

**Morningstar Credit Ratings, LLC ("Morningstar")
Form NRSRO Annual Update
Exhibit 1**

Credit Ratings Performance Measurement Statistics: Credit Ratings Transition Matrix

There is no ten-year/long-term credit ratings transition matrix for CMBS. Morningstar did not have letter-grade credit ratings in 2005.

Morningstar Credit Ratings, LLC ("Morningstar")

Form NRSRO Annual Update

Exhibit 1

Credit Ratings Performance Measurement Statistics: Credit Ratings Transition Matrix

There is no three-year or ten-year credit ratings transition matrix for RMBS. Morningstar began providing ratings on RMBS transactions in 2013.

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Credit Ratings Performance Measurement Statistics: Credit Ratings Transition Matrix

There is no credit ratings transition matrix for ABS. No public tranches rated by 1/1/2015. The first public deal was rated by Morningstar was on 6/9/2015

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Credit Ratings Performance Measurement Statistics: Default Rates Relative to Initial Ratings

The tables at right present the default rates of commercial mortgage-backed securities ("CMBS") tranches for which Morningstar maintained a rating at January 1 2015, or at December 31, 2012, as applicable, relative to Morningstar's initial rating thereof.

The credit rating categories, ranging from AAA to D, including as applicable, a plus or minus sign to indicate relative strength within the rating categories have been referenced at the end of this Exhibit.

Table 1 at right shows the percentage of CMBS tranches that Morningstar rated at 1/1/2015, grouped by Morningstar's initial rating thereof, that were either (i) rated 'D' at 12/31/15 or (ii) non-rated at 12/31/15 by reason of a complete loss of principal during the period 01/01/15 to 12/31/15.

Table 2 at right shows the percentage of CMBS tranches that Morningstar rated at 12/31/12, grouped by Morningstar's initial rating thereof, that were either (i) rated 'D' at 12/31/15 or (ii) non-rated at 12/31/15 by reason of a complete loss of principal during the period 01/01/13 to 12/31/15.

/----- **Table 1** -----/

Morningstar Rating Categories	Default rates relative to initial ratings
AAA	0.44%
AA+	1.56%
AA	2.64%
AA-	2.43%
A+	6.09%
A	3.92%
A-	4.58%
BBB+	9.89%
BBB	10.89%
BBB-	9.85%
BB+	14.22%
BB	10.81%
BB-	9.31%
B+	14.49%
B	14.39%
B-	21.34%
CCC+	100.00%
CCC	44.44%
CCC-	0.00%
CC+	0.00%
CC	0.00%
CC-	0.00%
C+	0.00%
C	0.00%
C-	0.00%
D	N/A

/----- **Table 2** -----/

Morningstar Rating Categories	Default rates relative to initial ratings
AAA	0.47%
AA+	1.43%
AA	1.92%
AA-	3.15%
A+	5.11%
A	3.09%
A-	5.91%
BBB+	6.82%
BBB	7.40%
BBB-	9.85%
BB+	8.48%
BB	8.55%
BB-	8.41%
B+	8.47%
B	12.58%
B-	17.41%
CCC+	50.00%
CCC	23.53%
CCC-	0.00%
CC+	0.00%
CC	0.00%
CC-	0.00%
C+	0.00%
C	0.00%
C-	0.00%
D	N/A

Financial Institutions, Brokers and Dealers
10-Year Transition and Default Rates
(December 31, 2005 through December 31, 2015)

Morningstar, Inc. has not been issuing credit ratings on financial institutions, brokers, or dealers as described in section 3(a)(62)B(i) of the Securities and Exchange Act of 1934 during the above 10-year period.

Corporate Issuers
10-Year Transition and Default Rates
(December 31, 2005 through December 31, 2015)

Morningstar, Inc. has not been issuing credit ratings on corporate issuers as described in section 3(a)(62)B(iii) of the Securities and Exchange Act of 1934 during the above 10-year period.

Types of Rating Opinions

Letter-Grade Credit Rating

A Morningstar Credit Ratings, LLC ("Morningstar") letter-grade credit rating is only an opinion on the ability of the collateral to support timely interest payments and to repay principal by the rated final distribution date according to the terms of the transaction and subject to the various qualifications, caveats and considerations enumerated in its respective ratings letters, ratings reports, and Morningstar's website, <https://ratingagency.morningstar.com>

Morningstar utilizes a set of letter ratings ranging from 'AAA' to 'D' to express its opinion on the credit quality of a security based on Morningstar's policies and procedures. The definitions for Morningstar's letter-grade ratings are as follows:

AAA

A rating of 'AAA' is the highest letter-grade rating assigned by Morningstar. Securities rated 'AAA' have an extremely strong ability to make timely interest payments and ultimate principal payments on or prior to a rated final distribution date.

AA

A rating of 'AA' indicates the securities have a very strong ability to make timely interest and ultimate principal payments on or prior to a rated final distribution date.

A

A rating of 'A' indicates the securities have a strong ability to make timely interest and ultimate principal payments on or prior to a rated final distribution date, but that ability could be influenced by adverse changes in circumstances or conditions, such as adverse business or economic conditions.

BBB

A rating of 'BBB' indicates the securities should be able to meet their obligation to make timely payments of interest and ultimate payment of principal on or prior to a rated final distribution date, but that ability could be impacted by adverse changes in circumstances or conditions, such as adverse business or economic conditions.

BB

A rating of 'BB' indicates the securities should be able to meet their obligation to make timely payments of interest and ultimate payment of principal on or prior to a rated final distribution date in the absence of various adverse circumstances or conditions such as adverse business or economic conditions. The vulnerability of securities rated 'BB' to the previously mentioned conditions is greater than higher rated securities.

B

A rating of 'B' indicates a default has not yet occurred but the securities are vulnerable to a challenging or changes in environment, conditions or circumstances. Securities rated 'B' are more vulnerable to nonpayment of timely interest and ultimate payment of principal on or prior to a rated final distribution date than higher rated securities.

CCC

A rating of 'CCC' indicates a material likelihood of default. Forecasted or actual losses may erode but have not yet eliminated available credit support.

CC and C

Beginning in 2009, no ratings are issued by Morningstar in the 'CC' or 'C' category.

D

A rating of 'D' indicates that (1) a default has occurred or there is a substantial likelihood of a default; (2) actual losses have reduced the principal balance of the security; or (3) actual losses have eliminated available credit support. Additionally, forecasted losses that would reduce the principal balance of the security or eliminate the available credit support, subject to our reasonable judgment, may be indicative of a 'D' rating.

For purposes of the above, the following terms shall have the following meanings:

"default" shall generally include one or more of the below:

- (i) failure to pay (1) timely interest and/or (2) principal on the securities, and/or
- (ii) any bankruptcy, administration, receivership, winding up, liquidation or other termination of the business of the issuer.

Under certain circumstances, subject to our reasonable judgment, an interest or principal shortfall may not be deemed a default. Factors that would impact our decision include the magnitude of the shortfall, likelihood of recurrence, certainty and timing of a repayment, and the current rating of the security.

+/- Gradations

Morningstar also provides finer gradations of the ratings ranging from 'AA' to 'CCC' by adding a plus or minus sign to indicate relative strength within the rating categories.

Credit Rating History

To access Morningstar Credit Ratings credit rating history, please go to <https://ratingagency.morningstar.com> and click on the Regulatory Affairs tab.