APPLICATION FOR REGISTRATION AS A
NATIONALLY RECOGNIZED
STATISTICAL RATING ORGANIZATION (NRSRO)

☐ INITIAL APPLICATION

X ANNUAL CERTIFICATION

☐ APPLICATION TO ADD CLASS OF CREDIT RATINGS

☐ UPDATE OF REGISTRATION
Items and/or Exhibits Amended:

☐ APPLICATION SUPPLEMENT
Items and/or Exhibits Supplemented:

____

☐ WITHDRAWAL FROM REGISTRATION

<u>Important</u>: Refer to Form NRSRO Instructions for General Instructions, Item-by-Item Instructions, an Explanation of Terms, and the Disclosure Reporting Page (NRSRO). "You" and "your" mean the person furnishing this Form NRSRO to the Commission. "Applicant" and "NRSRO" mean the person furnishing this Form NRSRO to the Commission <u>and</u> any credit rating affiliate identified in Item 3.

1. **A.** Your full name:

Morningstar Credit Ratings, LLC

B. (i) Name under which your credit rating business is primarily conducted, if different from Item 1A:

N/A

(ii) Any other name under which your credit rating business is conducted and where it is used (other than the name of a credit rating affiliate identified in Item 3):

Realpoint (prior to June 10, 2011)

C. Address of your principal office (do not use a P.O. Box):

410 Horsham Road, Suite A	Horsham,	PA	19044
(Number and Street)	(City)	(State/Country)	(Zip/Postal Code)

D. Mailing address, if different:

(Number and Street)	(City)	(State/Country)	(Zip/Postal Code)

E. Contact person (See Instructions):

Robert G. Dobilas, President
(Number and Street)

410 Horsham Road, Suite A	Horsham	PA	19044
(Number and Street)	(City)	(State/Country)	(Zip/Postal Code)

CERTIFICATION:

The undersigned has executed this Form NRSRO on behalf of, and on the authority of, the Applicant/NRSRO. The undersigned, on behalf of the Applicant/NRSRO, represents that the information and statements contained in this Form, including Exhibits and attachments, all of which are part of this Form, are accurate in all significant respects. If this is an ANNUAL CERTIFICATION, the undersigned, on behalf of the NRSRO, represents that the NRSRO's application on Form NRSRO, as amended, is accurate in all significant respects.

3/30/12 (Date) — Morningstar Credit Ratings, LLC (Name of the Applicant/NRSRO)

By: ______________ (Signature) — Robert G. Dobilas, President (Print Name and Title)

2. **A**. Your legal status:

☐ Corporation **X** Limited Liability Company ☐ Partnership ☐ Other (specify) __________

B. Month and day of your fiscal year end: December 31

C. Place and date of your formation (i.e., state or country where you were incorporated, where your partnership agreement was filed, or where you otherwise were formed):

State/Country of formation: Pennsylvania Date of formation: 2011 (Division); 08/09/07 (LLC)

3. Your credit rating affiliates (See Instructions):

(Name) (Address)

(Name) (Address)

(Name) (Address)

(Name) (Address)

(Name) (Address)

4. The designated compliance officer of the Applicant/NRSRO (See Instructions):
Dana M. Eddis, Designated Compliance Officer, Morningstar, Inc.
(Name and Title)

410 Horsham Rd., Suite A	Horsham,	PA	19044
(Number and Street)	(City)	(State/Country)	(Postal Code)

5. Describe in detail how this Form NRSRO and Exhibits 1 through 9 to this Form NRSRO will be made publicly available on Web site of the Applicant/NRSRO, or through another comparable, readily accessible means (See Instructions):

The documents are available at: http://ratingagency.morningstar.com/PublicDocs/NRSRO%20Application.pdf

6. COMPLETE ITEM 6 ONLY IF THIS IS AN INITIAL APPLICATION, APPLICATION SUPPLEMENT, OR APPLICATION TO ADD A CLASS OF CREDIT RATINGS.

A. Indicate below the classes of credit ratings for which the Applicant/NRSRO is applying to be registered. For each class, indicate the approximate number of credit ratings the Applicant/NRSRO presently has outstanding in that class as of the date of this application and the approximate date the Applicant/NRSRO began issuing credit ratings as a "credit rating agency" in that class on a continuous basis through the present (See Instructions):

Class of credit ratings	Applying for registration	Approximate number currently outstanding	Approximate date issuance commenced
financial institutions as that term is defined in section 3(a)(46) of the Exchange Act (15 U.S.C. 78c(a)(46)), brokers as that term is defined in section 3(a)(4) of the Exchange Act (15 U.S.C. 78c(a)(4)), and dealers as that term is defined in section 3(a)(5) of the Exchange Act (15 U.S.C. 78c(a)(5))	☐		
insurance companies as that term is defined in section 3(a)(19) of the Exchange Act (15 U.S.C. 78c(a)(19))	☐		

corporate issuers	☐		
issuers of asset-backed securities as that term is defined in 17 CFR 229.1101(c)	☐		
issuers of government securities as that term is defined in section 3(a)(42) of the Exchange Act (15 U.S.C. 78c(a)(42)), municipal securities as that term is defined in section 3(a)(29) of the Exchange Act (15 U.S.C. 78c(a)(29)), and foreign government securities	☐		

B. Briefly describe how the Applicant/NRSRO makes the credit ratings in the classes indicated in Item 6A readily accessible for free or for a reasonable fee (See Instructions):

See Note 1 in the space provided on the sixth page of this Form NRSRO.

____

____

C. Check the applicable box and attach certifications from qualified institutional buyers, if required (See Instructions):

☐ The Applicant/NRSRO is attaching ________ certifications from qualified institutional buyers to this application. Each is marked "Certification from Qualified Institutional Buyer."

☐ The Applicant/NRSRO is exempt from the requirement to submit certifications from qualified institutional buyers pursuant to section 15E(a)(1)(D) of the Exchange Act.

Note: You are not required to make a Certification from a Qualified Institutional Buyer submitted with this Form NRSRO publicly available on your Web site, or through another comparable, readily accessible means pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep these certifications confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the certifications confidential upon request to the extent permitted by law.

7. DO NOT COMPLETE ITEM 7 IF THIS IS AN INITIAL APPLICATION.

A. Indicate below the classes of credit ratings for which the NRSRO is currently registered. For each class, indicate the approximate number of credit ratings the NRSRO had outstanding in that class as of the most recent calendar year end and the approximate date the NRSRO began issuing credit ratings as a "credit rating agency" in that class on a continuous basis through the present (See Instructions):

Class of credit rating	Currently registered	Approximate number outstanding as of the most recent calendar year end	Approximate date issuance commenced
financial institutions as that term is defined in section 3(a)(46) of the Exchange Act (15 U.S.C. 78c(a)(46)), brokers as that term is defined in section 3(a)(4) of the Exchange Act (15 U.S.C. 78c(a)(4)), and dealers as that term is defined in section 3(a)(5) of the Exchange Act (15 U.S.C. 78c(a)(5))	☐		
insurance companies as that term is defined in section 3(a)(19) of the Exchange Act (15 U.S.C. 78c(a)(19))	☐		
corporate issuers	☐		

<u>issuers of asset-backed securities</u> as that term is defined in 17 CFR 229.1101(c)	X	16,070	2001
<u>issuers of government securities</u> as that term is defined in section 3(a)(42) of the Act (15 U.S.C. 78c(a)(42)), <u>municipal</u> <u>securities</u> as that term is defined in section 3(a)(29) of the Exchange Act (15 U.S.C. 78c(a)(29)), and <u>foreign government securities</u>	☐		

B. Briefly describe how the NRSRO makes the credit ratings in the classes indicated in Item 7A readily accessible for free or for a reasonable fee (See Instructions):

See Note 1 in the space provided on the sixth page of this Form NRSRO.

8. Answer each question. Provide information that relates to a "Yes" answer on a Disclosure Reporting Page (NRSRO) and submit the Disclosure Reporting Page with this Form NRSRO (See Instructions). You are not required to make any disclosure reporting pages submitted with this Form publicly available on your Web site, or through another comparable, readily accessible means pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep any disclosure reporting pages confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the disclosure reporting pages confidential upon request to the extent permitted by law.		
	YES	**NO**
A. Has the Applicant/NRSRO or any person within the Applicant/NRSRO committed or omitted any act, or been subject to an order or finding, enumerated in subparagraphs (A), (D), (E), (G), or (H) of section 15(b)(4) of the Securities Exchange Act of 1934, been convicted of any offense specified in section 15(b)(4)(B) of the Securities Exchange Act of 1934, or been enjoined from any action, conduct, or practice specified in section 15(b)(4)(C) of the Securities Exchange Act of 1934 in the ten years preceding the date of the initial application of the Applicant/NRSRO for registration as an NRSRO or at any time thereafter?	☐	X
B. Has the Applicant/NRSRO or any person within the Applicant/NRSRO been convicted of any crime that is punishable by imprisonment for 1 or more years, and that is not described in section 15(b)(4) of the Securities Exchange Act of 1934, or been convicted of a substantially equivalent crime by a foreign court of competent jurisdiction in the ten years preceding the date of the initial application of the Applicant/NRSRO for registration as an NRSRO or at any time thereafter?	☐	X
C. Is any person within the Applicant/NRSRO subject to any order of the Commission barring or suspending the right of the person to be associated with an NRSRO?	☐	X

9. Exhibits (See Instructions).

Exhibit 1. Credit ratings performance measurement statistics. X Exhibit 1 is attached and made a part of this Form NRSRO.
Exhibit 2. A description of the procedures and methodologies used in determining credit ratings. X Exhibit 2 is attached and made a part of Form NRSRO.
Exhibit 3. Policies or procedures adopted and implemented to prevent the misuse of material, nonpublic information. X Exhibit 3 is attached and made a part of this Form NRSRO.

Exhibit 4. Organizational structure.

X Exhibit 4 is attached to and made a part of this Form NRSRO.

Exhibit 5. The code of ethics or a statement of the reasons why a code of ethics is not in effect.

X Exhibit 5 is attached to and made a part of this Form NRSRO.

Exhibit 6. Identification of conflicts of interests relating to the issuance of credit ratings.

X Exhibit 6 is attached to and made a part of this Form NRSRO.

Exhibit 7. Policies and procedures to address and manage conflicts of interest.

X Exhibit 7 is attached to and made a part of this Form NRSRO.

Exhibit 8. Certain information regarding the credit rating agency's credit analysts and credit analyst supervisors.

X Exhibit 8 is attached to and made a part of this Form NRSRO.

Exhibit 9. Certain information regarding the credit rating agency's designated compliance officer.

X Exhibit 9 is attached to and made a part of this Form NRSRO.

Exhibit 10. A list of the largest users of credit rating services by the amount of net revenue earned from the user during the fiscal year ending immediately before the date of the initial application.

□ Exhibit 10 is attached to and made a part of this Form NRSRO. Confidential Treatment requested.

Note: You are not required to make this Exhibit publicly available on your Web site, or through another comparable, readily accessible means pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep this Exhibit confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the information and documents in the Exhibit confidential upon request to the extent permitted by law.

Exhibit 11. Audited financial statements for each of the three fiscal or calendar years ending immediately before the date of the initial application.

□ Exhibit 11 is attached to and made a part of this Form NRSRO. Confidential Treatment requested.

Note: You are not required to make this Exhibit publicly available on your Web site, or through another comparable, readily accessible means pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep this Exhibit confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the information and documents in the Exhibit confidential upon request to the extent permitted by law.

Exhibit 12. Information regarding revenues for the fiscal or calendar year ending immediately before the date of the initial application.

□ Exhibit 12 is attached to and made a part of this Form NRSRO. Confidential Treatment requested.

Note: You are not required to make this Exhibit publicly available on your Web site, or through another comparable, readily accessible means pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep this Exhibit confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the information and documents in the Exhibit confidential upon request to the extent permitted by law.

Exhibit 13. The total and median annual compensation of credit analysts.

□ Exhibit 13 is attached and made a part of this Form NRSRO. Confidential Treatment requested.

Note: You are not required to make this Exhibit publicly available on your Web site, or through another comparable, readily accessible means pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep this Exhibit confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the information and documents in the Exhibit confidential upon request to the extent permitted by law.

Note 1 for Item 7.B above:

Surveillance credit ratings, unsolicited new-issue ratings (final ratings only), ongoing surveillance and related reports are made available to subscribers at http://ratingagency.morningstar.com.
Arranger-paid (preliminary and final ratings/ratings letters and pre-sale reports) are delivered to arranger(s) and investors, and generally made to the public, at http://ratingagency.morningstar.com. Unsolicited new-issue ratings (preliminary ratings/pre-sale reports) are delivered to certain investors only pursuant to specific investor contracts via email, on a specificed portion of Morningstar Credit Ratings, LLC's website and/or hard copy delivery by Morningstar Credit Ratings, LLC. (The foregoing are generally delivered in accordance with and subject to fee arrangements described in the respective subscriber's, arranger's or investor's contract with Morningstar Credit Ratings, LLC, as applicable.) Credit rating action information that is required to be publicly disclosed under SEC Rule 17g-2(d)(3)(i) is made publicly available at http://ratingagency.morningstar.com/MCRLogin.aspx. (SEC Rule 17g-2(d)(2) is not applicable to Morningstar Credit Ratings, LLC at this time because, in the class of credit rating for which Morningstar Credit Ratings, LLC is registered, Morningstar Credit Ratings, LLC does not have 500 or more outstanding credit ratings paid for by the obligator being rated or by the issuer, underwriter, or sponsor of the security being rated.)

APPLICATION FOR REGISTRATION AS A NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO)

☐ INITIAL APPLICATION

☐ ANNUAL CERTIFICATION

☐ APPLICATION TO ADD CLASS OF CREDIT RATINGS

X UPDATE OF REGISTRATION
Items and/or Exhibits Amended: Item 9, Exhibit 2

☐ APPLICATION SUPPLEMENT
Items and/or Exhibits Supplemented:

____

☐ WITHDRAWAL FROM REGISTRATION

Important: Refer to Form NRSRO Instructions for General Instructions, Item-by-Item Instructions, an Explanation of Terms, and the Disclosure Reporting Page (NRSRO). "You" and "your" mean the person furnishing this Form NRSRO to the Commission. "Applicant" and "NRSRO" mean the person furnishing this Form NRSRO to the Commission and any credit rating affiliate identified in Item 3.

1. **A.** Your full name:

Morningstar Credit Ratings, LLC

B. (i) Name under which your credit rating business is primarily conducted, if different from Item 1A:

N/A

(ii) Any other name under which your credit rating business is conducted and where it is used (other than the name of a credit rating affiliate identified in Item 3):

Realpoint (prior to June 10, 2011)

C. Address of your principal office (do not use a P.O. Box):

410 Horsham Road, Suite A	Horsham,	PA	19044
(Number and Street)	(City)	(State/Country)	(Zip/Postal Code)

D. Mailing address, if different:

(Number and Street)	(City)	(State/Country)	(Zip/Postal Code)

E. Contact person (See Instructions):

Robert G. Dobilas, President
(Number and Street)

410 Horsham Road, Suite A	Horsham	PA	19044
(Number and Street)	(City)	(State/Country)	(Zip/Postal Code)

CERTIFICATION:

The undersigned has executed this Form NRSRO on behalf of, and on the authority of, the Applicant/NRSRO. The undersigned, on behalf of the Applicant/NRSRO, represents that the information and statements contained in this Form, including Exhibits and attachments, all of which are part of this Form, are accurate in all significant respects. If this is an ANNUAL CERTIFICATION, the undersigned, on behalf of the NRSRO, represents that the NRSRO's application on Form NRSRO, as amended, is accurate in all significant respects.

6/26/12
(Date)

Morningstar Credit Ratings, LLC
(Name of the Applicant/NRSRO)

By: ______________________
(Signature)

Robert G. Dobilas, President
(Print Name and Title)

2. **A**. Your legal status:

☐ Corporation **X** Limited Liability Company ☐ Partnership ☐ Other (specify) __________

B. Month and day of your fiscal year end: December 31

C. Place and date of your formation (i.e., state or country where you were incorporated, where your partnership agreement was filed, or where you otherwise were formed):

State/Country of formation: Pennsylvania Date of formation: 2011 (Division); 08/09/07 (LLC)

3. Your credit rating affiliates (See Instructions):

(Name) (Address)

(Name) (Address)

(Name) (Address)

(Name) (Address)

(Name) (Address)

4. The designated compliance officer of the Applicant/NRSRO (See Instructions):
Dana M. Eddis, Designated Compliance Officer, Morningstar, Inc.
(Name and Title)

410 Horsham Rd., Suite A	Horsham,	PA	19044
(Number and Street)	(City)	(State/Country)	(Postal Code)

5. Describe in detail how this Form NRSRO and Exhibits 1 through 9 to this Form NRSRO will be made publicly available on Web site of the Applicant/NRSRO, or through another comparable, readily accessible means (See Instructions):

The documents are available at: http://ratingagency.morningstar.com/PublicDocs/NRSRO%20Application.pdf

6. COMPLETE ITEM 6 ONLY IF THIS IS AN INITIAL APPLICATION, APPLICATION SUPPLEMENT, OR APPLICATION TO ADD A CLASS OF CREDIT RATINGS.

A. Indicate below the classes of credit ratings for which the Applicant/NRSRO is applying to be registered. For each class, indicate the approximate number of credit ratings the Applicant/NRSRO presently has outstanding in that class as of the date of this application and the approximate date the Applicant/NRSRO began issuing credit ratings as a "credit rating agency" in that class on a continuous basis through the present (See Instructions):

Class of credit ratings	Applying for registration	Approximate number currently outstanding	Approximate date issuance commenced
financial institutions as that term is defined in section 3(a)(46) of the Exchange Act (15 U.S.C. 78c(a)(46)), brokers as that term is defined in section 3(a)(4) of the Exchange Act (15 U.S.C. 78c(a)(4)), and dealers as that term is defined in section 3(a)(5) of the Exchange Act (15 U.S.C. 78c(a)(5))	☐		
insurance companies as that term is defined in section 3(a)(19) of the Exchange Act (15 U.S.C. 78c(a)(19))	☐		

corporate issuers	☐		
<u>issuers of asset-backed securities</u> as that term is defined in 17 CFR 229.1101(c)	☐		
<u>issuers of government securities</u> as that term is defined in section 3(a)(42) of the Exchange Act (15 U.S.C. 78c(a)(42)), <u>municipal</u> <u>securities</u> as that term is defined in section 3(a)(29) of the Exchange Act (15 U.S.C. 78c(a)(29)), and <u>foreign government securities</u>	☐		

B. Briefly describe how the Applicant/NRSRO makes the credit ratings in the classes indicated in Item 6A readily accessible for free or for a reasonable fee (See Instructions):

See Note 1 in the space provided on the sixth page of this Form NRSRO.

____

____

C. Check the applicable box and attach certifications from qualified institutional buyers, if required (See Instructions):

☐ The Applicant/NRSRO is attaching ________ certifications from qualified institutional buyers to this application. Each is marked "Certification from Qualified Institutional Buyer."

☐ The Applicant/NRSRO is exempt from the requirement to submit certifications from qualified institutional buyers pursuant to section 15E(a)(1)(D) of the Exchange Act.

Note: You are not required to make a Certification from a Qualified Institutional Buyer submitted with this Form NRSRO publicly available on your Web site, or through another comparable, readily accessible means pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep these certifications confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the certifications confidential upon request to the extent permitted by law.

7. <u>DO NOT COMPLETE ITEM 7 IF THIS IS AN INITIAL APPLICATION</u>.

A. Indicate below the classes of credit ratings for which the NRSRO is currently registered. For each class, indicate the approximate number of credit ratings the NRSRO had outstanding in that class as of the most recent calendar year end and the approximate date the NRSRO began issuing credit ratings as a "credit rating agency" in that class on a continuous basis through the present (See Instructions):

Class of credit rating	Currently registered	Approximate number outstanding as of the most recent calendar year end	Approximate date issuance commenced
<u>financial institutions</u> as that term is defined in section 3(a)(46) of the Exchange Act (15 U.S.C. 78c(a)(46)), <u>brokers</u> as that term is defined in section 3(a)(4) of the Exchange Act (15 U.S.C. 78c(a)(4)), and <u>dealers</u> as that term is defined in section 3(a)(5) of the Exchange Act (15 U.S.C. 78c(a)(5))	☐		
<u>insurance companies</u> as that term is defined in section 3(a)(19) of the Exchange Act (15 U.S.C. 78c(a)(19))	☐		
corporate issuers	☐		

<u>issuers of asset-backed securities</u> as that term is defined in 17 CFR 229.1101(c)	X	16,070	2001
<u>issuers of government securities</u> as that term is defined in section 3(a)(42) of the Act (15 U.S.C. 78c(a)(42)), <u>municipal</u> <u>securities</u> as that term is defined in section 3(a)(29) of the Exchange Act (15 U.S.C. 78c(a)(29)), and <u>foreign government securities</u>	☐		

B. Briefly describe how the NRSRO makes the credit ratings in the classes indicated in Item 7A readily accessible for free or for a reasonable fee (See Instructions):

See Note 1 in the space provided on the sixth page of this Form NRSRO.

8. Answer each question. Provide information that relates to a "Yes" answer on a Disclosure Reporting Page (NRSRO) and submit the Disclosure Reporting Page with this Form NRSRO (See Instructions). You are not required to make any disclosure reporting pages submitted with this Form publicly available on your Web site, or through another comparable, readily accessible means pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep any disclosure reporting pages confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the disclosure reporting pages confidential upon request to the extent permitted by law.		
	YES	**NO**
A. Has the Applicant/NRSRO or any person within the Applicant/NRSRO committed or omitted any act, or been subject to an order or finding, enumerated in subparagraphs (A), (D), (E), (G), or (H) of section 15(b)(4) of the Securities Exchange Act of 1934, been convicted of any offense specified in section 15(b)(4)(B) of the Securities Exchange Act of 1934, or been enjoined from any action, conduct, or practice specified in section 15(b)(4)(C) of the Securities Exchange Act of 1934 in the ten years preceding the date of the initial application of the Applicant/NRSRO for registration as an NRSRO or at any time thereafter?	☐	**X**
B. Has the Applicant/NRSRO or any person within the Applicant/NRSRO been convicted of any crime that is punishable by imprisonment for 1 or more years, and that is not described in section 15(b)(4) of the Securities Exchange Act of 1934, or been convicted of a substantially equivalent crime by a foreign court of competent jurisdiction in the ten years preceding the date of the initial application of the Applicant/NRSRO for registration as an NRSRO or at any time thereafter?	☐	**X**
C. Is any person within the Applicant/NRSRO subject to any order of the Commission barring or suspending the right of the person to be associated with an NRSRO?	☐	**X**

9. Exhibits (See Instructions).

Exhibit 1. Credit ratings performance measurement statistics. Ĭ Exhibit 1 is attached and made a part of this Form NRSRO.
Exhibit 2. A description of the procedures and methodologies used in determining credit ratings. X Exhibit 2 is attached and made a part of Form NRSRO.
Exhibit 3. Policies or procedures adopted and implemented to prevent the misuse of material, nonpublic information. Ĭ Exhibit 3 is attached and made a part of this Form NRSRO.

Exhibit 4. Organizational structure.

Ĭ Exhibit 4 is attached to and made a part of this Form NRSRO.

Exhibit 5. The code of ethics or a statement of the reasons why a code of ethics is not in effect.

Ĭ Exhibit 5 is attached to and made a part of this Form NRSRO.

Exhibit 6. Identification of conflicts of interests relating to the issuance of credit ratings.

Ĭ Exhibit 6 is attached to and made a part of this Form NRSRO.

Exhibit 7. Policies and procedures to address and manage conflicts of interest.

Ĭ Exhibit 7 is attached to and made a part of this Form NRSRO.

Exhibit 8. Certain information regarding the credit rating agency's credit analysts and credit analyst supervisors.

Ĭ Exhibit 8 is attached to and made a part of this Form NRSRO.

Exhibit 9. Certain information regarding the credit rating agency's designated compliance officer.

Ĭ Exhibit 9 is attached to and made a part of this Form NRSRO.

Exhibit 10. A list of the largest users of credit rating services by the amount of net revenue earned from the user during the fiscal year ending immediately before the date of the initial application.

□ Exhibit 10 is attached to and made a part of this Form NRSRO. Confidential Treatment requested.

Note: You are not required to make this Exhibit publicly available on your Web site, or through another comparable, readily accessible means pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep this Exhibit confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the information and documents in the Exhibit confidential upon request to the extent permitted by law.

Exhibit 11. Audited financial statements for each of the three fiscal or calendar years ending immediately before the date of the initial application.

□ Exhibit 11 is attached to and made a part of this Form NRSRO. Confidential Treatment requested.

Note: You are not required to make this Exhibit publicly available on your Web site, or through another comparable, readily accessible means pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep this Exhibit confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the information and documents in the Exhibit confidential upon request to the extent permitted by law.

