

Ratings On 764 Tranches In 119 U.K. RMBS Transactions Placed On CreditWatch Negative After U.K. RMBS Criteria Update

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OVERVIEW

- On Dec. 9, 2011, we updated our methodology and assumptions for rating U.K. RMBS.
- Based on our analysis under the updated criteria, we have placed on CreditWatch negative our ratings on 764 tranches in 119 U.K. RMBS transactions.
- Our rating actions primarily relate to the U.K. nonprime RMBS sector.
- We intend to complete our review of all existing U.K. RMBS ratings over the next six months.

LONDON (Standard & Poor's) Dec. 12, 2011--Standard & Poor's Ratings Services today placed on CreditWatch negative its credit ratings on 764 tranches in 119 U.K. residential mortgage-backed securities (RMBS) transactions following an update to its criteria for rating U.K. RMBS transactions (see "U.K. RMBS Methodology And Assumptions," published on Dec. 9, 2011).

The complete list of public ratings affected by today's rating actions is available in "List Of U.K. RMBS Rating Actions At Dec. 12, 2011 Following U.K. RMBS Criteria Update," published today.

We have placed on CreditWatch negative our ratings on transactions where we believe there is at least a one-in-two chance that ratings on the transaction will be lowered, following the application of our updated criteria.

Today's rating actions primarily relate to the U.K. nonprime RMBS sector. Specifically, we have placed on CreditWatch negative our ratings on 592 tranches in 96 nonprime U.K. RMBS transactions. In addition, we have placed on CreditWatch negative our ratings on 172 tranches in 23 prime U.K. RMBS transactions.

We intend to complete our review of all existing U.K. RMBS ratings over the next six months.

STANDARD & POOR'S 17G-7 DISCLOSURE REPORT

SEC Rule 17g-7 requires an NRSRO, for any report accompanying a credit rating relating to an asset-backed security as defined in the Rule, to include a description of the representations, warranties and enforcement mechanisms available to investors and a description of how they differ from the representations, warranties and enforcement mechanisms in issuances of similar securities. The Rule applies to in-scope securities initially rated (including preliminary ratings) on or after Sept. 26, 2011.

If applicable, the Standard & Poor's 17g-7 Disclosure Reports included in this credit rating report are available at <http://standardandpoorsdisclosure-17g7.com>.

RELATED CRITERIA AND RESEARCH

- List Of U.K. RMBS Rating Actions At Dec. 12, 2011 Following U.K. RMBS Criteria Update, Dec. 12, 2011
- U.K. RMBS Methodology And Assumptions, Dec. 9, 2011
- Request For Comment: Counterparty And Supporting Obligations Methodology And Assumptions--Expanded Framework, Nov. 21, 2011
- Global Structured Finance Scenario And Sensitivity Analysis: The Effects Of The Top Five Macroeconomic Factors, Nov. 4, 2011
- Standard & Poor's Ratings Definitions, Nov. 1, 2011
- Use Of CreditWatch And Outlooks, Sept. 14, 2009
- European Legal Criteria For Structured Finance Transactions, Aug. 28, 2008

Related articles are available on RatingsDirect. Criteria, presales, servicer evaluations, and ratings information can also be found on Standard & Poor's Web site at www.standardandpoors.com. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow (7) 495-783-4011.

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