



News Release

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FOR IMMEDIATE RELEASE

Morningstar Credit Ratings, LLC Publishes U.S. Asset-Backed Securities (ABS) Ratings Methodology

NEW YORK, Sept. 21, 2014—Morningstar Credit Ratings, LLC today published its methodology for U.S. asset-backed securities (ABS) ratings, outlining the principles the company's analysts apply when rating and monitoring ABS transactions. The methodology serves as Morningstar's framework for evaluating financial, operating, and corporate asset transactions. Morningstar announced its plans earlier this year to expand into ABS ratings services, and senior leaders from the company will be available today to discuss the asset class at IMN's ABS East Conference in Miami.

Vickie Tillman, president of Morningstar Credit Ratings, LLC, said, "We are deeply committed to providing investors with concise and clearly articulated structured credit analysis and transparency through our new ABS ratings framework. Our ABS analyst team's experience in financial, operating, and corporate assets transactions, combined with our defined methodology and insightful opinions, will help investors make more informed investment decisions."

Morningstar's ABS ratings methodology addresses seven areas of analysis: legal structure, asset quality, transaction structure, credit support, cash flow analysis, originator and servicer quality, and counterparty credit risk. The methodology also includes monitoring, which is an essential part of Morningstar's ratings process. Morningstar will analyze the performance of ABS-rated transactions relative to initial expectations, the likelihood that performance triggers will be breached, and any information obtained from operational reviews.

Morningstar has 20 letter rating categories ranging from "AAA" to "D" including plus and minus gradations to express its opinion about the credit quality of an ABS. Morningstar's ABS ratings supplement the company's existing commercial mortgage-backed securities and residential mortgage-backed securities ratings.

Morningstar's ABS ratings methodology is available under the Analysis and Considerations section of its website at <https://ratingagency.morningstar.com>.

About Morningstar Credit Ratings, LLC and Morningstar, Inc.

Morningstar Credit Ratings, LLC is a Nationally Recognized Statistical Rating Organization (NRSRO) that specializes in structured credit research and ratings and offers a wide array of services including new-issue ratings and analysis, operational risk assessments, surveillance services, data, and technology solutions.

Morningstar Credit Ratings, LLC is a subsidiary of Morningstar, Inc. (NASDAQ: MORN), a leading provider of independent investment research in North America, Europe, Australia, and Asia.

Morningstar, Inc. offers an extensive line of products and services for individual investors, financial advisors, asset managers, and retirement plan providers and sponsors. Morningstar provides data on approximately 473,000 investment offerings, including stocks, mutual funds, and similar vehicles, along with real-time global market data on more than 12 million equities, indexes, futures, options, commodities, and precious metals, in addition to foreign exchange and Treasury markets. Morningstar also offers investment management services through its investment advisory subsidiaries and had approximately \$169 billion in assets under advisement and management as of June 30, 2014. The company has operations in 27 countries.

Morningstar, Inc. is not an NRSRO, and its credit ratings on corporate issuers are not NRSRO credit ratings.

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