



Bogota, December 10th, 2014

To
Sandra Patricia Perea Diaz
Deputy Superintendent for Issuers,
Investment Portfolios and other Agents
Finance Superintendent's Office
Bogotá D.C.

Re: 600-001 Titularizadora Colombiana S.A.
Universalidad TIPS PESOS E-16
058 Relevant Information
50 Request/Submission
Schedules (1) attached

Dear. Ms. Perea,

In compliance with Decree 2555/2010 as to the obligation to report relevant information, we hereby inform your Office of the procedure for substitution of mortgage loans that Titularizadora Colombiana S.A. (hereinafter "Titularizadora") conducted with respect to some of the mortgage loans that comprise the TIPS PESOS E-16 Universalidad (hereinafter the "Universalidad") and based on which the TIPS PESOS E-16 mortgage-backed securities were issued in December 2010. Mortgage Loan substitution is an event that can affect "securitized mortgage loans, their cash flow, the securitization vehicle and the securities issued" as provided in the decree mentioned above, hence this report.

A. Legal grounds:

1. The substitution procedure reported is based on the applicable mortgage-backed securitization rules of issue (Chapter five - subsection 5.1.3.1.1) and on clause ten subsections 10.1.12 *et seq* of the Master Mortgage Loan Purchase Agreement (hereinafter the "Master Contract") entered into with AV Villas Bank (hereinafter the "Seller").
2. The Rules and Master Contract mentioned above provide for the Seller's obligation to substitute the Mortgage Loans which Titularizadora establishes that fail to comply with the selection criteria and/or the other terms and conditions of the Master Contract. The Mortgage Loans delivered in substitution must have similar guarantee, maturity, value, term, interest rate, and amortization systems conditions as those of the substituted loans.
3. In the cases that the value of the Mortgage Loan to be substituted is greater than the value of the mortgage loan delivered in substitution, the Seller accepts to offset the difference in cash.



B. Reasons for substitution

1. The substitution is required when Titularizadora has established that some Mortgage Loans purchased from the Seller in the course of the TIPS Pesos E-16 Issue do not comply with the selection criteria set out in the Master Contract and indicated in the Rules of Issue. Those Mortgage Loans are segregated from the equity of the Universalidad. The mortgage loan portfolio indicators taken as reference for the substitution are those of the Mortgage Loan to be substituted as of the December 9th, 2014 cutoff.
2. The Mortgage Loans received in substitution have similar guarantee, maturity, value, term, interest rate, and amortization systems conditions to those of the substituted loans.
3. The substitution creates an obligation for the Sellers to pay in cash the mortgage loan value difference between the substituted loans and those delivered in substitution. The total amounts received belong to the Universalidad.

C. Substitution conditions

The attached schedule lists the synthesis of conditions of the mortgage loans subject to substitution and of the mortgage loans that become part of the Universalidad in compliance with the Seller's substitution obligation. The aforementioned Mortgage Loan substitution will be accounted to the Universalidad with December 2014 cut-off.

Please, do not hesitate in contacting us for any further information.

Sincerely,

Alberto Gutiérrez Bernal
Legal representative



Schedule

**Mortgage Loans Subject to Substitution - TIPS PESOS E-16 Issue
Universalidad TIPS PESOS E-16 (Figures as of December 9th, 2014)**

Description	Leaving the Universalidad	Entering the Universalidad	Offset amount in cash
Number of Loans	29	31	
Weighted Average Term	73	30	
Weighted Average Rate	12.19%	12.92%	
Total Balance	632.115.801.00	630.245.558.00	1.870.243.00