Exhibit 12. Information regarding revenues for the fiscal or calendar year ending immediately before the date of the initial application.

□ Exhibit 12 is attached to and made a part of this Form NRSRO. Confidential Treatment requested.

Note: You are not required to make this Exhibit publicly available on your Web site, or through another comparable, readily accessible means pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep this Exhibit confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the information and documents in the Exhibit confidential upon request to the extent permitted by law.

Exhibit 13. The total and median annual compensation of credit analysts.

□ Exhibit 13 is attached and made a part of this Form NRSRO. Confidential Treatment requested.

Note: You are not required to make this Exhibit publicly available on your Web site, or through another comparable, readily accessible means pursuant to Exchange Act Rule 17g-1(i). You may request that the Commission keep this Exhibit confidential by marking each page "Confidential Treatment" and complying with Commission rules governing confidential treatment. The Commission will keep the information and documents in the Exhibit confidential upon request to the extent permitted by law.

Note 1 for Item 7.B above:

Surveillance credit ratings, unsolicited new-issue ratings (final ratings only), ongoing surveillance and related reports are made available to subscribers at http://ratingagency.morningstar.com.
Arranger-paid (preliminary and final ratings/ratings letters and pre-sale reports) are delivered to arranger(s) and investors, and generally made to the public, at http://ratingagency.morningstar.com. Unsolicited new-issue ratings (preliminary ratings/pre-sale reports) are delivered to certain investors only pursuant to specific investor contracts via email, on a specificed portion of Morningstar Credit Ratings, LLC's website and/or hard copy delivery by Morningstar Credit Ratings, LLC. (The foregoing are generally delivered in accordance with and subject to fee arrangements described in the respective subscriber's, arranger's or investor's contract with Morningstar Credit Ratings, LLC, as applicable.) Credit rating action information that is required to be publicly disclosed under SEC Rule 17g-2(d)(3)(i) is made publicly available at http://ratingagency.morningstar.com/MCRLogin.aspx. (SEC Rule 17g-2(d)(2) is not applicable to Morningstar Credit Ratings, LLC at this time because, in the class of credit rating for which Morningstar Credit Ratings, LLC is registered, Morningstar Credit Ratings, LLC does not have 500 or more outstanding credit ratings paid for by the obligator being rated or by the issuer, underwriter, or sponsor of the security being rated.)

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

Credit Ratings Performance Measurement Statistics : Credit Ratings Transition Matrix (Letter-Grade Ratings)

Below is the **1-year (i.e.,"short-term")** credit ratings transition matrix for **8,364** tranches of commercial mortgage-backed securities that were rated on 12/31/10. This matrix summarizes the number of these tranches in each rating category at each of 12/31/10 and 12/31/11 to show the stability or migration, as applicable, of these ratings for and during this period. The vertical column to the far right of this matrix (which is the column titled "12/31/10 Ratings Totals") lists the number of these tranches in each rating category at 12/31/10. The horizontal rows list the corresponding number of these tranches in each ratings category at 12/31/11. The "inputs, time horizons and metrics used to determine the[se credit ratings performance measurement] statistics" include a compilation of the number of tranches in each rating category at each of 12/31/10 and 12/31/11. (Tranches issued during 2011 are not included even though outstanding at 12/31/11.)

Form NRSRO Exhibit 2 includes definitions of the below "credit rating categories, notches, grades, and rankings" (ranging from AAA to D, including, as applicable, a plus or minus sign to indicate relative strength within the rating categories). The three columns to the left of (and adjacent to) the column titled "12/31/10 Ratings Totals" separate the number of non-rated tranches by reason of withdrawal ("W") by Morningstar of a letter-grade rating from the number of non-rated tranches by reason of redemption ("R") (i.e., a full return of principal) or complete loss of principal ("$0"). (Withdrawals herein do not include tranches that are non-rated because they were either redeemed or cancelled by the trustee thereof by reason of a complete loss of principal.)

A summary of the credit ratings transition matrix for the AAA, AA and A-rated CMBS is as follows:

Of the	1,984	CMBS bonds rated AAA at 12/31/10 (and not withdrawn/redeemed/cancelled during '11),	99.85%	of such bonds were rated A, AA or AAA at 12/31/11.
Of the	508	CMBS bonds rated AA at 12/31/10 (and not withdrawn/redeemed/cancelled during '11),	96.85%	of such bonds were rated A, AA or AAA at 12/31/11.
Of the	522	CMBS bonds rated A at 12/31/10 (and not withdrawn/redeemed/cancelled during '11),	80.84%	of such bonds were rated A, AA or AAA at 12/31/11.

<u>One-year (i.e., "short-term") credit ratings transition matrix:</u>

	12/31/11 Credit Ratings																										2010 N.R.			12/31/10 Ratings
	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-	CC+	CC	CC-	C+	C	C-	D	W	R	$0	Totals
AAA	1906	42	16	8	4	5	0	0	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	571	1	2556
AA+	37	109	28	8	3	1	2	0	0	1	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	27	0	218
AA	26	12	110	9	8	3	2	1	2	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	23	0	199
AA-	9	5	8	85	14	9	4	3	1	1	0	1	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	18	0	159
A+	9	3	9	13	68	21	5	3	2	2	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	11	0	148
A	9	3	8	5	14	94	28	15	6	2	0	0	0	1	0	5	0	0	0	0	0	0	0	0	0	0	0	21	0	211
A-	15	0	4	4	7	17	86	20	16	10	8	4	0	1	0	1	0	0	2	0	0	0	0	0	0	0	0	14	1	210
BBB+	19	1	3	3	2	5	11	94	46	24	16	6	0	1	1	5	2	0	6	0	0	0	0	0	0	4	0	15	1	265
BBB	14	1	0	1	0	2	8	18	86	47	26	8	4	2	3	4	2	1	14	0	0	0	0	0	0	6	0	14	0	261
BBB-	9	3	0	5	0	1	0	8	16	90	46	17	12	13	5	12	1	2	22	0	0	0	0	0	0	4	0	16	0	282
BB+	12	0	2	0	0	1	0	2	5	26	93	25	14	10	3	13	13	4	31	0	0	0	0	0	0	10	0	8	4	276
BB	3	0	0	0	1	1	0	0	0	9	7	63	10	8	3	7	5	2	26	0	0	0	0	0	0	6	0	8	2	161
BB-	5	0	1	3	0	0	0	1	2	3	3	5	39	12	6	6	4	2	18	0	0	0	0	0	0	8	0	1	2	121
B+	1	1	0	2	0	1	0	0	0	5	6	2	4	48	4	11	5	0	23	0	0	0	0	0	0	10	0	0	0	123
B	0	0	0	0	0	0	0	0	0	1	7	0	2	5	27	10	10	3	21	0	0	0	0	0	0	6	0	2	2	96
B-	1	1	0	0	0	0	0	0	0	5	1	5	3	0	3	79	8	4	71	0	0	0	0	0	0	19	0	5	1	206
CCC+	0	0	0	0	0	0	0	0	0	0	1	1	1	3	0	1	50	3	51	0	0	0	0	0	0	18	0	1	3	133
CCC	0	0	0	0	0	0	0	0	0	0	1	3	2	1	0	4	0	39	43	0	0	0	0	0	0	23	0	2	4	122
CCC-	0	0	0	0	0	0	0	0	0	0	0	0	3	0	1	7	2	2	470	0	0	0	0	0	0	381	0	3	16	885
CC+	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CC-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C+	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	0	2	23	0	0	0	0	0	0	1195	0	1	509	1732
TOTALS	2075	181	189	146	121	161	146	166	183	229	219	140	94	106	57	166	102	64	822	0	0	0	0	0	0	1690	0	761	546	8364

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

Credit Ratings Performance Measurement Statistics : Credit Ratings Transition Matrix (Letter-Grade Ratings)

Below is the **3-year (i.e.,"mid-term")** credit ratings transition matrix for **9,410** tranches of commercial mortgage-backed securities that were rated on 12/31/08. This matrix summarizes the number of these tranches in each rating category at each of 12/31/08 and 12/31/11 to show the stability or migration, as applicable, of these ratings for and during this period. The vertical column to the far right of this matrix (which is the column titled "12/31/08 Ratings Totals") lists the number of these tranches in each rating category at 12/31/08. The horizontal rows list the corresponding number of these tranches in each ratings category at 12/31/11. The "inputs, time horizons and metrics used to determine the[se credit ratings performance measurement] statistics" include a compilation of the number of tranches in each rating category at each of 12/31/08 and 12/31/11. (Tranches issued during '09 to '11 are not included even though outstanding at 12/31/11.)

Form NRSRO Exhibit 2 includes definitions of the below "credit rating categories, notches, grades, and rankings" (ranging from AAA to D, including, as applicable, a plus or minus sign to indicate relative strength within the rating categories). The three columns to the left of (and adjacent to) the column titled "12/31/08 Ratings Totals" separate the number of non-rated tranches by reason of withdrawal ("W") by Morningstar of a letter-grade rating from the number of non-rated tranches by reason of redemption ("R") (i.e., a full return of principal) or complete loss of principal ("$0"). (Withdrawals herein do not include tranches that are non-rated because they were either redeemed or cancelled by the trustee thereof by reason of a complete loss of principal.)

A summary of the credit ratings transition matrix for the AAA, AA and A-rated CMBS is as follows:

Of the 1,979 CMBS bonds rated AAA at 12/31/08 (and not withdrawn/redeemed/cancelled during '09, '10 or '11), 99.80% of such bonds were rated A, AA or AAA at 12/31/11.
Of the 507 CMBS bonds rated AA at 12/31/08 (and not withdrawn/redeemed/cancelled during '09, '10 or '11), 96.84% of such bonds were rated A, AA or AAA at 12/31/11.
Of the 522 CMBS bonds rated A at 12/31/08 (and not withdrawn/redeemed/cancelled during '09, '10 or '11), 80.84% of such bonds were rated A, AA or AAA at 12/31/11.

Three-year (i.e., "mid-term") credit ratings transition matrix:

	/---- 12/31/11 Credit Ratings ----/																										'08 to '10 /----- N.R. -----/			12/31/08 Ratings
	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-	CC+	CC	CC-	C+	C	C-	D	W	R	$0	Totals
AAA	1900	42	16	8	4	5	0	0	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1246	1	3226
AA+	37	110	28	8	3	1	2	0	0	1	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	54		246
AA	26	12	107	9	8	3	2	1	2	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	41		214
AA-	9	5	8	86	14	9	4	3	1	1	0	1	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	25		167
A+	9	3	9	13	68	21	5	3	2	2	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	19		156
A	9	3	8	5	14	94	28	15	6	2	0	0	0	1	0	5	0	0	0	0	0	0	0	0	0	0	0	40		230
A-	15	0	4	4	7	17	86	20	16	10	8	4	0	1	0	1	0	0	2	0	0	0	0	0	0	0	0	21	1	217
BBB+	19	1	3	3	2	5	11	94	46	24	16	6	0	1	1	5	2	0	6	0	0	0	0	0	0	4	0	26	1	276
BBB	14	1	0	1	0	2	8	18	87	47	26	8	4	2	3	4	2	1	14	0	0	0	0	0	0	6	0	25		273
BBB-	9	3	0	5	0	1	0	8	16	89	46	17	12	13	5	12	1	2	22	0	0	0	0	0	0	4	0	32		297
BB+	12	0	2	0	0	1	0	2	5	26	94	25	14	10	3	13	13	4	31	0	0	0	0	0	0	10	0	13	4	282
BB	3	0	0	0	1	1	0	0	0	9	7	66	10	8	3	7	5	2	26	0	0	0	0	0	0	6	0	13	3	170
BB-	5	0	1	3	0	0	0	1	2	3	3	5	40	12	6	6	4	2	18	0	0	0	0	0	0	10	0	4	2	127
B+	1	1	0	2	0	1	0	0	0	5	6	2	4	49	4	11	5	0	23	0	0	0	0	0	0	11	0	3		128
B	0	0	0	0	0	0	0	0	0	1	7	0	2	5	27	10	10	3	21	0	0	0	0	0	0	6	0	6	2	100
B-	1	1	0	0	0	0	0	0	0	5	1	5	3	0	3	80	8	4	71	0	0	0	0	0	0	19	0	6	1	208
CCC+	0	0	0	0	0	0	0	0	0	0	1	1	1	3	0	1	50	3	51	0	0	0	0	0	0	18	0	2	4	135
CCC	0	0	0	0	0	0	0	0	0	0	1	3	2	1	0	4	0	39	43	0	0	0	0	0	0	25	0	3	5	126
CCC-	0	0	0	0	0	0	0	0	0	0	0	0	3	0	1	7	2	2	470	0	0	0	0	0	0	381	0	14	16	896
CC+	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		1	1
CC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0
CC-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0
C+	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0
C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0
C-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0
D	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	0	2	23	0	0	0	0	0	0	1201	0	1	706	1935
TOTALS	2069	182	186	147	121	161	146	166	184	228	220	143	95	107	57	167	102	64	822	0	0	0	0	0	0	1702	0	1594	747	9410

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

Credit Ratings Performance Measurement Statistics : Credit Ratings Transition Matrix (Letter-Grade Ratings)

There is no ten-year/long-term credit ratings transition matrix.
Morningstar did not have letter-grade credit ratings in 2001.

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

Credit Ratings Performance Measurement Statistics : Credit Ratings Transition Matrix (Outlooks)

Below is the **1-year (i.e.,"short-term")** credit ratings transition matrix for 8,883 tranches of commercial mortgage tranches of commercial mortgage-backed securities that were rated on 12/31/10. This matrix summarizes the number of these tranches in each rating category at each of 12/31/10 and 12/31/11 to show the stability or migration, as applicable, of these ratings for and during this period. The vertical column to the far right of this matrix (which is the column titled "12/31/2010 Ratings Totals") lists the number of these tranches in each rating category at 12/31/10. The horizontal rows list the corresponding number of these tranches in each ratings category at 12/31/11. The "inputs, time horizons and metrics used to determine the[se credit ratings performance measurement] statistics" include a compilation of the number of tranches in each rating category at each of 12/31/10 and 12/31/11. (Tranches issued during 2011 are not included even though outstanding at 12/31/11.)

Form NRSRO Exhibit 2 includes definitions of the outlooks below (outperform, perform or underperform)
The column left of (and adjacent to) the column titled "12/31/2010 Ratings Totals" separates the number of non-rated tranches by reason of the collapse of the tranche due to pay-offs or liquidation.

One-year (i.e., "short-term") credit ratings transition matrix:

	/------------ 12/31/11 Credit Ratings		------------/	2010 /---- N.R. ----/	12/31/2010 Ratings
	Outperform	**Perform**	**Underperform**	**Collapsed**	**Totals**
Outperform	1214	53	7	356	1630
Perform	312	1758	150	340	2560
Underperform	11	162	3916	604	4693
Totals	1537	1973	4073	1300	8883

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

Credit Ratings Performance Measurement Statistics : Credit Ratings Transition Matrix (Outlooks)

Below is the **3-year (i.e.,"mid-term")** credit ratings transition matrix for 8,782 tranches of commercial mortgage tranches of commercial mortgage-backed securities that were rated on 12/31/08. This matrix summarizes the number of these tranches in each rating category at each of 12/31/08 and 12/31/11 to show the stability or migration, as applicable, of these ratings for and during this period. The vertical column to the far right of this matrix (which is the column titled "12/31/2008 Ratings Totals") lists the number of these tranches in each rating category at 12/31/08. The horizontal rows list the corresponding number of these tranches in each ratings category at 12/31/11. The "inputs, time horizons and metrics used to determine the[se credit ratings performance measurement] statistics" include a compilation of the number of tranches in each rating category at each of 12/31/08 and 12/31/11. (Tranches issued during 2009 to 2011 are not included even though outstanding at 12/31/11.)

Form NRSRO Exhibit 2 includes definitions of the outlooks below (outperform, perform or underperform).
The column left of (and adjacent to) the column titled "12/31/2008 Ratings Totals" separates the number of non-rated tranches by reason of the collapse of the tranche due to pay-offs or liquidation.

One-year (i.e., "short-term") credit ratings transition matrix:

	/------------ 12/31/11 Credit Ratings		------------/	08' to 10' /---- N.R. ----/	12/31/2008 Ratings
	Outperform	Perform	Underperform	Collapsed	Totals
Outperform	1377	527	581	356	2841
Perform	156	1322	2696	340	4514
Underperform	4	23	796	604	1427
Totals	1537	1872	4073	1300	8782

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.
Morningstar was not a NRSRO as of 2001 and did not maintain records with respect to their outlooks until 2005.

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

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 December 31, 2010, or at December 31, 2008, as applicable, relative to Morningstar's initial rating thereof.

Form NRSRO Exhibit 2 includes definitions of Morningstar's "credit rating categories, notches, grades, and rankings" (ranging from AAA to D, including, as applicable, a plus or minus sign to indicate relative strength within rating categories).

Table 1 at right shows the percentage of CMBS tranches that Morningstar rated at 12/31/10, grouped by Morningstar's initial rating thereof, that were either (i) rated 'D' at 12/31/11 or (ii) non-rated at 12/31/11 by reason of a complete loss of principal during the period 01/01/11 to 12/31/11.

Table 2 at right shows the percentage of CMBS tranches that Morningstar rated at 12/31/08, grouped by Morningstar's initial rating thereof, that were either (i) rated 'D' at 12/31/11 or (ii) non-rated at 12/31/11 by reason of a complete loss of principal during the period 01/01/09 to 12/31/11.

This table has not been provided with respect to outlooks because outlooks are not provided on initial ratings.

/---------- Table 1 ----------/		/---------- Table 2 ----------/	
Morningstar Rating Categories	Default rates relative to initial ratings	Morningstar Rating Categories	Default rates relative to initial ratings
AAA	0.00%	AAA	0.00%
AA+	0.00%	AA+	0.00%
AA	0.00%	AA	0.00%
AA-	0.00%	AA-	0.00%
A+	0.60%	A+	0.00%
A	0.00%	A	0.00%
A-	0.63%	A-	0.37%
BBB+	1.08%	BBB+	0.21%
BBB	1.73%	BBB	0.44%
BBB-	3.62%	BBB-	1.51%
BB+	5.20%	BB+	0.97%
BB	7.69%	BB	3.05%
BB-	7.53%	BB-	4.06%
B+	7.35%	B+	3.94%
B	15.28%	B	9.63%
B-	13.47%	B-	11.18%
CCC+	25.00%	CCC+	20.00%
CCC	31.03%	CCC	21.28%
CCC-	20.00%	CCC-	20.00%
CC+	0.00%	CC+	0.00%
CC	0.00%	CC	0.00%
CC-	0.00%	CC-	0.00%
C+	0.00%	C+	0.00%
C	0.00%	C	0.00%
C-	0.00%	C-	0.00%
D	N/A	D	N/A

Morningstar Credit Ratings, LLC
Form NRSRO

Exhibit 2

Credit ratings procedures and methodologies

See Attached:

Exhibit 2.A	**Morningstar Definitions and Descriptions of Ratings, Outlooks, and Surveillance**
Exhibit 2.B	**Morningstar CMBS Surveillance Ratings Methodology**
Exhibit 2.C	**Morningstar CMBS New-Issue Ratings Methodology**
Exhibit 2.D	**Morningstar RMBS New Issue Ratings Methodology**
Exhibit 2.E	**Morningstar RMBS Surveillance Ratings Methodology**
Exhibit 2.F	**US Residential Mortgage Loan Representations and Warranties Criteria**

2.A

Morningstar Definitions and Descriptions of Ratings, Outlooks, and Surveillance

June 2012

Morningstar Definitions and Descriptions (i) Letter-Grade Credit Ratings, (ii) Rating Outlooks and (iii) Surveillance

Morningstar is a rating agency primarily focused on evaluating the credit risk in structured finance transactions. Morningstar's determination to review a structured finance transaction is performed on a case by case basis in accordance with Morningstar's policies and procedures set forth on Morningstar's website at http://ratingagency.morningstar.com, including the "Morningstar Analysis and Considerations" link on Morningstar's website. Once Morningstar elects to review a transaction, Morningstar generally evaluates the transaction either: (1) as a rating agency selected and paid by the arranger to rate certain transactions at issuance and post-issuance, continue to perform surveillance on the transaction on a subscription pay basis to Morningstar subscribers (in such capacity, a "Selected Agency") or (2) as a non-selected rating agency providing a final rating and surveillance to subscribers on a subscription pay basis and assigning rating outlooks post-issuance (in such capacity, a "Non-Selected Agency"). In addition, Morningstar may review a transaction on an investor pay basis to generate Unsolicited Ratings (as described below). In all cases, Morningstar considers various deal specific factors in accordance with Morningstar's policies and procedures and may assign a preliminary and/or final traditional letter-grade rating and/or rating outlooks to certain securities.

Types of Rating Opinions.

1) *Letter-Grade Credit Rating.* A 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 the respective ratings letters, pre-sale report, deal report and/or Morningstar's website at http://ratingagency.morningstar.com, including the "Morningstar Analysis and Considerations" link on this website.

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
For CMBS, a rating of ‘CCC’ indicates a material likelihood of default in the long term, which is generally twenty-four months or longer. Forecasted or actual losses may erode, but have not yet eliminated, credit support provided by subordinate securities.

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

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

D
For CMBS, a rating of 'D' also indicates a default has occurred or there is a substantial likelihood of default in the short term, which is generally within twenty-four months. Forecasted losses from specially-serviced or defaulted assets are expected to eliminate, and/or actual losses have reduced, the principal balance of the ‘D’ rated security. In addition, forecasted or actual losses have eliminated credit support provided by subordinate securities.

For RMBS a rating of 'D' indicates a default has occurred or there is a substantial likelihood of default. Actual losses may have reduced the principal balance of the 'D' rated security. In addition, actual losses may have eliminated credit support provided by subordinate securities.

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.

"rated final distribution date" typically is the rated final distribution date or term of similar import used in the related offering documents for the respective transaction or otherwise enumerated in the related Morningstar report for such transaction.

"forecasted losses" generally include one or more of the below:
(i) projected losses resulting from specially serviced loans, and/or
(ii) projected losses due to a decline in current appraisal values, and/or
(iii) projected losses due to anticipated payment defaults on any loans.

N.R. (non-rated)
A 'N.R.' designation is issued by Morningstar for situations where Morningstar (i) is not rating the security and (ii) in accordance with Morningstar policies and procedures, determines to expressly provide a N.R. designation.

+/- 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.

2. *Rating Outlooks.* A Morningstar rating outlook is only an opinion regarding the future trends for the rated security over the next six to twelve months and is subject to the various qualifications, caveats and considerations enumerated in the respective deal report and/or Morningstar's website at http://ratingagency.morningstar.com, including the "Morningstar Analysis and Considerations" link on this website. Rating outlooks are generally provided for all transactions, whether or not Morningstar is a Non-Selected Agency or Selected Agency. The types of rating outlooks and related meanings are enumerated below and subject to Morningstar's policies and procedures:

Outlook:	Definition of Outlook:
Perform	The security has performed as expected in terms of credit-risk characteristics.
Outperform	The security has performed better than expected in terms of credit-risk characteristics when compared to both issuance and last review. The respective class exhibits characteristics that signify decreased credit risk and may be a candidate for an upgrade. Such characteristics may include actual or forecasted credit-support increases and/or the overall strong performance of the underlying collateral.
Underperform	The security has performed worse than expected in terms of credit-risk characteristics when compared to both issuance and last review. The respective class exhibits characteristics that result in increased credit risk and may be a candidate for a downgrade or has the risk for

	potential loss. Such characteristics may include actual or forecasted credit-support level declines and/or the overall weak performance of the underlying collateral.

Classes of securities that have substantial increases in subordination, or credit-support levels, are generally likely to be granted an "Outperform" rating outlook, while those that have erosion in credit support, or are expected to suffer losses or interest shortfalls that would result in such erosion are generally candidates for the "Underperform" rating outlook. Please refer to the detailed methodology as described in the related methodology document located at the "Morningstar Analysis and Considerations" link on Morningstar's website at http://ratingagency.morningstar.com.

Certain Considerations in Assigning Rating Opinions

A letter-grade rating and/or a rating outlook is only an opinion as to certain items enumerated herein in the description of letter-grade credit rating and rating outlook respectively, in either case, based solely on certain information and subject to various qualifications, caveats and considerations enumerated in the respective ratings letters, pre-sale report, deal report and/or Morningstar's website at http://ratingagency.morningstar.com, including the "Morningstar Analysis and Considerations" link on this website.

