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DBRS Morningstar Affirms Mount Street US (Georgia) LLP Servicer Rankings; Forecast for Primary-Servicer Ranking Revised to Positive

January 7, 2020—Morningstar Credit Ratings, LLC (DBRS Morningstar) today affirmed its MOR CS3 commercial mortgage primary-servicer and special-servicer rankings for Mount Street US (Georgia) LLP (MSUS), an indirect operating subsidiary of UK-based Mount Street Group Limited. Concurrently, DBRS Morningstar revised its forecast for the primary-servicer ranking to Positive from Stable. The forecast for the special-servicer ranking remains Stable.

MSUS launched in October 2017 and began servicing in April 2018. The primary-servicer ranking and revised forecast consider the company's still short but increasing performance history balanced with its many operating strengths. These include well-experienced managers and staff, proactive and controlled asset administration, a robust technology platform consisting of purchased and proprietary applications with client and borrower web portals, and solid portfolio-management practices that address MSUS' focus on highly structured, syndicated loans demanding intensive oversight and reporting for its lender clients. Although MSUS' mandates have not involved all servicing tasks, the company's scope of duties is expanding; it has positioned itself with the procedures, technology, and professional expertise to execute all functions effectively. MSUS does not service any commercial mortgage-backed securitizations, but its personnel have backgrounds for such work.

The Positive ranking forecast for primary servicing reflects MSUS' favorable portfolio growth trajectory, progress in building a successful performance record, and ongoing operational enhancements. During 2019, MSUS added two new clients and continues to gain momentum as an adept servicer. It broadened its professional depth, expanded its training/staff-development program, and progressed with technology initiatives, organizational refinements, new vendor engagements, and process improvements to raise efficiency and strengthen control points. Notably, the company established a compliance team, which is executing a well-designed audit program that centers on annual Service Organization Control (SOC 1 Type II) examinations supplemented with quarterly operational audits that have collectively had satisfactory

results. While a relatively smaller-scale servicer, MSUS has strong parental support with expanded resource sharing and leveraging operational synergies for technology, training, and compliance.

MSUS is solidly positioned to serve as a competent special servicer based on its experienced personnel (including managers from affiliate Mount Street Portfolio Advisers LLC), analytical and asset-resolution procedures, portfolio-management diligence as a servicer, and excellent technology.

As of June 30, 2019, MSUS' servicing portfolio consisted of 240 loan positions (232 underlying properties) with an aggregate unpaid principal balance (UPB) of approximately \$9.03 billion, compared with 243 loan positions with an aggregate UPB of \$8.92 billion as of December 31, 2018, and 27 loan positions with a \$1.46 billion UPB as of June 30, 2018. While servicing for five balance-sheet clients, MSUS' portfolio included 94 syndicated loan positions involving 20 other lenders. To date, the portfolio has not contained any loans with past due payments, and MSUS has not managed any specially serviced assets.

DBRS Morningstar's operational risk assessments methodology and all published reports are available at www.morningstarcreditratings.com.

DBRS Morningstar's ranking, forecast, and assessments in this announcement are not assessments of the creditworthiness of an obligor or a security and thus are not credit ratings subject to NRSRO regulations.

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