



News Release

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FOR IMMEDIATE RELEASE

Morningstar Credit Ratings, LLC Affirms 'MOR CS2' Commercial Mortgage Special Servicer Ranking for Rialto Capital Advisors

NEW YORK, July 7, 2015—Morningstar Credit Ratings, LLC today affirmed its 'MOR CS2' commercial mortgage special servicer ranking for Rialto Capital Advisors, LLC. Morningstar's forecast for the ranking is Stable.

Morningstar affirmed its ranking based on Rialto's continued asset-resolution success for its opportunity funds, structured FDIC transactions, and nonperforming loan securitizations. Rialto is principally a named special servicer for new-issue commercial mortgage-backed securities (CMBS) and, as a result, has resolved few assets within the conventional CMBS framework. The affirmed ranking also considers Rialto's experienced staff, strong technology, diligent asset analytics, robust compliance practices, and sound internal audit procedures that center on FDIC-commissioned reviews. To the extent Rialto's active servicing portfolio becomes more concentrated with CMBS and non-FDIC-related assets, the company may benefit from an expanded audit regimen.

Rialto Capital Advisors, LLC is the asset-management unit of Rialto Capital Management, LLC, a wholly owned subsidiary of Lennar Corporation. As of Dec. 31, 2014, Rialto Capital Advisors was the named special servicer on 45 CMBS that consisted of 3,071 loans with an aggregate unpaid principal balance (UPB) of approximately \$49.0 billion. The active servicing portfolio consisted of 4,602 assets with an aggregate UPB of approximately \$1.9 billion. Approximately 78 percent of the assets by count consisted of land, residential, and nontraditional real estate collateral, and most assets had a UPB of \$3.0 million or less. The active CMBS servicing portfolio consisted of 28 assets with an aggregate UPB of approximately \$124.1 million, comprising 20 assets in FDIC 2012-C1, an unrated securitization, and eight loans in new-issue rated transactions.

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 Exchange Act requirements and regulations promulgated thereunder with respect to credit ratings issued by NRSROs.

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.

Morningstar, Inc. offers an extensive line of products and services for individual investors, financial advisors, asset managers, and retirement plan providers and sponsors. Morningstar provides data on approximately 500,000 investment offerings, including stocks, mutual funds, and similar vehicles, along with real-time global market data on more than 15 million equities, indexes, futures, options, commodities, and precious metals, in addition to foreign exchange and Treasury markets. Morningstar also offers investment management services through its investment advisory subsidiaries and had more than \$179 billion in assets under advisement and management as of March 31, 2015. The company has operations in 27 countries.

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