The letter-grade ratings address the likelihood of the timely receipt of distributions of interest by security holders to which they are entitled and the ultimate distribution of principal by the rated final distribution date. At any time Morningstar is a Selected Agency, a letter-grade rating takes into account the credit quality of the mortgage pool, structural and legal aspects associated with the securities and the extent to which the payment stream from the mortgage pool is adequate to make payments required to the security holders based on the information described below and based on Morningstar's policies and procedures including Morningstar's new issuance subordination model described at http://ratingagency.morningstar.com, including the "Morningstar Analysis and Considerations" link on Morningstar's website. As a Non-Selected Agency, Morningstar's access to information, various parties and collateral may be reduced and the scope of review is limited. Therefore, letter-grade ratings and rating outlook at any time Morningstar is a Non-Selected Agency solely reflect an analysis of the information enumerated in the respective deal report for the transaction which may include the Non-Selected Agency Limited Information and the reflection of such information in Morningstar's surveillance model described at http://ratingagency.morningstar.com, including the "Morningstar Analysis and Considerations" link on this website. Therefore, investors should consider the distinction in the scope of the review and analysis depending on whether Morningstar is a Selected Agency or a Non-Selected Agency.

At any time Morningstar is a Selected Agency on a transaction, Morningstar reviews and relies on certain information provided to Morningstar at issuance to the extent enumerated in the respective pre-sale report for the transaction and may include information available on an arranger website or other sources considered reliable by Morningstar. In addition, transaction documents require delivery of various reports and information to Morningstar as a Selected Agency post-issuance in order for Morningstar to perform surveillance on the ratings. In contrast, as a Non-Selected Agency, Morningstar typically receives and reviews solely Non-

Selected Agency Limited Information. Current laws and regulations may permit Morningstar access to additional information as a Non-Selected Agency in future transactions. However, unless Morningstar expressly describes reviewing additional information as a Non-Selected Agency in the deal report for a specific transaction, Morningstar is solely continuing to review and rely on the Non-Selected Agency Limited Information.

Unless required under Morningstar's policies and procedures, Morningstar does not independently verify or perform due diligence on the information described above. In addition, Morningstar does not audit or verify the truth or accuracy of any such information. As a result, any reports provided by Morningstar related to such information are made without representation or warranty of any kind.

Certain Factors Not Considered or Evaluated in Assigning Rating Opinions

Letter-grade ratings, rating outlooks and any surveillance of such ratings at no time and in no event take into account or address the following: (a) the possibility that a security holder might suffer a lower than anticipated yield, (b) the likelihood of receipt of prepayment charges, assumption fees, prepayment premiums, prepayment fees or penalties, default interest or post-anticipated repayment date additional interest, (c) the likelihood of experiencing prepayment interest shortfalls, an assessment of whether or to what extent the interest payable on any class of securities may be reduced in connection with any prepayment interest shortfalls, or of receiving compensating interest payments, (d) the tax treatment of the securities or effect of taxes on the payments received, (e) the likelihood or willingness of the parties to the respective documents to meet their contractual obligations or the likelihood or willingness of any party or court to enforce, or hold enforceable, the documents in whole or in part, (f) an assessment of the yield to maturity that investors may experience, (g) other deal specific factors that may be enumerated in the respective ratings letters or deal reports from time to time, or (h) other non-credit risks, including, without limitation, market risks or liquidity. For CMBS, the likelihood, timing, or frequency of prepayments (both voluntary and involuntary) and its impact on interest payments or the degree to which such prepayments might differ from those originally anticipated is also not considered in the determination of letter ratings or outlooks. Additionally, due to limited access to information, parties and the collateral, as a Non-Selected Agency, no legal analysis, property site visits, or underlying documentation review is performed, considered, analyzed or factored into any letter-grade rating, rating outlooks or surveillance related thereto.

Morningstar does not rate interest-only securities or rake securities as a Non-Selected Agency. As a Selected Agency and with respect to any letter-grade ratings, rating outlooks and any surveillance of such rating related to an interest-only security, such related ratings of the interest-only security do not address: (a) the possibility that the holder of the interest-only security may not fully recover its initial investment in the event of delinquencies or defaults or rapid prepayments on the mortgage assets (including both voluntary and involuntary prepayments) or the application of any realized losses under the transaction documents or (b) the timing or magnitude of reductions of such notional amount. Therefore, such ratings of an interest-only security solely address the obligation to pay interest timely on the notional amount as it may be reduced from time to time. For example, if the loans in a pool were to prepay in the initial month of the transaction, with the result that the holder of the interest-only security received only a single month's interest and therefore, suffered a nearly complete loss of its investment, all amounts "due" to such holder will nevertheless have been paid, and such result is consistent with the rating on such interest-only security. Therefore, ratings on interest-only securities should be evaluated independently from similar ratings on other types of securities. For the purposes hereof, "interest-only security" shall mean a security based on a notional amount derived from the principal balance of other securities (which may be rated lower than such interest-only securities) and a "rake security" shall mean a security tied to the performance of a particular loan or portion of a loan. Any analysis and considerations related to rake securities are reflected in the respective deal report for the transaction.

While Morningstar may issue letter-grade ratings solely on certain asset-backed securities, Morningstar does not (i) issue short-term ratings, or (ii) rate, assess or review corporate entities, credit support providers, seller(s), guarantors, trustees, certain accounts or investments, insurers, liquidity providers, hedge providers or other similar entities or items. Therefore, Morningstar's ratings and analysis do not take into consideration such characteristics of the transaction referenced in (i) and (ii) of the preceding sentence. Morningstar, in accordance with Morningstar's policies and procedures, may consider a ranking and assessment of a master servicer, primary servicer, or special servicer performed by Morningstar's Operational Risk Assessment Services group, if Morningstar's methodology for that type of security or the pre-sale and/or deal report references any such consideration. Information regarding Morningstar's Operational Risk Assessment Services group is available at http://ratingagency.morningstar.com.

In addition, the ratings and analysis do not take into consideration (i) an assessment of the arranger(s), the originator(s) (except in the case of RMBS New Issue) and/or prior holder(s) of the loan(s) included in the respective transaction and/or (ii) any potential or actual risk of repudiation, receivership or other ramifications related to FDIC administration and/or enforcement of FDIC rights and remedies with respect to any entity involved in the transaction. Additionally, for the avoidance of doubt, Morningstar does not rate obligors, managers or issuers. Because Morningstar does not rate such entities, Morningstar generally does not interact with management of an obligor.

A letter-grade rating, a rating outlook or any related surveillance is (i) not a recommendation to purchase, sell or hold a security nor may it be relied upon for any such purpose and (ii) may be subject to revision or withdrawal at any time by Morningstar.

Morningstar is not an investment advisor. Morningstar does not provide investment, financial or other advice. No letter-grade rating, rating outlook or surveillance shall constitute or be construed or represented as: (i) financial, investment, tax, legal or other advice, or (ii) a solicitation, recommendation, endorsement or offer to buy, hold or sell any security, other investment or other financial instrument, or to make any investment, financial or other decision. Morningstar does not consent to, (i) being named an "expert" under the federal securities laws including, without limitation, Section 7 of the Securities Act of 1933, or (ii) unless consistent with Morningstar's policies and procedures and agreed to by Morningstar for a particular transaction, the integration, publication, inclusion or reference of any ratings, analysis or other information pertaining to Morningstar and/or the ratings contemplated hereunder in any prospectuses or registration statements or otherwise integrated or used in a manner that could impede (i) or (ii) of this sentence, in either case, unless and until Morningstar, in its sole discretion, may elect to change its policies and procedures with regard to the foregoing in writing.

The credit ratings of other credit rating agencies are not evaluated or used in Morningstar's models for purposes of determining Morningstar's rating, rating outlook or performing surveillance for any transaction.

Surveillance

Post-issuance, Morningstar may engage in various types of surveillance activities which may include: (i) the issuance of letter-grade ratings by Morningstar as a Non-Selected Agency as described above, (ii) the monitoring and surveillance of letter-grade ratings by Morningstar as a Selected Agency or a Non-Selected Agency, and (iii) providing, in Morningstar's sole discretion, no downgrade letters as a Selected Agency. Morningstar's ability to perform the prior activities is contingent on Morningstar's receipt of information. As previously mentioned, Morningstar's access to surveillance information may be reduced when Morningstar is a Non-Selected Agency. In addition, as Non-Selected Agency, Morningstar will not be requested at any time to provide no downgrade letters on any post-issuance transaction amendments. These factors limit the scope of Morningstar's surveillance and monitoring as a Non-Selected Agency. For example, the information typically received by Morningstar as a Selected Agency post-issuance, as may be set forth in the related deal report, may include the CREFC IRP package, trustee reports, financial statements, rent rolls and other requested information, in contrast, as a Non-Selected Agency, Morningstar may receive Non-Selected Agency Limited Information as set forth in the related deal report. In addition, as a Non-Selected Agency, Morningstar typically does not have a right to request information or review post-issuance transaction amendments.

If Morningstar is requested to provide a no downgrade letter, Morningstar may waive, deny or approve such request in Morningstar's sole discretion. A no downgrade letter is confirmation from Morningstar that a proposed change or amendment to the transaction, in and of itself and solely as of the date requested, will not result in a qualification, withdrawal or downgrade on any of the current ratings of the rated deal securities by Morningstar. The letter shall not constitute any consent, approval, agreement, and/or advice or affirmation and is based solely on the proposed transaction documents reflecting the change or amendment and provided to Morningstar at the time of request. In addition, any no downgrade letter and analysis related thereto by Morningstar does not address (i) whether the proposed change or amendment is permitted, consistent or otherwise approved under the rated deal documents, (ii) any benefits or effect of the proposed change or amendment on the security holders or parties to any rated deal documents or any such parties interests, and/or (iii) any considerations not considered or enumerated pursuant to the no downgrade letter and the ratings letters issued in connection with the rated deal. Any ratings of the rated deal remain subject to and qualified by the initial ratings letter.

Case by Case Analysis

In response to investor demand, Morningstar may also provide analysis to investors pursuant to specific requests and contracts for such services between Morningstar and such investor. For example, Morningstar may provide information regarding the performance of CDO securities, certain alerts and "Unsolicited Ratings" (as defined and further described at http://ratingagency.morningstar.com in "Morningstar CMBS New-Issue Rating Opinions: Procedures and Methodologies"). In addition, Morningstar may provide ratings, research and related analysis to arrangers, investors and/or subscribers with respect to other types of asset backed securities such as securitizations of certificates backed by commercial mortgages (re-remic securitization) and/or other types of asset backed securities transactions (collectively, "Other ABS Services"). With respect to any such analysis described in this paragraph, (i) the scope of such services and review may be enumerated in a contract and/or otherwise described in the related report or otherwise discussed in conjunction with the requested services, (ii) depending on whether a rating is issued, a report provided or surveillance performed, the above qualifications, caveats and parameters regarding such analysis may apply and (iii) typically, a description of Morningstar's general approach to review of such Other ABS Services may be found at http://ratingagency.morningstar.com.

Application of Changes to Morningstar Methodology

Morningstar continuously evaluates and monitors the methodology used by Morningstar to provide rating opinions. From time to time, Morningstar may, in accordance with Morningstar's policies and procedures update, enhance, change or alter the methodology utilized by Morningstar ("Methodology Updates"). Any Global Methodology Updates require a majority vote by a Morningstar committee comprised of (i) two Managing Directors of CMBS (the Managing Director of CMBS New Issuance Services and the Managing Director of CMBS Analytical Services), (ii) two Managing Directors of RMBS, and (iii) one Managing Director from Research/Advisory Services. . Notwithstanding the preceding sentence, a Managing Director may select a designee to serve on the committee in his or her absence. A Vice President or Senior Vice President may substitute for one of the Managing Directors, if such Senior Vice President or Vice President has been appointed by a Managing Director of the same analytical group to serve as his or her designee for a particular committee. Any change to the composition of such committee shall require a unanimous vote of the members enumerated in (i)-(ii) of the preceding sentence.

Morningstar posts such Methodology Updates at http://ratingagency.morningstar.com, including the "Morningstar Analysis and Considerations" link on Morningstar's website. Generally, such Methodology Updates will be applied consistently across transactions at the following times: (i) with respect to ongoing and future transactions, at issuance of the preliminary and/or final ratings, as applicable and (ii) with respect to existing transactions, at the time of conducting routine surveillance. On a case by case basis, if Morningstar determines not to apply Methodology Updates to a transaction, Morningstar will note such determination and reasoning on Morningstar's website at http://ratingagency.morningstar.com.

Access to Rating Opinions

As a Selected Agency, Morningstar generally posts a pre-sale report containing preliminary ratings and related analysis on Morningstar's website at http://ratingagency.morningstar.com shortly following the printing of the preliminary offering materials for the related transaction. At initial issuance of such transaction, Morningstar, as a Selected Agency, typically provides and addresses a final ratings letter to arranger. Following initial issuance, in the course of surveillance as a Selected Agency, Morningstar may, in its sole discretion, provide no downgrade letters from time to time if requested under and in accordance with the related transaction documents. Such letters are typically provided and addressed to the securitization trust.

As both a Selected Agency and Non-Selected Agency, Morningstar solely provides access to any post-issuance information and reports, analysis, rating changes, adjustments, suspension, withdraw, and rating outlooks to Morningstar subscribers on a subscriber pay subscription basis. Investors in any securities rated under a transaction are not entitled to any post-issuance items unless such investor is also a subscriber. Any non-subscriber investors should consider such absence of post-issuance ratings information in evaluating any rating opinions.

In addition, any ratings issued by Morningstar as a Non-Selected Agency are typically provided solely to subscribers on a subscriber pay subscription basis.

Conflicts

Morningstar maintains policies and procedures to identify, address and manage any actual or potential conflicts of interest that could influence letter-grade ratings or rating outlooks, whether issued by Morningstar as a Selected Agency or Non-Selected Agency, including any such conflicts of interest arising under the subscriber pay or arranger pay models described herein. Such policies and procedures and potential conflict description may be found at http://ratingagency.morningstar.com in Form NRSRO Exhibits 3, 5 and 7.

While the above provides a general description of Morningstar's letter-grade ratings, rating outlook and surveillance, for a particular transaction, the related ratings letters, pre-sale report, deal report and/or other information posted to Morningstar's website at http://ratingagency.morningstar.com, including the related "Morningstar Analysis and Considerations" link on Morningstar's website, should be considered and reviewed in conjunction with such rating.

2.B

CMBS Surveillance Ratings Opinions

June 2012

CMBS Surveillance Rating Opinions:
Procedures and Methodologies

Morningstar has and continues to use Morningstar's knowledge of commercial mortgage backed securities (CMBS) and commercial real estate markets to perform three main types of post-issuance surveillance: (i) the issuance of letter-grade ratings by Morningstar with respect to transactions where Morningstar has not been selected by the arranger to rate the respective transaction and is providing such ratings on a subscription pay basis to subscribers post-issuance of the securities (in such capacity, a "Non-Selected Agency"), (ii) the monitoring and surveillance of letter-grade ratings by Morningstar as a Non-Selected Agency and with respect to transactions where Morningstar has been selected and paid by an arranger to rate the respective transaction (in such capacity, a "Selected Agency"), and (iii) providing, in Morningstar's sole discretion, no downgrade letters as a Selected Agency. In Morningstar's sole discretion, Morningstar generally conducts the surveillance activities described in (i) of the preceding sentence on all CMBS issued by a United States issuer and collateralized by commercial real estate located within the United States as and to the extent consistent with Morningstar's policies and procedures. In addition, Morningstar typically performs the activities described in (i) and (ii) as a Non-Selected Agency with respect to transactions for which Morningstar provided an Unsolicited Rating (as defined and further described at http://ratingagency.morningstar.com in "Morningstar CMBS New-Issue Rating Opinions: Procedures and Methodologies").

Any surveillance activities described herein are conditioned on Morningstar's receipt of certain information to enable Morningstar to perform surveillance. The type of information received and therefore, the degree of surveillance performed, depends largely on whether or not Morningstar is a Non-Selected Agency or a Selected Agency. The degree and scope of review and information considered is generally enumerated in the Morningstar deal report ("DealView") for the respective transaction and should be considered when evaluating and comparing ratings.

Morningstar's subscription-service clients primarily comprise members of the investor community. As a Selected Agency, Morningstar is engaged by an arranger to rate and perform surveillance on the CMBS transaction. In either event, Morningstar maintains policies and procedures to handle any conflicts with a goal of providing transparent services to investors and market participants.

Morningstar Definitions and Descriptions of (i) Letter-Grade Credit Ratings,
(ii) Rating Outlooks and (iii) Surveillance

The definitions of Morningstar's letter-grade credit ratings, rating outlooks, a surveillance general description, application of changes to Morningstar methodology, access to rating opinions and conflicts are set forth in "Morningstar Definitions and Descriptions of (i) Letter-Grade Credit Ratings, (ii) Rating Outlooks and (iii) Surveillance" at http://ratingagency.morningstar.com, which is incorporated herein by reference and integral to evaluating any ratings described herein.

Additionally, the criteria for Morningstar's CMBS outlooks are defined in further detail below.

Outlook:	Definition of Outlook:
Perform	The security has performed as expected in terms of credit-risk characteristics. Considerations to determine if performance is "as expected" may include: (i) a review of forecasted credit support movement to determine whether such support has increased less than 10% or decreased less than 10-20%; and/or (ii) a review of forecasted subordinate dollar loss (SDL) to determine whether a security has a SDL between 25-50%.
Outperform	The security has performed better than expected in terms of credit-risk characteristics when compared to both issuance and the last review. The respective class exhibits characteristics that signify decreased credit risk and may be a candidate for an upgrade. Such characteristics may include actual or forecasted credit-support level increases and/or the overall strong performance of the underlying collateral. Considerations to determine if performance is "better than expected" may include: (i) a review of forecasted credit support movement to determine whether such support has increased by 10% or more; and/or (ii) a review of SDL to determine whether the security has a SDL of less than 25%.
Underperform	The security has performed worse than expected in terms of credit-risk characteristics when compared to both issuance and last review. The respective class exhibits characteristics that result in increased credit risk and may be a candidate for a downgrade or has the risk for potential loss. Such characteristics may include actual or forecasted credit-support level declines and/or the overall weak performance of the underlying collateral. Considerations to determine if performance is "worse than expected" may include: (i) a review of forecasted credit support movement to determine whether such support has declined by (a) 10% or more due to forecasted losses on specially-serviced loans, or (b) 20% or more when including expected value deficiencies from loans identified by Morningstar has High Risk Loans in accordance with Morningstar's policies and procedures; (ii) whether a security will suffer interest shortfalls of 25% or more of interest due on such security for three or more months; and/or (iii) a review of SDL to determine whether the security has a SDL of at least 25-50% or more.

Morningstar Rating Methodology and Rating Outlooks as a Non-Selected Agency
Morningstar's analysis is best described as a bottom-up approach. At its core, it is driven by the performance of the underlying commercial real estate loan collateral. Analysts first evaluate, using qualitative and quantitative analysis, the credit risk characteristics of the collateral pool backing any given securitization trust. The credit protections are then evaluated as part of Morningstar's opinion of the risk profile of any given security.

Quantitative and Qualitative Analysis.
Morningstar relies on a combination of quantitative and qualitative factors in evaluating securities for issuing credit ratings and rating outlooks.

Quantitative factors may include: level of over-collateralization; level of subordination or credit support; size and structure of tranching of securities; interest rates; value of the underlying assets; value of any possible reserve funds; degree and level of amortization of the underlying debt assets and payment priority; economic analyses; and historical performance of the relevant asset class.

Qualitative factors may include: geographical location of the underlying assets; property type of the underlying assets; tenant mix at properties securing underlying assets; diversity of property securing underlying assets, by geography, type and tenant; credit quality characteristics of underlying assets; and credit factors relevant for the industry sector.

These factors are applied by Morningstar to determine credit risk of a particular loan and the corresponding effect of such credit risk on a CMBS transaction.

Morningstar Watchlist.

The "Morningstar Watchlist" is a qualitative assessment of loan and property-level credit risk across a given CMBS transaction. The assessment includes a comparison of the most recently reported or updated collateral performance results to specific performance thresholds and criteria established by Morningstar regarding the level of credit risk for a particular loan (low, medium or high). Highlighted are loans with:

1. A higher-than average risk of default;
2. Near-term sustainable cash flow that is either insufficient to service debt (DSCR below 1.00) or will soon be insufficient to service debt;
3. Cash flow that may be insufficient to service debt due to loss of tenant(s), severe market deterioration, severe market disruption (i.e. natural catastrophe), or borrower malfeasance or bankruptcy; and/or
4. An inability to secure take-out financing at maturity.

In summary, a Morningstar Watchlist is completed that generally includes the following items as and to the extent sufficient information has been received by Morningstar to determine such items:

1. Payment default (recent or historical)
2. Quantitative model forecast
3. Special servicer transfer and workout status
4. DSCR performance (operating cash flow)
5. Occupancy level
6. Lease rollover risk (tenant base)
7. Loan maturity (balloon risk)
8. Estimated Loan-to-Value
9. Property market ranking and outlook
10. Inspection rating, property condition and deferred maintenance
11. Borrower issues (i.e., bankruptcy)
12. Tenant issues (i.e., bankruptcy)

The primary goal is to properly identify what has changed since the previous month's collateral / deal review that would suggest additional credit risk or improved collateral performance. We select all loans with statistical characteristics that indicate a potential future risk. The drivers of Morningstar's statistical model are debt-service-coverage ratio, occupancy, remaining term to maturity, MSA (Morningstar separately ranks the risk of default by property type in each major MSA), the percentage of the building with near term (next 12 months) lease roll-over risk, and loan-to-value ratio.

Morningstar separately identifies all loans that have had exhibited a material adverse change over the month regardless of performance status. We complete an in-depth review of the overall credit risk associated with any newly defaulted or specially serviced collateral property by reviewing special servicer (asset manager) or master servicer commentary regarding payment delinquency or distressed status of a loan, to determine the likelihood of problems going forward. Morningstar estimates value and project potential for loss on the defaulted or specially-serviced collateral and project the estimated timing of such losses.

A corresponding analysis of the transaction structure is completed to review the adequacy of in-place credit-support levels. This analysis consists of a monthly quantitative and qualitative analysis of the underlying loans and properties in the transaction to produce an estimated property value and loss estimate on a loan by loan basis. These results are applied to the transaction class structure to determine the impact of loss projections on each class of the CMBS transaction. In addition, total debt levels for each loan are also considered versus the collateral-appraised or analyst-derived value in order to calculate an updated loan-to-value ratio. A comprehensive analysis of the underlying loan-collateral property types and geographic concentrations within the transaction is completed, focusing on any single or large-tenant risk (compared to loan balance, collateral location, and lease terms). Debt-repayment requirements (such as interest-only versus amortizing debt) are also reviewed, including a stressed cash-flow analysis assuming loan amortization for potential balloon payment default risk.

The results derived from the above credit analysis are then included in Morningstar's model described below.

Additional Considerations.
A host of attributes are then used to compare forecasted levels of credit support and the corresponding Morningstar CMBS credit ratings associated with such levels. These typically include:

1. Morningstar's estimate of potential losses related to the defaulted or specially serviced high-risk loan collateral, and how those aspects affect the payment waterfall and corresponding credit-support structure of each transaction.

2. Morningstar's estimate of value deficiency and the potential for future losses related to non-specially serviced or delinquent high-risk loan collateral in a given transaction that have experienced a decline in performance, and how those aspects affect the payment waterfall and corresponding credit support structure of each transaction.

3. Morningstar's analysis of defeased loan collateral (i.e. removal of underlying commercial real estate risk) and its impact on the payment waterfall and corresponding credit support structure (i.e. guaranteed timely cash flows and ultimate repayment as balloon maturity approaches for the most senior class).

Morningstar may take into account additional characteristics as well, which may include:

1. property and market information from third party sources to forecast rents and vacancy rates by property types and metro area,
2. comparison of other CMBS transactions with similar characteristics, and
3. consideration of changes in the underlying real estate credit performance since issuance.

Surveillance Model.

A Morningstar rating outlook is only an opinion regarding the future trends for the rated security over the next six to twelve months and is subject to the various qualifications, caveats and considerations enumerated in the respective DealView report. Classes of securities that have substantial increases in subordination, or credit-support levels, are generally likely to be granted an "Outperform" rating outlook, while those that have erosion in credit support, or are expected to suffer losses or interest shortfalls that would result in such erosion are generally candidates for the "Underperform" rating outlook. Ultimately, the impact of losses on forecasted credit support for a class and the dollar balance of securities subordinate to a given class will assist Morningstar in determining both the outlook and letter rating.

Upon taking into account the factors enumerated above, the Morningstar surveillance model produces forecasted credit support and suggested letter ratings for each class of a given CMBS transaction. The modeling results are also used to analyze whether upgrades or downgrades are warranted for any particular class of securities on an ongoing basis as further discussed below.

Material differences between the final credit rating(s) issued by Morningstar and the corresponding credit rating, or subordination level attachment point, implied by this surveillance model may occur. However, any decision to permit a material difference and the resulting impact requires a majority committee vote pursuant to the committee process described below. A "material difference" is generally a difference of, or equivalent to, one or more letter-grade rating categories. A difference of a plus or minus within a lettergrade rating category is typically not considered a "material difference" for such purposes.

