Perfect — here's how you can now extend that framework to integrate CGP (Código de Buenas Prácticas) into your LTV analysis and present it holistically:

Integration of CGP vs Non-CGP Scenarios in LTV Modelling

Spain's Code of Good Practices (CGP) — under Real Decreto-Ley 6/2012 — encourages financial institutions to restructure or reduce mortgage debt under specific hardship conditions. This impacts enforceability and recovery assumptions across LTV models.

1. Conservative LTV (Proportional Allocation)

- CGP Scenario:

  - CGP encourages partial write-downs and dation in payment (dación en pago).

- This aligns with conservative assumptions: recoverable debt = limited to fair value of asset.

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- Legal Basis:

  - Art. 3 & 5 RDL 6/2012 – Mandates debt relief proportional to asset value under social hardship.

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- Implication:

  - Conservative model is most compliant with CGP principles — minimizes overstatement of secured exposure.

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2. Aggressive LTV (Full AV Allocation)

- CGP Scenario:

  - Conflicts with CGP ethos, as CGP seeks to protect vulnerable debtors from being chased for residual debt.

  - However, may still be relevant in non-CGP commercial or high-net-worth contexts.

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  - Legal Basis:

    - Código Civil Art. 1911 applies in non-CGP situations (universal liability).

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  - Implication:

    - Use aggressive logic only when CGP does not apply or borrower waives protections.

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3. Borrower-Level Aggregation

- CGP Scenario:

  - CGP does not typically apply borrower-wide if only one of several mortgages is eligible.

  - Aggregating all loans may underestimate CGP relief potential on eligible individual units.

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- Implication:

- - Useful in institutional borrower cases, not ideal for CGP-protected residential debt.

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4. Component (Graph-Based)

- CGP Scenario:

  - Most granular view of how collateral interlinks with loans.

  - Allows modeling which parts of a component fall under CGP (e.g., primary residence), and which don't.

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- Legal Basis:

  - TRLC Art. 270+ — still applies for insolvency classification.

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- Implication:

  - Ideal method to tag and segregate CGP-compliant vs. non-compliant paths in a securitized structure.

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Recommendation for Use in CMBS Structuring

LTV Method	Aligns with CGP?	Use Case	Legal Backing
Conservative	Yes	CGP-eligible retail loans	RDL 6/2012 + TRLC
Aggressive	No	Commercial or high-value loans	Código Civil Art. 1911
Borrower-Level	Partial	Global bankruptcy analysis	Código Civil + TRLC
Component	Best for Mix	Cross-collateralized CMBS pools	Ley Hipotecaria + TRLC

Would you like me to wrap this into a single printable handout for your CMBS meeting? Or include CGP flags into your Python model for fallback LTV estimation?