



Fitch Takes Various Rating Actions on La Hipotecaria's Cross-Border RMBS Transactions

Fitch Ratings-Santiago-11 July 2011: 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 upgraded to 'BBB+sf/LS1' from 'BBBsf/LS1'; Outlook revised to Stable from Positive.

La Hipotecaria Panamanian Mortgage Trust 2007-1

--US\$73.1 million 2007-1 certificates upgraded to 'BBB+sf/LS1' from 'BBBsf/LS1'; Outlook revised to Stable from Positive;

--Unenhanced long-term rating upgraded to 'BBB+sf' from 'BBBsf'; Outlook revised to Stable from Positive.

La Hipotecaria Tenth Mortgage Trust

--US\$86.4 million series A notes affirmed at 'BBBsf/LS1'; Outlook Stable;

--US\$86.4 million interest only notes affirmed at 'BBBsf/LS1'; Outlook Stable.

La Hipotecaria Panamanian Mortgage Trust 2010-1

--US\$72 million Trust Certificates affirmed at 'AAAsf/LS1'; Outlook Stable;

--Unenhanced long-term rating affirmed at 'BBBsf'; Outlook Stable.

The upgrade to the ratings related to La Hipotecaria Eight Mortgage Backed Notes Trust reflects the upgrade to Panama's sovereign ratings, increasing credit enhancement levels, and low delinquency levels.

The affirmation to the ratings related to La Hipotecaria Tenth Mortgage Trust reflects the stable credit enhancement and delinquency levels in the context of its low seasoning.

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 the Overseas Private Investment Corporation (OPIC), an agency of the United States of America.

Contact:

Primary Analyst

Bernardo Costa

Director

+1-312-606-3315

Fitch, Inc.

70 West Madison Street

Chicago, IL 60602

Secondary Analyst

Rodrigo Contreras

Director

+506 2 296 9182

Committee Chairperson

Greg Kabance

Managing Director
+1-312-368-2052

Media Relations: Cindy Stoller, New York, Tel: +1 212 908 0526, Email: cindy.stoller@fitchratings.com.

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

Applicable Criteria and Related Research:

- 'Rating Criteria for RMBS in Latin America' (March 17, 2011);
- 'Global Structured Finance Rating Criteria' (Aug. 13, 2010);
- 'Criteria for Existing Asset Securitization in Emerging Markets - Sovereign Constraints' (June 21, 2010).

Applicable Criteria and Related Research:

[Rating Criteria for RMBS in Latin America](#)

[Global Structured Finance Rating Criteria](#)

[Criteria for Existing Asset Securitization in Emerging Markets: Sovereign Constraints](#)

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