes' risk profile, and our cash flow analysis results, which are commensurate with a 'AA' rating, the notes are able to achieve up to six notches above the sovereign rating. Consequently, our sovereign risk criteria do not cap our ratings.

Surveillance

We will maintain surveillance on the transaction until the notes mature or are otherwise retired. To do this, we will analyze regular servicer reports detailing the performance of the underlying collateral, monitor supporting ratings, and make regular contact with the servicer to ensure that it maintains minimum servicing standards and that any material changes in the servicer's operations are communicated and assessed.

Appendix

Transaction participants

Role	Participant
Issuer	Rural Hipotecario XX, Fondo De Titulizacion
Arranger	Europea de Titulización S.A.
Originator, servicer, and collection account provider	Caja Rural de Aragón, S.C.C.
Originator, servicer, and collection account provider	Caja Rural de Gijon, S.C.A.C.
Originator, servicer, and collection account provider	Caja Rural de Zamora, C.C.
Originator, servicer, and collection account provider	Cajasiete, Caja Rural, S.C.C.
Originator, servicer, and collection account provider	Caja Rural de Extremadura, S.C.C.
Sponsor	Banco Cooperativo Espanol
Management company	Europea de Titulización S.A.
Treasury account provider and paying agent	Societe Generale S.A. (Madrid Branch)

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Related Criteria

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- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28, 2009

Related Research

- EMEA Structured Finance Chart Book: March 2024, March 28, 2024
- Credit Conditions Europe Q2 2024: Credit Heals, Defense Shields, March 27, 2024
- Economic Outlook Eurozone Q2 2024: Labor Costs Hinder Disinflation As Rate Cuts Loom, March 26, 2024
- European RMBS Index Report Q4 2023, Feb. 9, 2024
- A Primer On Spain's RMBS Market, Feb. 6, 2024
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- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
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