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FOR IMMEDIATE RELEASE**Morningstar Credit Ratings, LLC Affirms 'MOR SBC1' Small-Balance Commercial Mortgage Servicer and Special Servicer Rankings for KeyBank, N.A.**

NEW YORK, July 17, 2014—Morningstar Credit Ratings, LLC today affirmed its 'MOR SBC1' small-balance commercial mortgage servicer and special servicer rankings for KeyBank, N.A., a wholly owned bank subsidiary of KeyCorp. KeyBank's servicing and special servicing platform formerly operated as KeyCorp Real Estate Capital Markets, Inc. until that entity was merged into KeyBank in late 2013. The affirmed small-balance servicer rankings are based on the following factors:

Small-Balance Servicing

- Proven capabilities to effectively integrate large portfolio acquisitions: During 2013, KeyBank acquired Bank of America's commercial mortgage servicing business. It also acquired nearly all of Berkadia Commercial Mortgage's special servicing rights, became the named servicer for a number of newly issued commercial mortgage-backed securities (CMBS), and expanded its work for government services clients. KeyBank managed this rapid portfolio expansion, which included many small-balance assets, along with the associated technology conversion challenges, in a highly effective manner while concurrently meeting the ongoing servicing requirements for its existing clients. Integral to supporting this growth, KeyBank expanded and extended its shared-servicing agreement with Berkadia.
- Investor reporting expertise: Morningstar has a favorable view of KeyBank's capabilities to provide accurate, complete, and timely reporting to CMBS and other investor clients. Its reporting capabilities fully address both CMBS and non-CMBS client requirements.
- Proactive and controlled asset administration: Morningstar has a positive opinion of KeyBank's asset administration capabilities for smaller-balance loans. KeyBank continues to have a successful performance record with respect to pooling and servicing agreement compliance and

meeting its service-level agreements. Morningstar believes that KeyBank effectively oversees the Berkadia shared-servicing relationship with proactive oversight controls.

- Excellent technology: KeyBank's technology tools and centralized data management enable the company to service a diverse servicing portfolio efficiently. In particular, Morningstar believes KeyBank's proprietary, integrated asset management and reporting application, RECWeb, is highly effective for automated workflow management.
- Strong management and professional depth: KeyBank has retained an experienced management and professional staff. Morningstar believes that the company operates with a well-designed organizational structure that addresses its myriad servicing requirements efficiently. Additionally, Morningstar views KeyBank's managers and staff as quite adept with small-balance loan administration and asset management.
- Robust internal audit program: KeyBank has a thorough internal audit program that examines a broad range of loan administration and portfolio management processes. The audit reports issued during 2013 did not contain any material findings related to operational controls and practices. KeyCorp's audit report also assigned its highest rating to the loan servicing operation. KeyBank supplements its audit function with performance monitoring activities administered by a dedicated compliance unit.
- Effective portfolio management: KeyBank has diligent, thorough practices for proactive asset-level management and portfolio oversight for smaller-balance loans. In particular, the company continues to achieve a very high collection rate of annual property operating statements and has a policy of pursuing annual property inspections for all small-balance loans. KeyBank effectively uses its proprietary technology to monitor collateral performance, track loan covenant compliance, and monitor trigger events for small-balance loans.

Small-Balance Special Servicing

- Strengthened professional depth: KeyBank expanded its special servicing professional depth by hiring a number of well-experienced asset managers from Berkadia. The company also has asset managers who primarily handle smaller-balance loans.
- Extended asset resolution record: Morningstar's affirmed ranking recognizes the company's extended achievement record for small-balance assets for CMBS and other investors, including assets contained in government client-held portfolios. Although KeyBank has successfully managed and resolved many large-balance assets, Morningstar considers KeyBank to be equally adept at resolving small-balance assets.

- Well-controlled, diligent asset management: Morningstar considers KeyBank to have diligent and controlled asset analysis and management practices to address the characteristics of small-balance loans and borrowers.
- Effective technology for special servicing: KeyBank's RECWeb application serves as an effective asset management and reporting tool for specially serviced assets.
- No discernible conflicts of interest: Morningstar views KeyBank as a special servicer that operates without the potential conflicts of interest inherent in transactions in which the special servicer has a close affiliation with the CMBS first-loss position investor. KeyBank's business model is to act as an independent, third-party special servicer without any investment in subordinate CMBS. In addition, KeyBank does not use affiliates to purchase or sell assets within securitization trusts, or have affiliates that do so.

As of Dec. 31, 2013, KeyBank's small-balance primary and master servicing portfolio was approximately \$7.59 billion by unpaid principal balance (UPB) and 8,055 by loan count, which was 4.5% and 48.2% of its total primary servicing portfolio, respectively. The primary servicing portion of the total small-balance portfolio was approximately \$6.64 billion by UPB and comprised 7,547 loans.

As of Dec. 31, 2013, KeyBank's total active small-balance special servicing portfolio was approximately \$337.00 million by UPB and 456 by asset count, which included 445 loans and 11 real estate owned properties, with an average asset balance of approximately \$739,000. The CMBS component of the active special servicing portfolio comprised 74 assets—66 loans and eight REO properties—with a UPB of approximately \$66.00 million.

The forecast for both rankings is Stable. Morningstar expects KeyBank to continue serving as an effective commercial mortgage servicer and special servicer for small-balance loans and real estate assets.

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) 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' rankings, forecasts, and assessments contained in this press release are evaluations and opinions of non-credit related risks, and therefore, are not credit ratings within the meaning of Section 3 of the Securities Exchange Act of 1934 ("Exchange Act") or credit ratings subject to the Exchange Act requirements and regulations promulgated thereunder with respect to credit ratings issued by NRSROs.

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