

## DBRS Morningstar Raises Commercial Mortgage Primary Servicer Ranking, Confirms Special Servicer Ranking for Mount Street US

### CMBS

DBRS, Inc. (DBRS Morningstar) raised its commercial mortgage primary servicer ranking for Mount Street US (Georgia) LLP (MSUS or the Company) to MOR CS2 from MOR CS3 and changed the ranking's trend to Stable from Positive. Concurrently, DBRS Morningstar confirmed its MOR CS3 commercial mortgage special servicer ranking with a Stable trend for MSUS. The Company 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.

The raised primary servicer ranking recognizes MSUS' solid and successful performance record, which now is approaching five years, as an adept servicer for highly structured, and often syndicated, large loans demanding intensive portfolio management and detailed reporting. MSUS thus far has serviced exclusively for banks and other institutional lenders, including its first lender bank, which remains the largest relationship; however, MSUS has continued to expand its list of clients and scope of servicing duties. For some clients, MSUS' services have extended to transactional reviews and project oversight. Although MSUS does not provide primary servicing for any commercial mortgage-backed securitizations (CMBS), the Company is collectively experienced with such work as several team members came from large-volume servicers and special servicers.

The raised primary servicer ranking further reflects MSUS' well-experienced managers and staff, improved operating stability evidenced by overall moderating employee turnover, and ability to maintain requisite staffing levels to stay on pace with its rapid portfolio growth. MSUS also benefits from strong parental support to leverage synergies and resources for technology, training, and compliance.

MSUS' other operating strengths include a focus on staff cross-training and proactive and controlled practices for surveillance, reporting, transaction processing, credit decisions, and vendor oversight. The Company's robust technology platform consists of purchased and proprietary applications, including web portals for lender clients and borrowers. MSUS continues to rollout application enhancements. A global technology team, in conjunction with a vendor, oversees sound programs for data security and data-recovery testing. Additionally, a compliance unit manages a formal training function and an audit program that encompasses annual Service Organization Control 1 Type II examinations and quarterly operational reviews.

During 2021, MSUS obtained its first special servicing assignments by becoming the successor special servicer on several CMBS transactions. During 2022, it was named as special servicer on additional transactions and completed some asset resolutions. Although MSUS still has a short history as a special servicer, MSUS is solidly positioned with a dedicated and experienced team, which includes an investor reporting specialist, that is collectively experienced with CMBS requirements. The Company conducts its special servicing work with proactive procedures, sound analytics, and a purchased asset management application designed for CMBS special servicing and surveillance.

As of December 31, 2022, MSUS' servicing portfolio consisted of 495 loan positions with an aggregate unpaid principal balance (UPB) of approximately \$19.5 billion, up from 288 loan positions with an aggregate UPB of \$10.59 billion as of December 31, 2021.

While principally servicing for more than 15 balance-sheet clients, MSUS' portfolio included its role as lead servicer for 285 syndicated loan positions involving more than 50 other lenders/participants.

As of December 31, 2022, MSUS was the named special servicer on 228 loans with a total UPB of \$4.6 billion covering 21 CMBS transactions. The active special servicing portfolio contained 17 CMBS loans (based on consolidated note positions) and four CMBS real estate owned properties with a combined \$506 million UPB.

All rankings are subject to surveillance, which could result in rankings being raised, lowered, 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 (September 8, 2022), which can be found on [dbrsmorningstar.com](http://dbrsmorningstar.com) under Methodologies & Criteria.

For more information on this industry, visit [www.dbrsmorningstar.com](http://www.dbrsmorningstar.com) or contact us at [info@dbrsmorningstar.com](mailto:info@dbrsmorningstar.com).

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