



News Release

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FOR IMMEDIATE RELEASE

Morningstar Credit Ratings, LLC Raises Construction Loan Servicer Ranking to 'MOR CC2' from 'MOR CC3' and Affirms 'MOR CC3' Construction Loan Special Servicer Ranking for Sabal Financial Group, L.P.

NEW YORK, Oct. 15, 2015—Morningstar Credit Ratings, LLC today raised its construction loan servicer ranking to 'MOR CC2' from 'MOR CC3' and affirmed its 'MOR CC3' construction loan special servicer ranking for Sabal Financial Group, L.P. (Sabal). Morningstar's forecast for both rankings is Stable.

Morningstar raised its construction loan servicer ranking based on Sabal's extended performance record and expertise with the funding structures and administrative requirements of homebuilder-development loans, which has become a core business line and area of specialization for the company. The revised ranking also reflects Sabal's proactive and controlled construction loan risk-management practices, experienced staff and added organizational depth for construction loan servicing, soundly designed and documented procedures, expanded internal audit function, and solid reporting capabilities. Sabal's construction loan portfolio has not triggered any special-servicing activity except for some loans requiring budgetary rebalancing and other modifications. Accordingly, the affirmed construction loan special servicer ranking reflects Sabal's experienced asset managers, proactive asset management, and successful performance record as a special servicer for other types of troubled commercial mortgage loans and real estate assets.

As of June 30, 2015, Sabal's homebuilder construction servicing portfolio consisted of 54 performing loans with a total commitment of approximately \$338.9 million. By comparison, as of June 30, 2014, the construction servicing portfolio consisted of 38 performing loans with a total commitment of approximately \$224.4 million. During the first half of 2015, Sabal modified five construction loans with an aggregate unpaid principal balance (UPB) of \$9.8 million. During 2014, it also modified five construction loans with an aggregate UPB of \$18.6 million. The company did not have any construction loans requiring modifications prior to January 2014.

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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