The surveillance model and Morningstar's new issuance model are intended to apply similar approaches to transaction analysis subject to the distinctions in review and information access described in at http://ratingagency.morningstar.com in "Morningstar Definitions and Descriptions of CMBS (i) Letter-Grade Credit Ratings, (ii) Rating Outlooks and (iii) Surveillance".

While the above focuses on the analysis performed as a Non-Selected Agency, such approach is also used by Morningstar as a Selected Agency for purposes of determining rating outlooks.

Morningstar Ongoing Surveillance of Rating Opinions as a Non-Selected Agency and Selected Agency

Morningstar's rating opinion on every transaction rated by Morningstar as a Non-Selected Agency or Selected Agency is updated every month after new property and loan-level information described herein is available to Morningstar. After available deal-specific and collateral-specific information has been gathered by Morningstar analysts, the respective analyst then applies the Morningstar surveillance model. If any changes are warranted, the Morningstar analyst formulates his or her recommendation for the consideration of the rating committee described below. As previously noted, Morningstar's receipt of information and ability to request additional information may be reduced as a Non-Selected Agency. In addition, requests for no downgrade letters are solely made to Morningstar as a Selected Agency and therefore, Morningstar will generally not have the opportunity to review post-issuance amendments or changes to transaction documents as a Non-Selected Agency.

Monthly Surveillance Considerations.
Each month, Morningstar typically conducts a quantitative and qualitative analysis of the underlying loans and properties collateralizing the CMBS transaction to produce an estimated property value and loss estimate for each loan. For example, Morningstar may review operating cash flow, tenant base, property condition, market performance and updated collateral statistics (i.e. loan workout status, collateral performance and market conditions), as applicable. The results of this analysis are then applied to the class payment structure of the transaction to determine the impact of loss projections on each security. Ultimately, Morningstar utilizes this analysis to update letter ratings, determine a ratings outlook, and produce the opinion contained in the Morningstar Dealview, as described below. Additional detail on considerations in the monthly surveillance review are described above under the heading "Morningstar Rating Methodology and Rating Outlooks as a Non-Selected Agency".

No Downgrade Letter Analysis.
As a Selected Agency, Morningstar may be requested to provide a no downgrade letter addressed to the securitization trust. Morningstar may waive, deny or approve such request in Morningstar's sole discretion. A no downgrade letter is confirmation from Morningstar that a proposed change or amendment to the transaction, in and of itself and solely as of the date requested, will not result in a qualification, withdrawal or downgrade on any of the current ratings of the rated deal securities by Morningstar. The letter shall not constitute any consent, approval, agreement, and/or advice or affirmation and is based solely on the proposed transaction documents reflecting the change or amendment and provided to Morningstar at the time of request. In addition, any no downgrade letter and analysis related thereto by Morningstar does not address (i) whether the proposed change or amendment is permitted, consistent or otherwise approved under the rated deal documents, (ii) any benefits or effect of the proposed change or amendment on the security holders or parties to any rated deal documents or any such parties interests, and/or (iii) any considerations not considered or enumerated pursuant to the no downgrade letter and the ratings letters issued in connection with the rated deal. Any ratings of the rated deal remain subject to and qualified by the initial ratings letter. In Morningstar's sole discretion, a legal review of the proposed change or amendment may be performed in conjunction with Morningstar's analysis of the proposed transaction.

Morningstar generally considers whether or not to issue a no downgrade letter through the committee process described below.

Morningstar Information Sources as a Non-Selected Agency
As a Non-Selected Agency, Morningstar's access to information, various parties and collateral may be reduced and the scope of review is limited. In addition, provisions for rating agency review of certain post-issuance amendments or changes to transaction documents may be absent or limited. For example, as a Non-Selected Agency, Morningstar may receive (i) the current Commercial Real Estate Finance Council standardized investor reporting package (CREFC IRP) and (ii) to the extent necessary to Morningstar's analysis and available,

information from third party data suppliers of market data, rents, cap rates and other similar items. In contrast, as a Selected Agency, Morningstar may not only receive the information enumerated in the preceding sentence, but also trustee reports, financial statements, rent rolls, other information required to be delivered pursuant to the related servicing agreement, requested information, post-issuance transaction amendments and no downgrade letter requests and information related to such request. Therefore, the degree of surveillance varies depending on Morningstar's role in a transaction. In addition, even if certain additional information may be available to Morningstar as a Non-Selected Agency under current regulations, Morningstar may not access or review such information due to various factors, including the terms of use to access such information, Morningstar's scope of review of a particular transaction and/or other factors considered by Morningstar in accordance with Morningstar's policies and procedures. Therefore, letter-grade ratings and rating outlooks at any time Morningstar is a Non-Selected Agency solely reflect an analysis of limited information and the reflection of such limited information in Morningstar's surveillance model described above. Investors should consider the distinction in the scope of the review and analysis depending on whether Morningstar is a Selected Agency or a Non-Selected Agency.

In general, the Morningstar DealView for a particular transaction will enumerate the scope of review and information received and reviewed by Morningstar for such transaction and such scope of review and limits on information should be considered by investors in evaluating ratings for such transaction.

Current laws and regulations may permit Morningstar access to additional information as a Non-Selected Agency in future transactions. However, unless Morningstar expressly describes reviewing additional information as a Non-Selected Agency in the DealView for a specific transaction, Morningstar is solely continuing to review and rely on the information described herein and the Deal Report for the particular transaction.

Unless required under Morningstar's policies and procedures, Morningstar does not independently verify or perform due diligence on the information described herein. In addition, Morningstar does not perform an audit or verification of commercial real estate or other underlying assets, or any publicly-available information or any non-public information provided by arrangers, servicers, data vendors and other third-party sources of information. Morningstar credit ratings or outlooks may be changed, suspended or withdrawn as a result of changes in, or unavailability of key information, or other circumstances.

Morningstar Surveillance Committee Process

Letter ratings, rating outlooks and any subsequent changes thereto are issued through rating committees, by a majority vote of the committee's members. No individual analyst can assign or change a particular credit rating or rating outlook without majority committee approval.

Rating outlooks are reviewed monthly by committee. Letter ratings are reviewed no less than quarterly by committee. During a letter rating review, the committee may also make outlook changes that the committee deems necessary.

For most outlook changes, this committee will generally include the primary analyst and secondary analyst on a transaction, and either the Managing Director, a Senior Vice President, or Vice President, of CMBS Analytical Services. The committee will be at least three members and will act by a majority via an electronic approval process. For most outlook affirmations, this committee will generally only include the primary analyst and team lead analyst on a transaction. This process is limited to reviews of outlooks.

However, certain transactions will be selected for an in-person committee meeting for outlook reviews that all CMBS Analytical Services members are invited to attend. Transactions may be selected for an in-person committee at random or based on vintage, transaction size, property characteristics, tenant issues, or other quantitative or qualitative characteristics. For these group-wide committee meetings, the ongoing surveillance of letter ratings, and for the initiation of surveillance (both letter ratings and outlooks) provided on transactions for which Morningstar is a Non-Selected Agency, the rating committee members are, at a minimum, (i) the Managing Director of CMBS Analytical Services and (ii) at least two Senior and/or Vice Presidents, in the aggregate, selected by the Managing Director of CMBS Analytical Services from within the CMBS Analytical Services group. When initiating surveillance on a transaction as a Non-Selected Agency, Morningstar generally follows the committee approach for new issuance transactions as described in "Morningstar CMBS New-Issue Rating Opinions: Procedures and Methodologies" at http://ratingagency.morningstar.com.

If, at any time, a member of the committee is not able to serve on the committee for any reason, the Managing Director of CMBS Analytical Services shall select a suitable replacement or designee for such member to ensure at least three members are serving on the committee for a respective transaction. Any changes to the composition of the committee shall require a unanimous vote of the Managing Director of CMBS Analytical Services and at least two Senior Vice Presidents within the CMBS Analytical Services group. In addition, if any issues arise related to surveillance, including any decisions to suspend or withdraw a rating and/or whether to apply changes in Morningstar methodology to a particular transaction, such issues are generally considered through a majority vote of the respective committee.

Certain items may be considered by the respective analyst or supervisor and/or committee members for a CMBS transaction in accordance with Morningstar's policies and procedures. Such considerations may include:

1. The performance outlook of, and loss projections and/or realized losses for, the CMBS securities.
2. The loans in special servicing, at risk of default and/or identified on the master servicer's watchlist.
3. The status of credit support levels.
4. The existence of rating changes or actions by Morningstar.
5. The percent of defeased loans in the pool.
6. The debt-service coverage levels and loan-to-value ratios of some or all loans.
7. The diversification in the pool.
8. The existence or changes to subordinate debt related to loans in the pool.
9. Certain payment characteristics of the assets.

The committee may consider and the DealView may describe one or more of the above considerations depending on the impact of such item on the ratings or rating outlooks for a transaction and the availability of information related to such item and scope of review performed by Morningstar for the respective transaction.

DealViews and Surveillance Ratings

In general, a DealView is a monthly report containing Morningstar's material considerations and analysis related to a transaction and updates, if any, to Morningstar ratings on the transaction. Any surveillance performed, changes to ratings and/or DealView prepared are generally accessible solely by subscribers on a subscription pay basis. Investors in any securities rated under a transaction are not entitled to any post-issuance items unless such investor is also a subscriber. Any non-subscriber investors should consider such absence of post-issuance ratings information in evaluating any rating opinions. A general description of items contained in a typical DealView may be found at http://ratingagency.morningstar.com.

As a Non-Selected Agency, Morningstar may provide initial ratings on a transaction solely to subscribers on a subscription pay basis. In reviewing any ratings or DealView, the scope, date of such report, review performed, and parameters related to the information in such report are important considerations. Such items are typically contained in the DealView or referenced therein.

Ratings and Rating Actions of Other Rating Agencies

Morningstar does not rely on the CMBS ratings or methodologies of other credit rating agencies with respect to Morningstar ratings, surveillance or rating actions. Morningstar may consider the opinions of other credit ratings agencies with respect to the United States' credit rating when reviewing defeased loans collateralized with U.S. Treasury securities.

Confidential Information and Conflicts of Interest

Morningstar's policies regarding the safeguarding of confidential and non-public information, maintaining analyst independence, and managing other conflicts of interest are contained in its Form NRSRO and available on Morningstar's website, http://ratingagency.morningstar.com.

2.C

CMBS New-Issue Ratings Opinions

June 2012

CMBS New-Issue Rating Opinions:
Procedures and Methodologies

Morningstar may, in its sole discretion and upon request of an arranger or other investor (see description of unsolicited ratings below), issue letter-grade ratings for commercial mortgage-backed securities (CMBS) at issuance. Any determination to issue letter-grade ratings is in Morningstar's sole discretion in accordance with Morningstar's policies and procedures on a case by case basis and Morningstar may, at any time, decline or refuse to rate a transaction for any number of reasons, including, without limitation, the failure or refusal of the arranger or other third parties to provide information to Morningstar. At any time Morningstar issues a letter-grade rating based on an arranger pay model and at the request of an arranger, Morningstar is a "Selected Agency" for purposes hereof and in various other descriptions.

Morningstar Definitions of Letter-Grade Credit Ratings

The definitions of Morningstar's letter-grade credit ratings, a surveillance general description, application of changes to Morningstar methodology, access to rating opinions and conflicts are set forth at http://ratingagency.morningstar.com in "Morningstar Definitions and Descriptions of (i) Letter-Grade Credit Ratings, (ii) Rating Outlooks and (iii) Surveillance", which is incorporated herein by reference and integral to evaluating any ratings described herein.

Morningstar Rating Methodology as a Selected Agency

Morningstar's ratings approach typically consists of a: (1) quantitative and qualitative analysis of the underlying commercial real estate loans, the properties backing the loans and the security payment structure; and (2) a legal review of (i) the offering documents, the related servicing agreement and trust agreement (if separate), loan sale agreement(s) (including any loan and property representations and warranties and exceptions), true sale opinion or similar opinion, and any related hedge documents at the securitization level, and (ii) loan documents and/or loan summaries, special purpose entity operating agreement(s), nonconsolidation opinion(s), subordinate debt agreements and any related hedge documents with respect to all or certain loans enumerated in the related pre-sale report for the transaction.

Overview of Quantitative and Qualitative Analysis.

Morningstar employs a bottom-up quantitative analysis approach beginning with an analysis of typically all loans collateralizing the CMBS issuance. As part of this review, limited-scope site visits are typically performed on at least 65% of the portfolio based on the then current loan balance. This analysis ultimately determines the credit quality of each loan as measured by the debt service coverage ratio (DSCR) and loan-to-value (LTV) metrics.

The results of the analysis of each loan, and the loan terms and property characteristics of each loan, are then input into Morningstar's proprietary new issuance CMBS subordination model described at http://ratingagency.morningstar.com (the "CMBS New Issuance Model") to determine the required credit support levels at each rating category. The CMBS New Issuance Model is a critical component of Morningstar's credit rating process and applies a combination of property cash flow, property value and lending environment stresses to each loan to determine the expected loss for each loan under defined economic conditions and aggregates the losses across the entire portfolio. This model also makes quantitative adjustments at the portfolio level for concentration risks factors such as loan size, property type and geography.

Ultimately, the CMBS New Issuance Model provides the Morningstar-derived subordination level attachment points and estimates of losses for each particular rating category. Morningstar does not generally permit "material differences" between the final credit rating(s) issued by Morningstar and the corresponding credit rating, or subordination level attachment point, implied by this quantitative model. A "material difference" is generally a difference of, or equivalent to, one or more letter-grade rating categories. A difference of a plus or minus within a letter-grade rating category is typically not considered a "material difference" for such purposes. An analysis of whether a difference is material and the resulting impact, if any, to final credit ratings, is considered by a majority committee vote as described below.

Morningstar posts a "white paper" summary of the CMBS New Issuance Model at http://ratingagency.morningstar.com. This white paper further describes the quantitative metrics used in the application of the model. In addition to the CMBS New Issuance Model, Morningstar utilizes a surveillance model to perform ongoing surveillance and/or ratings on transactions where Morningstar is not a Selected Agency. The CMBS New Issuance Model and the surveillance model are intended to apply similar approaches to transaction analysis subject to the distinctions in review and information access described at http://ratingagency.morningstar.com in "Morningstar Definitions and Descriptions of CMBS (i) Letter-Grade Credit Ratings, (ii) Rating Outlooks and (iii) Surveillance". A description of the surveillance model is located at http://ratingagency.morningstar.com in "Morningstar CMBS Surveillance Rating Opinions: Procedures and Methodologies."

Legal Analysis.
Morningstar's legal analysis includes a review of documents enumerated above to identify qualitative risks that might impact the expected cash flow received on the loans and/or the flow of such funds to the security holders. When warranted, quantitative adjustments are made to the loan level analysis and/or the CMBS New Issuance Model to address the qualitative risks identified by the legal review.

Morningstar Information Sources as a Selected Agency

At issuance, Morningstar generally expects to receive certain information as a Selected Agency. This information may include for some or all assets: asset summaries, historical financial reports, third party reports (such as appraisals, environmental reports, and engineering reports), rent rolls, lease extracts, insurance information, and loan level and securitization level transaction documentation (such as the servicing agreement, loan purchase agreement, loan documents, subordinate debt documents and legal opinions). In addition, Morningstar may visit certain properties to assess certain characteristics of the properties. Morningstar may also utilize the services of third party data vendors for certain information such as economic forecasts, property-performance information, real estate news, and/or market level-economic statistics. The scope and extent of Morningstar's review of the information received and/or collateral is typically enumerated in the respective pre-sale report for the transaction or otherwise indicated. In addition, transaction documents generally require delivery of various reports and information to Morningstar as a Selected Agency post-issuance in order for Morningstar to perform surveillance on the ratings.

Unless required under Morningstar's policies and procedures, Morningstar does not independently verify or perform due diligence on the information described herein. Morningstar does not perform an audit or verification of commercial real estate or other underlying assets, or any publicly-available information or any non-public information provided by arrangers, issuers, servicers, trustees, data vendors and other third-party sources of information, including any website posted information. Morningstar ratings may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information or other circumstances.

Morningstar Rating Process and Rating Committee

When rating a new CMBS issue, a Morningstar analyst serves as the primary contact person for the arranger for that deal. Loans reviewed for a particular transaction are assigned to a team of analysts to assess the credit risk of such loans in accordance with Morningstar's policies and procedures.

The treatment of the loans reviewed is approved by the loan committee. The loan committee must have at least three voting members and act by a majority. The voting members of the loan committee may be any three of the following persons: (i) the Managing Director of CMBS New Issuance, (ii) the Managing Director of CMBS Analytical Services; or (iii) any of the Senior Vice Presidents of CMBS New Issuance, as may be designated by the Managing Director of CMBS New Issuance or his designee. Other credit analysts in the CMBS New Issuance group may attend and comment at the meeting, but are not eligible to vote in the loan committee unless otherwise designated by the Managing Director of CMBS New Issuance.

After approval of the loan analysis and further analysis by the analysts, a member of the below described rating committee selected by Morningstar's Managing Director of CMBS New Issuance presents a summary of the CMBS deal, the underlying properties and loans, the loan analysis, the model inputs and the model results to the ratings committee described below.

The rating committee members generally are: (i) the Managing Director of CMBS New Issuance, (ii) the Managing Director of CMBS Analytical Services, and (iii) at least one Senior Vice President of CMBS New Issuance selected by the Managing Director of CMBS New Issuance or his designee. The rating committee must have at least three voting members and act by a majority. Other credit analysts in the CMBS New Issuance group may attend and comment at the meeting, but are not eligible to vote in the rating committee unless otherwise designated by the Managing Director of CMBS New Issuance.

If, at any time, a member of the committee is not able to serve on the committee for any reason, the Managing Director of CMBS New Issuance Services shall select a suitable replacement or designee for such member to ensure at least three members are serving on the committee for a respective transaction. Any changes to the composition of the committee shall require a unanimous vote of the Managing Director of CMBS New Issuance and the Managing Director of CMBS Analytical Services.

The rating committee is critical in promoting the quality, consistency and integrity of the Morningstar rating process. Credit ratings are issued through the respective committee on a transaction by transaction basis through majority vote of the committee's members. No individual analyst is authorized to issue a preliminary or final credit rating without committee majority approval.

The rating committee typically considers the following: (i) for each or certain properties, a comparison of (a) the net operating income, net cash flow and debt service coverage ratio as provided to Morningstar on the arranger website for such property, to (b) such respective items derived by Morningstar through application of Morningstar's quantitative and qualitative analysis described above, (ii) risks and analysis related to larger loans, riskier loans and portfolio-level risks, and (iii) other factors material to Morningstar's rating analysis in accordance with Morningstar's policies and procedures. On a case by case basis, the committee may, by majority vote, require adjustments to Morningstar's collateral analysis or model metrics before the model results are finalized and approved by the committee.

In the event any issues arise related to the ratings at issuance or during surveillance, including any decisions to suspend or withdraw a rating and/or whether to apply changes in Morningstar methodology to a particular transaction, such issues are generally considered through the committee approach described above, provided that the members of the committee for initial issuance considerations are as enumerated above and the members for surveillance purposes are described at http://ratingagency.morningstar.com in "Morningstar CMBS Surveillance Rating Opinions: Procedures and Methodologies".

Pre-Sale Reports and Ratings Letters
In general, a pre-sale report contains preliminary ratings and Morningstar's material considerations and analysis related to a transaction. In contrast, ratings letters contain final ratings at issuance and generally, do not contain such considerations and analysis.

As a Selected Agency, Morningstar generally prepares a pre-sale report prior to issuance of final credit ratings for the respective transaction. Morningstar ultimately posts such pre-sale report for a transaction at http://ratingagency.morningstar.com and representative transaction pre-sale reports may be found at such location. In reviewing any pre-sale report or analogous document prepared by Morningstar, the scope, date of such report, review performed, and parameters related to the information in such report are important considerations. These items are typically contained in the pre-sale report or referenced therein. In certain circumstances and in Morningstar's sole discretion, Morningstar may prepare a post-sale report if considerations significant, material and adverse surface after the pre-sale report is posted, but prior to issuance of the final ratings.

While Morningstar may, as a courtesy, provide the issuer or other arranger with an advance copy of the pre-sale report, Morningstar maintains complete control over its credit ratings and research reports. Morningstar will take under consideration comments of the issuer or other arranger, but Morningstar is not obligated to make any changes. Morningstar will not accept comments regarding credit ratings or the substance or scope of the research report. Morningstar will review comments intended to correct a factual error or prevent the inadvertent disclosure of confidential information. Any consideration of such comments resulting in rating changes, if any, are subject to a majority vote of the committee discussed above. In connection with the issuance of the rating opinions, Morningstar delivers a ratings letter to the arranger setting forth the ratings and the qualifications, caveats and parameters related to those ratings.

Ratings and Rating Actions of Other Rating Agencies
Morningstar does not rely on the ratings or methodologies of other credit rating agencies with respect to Morningstar credit ratings or rating actions.

Surveillance of the New-Issue Ratings
A description of the monitoring, surveillance and no downgrade letter request process is described at http://ratingagency.morningstar.com in "Morningstar Definitions and Descriptions of (i) Letter-Grade Credit Ratings, (ii) Rating Outlooks and (iii) Surveillance" and "Morningstar CMBS Surveillance Rating Opinions: Procedures and Methodologies". Any surveillance performed, changes to ratings and/or related post-issuance deal reports prepared by Morningstar are generally accessible solely by subscribers on a subscription pay basis. Investors in any securities rated under a transaction are not entitled to any post-issuance items unless such investor is also a subscriber. Any non-subscriber investors should consider the absence of post-issuance ratings information in evaluating any rating opinions.

Unsolicited Ratings
Morningstar, on a case by case basis and in Morningstar's sole discretion, may issue preliminary letter grade credit ratings following deal pricing for transactions where Morningstar is not selected or paid by the arranger to issue such ratings ("Unsolicited Ratings"). Unsolicited Ratings and related analysis and reports are provided to investors under an investor pay model and pursuant to specific contracts with such investors enumerating the scope of review and type of analysis requested by the investor on a transaction by transaction basis. In order to issue an Unsolicited Rating, many items described herein apply to such analysis such as (i) the application of the CMBS New Issuance Model, (ii) the committee process described above, and (iii) the definitions of letter-grade credit ratings described above. However, there are fundamental distinctions in approach that are important to evaluate in considering an Unsolicited Rating in lieu of a Selected Agency rating or a rating issued by Morningstar post-issuance of the securities in the transaction on a subscriber pay basis. For example: (i) Unsolicited Ratings are not available for general access on Morningstar's website or available to all subscribers at issuance of the preliminary ratings, instead, such Unsolicited Ratings are solely available to an investor pursuant to a contract with such investor until such time as final ratings are issued by Morningstar for such transaction during surveillance and made available solely to subscribers pursuant to Morningstar's policies and procedures;(ii) Morningstar's scope of review and related analysis for an Unsolicited Rating is generally limited to the parameters enumerated in the related investor contract and the respective deal report and may entail review of (a) certain information for certain properties contained in the preliminary offering document, (b) historical financial performance for the subject property (typically, financials for the most current three years), (c) the most recent rent roll for the subject property, (d) proprietary market performance data as may be supplemented by the most current third party vendor data and third party reports available (e.g., appraisal, property condition report, environmental report), and (e) a legal review limited to material risks related to certain properties in the preliminary offering document; (iii) the report related to the Unsolicited Rating is customized based on the investor contract and therefore, while generally following a similar

format as the pre-sale report described herein, such Unsolicited Rating report will vary on a case by case basis; and (iv) Unsolicited Ratings are solely issued to certain investors following pricing of the transaction and are preliminary ratings only (any final ratings may be provided to subscribers during surveillance in accordance with Morningstar's policies and procedures). Any final ratings following an Unsolicited Rating, may be issued and/or monitored by Morningstar as a "Non-Selected Agency" as defined and described at http://ratingagency.morningstar.com in "Morningstar Definitions and Descriptions of (i) Letter-Grade Credit Ratings, (ii) Rating Outlooks and (iii) Surveillance" and "Morningstar CMBS Surveillance Rating Opinions: Procedures and Methodologies".

Confidential Information and Conflicts of Interest

Morningstar's policies regarding the safeguarding of confidential and non-public information, maintaining analyst independence, and managing other conflicts of interest are contained in its Form NRSRO and available on Morningstar's website, http://ratingagency.morningstar.com.

2.C

RMBS New Issue Ratings Methodology

June 2012

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MORNINGSTAR®

June 2012

Introduction

The rating methodology described herein will be applied to the new issue ratings of non-agency, US prime, alternative-A ("alt-A"), and subprime residential mortgage-backed securities (RMBS) by Morningstar Credit Ratings, LLC ("Morningstar"). The methodology is designed to be transparent, granular, easy to understand, and consistently applied to both surveillance and new issuance of RMBS. A rating that is assigned based on this methodology should provide market participants with an unbiased risk benchmark that can be used to gauge the relative default risk of a security against that of other RMBS securities.

