



Fitch Affirms La Hipotecaria's Panamanian Cross-Border Transactions; Revises 10th MBN Trust Outlook Ratings Endorsement Policy

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Fitch Ratings-Chicago-05 July 2013: Fitch Ratings has affirmed the following ratings as indicated:

La Hipotecaria Panamanian Mortgage Trust 2007-1

- 2007-1 certificates at 'BBB+sf', Outlook Stable;
- Unenhanced long-term rating at 'BBB+sf', Outlook Stable.

La Hipotecaria Eight Mortgage-Backed Notes Trust

- Series A notes at 'BBB+sf', Outlook Stable.

La Hipotecaria Panamanian Mortgage Trust 2010-1

- 2010-1 certificates at 'AAAsf', Outlook Negative;
- Unenhanced long-term rating at 'BBBsf'; Outlook revised to Positive from Stable.

La Hipotecaria Tenth Mortgage-Backed Notes Trust

- Series A notes at 'BBBsf', Outlook revised to Positive from Stable;
- Interest only notes at 'BBBsf'; Outlook revised to Positive from Stable.

KEY RATING DRIVERS

The affirmations reflect the low level of delinquencies, largely due to the direct deduction payment mechanism in place for the majority of the portfolios, the increased credit enhancement, and the affirmation of Panama's sovereign ratings. In addition, the rating of the 2010-1 certificates reflects the credit quality of the guaranty provider, Overseas Private Investment Corporation (OPIC), which is backed by the full faith and credit of the United States of America.

The Outlook revision of La Hipotecaria Tenth Mortgage-Backed Notes Trust's series A notes and La Hipotecaria Panamanian Mortgage Trust 2010-1's unenhanced long-term rating of the 2010 certificates reflects an improvement in the level of credit enhancement and overall performance.

RATING SENSITIVITIES

Severe increases in delinquencies and prepayments, as well as reductions in recovery rates, could lead to a downgrade of the series A notes of both La Hipotecaria's Eight and Tenth Mortgage-Backed Notes Trusts. In addition, the notes are sensitive to changes in the credit quality of Panama.

The rating of series 2010-1 is sensitive to changes in the credit quality of the U.S. sovereign as OPIC is an agency of the U.S.

TRANSACTION SUMMARY

La Hipotecaria's Eight and Tenth Mortgage Trusts are backed by portfolios of residential mortgages originated by Banco La Hipotecaria S.A. (formerly La Hipotecaria S.A.) to low-mid income individuals in the Republic of Panama. A high percentage of the portfolios benefits from the direct deduction of mortgage installments from the borrower's wages. This significantly mitigates exposure to willingness to pay and contributing to lower default levels. Both the 2007-01 notes and the 2010-1 notes are backed by a portion of the series A notes issued by each trust, respectively. The series 2010-1 trust certificates benefit from an irrevocable and

unconditional guaranty of monthly interest and the final principal, granted by OPIC, an agency of the United States of America.

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Additional information is available at 'www.fitchratings.com'.

Applicable Criteria and Related Research:

--'Rating Criteria for RMBS in Latin America' (Feb. 13, 2013);
--'Criteria for Rating Securitizations in Emerging Markets' (June 27, 2013);
--'Global Structured Finance Rating Criteria' (May 24, 2013).
Global Structured Finance Rating

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Additional Disclosure

Solicitation Status

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