

FITCH AFFIRMS LA HIPOTECARIA'S CROSS-BORDER RMBS TRANSACTIONS

Fitch Ratings-Chicago-09 July 2012: Fitch Ratings has taken the following rating actions on La Hipotecaria's two cross-border residential mortgage backed security (RMBS) transactions:

La Hipotecaria Eight Mortgage Backed Notes Trust
--US\$76.1 million series A notes affirmed at 'BBB+sf'; Outlook Stable.

La Hipotecaria Panamanian Mortgage Trust 2007-1
--US\$73.1 million 2007-1 certificates affirmed at 'BBB+sf', Outlook Stable;
--Unenhanced long-term rating affirmed at 'BBB+sf', Outlook Stable.

La Hipotecaria Tenth Mortgage Trust
--US\$86.4 million series A notes affirmed at 'BBBsf', Outlook Stable;
--US\$86.4 million interest only notes affirmed at 'BBBsf'; Outlook Stable.

La Hipotecaria Panamanian Mortgage Trust 2010-1
--US\$72 million trust certificates affirmed at 'AAAsf', Outlook revised to Negative from Stable;
--Unenhanced long-term rating affirmed at 'BBBsf'; Outlook Stable.

The affirmations reflect the good performance of the transactions, evident in low delinquency levels and increasing credit enhancement, as well as Panama's sovereign ratings.

The Outlook revision of La Hipotecaria Panamanian Mortgage Trust 2010-1's 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.

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. 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'. The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Applicable Criteria and Related Research:

- 'Rating Criteria for RMBS in Latin America' (Feb. 16, 2012);
- 'Global Structured Finance Rating Criteria' (June 6, 2012);
- 'Criteria for Existing Asset Securitization in Emerging Markets - Sovereign Constraints' (June 28, 2012).

Applicable Criteria and Related Research:

Rating Criteria for RMBS in Latin America

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=666231

Global Structured Finance Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=679923

Criteria for Existing Asset Securitisation in Emerging Markets: Sovereign Constraints

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=669810

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