Section 1 – Basic Concept

The Morningstar RMBS new issue rating process begins with originator and servicer reviews to ensure that Morningstar is comfortable with the origination practices and underwriting guidelines of the originator(s), and the servicing capabilities of the servicer(s) for loans to be included in the proposed transaction. If Morningstar is comfortable with the originator(s) and servicer(s), the issuer of the proposed securities will submit a loan file that adheres to the Morningstar loan file format and a proposed security structure. Appendix 3 contains a list of the required loan-level fields.

There are two levels of review for originators and servicers to be included in RMBS transactions rated by Morningstar. The first level of review consists of a checklist and a visit by Morningstar RMBS analysts. This level of review is required to ensure that the originators and servicers meet Morningstar's minimum standards. If the originators and servicers pass this level of review, the originators and servicers may be included in a Morningstar rated transaction. The second level of review is a comprehensive Operational Risk Assessment ("ORA") of the originators and servicers. This review is optional, but provides the originators and/or servicers with a ranking among their peers. The ranking will then be incorporated in the credit analysis for the RMBS transaction.

The next step is the credit analysis. Using a combination of quantitative and qualitative analyses, Morningstar analysts will forecast monthly loan performance.

Periodically, an Economic Outlook Committee will convene. This committee is made up of designated members of Morningstar's Research and Advisory group and members of the RMBS and CMBS groups. The Economic Outlook Committee reviews the results of a proprietary econometric model that is used to forecast expected and stressed economic environments. An economic environment is a combination of economic variables, including changes in house prices, lending conditions, unemployment, affordability, and interest rates.

Once approved by the Economic Outlook Committee, these economic scenarios are fed into the proprietary Morningstar loan-level credit model, which analyzes loan origination characteristics and monthly performance metrics and produces loan-level monthly prepayment, delinquency, default and loss vectors ("forecasted performance results"). The Economic Outlook Committee also analyzes mortgage market trends, natural disasters, changes in legislation, and other factors in order to qualitatively adjust the forecasted performance results, as deemed necessary, at the global level, across all transactions.

Morningstar analysts will then build a cash flow model using Intex Dealmaker to analyze the proposed security waterfall and other structural features. This cash flow model will be used to analyze the loan-level data, including the forecasted performance results to show the security-level principal and interest distribution under various interest rate environments and rating stress scenarios. The rating assigned to each tranche will be the highest rating stress which results in no principal or interest shortfalls under any interest rate environment. The preliminary ratings will be reviewed by senior analysts and the results will be shared with the issuer.

Prior to closing, analysts will work with internal and external counsel to perform the legal review of the proposed transaction documents and opinions. Required documents include, but are not limited to, the Pooling and Servicing Agreement ("PSA"), marketing documents (e.g. term sheet, prospectus, and prospectus supplement), swap agreements, due diligence results, tax opinion, true sale opinion, and non-consolidation opinion. Among other things, analysts are looking to ensure that the issuer is a valid special purpose vehicle, the representations and warranties("reps and warranties") are sufficient, and that the structure of the transaction and description of collateral accurately reflects the loan file and models used to assign the rating. The due diligence results are examined to evaluate the accuracy of the collateral data including the property valuation.

Once the initial analysis is complete, the analyst will present a preliminary rating recommendation to a transaction committee. The committee reviews the presentation and any supplemental material required to vote on the recommendation. If the recommendation is approved, Morningstar may publish a pre-sale report. This report will describe the potential risks of the transaction and the results of our analysis. The report will also provide details on the risk mitigants incorporated into the transaction, including a description of the reps and warranties.

After pricing occurs and Morningstar receives the final legal documentation, collateral tape, waterfall, and tranche sizing, Morningstar will perform the final rating analysis and present the final rating recommendation to a rating committee. The committee will vote on the recommendation and, upon a majority positive vote, the rating will be approved and the rating letter will be issued to the issuer.

Section 2 – Quantitative and Qualitative Models and Metrics Used to Determine Credit Ratings

Overview of econometric forecasting

House price indices (HPIs), the unemployment rate, housing affordability, lending conditions and key housing-related interest rates (i.e., 6-month LIBOR and the Fannie-Mae 30-year fixed mortgage offered rate) are exogenous economic inputs into Morningstar's RMBS credit model. These variables, along with each loan's underlying characteristics, aid in the prediction of collateral behavior and, ultimately, in the projection of expected losses for a given securitization deal. Because our credit model is forward-looking, forecasts of these exogenous variables are needed.

Morningstar utilizes a probabilistic, structured, econometric approach to forecasting. Our economists use market data and market insight to generate the Morningstar expected case HPI forecast (MSTAR_HPIt). This forecast is fed into our proprietary econometric forecasting model to generate a probability distribution of potential HPI forecasts. This econometric model also contains a structural component that generates expected case forecasts for the unemployment rate and housing affordability based on the Morningstar HPI forecast. Appendix 1 summarizes the forecast process of the exogenous variables. For more information regarding our forecast process and models, please see our "Morningstar Mortgage Risk Model: Risk Analysis and Vector Generation" and "Vector Generation Validation Study" on our website, http://ratingagency.morningstar.com.

Relating ratings to economic scenarios

The RMBS Economic Outlook Committee will meet periodically to review the expected case HPI, unemployment, interest rates, lending conditions and affordability forecasts and the probability distribution of forecasts generated by the econometric model. The Economic Outlook Committee will determine and approve expected case HPI, unemployment, interest rates, lending conditions and affordability forecasts to be associated with the 'B' rating (the 'B' rating stress scenario), and the stressed HPI, unemployment, interest rates, lending conditions and affordability forecasts to be associated with higher rating levels, such as the 'A' rating (the 'A' rating stress scenario) and the 'AAA' rating (the 'AAA' rating stress scenario).

Morningstar forecasts interest rates using a similar approach. Starting with the forward curve for each index, the econometric model generates a probability distribution of potential interest rate forecasts for each interest rate index. The interest rate environment considered to be the most stressful can vary from security to security based on several factors, including, but not limited to, collateral interest rate type (fixed vs. adjustable rate), security interest rate type, security's position in the waterfall, and exposure to interest rate derivatives. Therefore, Morningstar tests three interest rate paths at each rating level in both the credit and cash flow models. The Economic Outlook Committee determines and approves an expected case and two stressed interest rate paths for each index: a high path and a low path, for each rating scenario. All three interest rate paths (expected, high, and low) will be tested independently, with varying degrees of stress at each rating level, in the credit model, as well as the cash flow model.

The forecasting ability of any quantitative model calibrated using historical data is limited by the relationships that have actually occurred in the data. If the relationships among econometric forecasts that are used as inputs to the credit model have not occurred in the historical data, the results may not make sense and could be misleading. Therefore, in its review of the econometric forecasts, the Economic Outlook Committee looks at the historical correlation among variables to understand the limitations of the credit model to ensure the structural relationships are valid.

Overview of the credit and cash flow models

Once the rating stress scenarios for 'B', 'A', and 'AAA' and the related interest rate paths have been established and approved, the following seven scenarios will be fed into the Morningstar loan-level credit model.

Rating stress scenario	Economic scenario	Interest rate path
1	'B' expected case	'B' Expected
2	'A' stressed case	'A' High
3	'A' stressed case	'A' Expected
4	'A' stressed case	'A' Low
5	'AAA' stressed case	'AAA' High
6	'AAA' stressed case	'AAA' Expected
7	'AAA' stressed case	'AAA' Low

The credit model will apply these scenarios to the loans contained in the loan tape provided by the issuer. Appendix 3 contains a list of expected data fields for the loan file required by Morningstar for loan-level data submission.

The Morningstar credit model is a transition model that was calibrated using data from 1989 to 2012 (see Appendix 2 for a detailed description of the credit model). The 'B' rating environment is Morningstar's expected case scenario. In Morningstar's opinion, this economic scenario is the most likely scenario to occur.

The most stressful national economic environment that occurred during the past 16 years was the recent housing crisis, which Morningstar believes to be an 'A' stress environment. In other words, in theory, US RMBS securities originally rated 'A' by Morningstar should have survived this recent crisis without experiencing any shortfalls in timely interest or ultimate principal payments.

Since a security rated 'AAA' should survive an extremely stressful environment, we apply an economic scenario equivalent to a catastrophic event when running an 'AAA' rating scenario. For example, under Morningstar's 'AAA' rating scenario at the time of publication of this article, national house prices fall approximately 30% immediately, and bottom out with an approximate 50% decline after around five years. Note that HPI forecast assumptions are regional, so deal-level HPI assumptions will vary based on the geographic composition of the pool. Also, HPI assumptions are updated frequently as Morningstar receives and analyzes new data.

To arrive at forecasted performance results for ratings between the above-listed anchor scenarios ('AAA', 'A', and 'B'), we interpolate the forecasted performance results for letter ratings between the anchors based on the relationship between the anchors each month. We extrapolate the forecasted performance results for rating scenarios below 'B'. This analysis produces 49 sets of performance vectors for each loan (15 stressed rating scenarios X 3 interest rate paths + the 'B', 'B-', 'CCC+', and 'CCC' rating scenarios, which are run using only the expected interest rate path).

The Economic Outlook Committee analyzes mortgage market trends, originator and servicer practices, natural disasters, changes in legislation, and other factors to potentially adjust the forecasted performance results across all affected transactions. For example, if a servicer with no previous track record in servicing non-US residents were to service a transaction with high percentage of non-US borrowers, the Committee will solicit inputs from the Morningstar Operational Risk Assessment group to determine what, if any, adjustments should be made to the forecasted losses of such loans.

If a transaction contains transaction-specific risks that are not addressed by the credit model or global adjustments, Morningstar may further adjust the forecasted performance results. Examples of new issue transaction-specific risk may include, but are not limited to, geographic concentration (or lack of geographic diversity), large loan sizes, small loan count (less than 200 loans), due diligence results, reps and warranties, and limited performance history. When we adjust loss projections due to qualitative adjustments, we may also adjust voluntary prepayment speeds to account for the inverse relationship between voluntary and involuntary prepayments.

Morningstar analysts will then build a cash flow model using Intex Dealmaker to analyze the proposed security waterfall and other structural features. This cash flow model will be used to analyze the loan-level data including the forecasted performance results to show the security-level principal and interest distribution under various interest rate environments and rating stress scenarios.

The next step in the Morningstar rating process is to run the adjusted loan-level forecasted performance results (49 scenarios) through the related Intex collateral engine and the related transaction waterfall to produce 49 sets of security-level cash flows. The framework assigns an implied letter rating for each security that is associated with the most stressful economic scenario that does not result in a forecasted shortfall in timely interest or ultimate principal. This implied rating assignment is repeated for each interest rate scenario resulting in three implied ratings for each security. The lowest letter rating for each bond that is implied by the 3 interest rate scenarios is the final implied rating for each security. For example, if one security survives an 'AA' scenario with the down interest rate path, an 'AA+' scenario with the forward curve, and an 'A-' scenario with the up interest rate path, this security would be assigned a rating of 'A-'. If a bond fails all rating scenarios but has not yet experienced a shortfall in timely interest or ultimate principal, the implied rating will be 'CCC-'.

Upon completion of the analysis, the analyst will present the transaction to the RMBS New Issue Committee with the rating recommendation. See Section 4 below for more information on our RMBS New Issue Ratings Committee process.

Section 3 – Sources of Information Used in the Determination of Credit Ratings

Morningstar expects a due diligence review of the loan information delivered via loan tapes by an independent third party not affiliated with the originator, issuer, underwriter or any other party to the securitization transaction. The purpose of the loan-level review is to establish transparency and robustness of the data integrity upon which Morningstar relies in order to rate the proposed transaction.

Scope of third party review

The scope and extent of the loan reviews depend on the type of collateral and transaction. Morningstar will review the firms who will perform the due diligence to determine eligibility prior to a new issue securitization. Generally speaking, Morningstar expects to get comfort in the following areas regarding due diligence:

1) Sample size:

i. Morningstar expects random sampling using a statistical approach using a 95% confidence interval and a threshold error rate of 5%;

ii. Adverse selection based on Morningstar selection criteria, separate from random sampling.

2) Data Integrity:

i. The objective is to assess the accuracy of data supplied to Morningstar in the securitization process. The due diligence firm will check data transcription from loan tape to loan file for all key variables Morningstar needs for its loan-level modeling and fix all discrepancies, if any, including the re-calculation of certain key loan attributes.

ii. Third party re-verification of employment, income, assets, occupancy and FICO is required.

iii. All loans older than 6 months require an updated FICO, and may require the re-verification of the borrower's payment history, employment, income, assets, occupancy and payment history.

iv. Depending on materiality of the discrepancies and exceptions found, Morningstar reserves the right to adjust the credit enhancement.

3) Property Valuation:

i. The appraisal should be no more than 6 months old. For all loans older than 6 months, Morningstar will require updated appraisals. Automated valuation model submissions are acceptable for loans in the 6 to 36 months old category. All loans older than 36 months will require broker price opinions.

ii. Morningstar will ask an independent valuation firm to sample appraised values in the loan files and report instances of values more than 10% less than the reported appraised value. Depending on the size of exceptions, Morningstar reserves the right to adjust the credit enhancement.

4) Compliance with federal, state and local regulatory laws:

i. Morningstar will require that each loan complies with applicable regulatory requirements. Any exception report must indicate the type of exceptions and compensating factors. Depending on the nature of exceptions and the strength of compensating factors, Morningstar may decline to rate the transaction.

ii. Morningstar will require the due diligence firm to re-underwrite both random and adversely selected loan files to determine if the loans are correctly classified and compliant with the originator's guidelines.

Operational Risk Assessments

The Morningstar RMBS new issue rating process expects originator and servicer ORA rankings to ensure that Morningstar is comfortable with the origination practices and underwriting guidelines of the originator(s), and the servicing capabilities of the servicer(s) of loans to be included in the proposed transaction. In Morningstar's view, how well an originator or a servicer performs their duties has an impact on the loan's performance. The ORA rankings are forward looking assessments of the originators and servicers with regard to how well these entities mitigate operational risk inherent in their business processes. Based on the rankings and findings from the third party due diligence review, Morningstar will adjust the expected losses on the loans in a securitization accordingly.

If an originator or servicer that is not ranked by Morningstar is part of a securitization to be rated by Morningstar, Morningstar analysts will perform a less comprehensive review to determine whether or not the originator or servicer is acceptable. If the unranked originator or servicer passes this eligibility test, Morningstar may make conservative assumptions when assessing the expected losses on the loans.

Originator ranking

Morningstar will rank a mortgage originator on a scale of 1 to 4: 1) exceeds prudent standards; 2) demonstrates proficiency in standards; 3) demonstrates adequacy in standards; and 4) fails to meet one or more requisite standards. The ranking is an assessment of the originator's operational risks and the effectiveness of its control mechanisms for mitigating that risk. Morningstar believes that the ability of the originator to mitigate these risks in its loan production process does impact the likely performance of the loans.

Specifically, Morningstar's ORA Group will conduct an on-site visit to an originator to understand underwriting policies, sales and marketing practices, appraiser selection and property valuations, closing and funding procedures, infrastructure set-up, risk management practices, legal and regulatory compliance, corporate governance and management experience. Special attention will be focused on fraud, repurchases, representation and warranty performance and mortgage insurance experience. If the originator is a wholesaler, Morningstar will focus on broker and correspondent selection and oversight and the overall process for managing that business line.

Servicer ranking

Morningstar will rank a mortgage servicer on a scale of 1 to 4: 1) exceeds prudent standards; 2) demonstrates proficiency in standards; 3) demonstrates adequacy in standards; and 4) fails to meet one or more requisite standards. For details, please refer to Morningstar's publication on "Operational Risk Assessment for Residential Servicers, Consumer Finance Servicers, & Vendors – Methodology and Process", dated July 2011, under the "Analysis and Considerations" link on its website, http://ratingagency.morningstar.com. The Morningstar servicer ranking is a forward looking operational risk assessment of the servicing capabilities of a mortgage servicer. Specifically, the Morningstar ORA Group will conduct on-site evaluations with a focus on: management tenure and business strategy; audit and quality assurance methodologies; loan administration and customer relationship management; collection strategies; loss mitigation effectiveness and foreclosure caseload management; REO marketing timelines; loss accounting and related financial strategies; technology architecture and organizational infrastructure; legal and regulatory controls; and vendor oversight and certification.

The operational risk assessment will also incorporate a servicer performance score on a scale of SVC1-SVC5 (with SVC5 being the best) which measures the effectiveness of a servicer to collect cash relative to the universe of servicers over a rolling 12 month period. This performance score will be weighed in as one of the factors determining an overall servicer ranking. In layering the servicer ranking into the securitization, the rating committee at Morningstar is ensuring that a future assessment of the servicer is taken into account.

Hedges and Counterparties

Interest rate derivates are often embedded in an RMBS transaction to hedge against basis risk. Basis risk occurs when there are interest rate, index, or timing mismatches between the underlying mortgage pool and the RMBS bonds. Frequently, interest rate swaps are used because of better economics rather than interest rate caps. Morningstar will: (a) review if the hedge sizing is appropriate; (b) in the case of interest rate swaps, explicitly model cash inflows and outflows in the waterfall and its impact on the desired target rating; and (c) examine the derivatives documentation for credit event triggers.

Morningstar will review swap documentation, such as ISDA schedules and confirmations, including certifications and legal opinions to ensure that the swaps are properly authorized and executed. If a guarantee is involved, Morningstar will review the guarantee to confirm that it is acceptable.

Hedge sizing for interest rate swaps is important because on one hand, Morningstar wants to ensure the transaction is appropriately protected from any potential interest rate increases. On the other hand, if prepayments or defaults increase, thereby causing the underlying mortgage pool to decline faster than anticipated, the transaction may be over-hedged when the cash is directed to the hedge counterparty who traditionally sits at the top of the cash flow waterfall to the detriment of the bondholders.

Morningstar will determine the acceptability of a hedge counterparty on a case-by-case basis. Among other sources, and to the extent available, Morningstar will consider the Morningstar, Inc. credit rating of the counterparty in its review[1].

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[1] The credit ratings of Morningstar, Inc. are not NRSRO credit ratings, and therefore are not subject to our policies, procedures, and methodologies with respect to our credit ratings or laws and regulations with respect to NRSRO activities.

Legal Review

A Morningstar RMBS analyst will review the transaction documents, including formation documents and operative documents to determine if a transaction is exposed to non-credit risks.

The analyst will review the prospectus and the PSA to make sure the documentation and the modeling of the transaction structure are in agreement with one another. A key consideration is whether the collateral pool is protected from bankruptcy or insolvency of the loan seller to the trust or the originator. Analysts will also verify that the description of collateral and structure of the transaction accurately reflect the loan file and models used to assign the rating. Morningstar will review the legal opinions delivered as part of the review process that the transfer of collateral to the securitization trust is a true sale, and therefore, would not be subject to consolidation in the event of bankruptcy of loan seller or originator. The legal opinions provided should include, at a minimum, a tax opinion, true-sale opinions for each transfer of assets, and a non-consolidation opinion.

Each securitization transaction provides investors with loan-level representations and warranties from an originator. Typically, the transactions provide enforcement mechanisms, which require a breach of a representation or warranty to be remedied when the breach "materially and adversely affects the value of the mortgage loan or the interests of the certificateholders". Morningstar's baseline representations and warranties can be found in its "US Residential Mortgage Loan Representations and Warranties Criteria", dated June 2012 and available at http://ratingagency.morningstar.com. To the extent material variances from the model guidelines are present in the proposed transaction documents, Morningstar RMBS analysts will analyze the risks to the transaction and examine how each transaction provides for determining whether a breach has occurred, the available remedies, and any mitigating factors. Appropriate remedies should include reimbursement to the securitization trust for such breaches and specific procedures to enforce those remedies. Typically, transactions provide mechanisms that require loans which breach representations or warranties be either repurchased or replaced with performing loans with similar characteristics. The repurchase price is generally defined as the par price on the unpaid principal balance plus accrued interest and any penalties the trust may have incurred as a result of a breach of the representations or warranties. In rating the transaction, Morningstar will look to ensure the trust is not faced with diminished cash flow from unintended consequences.

A key section in the PSA relates to the servicing standard of care pursuant to which a servicer will service the mortgage loans in the securitization trust. Generally, the servicing standard will enumerate that: (a) a servicer use customary and usual servicing practices of a prudent servicing institutions which service mortgage loans of the same type as mortgage loans in the trust in the jurisdiction in which the related mortgage properties are located; (b) a degree of care that is no less than what the servicer exercises when servicing comparable loans for itself, affiliates or other third parties; and (c) a standard that is without regard to the servicer or its affiliates' ownership of any particular securities. Any variance to standards and liability less than set forth here will be a consideration for the Morningstar rating committee.

Section 4 – Committee and Voting Process

Letter ratings, rating outlooks and any subsequent changes thereto are issued through the RMBS New Issue Committee, by a majority vote of the committee's members. No individual analyst can assign or change a particular letter rating or rating outlook without the approval of a majority of the committee.

For initial issuance of ratings, the ratings committee members are, at a minimum, (a) the Managing Directors of RMBS Analytical Services, and (b) the analyst presenting the transaction to the committee. If, at any time, a member of the committee is not able to serve on the committee for any reason, a Managing Director of RMBS New Issue shall select a suitable replacement or designee for such member to ensure that there are at least three members serving on the committee for any respective transaction. Any replacement or designee may be a member of Morningstar's RMBS Analytical Services, RMBS New Issue Services, CMBS Analytical Services, CMBS New Issue Services, or Research & Advisory group.

Section 5 – Procedures for Informing Rated Obligors or Issuers of Rating Decisions

In general, a DealView is a monthly report containing Morningstar's material considerations and analysis related to a transaction and updates, if any, to Morningstar ratings and rating outlooks on the transaction. Any surveillance performed, including changes to ratings or rating outlooks and/or a DealView, is generally accessible only to subscribers on a subscription pay basis. Therefore, investors in, or obligors or issuers of, any securities rated under a transaction are not entitled to any post-issuance items unless such investor, obligor, or issuer is also a subscriber. Any non-subscriber should consider such absence of post-issuance ratings information in evaluating any rating opinions. A general description of items contained in a typical DealView may be found at http://ratingagency.morningstar.com.

Section 6 – Monitoring, Reviewing and Updating Credit Ratings

Once an RMBS transaction is initially rated by Morningstar, the letter ratings and rating outlooks will be reviewed and updated on a periodic basis. Any changes to letter ratings or rating outlooks will be submitted to the RMBS Analytical Services Committee as described in the "RMBS Surveillance Ratings Methodology" publication. The Economic Outlook Committee will meet periodically to review the economic assumptions for the models utilized in our RMBS surveillance methodology.

From time to time, as needed, the RMBS Criteria Committee will review our criteria and models. Any changes to our criteria or models will be applied consistently to both our initial and surveillance ratings for RMBS securities, as applicable. Because changes to our criteria or models would generally be in response to future economic shifts, regulatory changes, or other future events, we anticipate any such changes will not apply retroactively unless otherwise determined to be appropriate by the RMBS Criteria Committee.

Section 7– Withdrawal or Suspension of Credit Rating

Morningstar credit ratings may be changed, suspended or withdrawn as a result of changes in, or unavailability of key information, or other circumstances. Any such change, withdrawal, or suspension will be approved by the RMBS Analytical Services ratings committee in accordance with the procedures set forth in Section 4 above.

Appendix 1: Structured Econometric Forecasting and Stress

House price indices (HPIs), the unemployment rate, lending conditions, housing affordability and key housing-related interest rates (6-month LIBOR and the Fannie-Mae 30-year fixed mortgage offered rate) are exogenous economic inputs into our performance credit and severity model. These variables, along with each loan's underlying characteristics, aid in the prediction of collateral behavior and, ultimately, in the projection of expected losses for a given securitization deal. As our credit and severity models are forward-looking, forecasts of these exogenous variables are needed.

National Level Forecasts

Home Price Index Forecast

We utilize a probabilistic, structured, econometric approach to forecasting HPI. First, a baseline national HPI forecast is created through a comparison of third party forecasts, and the insight of the Morningstar RMBS and research and advisory staff. We completed a stepwise regression procedure, where the previous movement of the HPI was found to be a significant and powerful predictor for future HPI movement, particularly when the prior month's movement is used. The resulting regression equation consisted of a one-period lag of the previous period to create a forecast of the next period. To reproduce a long-term forecast described above, the regression period is repeated independently for each period until the forecast horizon is completed.

The regression equation for the HPI forecast is as follows:

$$HPI_t = c + \beta_1(HPI_{t-1}) + \beta_2(MSTAR_{HPI_t}) + \epsilon_t$$

where c is the constant term of the regression, or y-intercept, HPI is CoreLogic's national house price index, MSTAR_HPI is Morningstar's proprietary projection of house prices at the national level, and represents an innovation to the forecast equation as defined by a Monte-Carlo simulation process described below.

To produce the stress scenarios a Monte-Carlo simulation is run using this equation, arriving at 20,000 individual projections of national HPI. 20,000 iterations are calculated so that, according to the Central Limit Theorem, the projected HPIs are normally distributed. The Monte-Carlo simulation process produces a mean, which is used as the baseline projection and a standard deviation of the forecast for each future period. The normal distribution is then partitioned to arrive at our desired number of scenarios and the assignment of a probability to each scenario.

