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FOR IMMEDIATE RELEASE**Morningstar Credit Ratings, LLC Assigns 'MOR CS3' Commercial Mortgage Primary Servicer Ranking for Bank of New York Mellon**

NEW YORK, Feb. 26, 2015—Morningstar Credit Ratings, LLC today assigned its 'MOR CS3' commercial mortgage primary servicer ranking for Bank of New York Mellon. The forecast for the ranking is Stable. The assigned commercial mortgage primary servicer ranking is based on the following factors:

- Experience with securitized and commercial mortgage transactions: BNY Mellon's portfolio consists of legacy transactions that mainly involve franchise loan securitizations, net leases, and industrial development revenue bonds. The company has an established track record of meeting the portfolio management and reporting requirements of these transactions.
- Capabilities related to single-family rental securitizations: BNY Mellon is repositioning itself to pursue servicing assignments for single-family rental securitizations. Morningstar believes the company, based on its demonstrated knowledge of the servicing requirements for single-family rental securitizations and the projected completion of enhancements to its technology systems, should possess the operational capabilities to serve in that capacity.
- Professional staff and management experience: In Morningstar's view, BNY Mellon has an experienced staff and management team, as well as low employee turnover. The organizational structure suitably addresses the company's loan servicing responsibilities, and the company has growing capacity, as a result of continuing portfolio runoff, to accommodate new loans.
- Sound loan administration practices: While BNY Mellon services a relatively small portfolio and has not boarded any new loans in the past few years, the company has historically handled large portfolio volume. BNY Mellon demonstrates acceptable practices for loan administration functions that cover payment and cash processing, escrow account management, and asset performance monitoring. However, some processes appear to involve manual elements that Morningstar believes could be automated by further leveraging the functionality of its servicing system and

interfacing applications. The company has adequately documented policies and procedures, although the materials it submitted to Morningstar did not include policies and procedures for all core functions.

- Adequate internal audit function: In Morningstar's view, BNY Mellon has an adequate audit function to monitor operational controls and ensure adherence to established procedures. However, the company's approximate 36-month internal audit cycle is longer than what Morningstar considers to be an industry best practice. The company's stated plan to enhance its quality control program could potentially serve as an effective supplement to the longer time periods between internal audits.
- Acceptable technology: Morningstar believes BNY Mellon's technology tools acceptably address the portfolio management and reporting requirements of its existing portfolio. The company uses the SS&C Technologies LMS™ servicing system and a nonintegrated application for loan tickler management and other event-tracking tasks. The company expects to upgrade to the newest version of LMS later this year. Morningstar believes BNY Mellon may gain operating efficiency and data management control by further leveraging the available features of the LMS servicing system and integrating the system with its other applications. Additionally, BNY Mellon is completing the development of an application that is designed to address the data management requirements and related property manager oversight involved in single-family rental securitizations.

As of Dec. 31, 2014, BNY Mellon's servicing portfolio consisted of 98 primary serviced loans with an unpaid principal balance (UPB) of approximately \$1.42 billion and 51 master serviced-only loans with a UPB of approximately \$79.7 million. The portfolio consisted of 21 securitized or industrial development revenue-bond transactions issued between 1998 and 2006.

The forecast for the ranking is Stable. Morningstar believes BNY Mellon has the experience and operational capabilities to serve as a competent servicer for commercial mortgage-backed securities transactions and other third-party investors. Morningstar will continue to monitor the company's efforts to rebuild its portfolio, which continues to run off and consists entirely of legacy transactions.

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

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