

DBRS Morningstar Assigns MOR CS3 Commercial Mortgage Primary Servicer and Special Servicer Rankings to Mount Street US (Georgia) LLP

CMBS

DBRS, Inc. (DBRS Morningstar) assigned its MOR CS3 commercial mortgage primary servicer and special servicer rankings to Mount Street US (Georgia) LLP (MSUS or the Company). The trend on both rankings is Stable. MSUS is an indirect operating subsidiary of UK-based Mount Street Group Limited, which owns Mount Street Mortgage Servicing Limited, one of the largest servicers in Europe. Before completing its consolidation with DBRS, Inc. this year, Morningstar Credit Ratings, LLC maintained MOR CS3 rankings on MSUS as a primary servicer and special servicer.

MSUS began servicing its first loans in April 2018. DBRS Morningstar's assessment considers the servicer's still relatively short, but growing, performance history along with its year-over-year portfolio and operational expansion. While most of the servicing still emanates from its first lender bank relationship, MSUS has added several other clients including some transaction-review and project-oversight assignments. MSUS does not service any commercial mortgage-backed securitizations, but its personnel are collectively experienced with such work. Although MSUS' mandates do not involve all servicing tasks, the Company has the procedures and infrastructure to execute all core functions effectively. As a smaller-scale operation, MSUS also benefits from strong parental support to leverage synergies and resources for technology, training, and compliance.

MSUS has had some employee departures in the past few months, including the recently announced year-end departure of its senior director/office head. The Company has satisfactorily addressed this turnover through its existing management and professional depth, which includes a highly experienced operations executive director who will become the new head of MSUS. It also is adding staff in response to continuing portfolio growth and new specialty asset-management work.

MSUS has established itself as an adept servicer for large-balance and highly structured syndicated loans demanding intensive portfolio management and detailed reporting. Additionally, the Company has successfully handled increased work this year involving loan forbearance and other payment-relief remedies arising from the Coronavirus Disease (COVID-19) pandemic. MSUS demonstrates proactive and controlled asset administration and a robust technology platform consisting of purchased and proprietary applications, including web portals for clients and borrowers. MSUS expects to roll out other automation enhancements next year. A compliance team oversees a formal training function and an effective audit program, which centers on annual Service Organization Control 1 Type II examinations and quarterly operational reviews. MSUS promotes functional cross training and an employee-centered change-process program, which has led to various procedural improvements.

MSUS is acceptably positioned to serve as a competent special servicer for commercial mortgage-backed securities and other investors based on its experienced personnel (including managers from affiliate Mount Street Portfolio Advisers LLC), asset-resolution procedures, portfolio-management diligence as a servicer, and technology.

As of September 30, 2020, MSUS' servicing portfolio consisted of 285 loan positions with an aggregate unpaid principal balance (UPB) of approximately \$10.21 billion. While servicing for five balance sheet clients, MSUS' portfolio included 43 syndicated loan

positions involving 30 other lenders. By comparison, the servicing portfolio contained 240 loan positions with a \$9.03 billion UPB as of June 30, 2019, and 27 loans with a \$1.46 billion UPB as of June 30, 2018. MSUS received and successfully resolved its first special servicing loan assignment from its primary serviced portfolio earlier this year.

All rankings are subject to surveillance, which could result in rankings being upgraded, downgraded, placed under review, confirmed, or discontinued by DBRS Morningstar.

DBRS Morningstar North American commercial mortgage servicer rankings are not credit ratings. Instead, they are designed to evaluate the quality of the parties that service commercial mortgage loans. Although the servicer's financial condition contributes to the applicable ranking, its relative importance is such that a servicer's ranking should never be considered as a proxy of its creditworthiness.

Notes:

All figures are in U.S. dollars unless otherwise noted.

The principal methodology is North American Commercial Mortgage Servicer Rankings (October 20, 2020), which can be found on dbrsmorningstar.com under Methodologies & Criteria.

For more information regarding rating methodologies and Coronavirus Disease (COVID-19), please see the following DBRS Morningstar press release: <https://www.dbrsmorningstar.com/research/357883>.

For more information regarding structured finance rating methodologies and Coronavirus Disease (COVID-19), please see the following DBRS Morningstar press release: <https://www.dbrsmorningstar.com/research/358308>.

For more information regarding the structured finance rating approach and Coronavirus Disease (COVID-19), please see the following DBRS Morningstar press release: <https://www.dbrsmorningstar.com/research/359905>.

For more information on this industry, visit www.dbrsmorningstar.com or contact us at info@dbrsmorningstar.com.

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