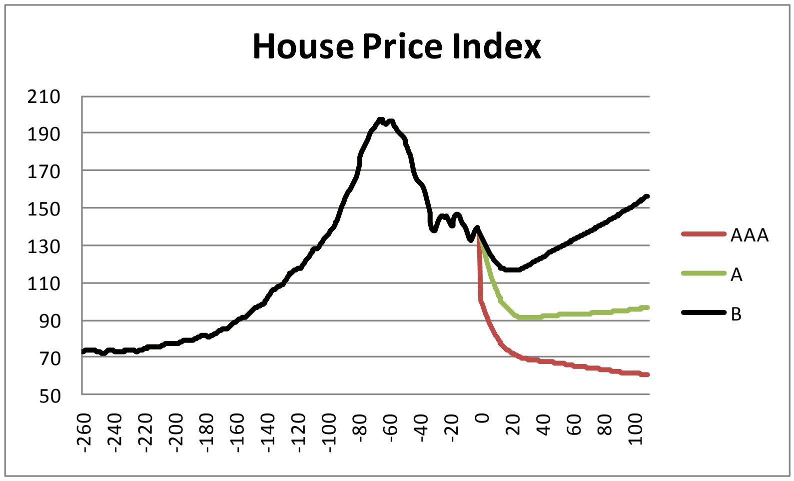


Illustration of HPI Stress Scenarios

Unemployment Forecast

Once the national-level HPI baseline and scenarios are established, the relationship between HPI and the national unemployment rate is used to forecast the level of the local unemployment rate. We find that an HPI lead of six months provides the best linear fit with significant predictive power. As with many economic time series, lags of the unemployment rate are also found to have significant predictive power and are, therefore, included within the estimation equation:

$$Unemp_t = c + \beta_1(HPI_{t+6}) + \beta_2(Unemp_{t-1})$$

where Unemp is the national unemployment rate level, and HPI is CoreLogic's national house price index level.

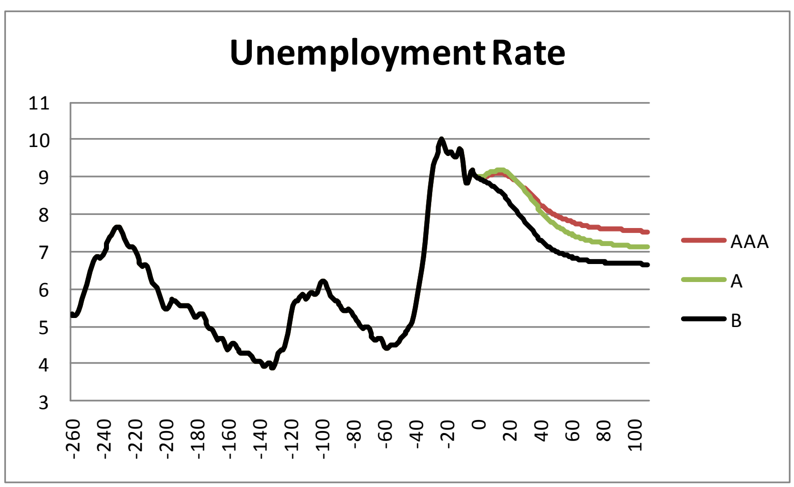


Illustration of Unemployment Stress Scenarios

Interest Rate Forecast

Our baseline and scenario 6-month LIBOR forecasts are created in the same manner as the national HPI, with the forecasts for the Fannie Mae 30-year fixed mortgage rate calculated based on the historical relationship between it and the 6-month LIBOR.

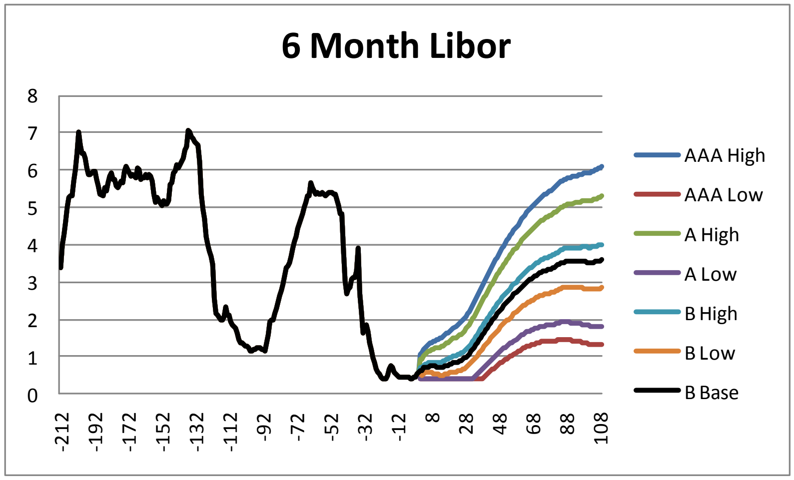


Illustration of 6-Month LIBOR Stress Scenarios

National Lending Conditions

When analyzing mortgage performance between 1997 and 2012, it is clear that the lending conditions have had an impact on mortgage performance. We have discovered that the perception of lending risk and borrower behavior dramatically changed over this period. These components change the relationship of the difference (GAP) between the current mortgage coupon and the Fannie 30-year offered rate over time. Below is a description of the lending condition segments determined through our analysis:

- Modest (Lending Condition 2) - Between 1997 and 2000 there was modest growth in the non-agency market. Loans with good payment histories and smaller GAP prepaid faster and have lower default rates. Loans with relatively high GAP prepaid slower, and have higher default rates.

- Growth (Lending Condition 3) – Between 2001 and 2003 the non-agency, particularly sub-prime, mortgage volumes grew quickly. Increasing property values helped many high risk borrowers escape default by allowing them to take equity out of their home through cash out refinance. The difference in prepayment rates between moderate GAP and much higher GAP was lessened, defaults were low, and prepayment was high. The share of ARM mortgages increased dramatically.

- Feast (Lending Condition 4) - A steep run-up in home prices between 2003 and 2006 was fueled in large part by lenient lending standards and exotic mortgage products. Home bankers handed out loans without down payments or documentation requirements, and heavily teased exotic products allowed borrowers to qualify for much larger loan amounts. The delinquent, high risk, and higher GAP mortgages prepaid at a record pace, and defaults are much lower than anticipated for all loan types.

- Famine (Lending Condition 1) – In early 2007 the housing bubble popped, the loans originated during the feast period became massive losses, and banks began raising lending standards for borrowers of all types. Also, with the labor market eroding and delinquency rates setting new records, lending standards tightened dramatically through 2012. During this period, prepayment for high risk, delinquent, and high GAP loans was nearly non-existent, while overall prepayment was down by 90% from the feast period. Meanwhile, the default rate has more than doubled.

In a search for the indicators that defined the experience of the lending environment, we found two published indexes that describe mortgage performance. A national indicator of lending conditions is the Bloomberg Financial Conditions Index (BFCIUS), and an industry specific indicator is the mortgage employment index (MEI).

The BFCIUS is a weighted average of ten components, which include three money market indicators, five bond market indicators, and two equity market indicators. The score is based on normalized scores for the 1991 to mid-2007 period for each indicator, with the entire index also normalized and expressed as standard deviations from the norm for the entire period (Z-score). Many in the industry consider the BFCIUS as a useful leading indicator of both bank lending conditions and overall GDP growth. We are using the BFCIUS to help calibrate the effect of overall stress in the US money markets, bond, and equity markets upon residential lending conditions, and in turn residential mortgage performance.

The US Bureau of Labor Statistics tracks the number of individuals that are employed by establishments engaged in arranging loans by bringing borrowers and lenders together on a fee basis. We are using the MEI to calibrate the direct effects of lender perception of market risk by incorporating the employment for individuals that facilitate the volume of the mortgage market.

The traditional school of thought is that the mortgage rate environment will affect mortgage performance, which is certainly true. But how the rate environment affects the performance is defined by the lending conditions. We use the BFCIUS and the MEI to define the lending conditions, and use the GAP to determine how an individual mortgage will be affected within the lending conditions.

Affordability Index Forecast

The affordability of housing is a measure of the median home price a median-income earning household can afford given prevailing interest rates and house prices. Holding all else constant, greater income growth increases the affordability of housing. Likewise, lower interest rates and house prices have the same effect. The forecast for affordability is produced in the same manner as that of unemployment. There are two regressors—or predictors—included in the linear regression equation for affordability: CoreLogic's HPI and the Fannie Mae 30-year fixed mortgage rate. The difference between the mortgage rate and HPI for the current month is used as a predictor for contemporaneous affordability. For example, if next month's US HPI forecast increases, the affordability measure for that month will decline, with all other variables remaining constant. The regression equation for the affordability index is as follows:

$$Aff_t = c + \beta_1(HPI_t) + \beta_2(FNMA30_t)$$

where Aff is the affordability index, HPI is CoreLogic's house price index, and FNMA30 is the Fannie Mae 30-year fixed mortgage rate.

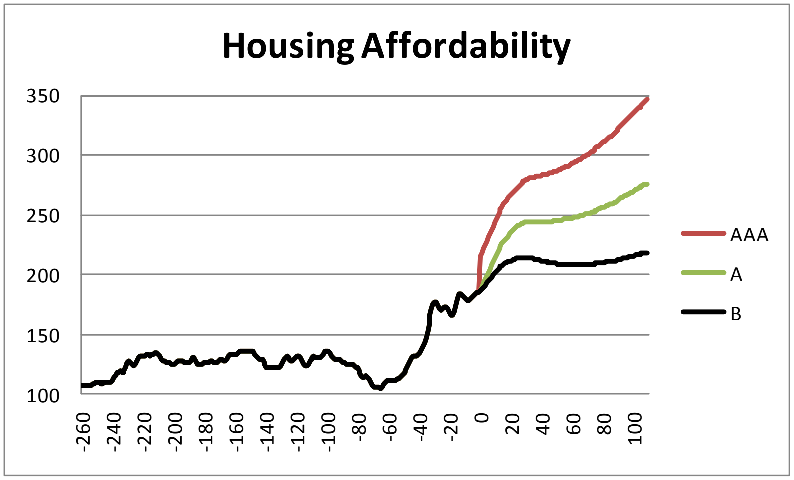


Illustration of Affordability Stress Scenarios

Local Level Forecasts

With the forecasts for the five exogenous economic variables established at the national level, forecasts for the HPI, unemployment rate and affordability at the Metropolitan Statistical Area level (MSA) are then developed. We use the correlation between HPI at the MSA level and nationally, which is extremely high on average, as the basis for this structural component of the model. In essence, each MSA's HPI forecast is based on the historical relationship between the national HPI and the MSA's HPI. Therefore, each market's HPI projection will follow the national average, but to a different extent. For instance, a one percentage point increase in the national HPI will increase Chicago's HPI by 0.88 percentage point, whereas the same increase nationally will cause only a 0.49 percentage point increase in Dallas' HPI. We produce HPI projections for 384 MSAs. The regression equations for each MSA's HPI forecast are of the form:

$$HPI_{MSA_t} = c + \beta_1(HPI_t)$$

where HPI_MSA is CoreLogic's MSA level house price index, and HPI is CoreLogic's national level house price index.

The MSA HPI forecasts then form the basis for forecasts of the unemployment rate at the local level. Previous values of the unemployment rate are found to be significant and, therefore, are included in each MSA's regression equation. Housing markets and unemployment in each market are also correlated; as the unemployment rate increases (decreases), HPI will decline (increase). This relationship is not contemporaneous. Rather, each MSA's correlation between HPI and the unemployment rate varies with different lags in the health of the labor market. For instance, we found the relationship between these two measures to be strongest in the New York MSA at a two month lag, where a rise in the unemployment rate two months ago would cause the current month's HPI to decline. As the HPI forecasts are the principle drivers of the structural model, we use the most statistically significant lead of HPI for each market (while also providing the greatest explanatory power of the equation) to forecast the unemployment rate; this is achieved through a stepwise process. Changes in the national unemployment rate are also found to be correlated to MSA unemployment rates and, as such, are also included in the regression equations. The regression equations for unemployment at the local level are of the following form:

$$Unemp_{MSA_t} = c + \beta_1 \left(Unemp_{MSA_{lag}}\right) + \beta_2(Unemp_t) + \beta_3\left(HPI_{MSA_{lead}}\right)$$

where Unemp_MSA is the unemployment rate level for a specific MSA, Unemp is the national unemployment rate level, and HPI_MSA is CoreLogic's house price index for the specific MSA. The lag and lead subscripts in the above equation denote the lag or lead for each variable that provided the overall regression equation with the greatest explanatory power, as long as the regressor remained statistically significant.

We forecast affordability on the MSA level in a similar fashion to the national forecast. MSA-level HPI and the Fannie Mae 30-year fixed mortgage rate are key drivers. A one-period lag of the affordability measure is included as a regressor in the regression equation as it is found to be a strong predictor of the following month's affordability measure. Once again, as local markets are found to be correlated to the national real estate cycle, the affordability of housing at the national level is also included in the regression equation:

$$Aff_{MSA_t} = c + \beta_1\left(HPI_{MSA_t}\right) + \beta_2(FNMA30_t) + \beta_3\left(Aff_{MSA_{t-1}}\right) + \beta_4(Aff_t)$$

where Aff_MSA is the affordability index at the MSA level, HPI_MSA is CoreLogic's house price index at the MSA level, FNMA30 is the Fannie Mae 30-year fixed mortgage rate, and Aff is the affordability index at the national level.

Appendix 2: Description of the Morningstar Loan-Level Credit Model

Morningstar has developed a new model framework to forecast the performance of both new and seasoned residential mortgages. The following appendix provides a brief description of this new framework. Our vector generation models allow for a consistent and empirically supported opinion of the performance expectations for non-agency RMBS.

Vector Generation Overview

The vector generations consist of two statistical and empirically based components: the credit and severity models. The credit model estimates the probability of the transitions to certain performance statuses and the probability of a status attainment using the origination risk characteristics, payment history, terms of the mortgage, and expected market conditions. The severity model computes the level of principal loss given the default of the mortgage based upon liquidation costs and expected value of the property.

- The credit model is the expression of the percentage probability of the mortgage being in one of six outstanding statuses and transitioning to one of eight ending statuses, including the terminal statuses of prepayment and liquidation. This model was created using the data from Corelogic, which consists of over 14 million loans with more than 400 million recorded transitions. The data includes loans originated between 1989 and 2012 and the transitions between 1997 and 2012, which encompasses performance for both the economic peak and the more recent downturn.

- Loss severity is calculated using an accounting-based method where liquidation costs are associated with the geographic location of the property. The estimated liquidation property value encompasses ZIP code level home price projections, along with adjustments for geographic fundamental market value, and a quick sale factor for distressed home sales.

- Rating stress scenarios are associated with regional and national economic conditions that can be measured by home prices, unemployment, affordability, prevailing lending conditions, and interest rates. We have developed an econometric model that forecasts these measures and provides stress scenarios with a probability of occurrence. The econometric measures have a two-fold impact to loan performance, by not only impacting the severity given default, but also a loan’s transition into delinquency and liquidation statuses.

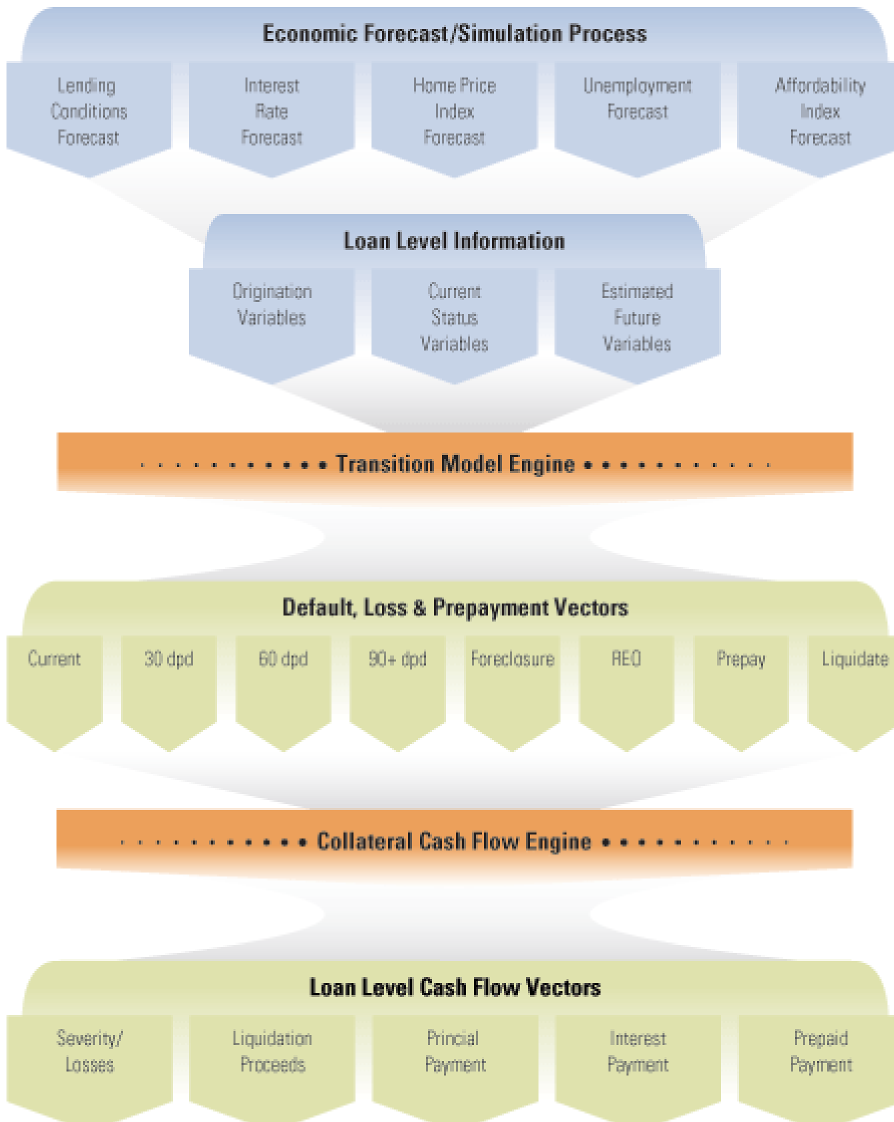
Vector Generation Framework

Economic Forecast Engine: The first step is the forecast of economic forces on the performance of the mortgage. These measures feed into both the credit model engine and the collateral cash flow engine.

Credit Model Engine: The credit model engine is fed by loan-level information from origination, current status or pay history, and forecasted economic measures. The output is a percentage probability of being: current, 30 days past due, 60 days past due, 90 or more days past due, foreclosure, REO, prepaid, and liquidated.

Collateral Cash Flow Engine: The loan-level performance vectors are used to determine the loan-level cash flow vectors. These vectors estimate the mortgage cash flow from liquidation proceeds (loss severity), amortized principal payment, interest payment, and prepaid principal.

Morningstar Modeling Process



Appendix 3: Loan-level File Format

Morningstar's Credit Model requires the following list of expected data fields in order to appropriately assess the portfolio of loans for new issuance. Field names with asterisks (*) denote required fields. In addition, this file format is designed to generally accept the loan-level file template specified in the American Securitization Forum RMBS Disclosure Package published on July 15, 2009.

Note
Current Balance*
Current Interest Rate*
Current P&I*
Cut-Off Date*
First Payment Date*
Interest Paid Through Date*
Loan Number*
Original Balance*
Original Interest Rate*
Original P&I*
Originator*
Primary Servicer*
Product Type*
Borrower Paid Mortgage Insurance Percent (PMI)*
Loan Origination Channel Code*
Prepayment Penalty Flag*
Prepayment Penalty Term*
Primary Mortgage Insurance Provider*
Product Description (Prime/Jumbo, Prime/Conf, Subprime, Alt-A)*
Servicing Fee Rate*
Balloon Flag*
Convertible Flag*
Fixed/ ARM Flag*
Lien Position*
Loan Purpose*
Maturity Date*
Original Amortization Term*
Original Interest-Only Term*
Original Term to Maturity*
Origination Date*
HELOC Flag*
Junior Balance*
Lender Paid Mortgage Insurance Percent*
Prepayment Penalty Type (Calculation)*
Senior Balance*
Simultaneous Second Lien Flag*
Taxes and Insurance Escrowed*
Anti-Predatory Lending Category*
Master Servicer (if any)
Mortgage Payment Method
Original Temporary Interest Rate Period
Prepayment Penalty Hard Term
Prepayment Penalty Multiplier
Prepayment Penalty R&W Enforceable
Special Servicer (if any)
Buy Down Period
Cash Out Amount
HELOC Draw Period
Interest Type Indicator
Junior Mortgage Drawn Amount
MI Certificate Number
Origination Date of Most Senior Lien
Refinance Loans - Prior Loan Origination Date
Relocation Loan Indicator
Servicing Fee - Flat-dollar
Total Origination and Discount Points (in dollars)

Borrower
Current Combined Loan to Value*
Original Loan to Value (LTV)*
Original Debt to Income Ratio (Front-End)*
Raw Documentation Level (Originator)*
Current PITI Payment Amount*
Loan Documentation Level*
Original Credit Score (FICO)*
Original Debt to Income Ratio (Back-End)*
Borrower Asset Verification*
Borrower Credit Quality*
Borrower Employment Verification*
Borrower Income Verification*
Borrower Residency Status*
Co-Borrower Asset Verification*
Co-Borrower Employment Verification*
Co-Borrower Income Verification*
First Time Home Buyer Flag*
Income Verification Using IRS Form 4506-T*
Initial Fully Indexed Rate*
Mortgage Insurance Attachment Point*
Original Combined Loan to Value*
Primary Borrower ID*
Qualification Method*
Self Employment Flag*
Total Number of Borrowers*
All Borrower Total Income
Borrower - Years in Industry
Co-Borrower - Years in Industry
Original Pledged Assets
Cash Reserves (months PITI)
Cash Reserves at Closing ($)
Current FICO
Deposit Money Verification
FICO Model Used
Length of Employment of Borrower at Present Job
Monthly Disposable Income (Borrower + Co-Borrower)
Most Recent VantageScore Method
Total Other Debt
Use of Cash-Out Refinance Proceeds
VantageScore Date
VantageScore: Co- Borrower
VantageScore: Primary Borrower
All Borrower Wage Income
Co-Borrower Other Income
Credit Line Usage Ratio
Credit Report: Longest Trade Line
Credit Report: Maximum Trade Line
Credit Report: Number of Trade Lines
Current 'Other' Monthly Payment
Length of Employment: Borrower
Length of Employment: Co- Borrower
Most Recent FICO Date
Most Recent FICO Method
Number of Mortgaged Properties
Percentage of Down Payment from Borrower Own Funds
Primary Borrower Other Income
Primary Wage Earner Current FICO: Equifax
Primary Wage Earner Current FICO: Experian
Primary Wage Earner Current FICO: TransUnion
Primary Wage Earner Original FICO: Equifax
Primary Wage Earner Original FICO: Experian
Primary Wage Earner Original FICO: TransUnion
Secondary Wage Earner Current FICO: Equifax
Secondary Wage Earner Current FICO: Experian
Secondary Wage Earner Current FICO: TransUnion
Secondary Wage Earner Original FICO: Equifax
Secondary Wage Earner Original FICO: Experian
Secondary Wage Earner Original FICO: TransUnion
Years in Home

ARM
Adjustable Rate Index Code*
ARM Floor*
ARM Margin*
First Rate Reset Period*
Initial Periodic Interest Rate Cap*
Lifetime Maximum Interest*
Payment Adjustment Frequency*
Subsequent Interest Rate Cap*
Rate Adjustment Frequency*
ARM Look-back Days
ARM Round Flag
ARM Rounding Method
Hybrid Period of Most Senior Lien (in months)
Initial Interest Rate Adjustment Date
Initial Interest Rate Cap (Change Down)
Initial Interest Rate Cap (Change Up)
Next Interest Rate Adjustment Date
P&I Adjustment Date
Subsequent Interest Rate (Change Down)
Subsequent Interest Rate Cap (Change Up)

NegAm
Annual Payment Cap*
NegAm Loan Closing Minimum Payment*
Negative Amortization Flag*
Negative Amortization Limit %*
Dual Amortization: Amortization Recast Period*
Dual Amortization: Subsequent Amortization Term*
NegAm Current Minimum Payment*
NegAm Initial Minimum Payment*
NegAm Initial Minimum Payment Term*
NegAm Initial Recast Period*
NegAm Limit of Most Senior Lien*
NegAm Recast Date*
NegAm Recast Flag*
NegAm Subsequent Payment Adjustment Frequency*
NegAm Subsequent Recast Period*
Payment Option After Reset*
Subsequent Minimum Payment Reset Period*
Initial Periodic Payment Cap
Subsequent Periodic Payment Cap

Performance
Current Delinquency Status*
Payment History*
Bankruptcy End Date*
Status Exception*
Bankruptcy Start Date*
Foreclosure End Date*
Foreclosure Start Date*
Foreclosure Type*
REO Start Date*
Months in BK (Bankruptcy)*
Months in FC (Foreclosure)*

Note - Modification
Forgiven Interest Amount
Forgiven Principal Amount
Modification Effective Payment Date
Number of Modifications
Pre-Modification I/O Term
Pre-Modification Initial Interest Rate Change Downward Cap
Pre-Modification Interest (Note) Rate
Pre-Modification Next Interest Rate Change Date
Pre-Modification P&I Payment
Pre-Modification Subsequent Interest Rate Cap
Total Capitalized Amount
Total Deferred Amount

Property
Original Appraisal Value*
Property State*
Property Type*
Property Zip Code*
Property Sales Price*
Number of Units*
Occupancy Type*
Appraisal Date*
Appraisal Type*
Automated Valuation Model (AVM)*
Property City/Town*
Purchase Price*
Updated Appraisal Value
Validated Automated Underwriting System
Most Recent AVM Confidence Score
Most Recent AVM Model Name
Most Recent Property Valuation Date
Most Recent Property Valuation Type
Most Recent Property Value2
Original AVM Confidence Score
Refinance Loans - Prior Loan Purchase Price

Deal
Balance as of Deal Closing Date*
Coupon as of Deal Closing Date*
Deal Name*
Loan Group Number*
Pool Insurance Indicator*
Other Fee*
Credit Due Diligence
Regulatory Compliance Due Diligence
Servicer Advancing
Value Due Diligence
Pool Insurance Co. Name
Pool Insurance Stop Loss %

MH
Chattel Indicator
Community Ownership Structure
Community/Related Party Lender (Y/N)
Defined Underwriting Criteria (Y/N)
Down Payment Source
Gross Manufacturer's Invoice Price
HUD Code Compliance Indicator (Y/N)
LTI (Loan-to- Invoice) Gross
LTI (Net)
Manufacturer Name
Model Name
Net Manufacturer's Invoice Price
Real Estate Interest
Year of Manufacture

2.E

RMBS Surveillance Ratings Methodology

June 2012

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Introduction

The rating methodology described herein will be applied to the surveillance of seasoned, non-agency, US prime, alternative-A ("alt-A"), and subprime residential mortgage-backed securities (RMBS) by Morningstar Credit Ratings, LLC ("Morningstar"). The methodology is designed to be transparent, granular, easy to understand, and consistently applied to both surveillance and new issuance of RMBS. A rating that is assigned based on this methodology should provide market participants with an unbiased risk benchmark that can be used to gauge the relative default risk of a security against that of other RMBS securities.

