



News Release

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FOR IMMEDIATE RELEASE

Morningstar Credit Ratings, LLC Affirms 'MOR CS3' Commercial Mortgage Primary Servicer Ranking and 'MOR CS2' Commercial Mortgage Special Servicer Ranking for Sabal Financial Group, L.P.; Revises Primary Servicer Ranking Forecast to Positive

NEW YORK, Oct. 15, 2015—Morningstar Credit Ratings, LLC today affirmed its 'MOR CS3' commercial mortgage primary servicer ranking and its 'MOR CS2' commercial mortgage special servicer ranking for Sabal Financial Group, L.P. (Sabal). Morningstar also revised its forecast for the primary servicer ranking to Positive from Stable and maintained its Stable forecast for the special servicer ranking.

Morningstar affirmed its rankings based on Sabal's growing experience and solid capabilities to service performing loans, experienced management and staff, effective technology, and sound portfolio management. Sabal has experienced elevated employee turnover, although it has not involved management and has been largely attributable to declining special-servicing volume. The Positive forecast for the primary servicer ranking reflects Sabal's expanded internal audit program, expectations for a satisfactory Regulation AB attestation in 2016, and the continued absence of material findings in Sabal's other audits. Sabal became an approved seller/servicer for Freddie Mac's Small Balance Loan program in December 2014 and began servicing for Freddie Mac in May. The Positive forecast also reflects Morningstar's confidence that Sabal will perform well during its first full year as a Freddie Mac primary servicer. Morningstar expects Sabal to remain an effective special servicer based on its proactive practices, experienced personnel, and resolution activity, which has involved many smaller-balance assets.

As of June 30, 2015, Sabal's primary-servicing portfolio consisted of 1,143 loans with an unpaid principal balance (UPB) of approximately \$1.97 billion. The portfolio included 668 loans in non-performing-loan securitizations, 238 FDIC loans, 19 Freddie Mac loans, and 237 loans with other third parties. As of June 30, 2015, the active special-servicing portfolio consisted of 618 loans and 2,532 real-estate-owned (REO) properties with a combined UPB of approximately \$1.89 billion. The securitized portion of the active

special-servicing portfolio consisted of 379 loans and 1,112 REO properties with a combined UPB of approximately \$895.4 million.

To access Morningstar's operational risk assessment methodology and all published reports, please visit <https://ratingagency.morningstar.com>.

About Morningstar Credit Ratings, LLC and Morningstar, Inc.

Morningstar Credit Ratings, LLC is a Nationally Recognized Statistical Rating Organization (NRSRO) offering 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.

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