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FOR IMMEDIATE RELEASE**Morningstar Credit Ratings, LLC Affirms 'MOR CS2' Commercial Mortgage Special Servicer Ranking and 'MOR TA3' Commercial Mortgage Trust Advisor Ranking for Freddie Mac Multifamily Asset Management and Operations**

NEW YORK, Dec. 15, 2014—Morningstar Credit Ratings, LLC today affirmed its 'MOR CS2' commercial mortgage special servicer ranking and 'MOR TA3' commercial mortgage trust advisor ranking for Freddie Mac Multifamily Asset Management and Operations. Freddie Mac is a government-sponsored enterprise operating under a conservatorship established on Sept. 6, 2008 under the auspices of the Federal Housing Finance Agency. The affirmed commercial mortgage special servicer and trust advisor rankings are based on the following factors:

Special Servicing:

- Accurate and timely reporting: In Morningstar's view, Freddie Mac is solidly capable of providing accurate and timely asset-level reporting content. In particular, Freddie Mac effectively handles the exchange of information with its seller/servicers and investors in its Capital Markets ExecutionSM program, known as "K-Deal" securitizations.
- Excellent multifamily asset recovery results: In the first half of 2014, Freddie Mac resolved 97 multifamily loans with a total unpaid principal balance (UPB) of approximately \$1.09 billion (88 of these loans were full payoffs) and sold one real estate-owned (REO) property with an \$11.9 million book value that yielded net sale proceeds of 112 percent of collateral value. Morningstar also calculated that Freddie Mac achieved 111 percent net proceeds-to-value on its nine REO liquidations that had a total book value of \$98.7 million in 2013. Additionally, Morningstar believes Freddie Mac's average hold times for asset resolution signify an expeditious disposition process.
- Well-controlled asset management and sound audit function: Morningstar believes Freddie Mac has diligent and soundly controlled asset management procedures to mitigate risk and minimize losses for investors. The company's audit practices encompass not only a biennial, formal program administered

at the corporate level, but also quarterly self-administered, yet independent, internal audits. The internal audits are performed by the multifamily division's enterprise risk management group within its governance and business services department and test compliance with Freddie Mac's own policies and procedures and any K-Deal transaction requirements.

- Effective communication protocols with seller/servicers and sound conflict of interest management: Morningstar has a positive view of Freddie Mac's servicing standard requirements for its seller/servicers and its related performance review and auditing process, which Freddie Mac also designed as a tool to educate the staff at each entity about the policies, procedures, and requirements for servicing Freddie Mac-sponsored loans. Freddie Mac's strong communication with its network of seller/servicers not only mitigates the risk of errors, but can also facilitate its handling of new specially serviced loans. Since Freddie Mac has no affiliations with subordinate class purchasers on its K-Deal securitizations and no ownership interests in or affiliations with third-party vendors, Morningstar believes the company has no discernible conflicts of interest. Additionally, Freddie Mac has strict procedures for selecting and approving vendors.
- Sound and improving technology platform and disaster recovery preparedness: Morningstar maintains a positive view of Freddie Mac's proprietary asset management system, called SMARTSM (Streamlined Management Analytical and Reporting Tool), and the company's continuing progress to expand the system with the required functionality to ultimately prevent the need for some stand-alone legacy applications. The company has also introduced several new applications to fortify its surveillance and portfolio management processes. The company has improved its disaster recovery preparedness by establishing a secondary data center out of state and opening an alternate office site for key employees, thus reducing maximum allowable recovery times for operational processes involving cash management. Freddie Mac also successfully completed data recovery tests this year. However, the company's stated maximum allowable timeframes to recover some other non-cash functions still exceed industry norms.
- Sufficient staffing capacity for special servicing: Based on Morningstar's calculation of Freddie Mac's assets-to-asset manager ratio, the company appears to have sufficient staff resources to keep pace with its recent asset transfers and active portfolio. As of June 30, 2014, the company had an assets-to-asset manager ratio of just seven to one.

Trust Advisor:

- Solid capabilities to oversee servicers and special servicers: Morningstar believes Freddie Mac has the skillset to be a capable trust advisor, based on its experience reviewing the work and

recommendations of its seller/servicers that relate to activities such as borrower consents, asset status reporting, and monitoring the servicers' other credit-related decisions for Freddie Mac's balance sheet loans and securitized transactions.

- Thorough operational reviews of seller/servicers' operations to monitor procedural compliance: Morningstar believes Freddie Mac employs an extensive and well-designed performance review and audit program for its servicers. In Morningstar's view, Freddie Mac's program proactively guards against servicer errors or omissions that could lead to losses for Freddie Mac or its securitization investors.
- Knowledge of commercial mortgage-backed securities investor reporting requirements: Morningstar believes Freddie Mac's management and staff possess a sound knowledge of the investor reporting content and decision-making considerations required of special servicers in securitized transactions.

As of June 30, 2014, Freddie Mac's total active special servicing portfolio consisted of 26 loans and one REO property with a UPB of approximately \$493.1 million.

The forecast for both rankings is Stable. Morningstar expects Freddie Mac to continue serving as an effective special servicer for its balance sheet portfolio and to conduct proactive surveillance on its securitized transactions. Morningstar also believes the operation, through its current procedures, systems, and infrastructure, is suitably positioned to assume the roles and responsibilities of a trust advisor in a securitized transaction.

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 noncredit 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

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