Section 1 – Basic Concept

The Morningstar RMBS surveillance process begins with a periodic Economic Outlook Committee that is made up of designated members of Morningstar's Research and Advisory group and members of the RMBS and CMBS groups. The Economic Outlook Committee reviews the results of a proprietary econometric model that is used to forecast expected and stressed economic environments. An economic environment is a combination of economic variables, including changes in house prices, lending conditions, unemployment, affordability, and interest rates.

Once approved by the Economic Outlook Committee, these economic scenarios are fed into the proprietary Morningstar loan-level credit model, which analyzes loan origination characteristics and monthly performance metrics and produces loan-level monthly prepayment, delinquency, default and loss vectors ("forecasted performance results"). The Economic Outlook Committee also analyzes mortgage market trends, natural disasters, changes in legislation, and other factors in order to qualitatively adjust the forecasted performance results, as deemed necessary, at the global level, across all transactions. The adjusted loan-level forecasted performance results are then run through a collateral cash flow engine model, provided by Intex Solutions, Inc. ("Intex") to produce cash flow results for each security under each stressed economic scenario. The framework generates a rating that is associated with the most stressful economic scenario that does not result in a forecasted shortfall in timely payments of interest or ultimate payment of principal.

Section 2 – Quantitative and Qualitative Models and Metrics Used to Determine Credit Ratings

Overview of econometric forecasting

House price indices (HPIs), the unemployment rate, housing affordability, lending conditions and key housing-related interest rates (i.e., 6-month LIBOR and the Fannie-Mae 30-year fixed mortgage offered rate) are exogenous economic inputs into Morningstar's RMBS credit model. These variables, along with each loan's underlying characteristics, aid in the prediction of collateral behavior and, ultimately, in the projection of expected losses for a given securitization deal. Because our credit model is forward-looking, forecasts of these exogenous variables are needed.

Morningstar utilizes a probabilistic, structured, econometric approach to forecasting. Our economists use market data and market insight to generate the Morningstar expected case HPI forecast (MSTAR_HPIt). This forecast is fed into our proprietary econometric forecasting model to generate a probability distribution of potential HPI forecasts. This econometric model also contains a structural component that generates expected case forecasts for the unemployment rate and housing affordability based on the Morningstar HPI forecast. Appendix 1 summarizes the forecast process of the exogenous variables. For more information regarding our forecast process and models, please see our "Morningstar Mortgage Risk Model: Risk Analysis and Vector Generation" and "Vector Generation Validation Study" on our website, http://ratingagency.morningstar.com.

Relating ratings to economic scenarios

The RMBS Economic Outlook Committee will meet periodically to review the expected case HPI, unemployment, interest rates, lending conditions and affordability forecasts and the probability distribution of forecasts generated by the econometric model. The Economic Outlook Committee will determine and approve expected case HPI, unemployment, interest rates, lending conditions and affordability forecasts to be associated with the 'B' rating (the 'B' rating stress scenario), and the stressed HPI, unemployment, interest rates, lending conditions and affordability forecasts to be associated with higher rating levels, such as the 'A' rating (the 'A' rating stress scenario) and the 'AAA' rating (the 'AAA' rating stress scenario).

Morningstar forecasts interest rates using a similar approach. Starting with the forward curve for each index, the econometric model generates a probability distribution of potential interest rate forecasts for each interest rate index. The interest rate environment considered to be the most stressful can vary from security to security based on several factors, including, but not limited to, collateral interest rate type (fixed vs. adjustable rate), security interest rate type, security's position in the waterfall, and exposure to interest rate derivatives. Therefore, Morningstar tests three interest rate paths at each rating level in both the credit and cash flow models. The Economic Outlook Committee determines and approves an expected case and two stressed interest rate paths for each index: a high path and a low path, for each rating scenario. All three interest rate paths (expected, high, and low) will be tested independently, with varying degrees of stress at each rating level, in the credit model, as well as the cash flow model.

The forecasting ability of any quantitative model calibrated using historical data is limited by the relationships that have actually occurred in the data. If the relationships among econometric forecasts that are used as inputs to the credit model have not occurred in the historical data, the results may not make sense and could be misleading. Therefore, in its review of the econometric forecasts, the Economic Outlook Committee looks at the historical correlation among variables to understand the limitations of the credit model to ensure the structural relationships are valid.

Overview of the credit and cash flow models

Once the rating stress scenarios for 'B', 'A', and 'AAA' and the related interest rate paths have been established and approved, the following seven scenarios will be fed into the Morningstar loan-level credit model.

Rating stress scenario	Economic scenario	Interest rate path
1	'B' expected case	'B' Expected
2	'A' stressed case	'A' High
3	'A' stressed case	'A' Expected
4	'A' stressed case	'A' Low
5	'AAA' stressed case	'AAA' High
6	'AAA' stressed case	'AAA' Expected
7	'AAA' stressed case	'AAA' Low

The credit model will apply these scenarios consistently to the universe of non-agency, US RMBS prime, alt-A, and subprime loans to generate monthly forecasted performance results.

The Morningstar credit model is a transition model that was calibrated using data from 1989 to 2012 (see Appendix 2 for a detailed description of the credit model). The 'B' rating environment is Morningstar's expected case scenario. In Morningstar's opinion, this economic scenario is the most likely scenario to occur.

The most stressful national economic environment that occurred during the past 16 years was the recent housing crisis, which Morningstar believes to be an 'A' stress environment. In other words, in theory, US RMBS securities originally rated 'A' by Morningstar should have survived this recent crisis without experiencing any shortfalls in timely interest or ultimate principal payments.

Since a security rated 'AAA' should survive an extremely stressful environment, we apply an economic scenario equivalent to a catastrophic event when running an 'AAA' rating scenario. For example, under Morningstar's 'AAA' rating scenario at the time of publication of this article, national house prices fall approximately 30% immediately, and bottom out with an approximate 50% decline after around five years. Note that HPI forecast assumptions are regional, so deal-level HPI assumptions will vary based on the geographic composition of the pool. Also, HPI assumptions are updated frequently as Morningstar receives and analyzes new data.

To arrive at forecasted performance results for ratings between the above-listed anchor scenarios ('AAA', 'A', and 'B'), we interpolate the forecasted performance results for letter ratings between the anchors based on the relationship between the anchors each month. We extrapolate the forecasted performance results for rating scenarios below 'B'. This analysis produces 49 sets of performance vectors for each loan (15 stressed rating scenarios X 3 interest rate paths + the 'B', 'B-', 'CCC+', and 'CCC' rating scenarios, which are run using only the expected interest rate path).

The Economic Outlook Committee analyzes mortgage market trends, originator and servicer practices, natural disasters, changes in legislation, and other factors to potentially adjust the forecasted performance results across all affected transactions. For example, if an earthquake occurs, an Economic Outlook Committee may determine the forecasted losses for any loan from any transaction that has exposure to the affected areas should be increased to account for damage resulting from the natural disaster.

In addition to adjustments made at the global level, any transaction-level adjustments that were made at issuance will continue to be applied and potentially phased out in surveillance as appropriate. For example, if Morningstar receives supplemental information about borrowers having significant cash reserves at issuance, the Morningstar new issue transaction committee may approve an adjustment to the credit model loss projections. However, this adjustment will likely be phased out over a period of time as the collateral seasons and the origination data becomes less important. Other examples of new issue adjustments that may be phased out include, but are not limited to, adjustments made to account for geographic concentration (or lack of geographic diversity), large loan sizes, small loan count (less than 200 loans), due diligence results, reps and warranties, and limited performance history. When we adjust loss projections due to qualitative adjustments, we may also adjust voluntary prepayment speeds to account for the inverse relationship between voluntary and involuntary prepayments.

The next step in the Morningstar rating process is to run the adjusted loan-level forecasted performance results (49 scenarios) for each transaction through the related Intex collateral engine and the related transaction waterfall to produce 49 sets of security-level cash flows. The framework assigns an implied letter rating for each security that is associated with the most stressful economic scenario that does not result in a forecasted shortfall in timely interest or ultimate principal. This implied rating assignment is repeated for each interest rate scenario resulting in three implied ratings for each security. The lowest letter rating for each bond that is implied by the 3 interest rate scenarios is the final implied rating for each security. For example, if one security survives an 'AA' scenario with the down interest rate path, an 'AA+' scenario with the forward curve, and an 'A-' scenario with the up interest rate path, this security would be assigned a rating of 'A-'. If a bond fails all rating scenarios but has not yet experienced a shortfall in timely interest or ultimate principal, the implied rating will be 'CCC-'.

The analyst will create a Morningstar DealView reporting his or her analysis of the transaction, and if there is a material change in the rating or outlook, our analysts will evaluate the reason(s) behind the change and determine whether to recommend the change to the rating or outlook suggested by the model. Factors which can be considered in this evaluation include:

- change in the economic forecast,
- change in our criteria,
- deviation of collateral performance from previous projections, and
- any other factor or concern cited in the DealView.

Upon completion of the analysis, the analyst will present the transaction to the RMBS Analytical Services Committee with the new rating and/or outlook recommendation. See Section 5 below for more information on our RMBS Analytical Services Committee process.

Section 3 – Sources of Information Used in the Determination of Credit Ratings

Our access to information, various parties and collateral for surveillance may be reduced and the scope of review may be limited, depending upon whether Morningstar acts as the Selected Agency (where Morningstar has been selected and paid by an arranger to rate the respective transaction), or as the Non-Selected Agency (where Morningstar has not been selected by the arranger to rate the respective transaction and is providing such ratings on a subscription pay basis to subscribers post-issuance of the securities on the particular transaction). In addition, provisions for rating agency review of certain post-issuance notifications, amendments or changes to transaction documents may be absent or more limited under applicable law for Non-Selected Agencies.

We will primarily rely on publicly available data from certain data providers, such as Intex and CoreLogic, Inc. ("CoreLogic") for our analysis. However, if we acted as a Selected Agency for a particular RMBS transaction, we may receive additional information, such as trustee reports, financial statements, and other information required to be delivered pursuant to the related servicing agreement, requested information, post-issuance transaction amendments and no downgrade letter requests and information related to such request. Therefore, the sources of information available to us may vary depending on our role in a transaction. Our scope of review for a particular transaction and/or other factors considered by us will be in accordance with Morningstar's policies and procedures. Therefore, letter ratings and outlooks at any time Morningstar is a Non-Selected Agency solely reflect an analysis of limited information and the reflection of such limited information in Morningstar's RMBS surveillance model described above. Investors should consider the distinction in the scope of the review and analysis depending on whether Morningstar has acted as the Selected Agency or the Non-Selected Agency for the particular transaction.

In general, the Morningstar DealView for a particular transaction will enumerate the scope of review and information received and reviewed by us for such transaction and such scope of review and limits on information should be considered by investors in evaluating ratings for such transaction.

Current laws and regulations may permit us to access additional information as a Non-Selected Agency in future transactions. However, unless we expressly describe reviewing additional information as a Non-Selected Agency in the DealView for a specific transaction, we solely rely on and review the information described herein and the DealView for the particular transaction.

Section 4 – Verification Performed on Assets Underlying, Referenced, or Relied on and Other Information in Determining Credit Ratings

Unless Morningstar acted as a Selected Agency, we do not independently verify or perform due diligence on the information and data utilized in its models. In addition, we do not perform an audit or verification of residential real estate or other underlying assets, or any publicly-available information or any non-public information provided by arrangers, servicers, data vendors and other third-party sources of information.

As a Selected Agency, Morningstar follows certain policies and procedures regarding asset due diligence. In addition, Morningstar expects the originators and servicers to be reviewed and ranked by our Operational Risk Assessment ("ORA") Group. The ORA rankings are forward looking assessments of the originator and servicers with regard to how well these entities mitigate operational risk inherent in their business practices. These rankings are incorporated in our credit analysis of the transactions and reflected in our assigned ratings (for details, please refer to our RMBS New Issue Ratings Methodology). For surveillance under Non-Selected Agency procedures, Morningstar may not have ranked the originators and servicers and therefore, the Morningstar credit ratings on the RMBS securities will have reflected such absence accordingly. To the extent that such ORA rankings become available at a future date, Morningstar will review and update its ratings on the affected RMBS securities. However, the Morningstar credit model does incorporate a servicer performance score. The servicer performance score is on a scale of SVC1-SVC5 (with SVC5 being the best) and measures the effectiveness of a servicer to collect cash relative to the universe of servicers over a rolling 12 month period. The servicing score is available regardless of whether Morningstar is an initial Selected Rating Agency since the score is computed from available servicing data. For more information regarding Morningstar's ORA rankings, see "Operational Risk Assessments of Residential Servicers, Consumer Finance Servicers, & Vendors – Methodology and Process" under the "Analysis and Considerations" link on our website, http://ratingagency.morningstar.com.

Section 5 – Committees and Voting Process

Letter ratings, rating outlooks and any subsequent changes thereto are issued through the RMBS Analytical Services Committee, by a majority vote of the committee's members. In addition, if any issues arise related to surveillance, including any decisions to suspend or withdraw a rating, these issues will generally be considered and acted on through a majority vote of this committee. No individual analyst can assign or change a particular letter rating or rating outlook without the approval of a majority of the committee.

For ongoing surveillance of ratings and outlooks, the ratings committee members are, at a minimum, (a) the Managing Directors of RMBS Analytical Services, and (b) the analyst presenting the transaction to the committee. If, at any time, a member of the committee is not able to serve on the committee for any reason, a Managing Director of RMBS Analytical Services shall select a suitable replacement or designee for such member to ensure that there are at least three members serving on the committee for any respective transaction. Any replacement or designee may be a member of Morningstar's RMBS Analytical Services, RMBS New Issue Services, CMBS Analytical Services, CMBS New Issue Services, or Research & Advisory group.

Market views and assumptions affecting ratings are reviewed and updated periodically by the Economic Outlook Committee, which consists of at least three members, with at least one member being a Managing Director of either the CMBS New Issue or CMBS Surveillance group, a second member being a Managing Director of either the RMBS New Issue or RMBS Surveillance group, and a third member being either the Managing Director or Associate Director of the Research & Advisory Services group. Each member will have one vote and all actions by the Economic Outlook Committee must be approved by a majority of its members. If, at any time, a member of the committee is not able to serve on the committee for any reason, a suitable replacement or designee for such member may be selected to ensure that there are at least three members serving on the committee and that designee must be from the same analytical or product group as the member unable to serve.

Section 6 – Procedures for Informing Rated Obligors or Issuers of Rating Decisions

In general, a DealView is a monthly report containing Morningstar's material considerations and analysis related to a transaction and updates, if any, to Morningstar ratings and rating outlooks on the transaction. Any surveillance performed, including changes to ratings or rating outlooks and/or a DealView, is generally accessible only to subscribers on a subscription pay basis. Therefore, investors in, or obligors or issuers of, any securities rated under a transaction are not entitled to any post-issuance items unless such investor, originator, or issuer is also a subscriber. Any non-subscriber should consider such absence of post-issuance ratings information in evaluating any rating opinions. A general description of items contained in a typical DealView may be found at http://ratingagency.morningstar.com.

As a Non-Selected Agency, we may provide initial ratings on a transaction solely to subscribers on a subscription pay basis. In reviewing any ratings or DealView, the scope, date of such report, review performed, and parameters related to the information in such report are important considerations. Such items are typically contained, or referenced in, the DealView.

Section 7 – Monitoring, Reviewing and Updating Credit Ratings

Letter ratings and rating outlooks will be reviewed monthly for changes, beginning no less than 120 days after initial issuance of the transaction. Any changes to letter ratings or rating outlooks will be submitted to the RMBS Analytical Services committee as set forth in Section 5 above. The Economic Outlook Committee will meet periodically to review the economic assumptions for the models utilized in our RMBS surveillance methodology.

From time to time as needed the RMBS Criteria Committee will review our criteria and models. Any changes to our criteria or models will be applied consistently to both our initial and surveillance ratings for RMBS securities, as applicable. Because changes to our criteria or models would generally be in response to future economic shifts, regulatory changes, or other future events, we anticipate any such changes will not apply retroactively unless otherwise determined to be appropriate by the RMBS Criteria Committee.

Section 8 – Withdrawal or Suspension of Credit Rating

Morningstar credit ratings may be changed, suspended or withdrawn as a result of changes in, or unavailability of key information, or other circumstances. Any such change, withdrawal, or suspension will be approved by the RMBS Analytical Services ratings committee in accordance with the procedures set forth in Section 5 above.

Section 9 - Ratings and Rating Actions of Other Rating Agencies

Although we monitor the actions taken by other credit rating agencies, we do not rely on the ratings, outlooks, ratings actions or methodologies of other credit rating agencies in our models and criteria for issuing credit ratings or outlooks, nor for taking any action with regard to a credit rating or an outlook.

Appendix 1: Structured Econometric Forecasting and Stress

House price indices (HPIs), the unemployment rate, lending conditions, housing affordability and key housing-related interest rates (6-month LIBOR and the Fannie-Mae 30-year fixed mortgage offered rate) are exogenous economic inputs into our performance credit and severity model. These variables, along with each loan's underlying characteristics, aid in the prediction of collateral behavior and, ultimately, in the projection of expected losses for a given securitization deal. As our credit and severity models are forward-looking, forecasts of these exogenous variables are needed.

National Level Forecasts

Home Price Index Forecast

We utilize a probabilistic, structured, econometric approach to forecasting HPI. First, a baseline national HPI forecast is created through a comparison of third party forecasts, and the insight of the Morningstar RMBS and research and advisory staff. We completed a stepwise regression procedure, where the previous movement of the HPI was found to be a significant and powerful predictor for future HPI movement, particularly when the prior month's movement is used. The resulting regression equation consisted of a one-period lag of the previous period to create a forecast of the next period. To reproduce a long-term forecast described above, the regression period is repeated independently for each period until the forecast horizon is completed.

The regression equation for the HPI forecast is as follows:

$$HPI_t = c + \beta_1(HPI_{t-1}) + \beta_2(MSTAR_{HPI_t}) + \epsilon_t$$

where c is the constant term of the regression, or y-intercept, HPI is CoreLogic's national house price index, MSTAR_HPI is Morningstar's proprietary projection of house prices at the national level, and represents an innovation to the forecast equation as defined by a Monte-Carlo simulation process described below.

To produce the stress scenarios a Monte-Carlo simulation is run using this equation, arriving at 20,000 individual projections of national HPI. 20,000 iterations are calculated so that, according to the Central Limit Theorem, the projected HPIs are normally distributed. The Monte-Carlo simulation process produces a mean, which is used as the baseline projection and a standard deviation of the forecast for each future period. The normal distribution is then partitioned to arrive at our desired number of scenarios and the assignment of a probability to each scenario.

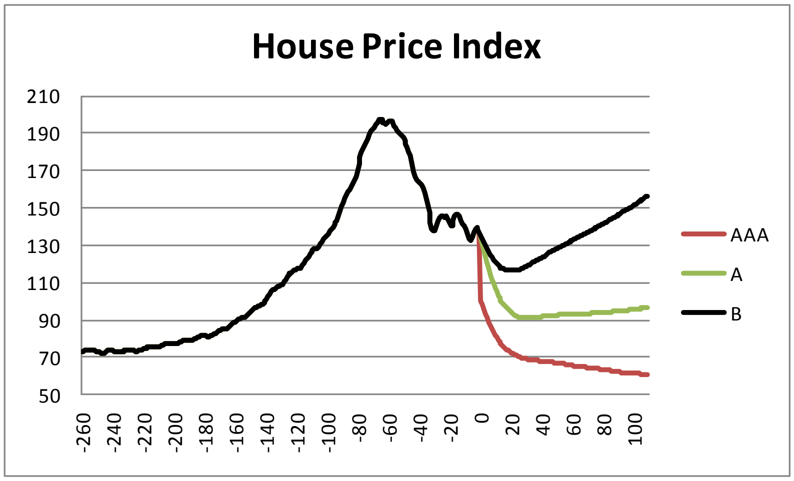


Illustration of HPI Stress Scenarios

Unemployment Forecast

Once the national-level HPI baseline and scenarios are established, the relationship between HPI and the national unemployment rate is used to forecast the level of the local unemployment rate. We find that an HPI lead of six months provides the best linear fit with significant predictive power. As with many economic time series, lags of the unemployment rate are also found to have significant predictive power and are, therefore, included within the estimation equation:

$$Unemp_t = c + \beta_1(HPI_{t+6}) + \beta_2(Unemp_{t-1})$$

where Unemp is the national unemployment rate level, and HPI is CoreLogic's national house price index level.

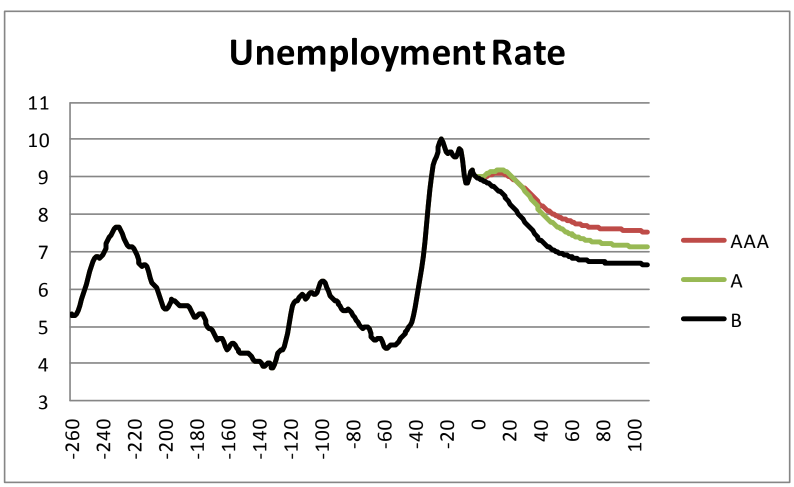


Illustration of Unemployment Stress Scenarios

Interest Rate Forecast

Our baseline and scenario 6-month LIBOR forecasts are created in the same manner as the national HPI, with the forecasts for the Fannie Mae 30-year fixed mortgage rate calculated based on the historical relationship between it and the 6-month LIBOR.

