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FOR IMMEDIATE RELEASE**Morningstar Credit Ratings, LLC Affirms 'MOR CC3' Construction Loan Servicer and Construction Loan Special Servicer Rankings for Sabal Financial Group, LP**

NEW YORK, Sept. 25, 2014—Morningstar Credit Ratings, LLC today affirmed its 'MOR CC3' construction loan servicer and construction loan special servicer rankings for Sabal Financial Group, LP. The affirmed construction loan servicer and construction loan special servicer rankings are based on the following factors:

Construction Loan Servicing:

- Expanded history as a construction loan servicer: Sabal has gained more experience as a construction loan servicer and has demonstrated significant growth in construction loan servicing volume over the past year.
- Enhanced technology: Morningstar believes that technological enhancements, such as a borrower portal and automated validation protection, will facilitate the construction funding process, provide easy access to loan status, and mitigate the risk of duplicate or draw-request overfunding.
- Experienced personnel and currently sufficient staff resources: Sabal's construction loan administrators possess solid experience with credit/asset management, commercial construction projects, and particularly homebuilder loans, the company's current business niche in construction lending and servicing. Morningstar believes that Sabal has sufficient resources for its current construction loan administration and risk management tasks. To accommodate growth, the company has added personnel to address project management and construction risk more effectively.
- Expertise with homebuilder development and funding structures: While Sabal's construction loan servicing experience to date has centered on homebuilder developments, Morningstar believes the company has the requisite capabilities to perform effective construction loan administration for other property types.

- Diligent and well-documented procedures: Sabal's operating procedures are well-documented and include appropriate approval controls and review practices for proactive loan administration that covers prefunding and closing, draw requests, and project risk management.
- Expanded internal audit function: Sabal's control practices include standardized task management checklists and borrower-callback procedures to validate information. Sabal also hired a compliance risk officer this year and will undergo a Regulation AB attestation and an SOC 1SM Service Organization Controls Report[®] to examine construction loan administration practices and technology security controls.
- Solid reporting capabilities: Morningstar believes that Sabal has solid reporting tools and the corresponding industry knowledge necessary to address third-party construction loan servicing and associated investor reporting requirements.

Construction Loan Special Servicing:

- Available personnel for construction loan special servicing: While Sabal has had limited special servicing activity to date in its construction loan portfolio, it has dedicated five asset managers with the experience to handle construction loan special serving as needed.
- Experienced professional team: Sabal's management team and asset managers are experienced with complex asset management involving construction loans.
- Enhanced technology: Sabal uses the Microsoft Dynamics Client Relationship Management (CRM) system and SS&C Technologies' Loan Management System for construction asset management functions and tracking activities. The systems are integrated and are well-suited for construction loan administration and asset management.
- Sound asset management practices: Asset plans and all proposed resolutions require formal committee approval based on a delegation-of-authority matrix. Asset business plans are centrally located in Sabal's CRM system and are updated during the resolution process.
- Enhanced internal audit and compliance functions: Sabal's expanded audit activities will include construction loan administration and asset management functions. Additionally, the company's new compliance program will examine adherence to construction loan procedures and loan document requirements in the next year, including compliance with the company's approval delegations.

As of June 30, 2014, Sabal's homebuilder construction servicing portfolio comprised 38 performing loans with a total commitment of approximately \$224.4 million. By comparison, as of Sept. 30, 2013, the construction servicing portfolio comprised 19 performing loans with a total commitment of approximately

\$202.0 million. Sabal reported that it restructured four construction loans in 2014. By comparison, it had no construction assets in special servicing as of June 30, 2013.

The forecast is Favorable for the construction loan servicer ranking and Stable for the construction loan special servicer ranking. We expect Sabal to continue serving as an effective construction loan servicer and special servicer for third-party investors.

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

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