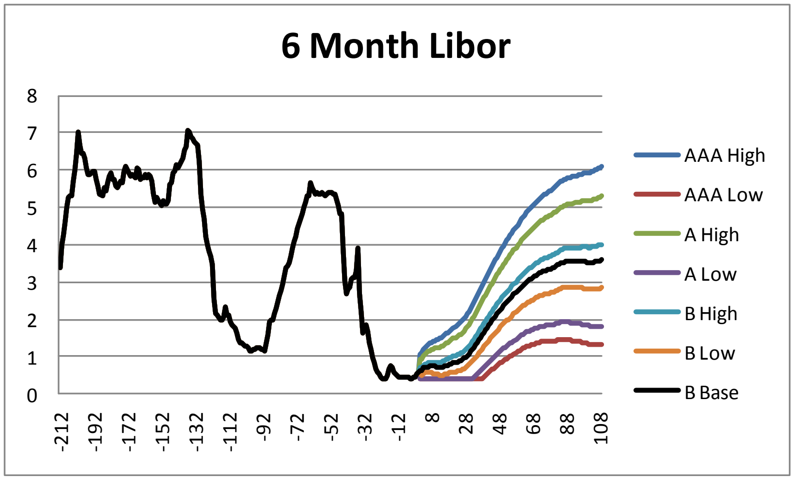


Illustration of 6-Month LIBOR Stress Scenarios

National Lending Conditions

When analyzing mortgage performance between 1997 and 2012, it is clear that the lending conditions have had an impact on mortgage performance. We have discovered that the perception of lending risk and borrower behavior dramatically changed over this period. These components change the relationship of the difference (GAP) between the current mortgage coupon and the Fannie 30-year offered rate over time. Below is a description of the lending condition segments determined through our analysis:

- Modest (Lending Condition 2) - Between 1997 and 2000 there was modest growth in the non-agency market. Loans with good payment histories and smaller GAP prepaid faster and have lower default rates. Loans with relatively high GAP prepaid slower, and have higher default rates.

- Growth (Lending Condition 3) – Between 2001 and 2003 the non-agency, particularly sub-prime, mortgage volumes grew quickly. Increasing property values helped many high risk borrowers escape default by allowing them to take equity out of their home through cash out refinance. The difference in prepayment rates between moderate GAP and much higher GAP was lessened, defaults were low, and prepayment was high. The share of ARM mortgages increased dramatically.

- Feast (Lending Condition 4) - A steep run-up in home prices between 2003 and 2006 was fueled in large part by lenient lending standards and exotic mortgage products. Home bankers handed out loans without down payments or documentation requirements, and heavily teased exotic products allowed borrowers to qualify for much larger loan amounts. The delinquent, high risk, and higher GAP mortgages prepaid at a record pace, and defaults are much lower than anticipated for all loan types.

- Famine (Lending Condition 1) – In early 2007 the housing bubble popped, the loans originated during the feast period became massive losses, and banks began raising lending standards for borrowers of all types. Also, with the labor market eroding and delinquency rates setting new records, lending standards tightened dramatically through 2012. During this period, prepayment for high risk, delinquent, and high GAP loans was nearly non-existent, while overall prepayment was down by 90% from the feast period. Meanwhile, the default rate has more than doubled.

In a search for the indicators that defined the experience of the lending environment, we found two published indexes that describe mortgage performance. A national indicator of lending conditions is the Bloomberg Financial Conditions Index (BFCIUS), and an industry specific indicator is the mortgage employment index (MEI).

The BFCIUS is a weighted average of ten components, which include three money market indicators, five bond market indicators, and two equity market indicators. The score is based on normalized scores for the 1991 to mid -2007 period for each indicator, with the entire index also normalized and expressed as standard deviations from the norm for the entire period (Z-score). Many in the industry consider the BFCIUS as a useful leading indicator of both bank lending conditions and overall GDP growth. We are using the BFCIUS to help calibrate the effect of overall stress in the US money markets, bond, and equity markets upon residential lending conditions, and in turn residential mortgage performance.

The US Bureau of Labor Statistics tracks the number of individuals that are employed by establishments engaged in arranging loans by bringing borrowers and lenders together on a fee basis. We are using the MEI to calibrate the direct effects of lender perception of market risk by incorporating the employment for individuals that facilitate the volume of the mortgage market.

The traditional school of thought is that the mortgage rate environment will affect mortgage performance, which is certainly true. But how the rate environment affects the performance is defined by the lending conditions. We use the BFCIUS and the MEI to define the lending conditions, and use the GAP to determine how an individual mortgage will be affected within the lending conditions.

Affordability Index Forecast

The affordability of housing is a measure of the median home price a median-income earning household can afford given prevailing interest rates and house prices. Holding all else constant, greater income growth increases the affordability of housing. Likewise, lower interest rates and house prices have the same effect. The forecast for affordability is produced in the same manner as that of unemployment. There are two regressors—or predictors—included in the linear regression equation for affordability: CoreLogic's HPI and the Fannie Mae 30-year fixed mortgage rate. The difference between the mortgage rate and HPI for the current month is used as a predictor for contemporaneous affordability. For example, if next month's US HPI forecast increases, the affordability measure for that month will decline, with all other variables remaining constant. The regression equation for the affordability index is as follows:

$$Aff_t = c + \beta_1(HPI_t) + \beta_2(FNMA30_t)$$

where Aff is the affordability index, HPI is CoreLogic's house price index, and FNMA30 is the Fannie Mae 30-year fixed mortgage rate.

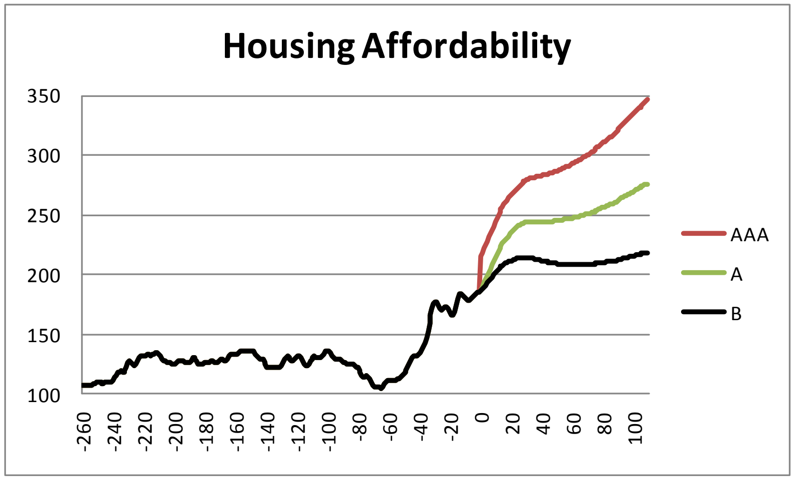


Illustration of Affordability Stress Scenarios

Local Level Forecasts

With the forecasts for the five exogenous economic variables established at the national level, forecasts for the HPI, unemployment rate and affordability at the Metropolitan Statistical Area level (MSA) are then developed. We use the correlation between HPI at the MSA level and nationally, which is extremely high on average, as the basis for this structural component of the model. In essence, each MSA's HPI forecast is based on the historical relationship between the national HPI and the MSA's HPI. Therefore, each market's HPI projection will follow the national average, but to a different extent. For instance, a one percentage point increase in the national HPI will increase Chicago's HPI by 0.88 percentage point, whereas the same increase nationally will cause only a 0.49 percentage point increase in Dallas' HPI. We produce HPI projections for 384 MSAs. The regression equations for each MSA's HPI forecast are of the form:

$$HPI_{MSA_t} = c + \beta_1(HPI_t)$$

where HPI_MSA is CoreLogic's MSA level house price index, and HPI is CoreLogic's national level house price index.

The MSA HPI forecasts then form the basis for forecasts of the unemployment rate at the local level. Previous values of the unemployment rate are found to be significant and, therefore, are included in each MSA's regression equation. Housing markets and unemployment in each market are also correlated; as the unemployment rate increases (decreases), HPI will decline (increase). This relationship is not contemporaneous. Rather, each MSA's correlation between HPI and the unemployment rate varies with different lags in the health of the labor market. For instance, we found the relationship between these two measures to be strongest in the New York MSA at a two month lag, where a rise in the unemployment rate two months ago would cause the current month's HPI to decline. As the HPI forecasts are the principle drivers of the structural model, we use the most statistically significant lead of HPI for each market (while also providing the greatest explanatory power of the equation) to forecast the unemployment rate; this is achieved through a stepwise process. Changes in the national unemployment rate are also found to be correlated to MSA unemployment rates and, as such, are also included in the regression equations. The regression equations for unemployment at the local level are of the following form:

$$Unemp_{MSA_t} = c + \beta_1 \left(Unemp_{MSA_{lag}}\right) + \beta_2 (Unemp_t) + \beta_3 \left(HPI_{MSA_{lead}}\right)$$

where Unemp_MSA is the unemployment rate level for a specific MSA, Unemp is the national unemployment rate level, and HPI_MSA is CoreLogic's house price index for the specific MSA. The lag and lead subscripts in the above equation denote the lag or lead for each variable that provided the overall regression equation with the greatest explanatory power, as long as the regressor remained statistically significant.

We forecast affordability on the MSA level in a similar fashion to the national forecast. MSA-level HPI and the Fannie Mae 30-year fixed mortgage rate are key drivers. A one-period lag of the affordability measure is included as a regressor in the regression equation as it is found to be a strong predictor of the following month's affordability measure. Once again, as local markets are found to be correlated to the national real estate cycle, the affordability of housing at the national level is also included in the regression equation:

$$Aff_{MSA_t} = c + \beta_1 \left(HPI_{MSA_t}\right) + \beta_2 (FNMA30_t) + \beta_3 \left(Aff_{MSA_{t-1}}\right) + \beta_4 (Aff_t)$$

where Aff_MSA is the affordability index at the MSA level, HPI_MSA is CoreLogic's house price index at the MSA level, FNMA30 is the Fannie Mae 30-year fixed mortgage rate, and Aff is the affordability index at the national level.

Appendix 2: Description of the Morningstar Loan-Level Credit Model

Morningstar has developed a new model framework to forecast the performance of both new and seasoned residential mortgages. The following appendix provides a brief description of this new framework. Our vector generation models allow for a consistent and empirically supported opinion of the performance expectations for non-agency RMBS.

Vector Generation Overview

The vector generations consist of two statistical and empirically based components: the credit and severity models. The credit model estimates the probability of the transitions to certain performance statuses and the probability of a status attainment using the origination risk characteristics, payment history, terms of the mortgage, and expected market conditions. The severity model computes the level of principal loss given the default of the mortgage based upon liquidation costs and expected value of the property.

- The credit model is the expression of the percentage probability of the mortgage being in one of six outstanding statuses and transitioning to one of eight ending statuses, including the terminal statuses of prepayment and liquidation. This model was created using the data from Corelogic, which consists of over 14 million loans with more than 400 million recorded transitions. The data includes loans originated between 1989 and 2012 and the transitions between 1997 and 2012, which encompasses performance for both the economic peak and the more recent downturn.

- Loss severity is calculated using an accounting-based method where liquidation costs are associated with the geographic location of the property. The estimated liquidation property value encompasses ZIP code level home price projections, along with adjustments for geographic fundamental market value, and a quick sale factor for distressed home sales.

- Rating stress scenarios are associated with regional and national economic conditions that can be measured by home prices, unemployment, affordability, prevailing lending conditions, and interest rates. We have developed an econometric model that forecasts these measures and provides stress scenarios with a probability of occurrence. The econometric measures have a two-fold impact to loan performance, by not only impacting the severity given default, but also a loan's transition into delinquency and liquidation statuses.

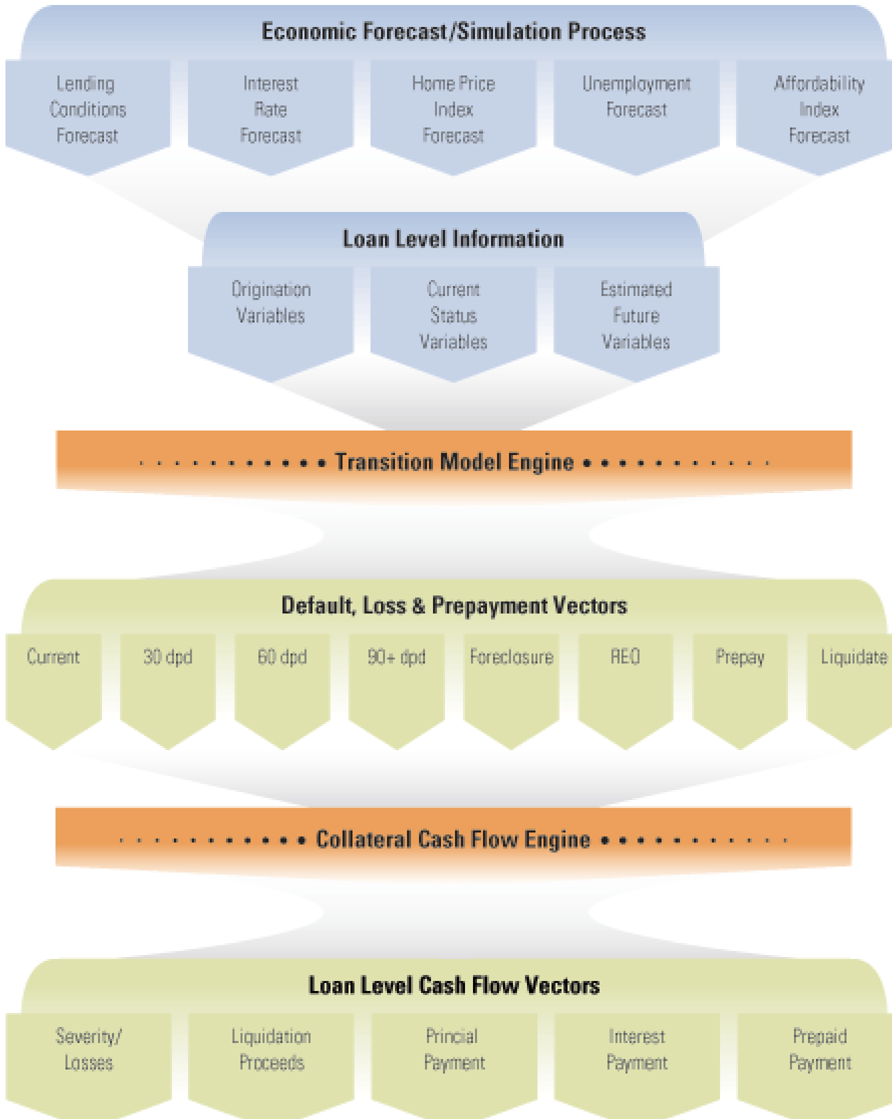
Vector Generation Framework

Economic Forecast Engine: The first step is the forecast of economic forces on the performance of the mortgage. These measures feed into both the credit model engine and the collateral cash flow engine.

Credit Model Engine: The credit model engine is fed by loan-level information from origination, current status or pay history, and forecasted economic measures. The output is a percentage probability of being: current, 30 days past due, 60 days past due, 90 or more days past due, foreclosure, REO, prepaid, and liquidated.

Collateral Cash Flow Engine: The loan-level performance vectors are used to determine the loan-level cash flow vectors. These vectors estimate the mortgage cash flow from liquidation proceeds (loss severity), amortized principal payment, interest payment, and prepaid principal.

Morningstar Modeling Process



2.F

Morningstar Credit Ratings, LLC
US Residential Mortgage Loan Representations and Warranties Criteria

June 2012

Summary

The representations and warranties ("reps and warranties") criteria outlined herein are the loan level reps and warranties Morningstar Credit Ratings, LLC ("Morningstar") expects when rating an US residential mortgage backed transaction. In reviewing a transaction, Morningstar would assess the reps and warranties in a proposed transaction against our criteria and determine whether, in the case of exceptions, whether risks are adequately mitigated, and to ensure that adequate enforcement mechanisms exist against breaches of the reps and warranties.

Generally, we developed this criteria by examining the model RMBS representations and warranties published by the American Securitization Forum on December 15, 2009; and by relying on our knowledge of industry standards and the RMBS market and the advice of our counsel. To the extent that exceptions to the Morningstar criteria exist in a proposed transaction, Morningstar will review these exceptions on a case by case basis. Typically, reps and warranties in RMBS transactions are designed to provide assurances to investors regarding certain facts about the asset pool. Although the reps and warranties in a transaction may meet Morningstar's criteria, the inclusion of qualifying language may materially weaken the reps and warranties, and therefore, Morningstar's analysis would consider the effectiveness of the reps and warranties, including the standards for breach of the reps and warranties and the remedies available to the investors or trustee to correct such breaches.

In reviewing the reps and warranties, Morningstar is looking past the face value of the reps and warranties provided in a transaction. Therefore, third party due diligence is an important component of a transaction evaluation process and the findings from the due diligence are incorporated into Morningstar's rating analysis of a transaction.

Financial Strength of the Reps and Warranties of Provider

Morningstar will determine the acceptability of the reps and warranties provider on a case-by-case basis. Among other sources, and to the extent available, Morningstar will consider the credit rating of Morningstar, Inc.[1] of the reps and warranties provider in its review. If a Morningstar, Inc. rating does not exist, Morningstar would perform an assessment of the provider to determine if the provider has the ability to meet any breaches of reps and warranties since the ultimate remedy is the repurchase of loans out of the underlying pool backing the RMBS.

Reps and Warranties for Newly Originated Loans

Below are Morningstar's baseline reps and warranties for newly originated US residential mortgage loan transactions.

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1) The credit ratings of Morningstar, Inc. are not NRSRO credit ratings, and therefore are not subject to our policies, procedures and methodologies with respect to our credit ratings or laws and regulations with respect to NRSRO activities.

1) Income/ Employment/ Asset Verification – With respect to each mortgage loan whose document type on the mortgage loan schedule indicates documented income, and/or assets, the originator verified the borrower's income, employment, and/or assets in accordance with its underwriting guidelines and employed procedures reasonably designed to authenticate the documentation supporting such income, employment and/or assets. With respect to each mortgage loan, other than a mortgage loan for which the borrower documented his or her income by providing Form W-2 or tax returns, the originator employed a process designed to test the reasonableness of the income used to approve the loan. This process may, but need not include, (A) obtaining IRS Form 4506 or 4506T, or (B) reviewing public and/or commercially available information.

2) Occupancy – With respect to each mortgage loan, the originator gave due consideration, which need not be documented, at the time of origination to factors, such as other real estate owned by the borrower, commuting distance to work, appraiser comments and notes, and any difference between the mailing address in the servicing system and the mortgaged property address, to evaluate whether the intended occupancy status of the property as represented by the borrower was reasonable.

3) Data – Information on mortgage loan schedule accurately reflects the terms of mortgage loan and note in all material respects. In addition, the information in the mortgage loan schedule is true and correct in all material respects. With respect to each mortgage loan, any seller or builder concession in excess of the allowable limits established by Fannie Mae or Freddie Mac and applicable at the time of origination has been subtracted from the appraised value of the mortgaged property for purposes of determining loan-to-value (LTV) and combined loan-to-value (CLTV). With respect to each mortgage loan, as of the closing date, the FICO score listed on the mortgage loan schedule was no more than 6 months old. As of the date of the funding of the mortgage loan to the borrower, no appraisal or other property valuation listed on the mortgage loan schedule was more than 6 months old.

4) Borrower – With respect to each mortgage loan, the borrower is (A) a natural person or other acceptable form, such as a land trust, and (B) legally permitted to stay in the US as a resident at the time of the origination of such mortgage loan.

5) Property Valuations – Each mortgage loan with a written appraisal, as indicated on the mortgage loan schedule, contains a written appraisal prepared by an appraiser licensed or certified by the applicable governmental body in which the mortgage body is located and in accordance with the requirements of the Title XI of the Financial Institutions Reform Recovery and Enforcement Act of 1989 (FIREEA). The appraisal was written, in form and substance, to (A) customary Fannie Mae or Freddie Mac standards applicable at the time of origination for mortgage loans of the same type as the mortgage loans, and (B) Uniform Standards of Professional Appraisal Practice (USPAP) standards and satisfies applicable legal and regulatory requirements. The appraisal was made and signed prior to the final approval of the mortgage loan application. If the property valuation consisted of a broker price opinion (BPO), the BPO must have been provided by a licensed real estate broker.

The person performing any property valuation (including an appraiser) had no ownership interest, direct or indirect, in the mortgaged property or in any loan made on the security thereof and received no benefit from, and such person's compensation or referral of further business from the loan originator was not affected by, the approval or disapproval of the mortgage loan. The selection of the appraiser met Fannie Mae's or Freddie Mac's criteria for selecting an independent appraiser.

6) Fraud – No fraud, misrepresentation material error or omission or gross negligence has taken place on the part of the Obligated Party[2], or any other party in connection with the origination of a mortgage loan, determination of the value of the mortgaged property or the sale or servicing of the mortgage loan prior to the securitization closing date.

7) Regulatory Compliance – Each mortgage loan complies with applicable federal, state and local laws including, without limitation, truth-in-lending, real estate settlement procedures, consumer credit protection, equal credit opportunity, predatory and abusive lending laws and disclosure laws. In addition, the servicing of each mortgage loan prior to the closing date complied in all material respects with all applicable federal, state and local laws at the time.

8) No Prior Liens – Immediately prior to the transfer and assignment of the mortgage loan under the mortgage loan purchase agreement, the seller was the sole owner and holder of the mortgage loan free and clear of any and all liens, pledges, charges or security interests of any nature. The seller has good and marketable title and has full right and authority to sell and assign the same.

9) No Prior Modification – Unless otherwise noted on the mortgage loan schedule, neither the seller nor any prior holder of the mortgage or the related mortgage note has modified the mortgage or the related mortgage note in any material respect, satisfied, cancelled or subordinated the mortgage in whole or in part, released the mortgage property in whole or in part from the lien of the mortgage, or executed any instrument of release, cancellation, modification, or satisfaction, except in each case as reflected in an agreement included in the loan file. If a mortgage loan has been modified, the modified terms are reflected on the mortgage loan schedule.

10) No Mechanics' Liens – The mortgaged property is free and clear of all mechanics' and materialmen's liens.

11) Enforceability and Priority of Lien – The mortgage is valid, subsisting and enforceable first or second lien on the property described therein, except as noted in the mortgage loan schedule, the mortgaged property is free and clear of all encumbrances and liens having priority over the lien of the mortgage except for: (A) the lien of current real property taxes and assessments not yet due and payable; (B) covenants conditions and restrictions, rights of way, easements and other matters of public record as of the date of recording of such mortgage acceptable to prudent mortgage lending institutions in the area in which the mortgaged

[2] An Obligated Party means an originator, seller, servicer, purchaser, appraiser, borrower, title company, realtor, developer, settlement or closing agent with respect to the securitization.

property is located; (C) liens created pursuant to any federal, state or local law, regulation or ordinance affording liens for the costs of clean-up of hazardous substances or hazardous wastes or for other environmental protection purposes; and (D) such other matters to which like properties are commonly subjected which do not individually, or in the aggregate, materially interfere with the benefits of the security intended to be provided by the mortgage; and any security agreement, chattel mortgage or equivalent document related to, and delivered to the trustee or custodian with, any mortgage establishes in the seller a valid and subsisting lien in the property described therein, such lien is a first or second lien and the seller has full right to sell and assign the same to the trustee.

12) Mortgage Loan Legal and Binding – The mortgage note, the related mortgage and other agreements executed in connection therewith are genuine and each is a legal, valid, binding obligation of the maker thereof, enforceable in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by the general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or law). All parties to the mortgage note and related documents had legal capacity to execute such documents and the documents have been duly executed.

13) No Rescission – No mortgage note or mortgage is subject to any right of recession, set-off counterclaim or defense (including the defense of usury). None of the terms of the mortgage note or mortgage, or the exercise of any rights thereto, will render the mortgage note or mortgage unenforceable or subject it to any right of rescission, set-off counterclaim or defense; and no such right of rescission, set-off counterclaim or defense has been asserted.

14) Early Payment Repurchase Covenant – With respect to any mortgage loans originated not more than 3 months prior to the closing date, the originator shall promptly repurchase any mortgage loans that becomes and remains 30 days or more delinquent within the first 3 months following the first due date, unless the originator certifies that based on the information provided by the servicer, that the default is a result of servicing issue that has subsequently been or will be corrected, and such default has been cured within 90 days following missed payment date; provided that, if the originator is a bank, such repurchase would not in the reasonable judgment of the originator be considered recourse for the purpose of Appendix A to Part 325 of Chapter III of Title 12 of the Code of Federal Regulations. Such loan repurchases may be exempted if the delinquency was caused by death or serious illness that resulted in the financial incapacity and employment termination of the primary borrower/co-borrower (documented to the extent commercially reasonable).

15) Mortgage Insurance – For a mortgage loan with mortgage insurance, such mortgage loan has the benefit of a valid, binding and primary mortgage insurance policy issued by a primary insurer acceptable to Fannie Mae and Freddie Mac or has an investment grade credit rating from Morningstar, Inc.

16) Source of Loan Payment – No loan payment, or part thereof, has been escrowed as part of the loan proceeds for the purpose of making monthly payments on behalf of the borrower. No payment due and payable under the terms of the note and mortgage or deed of

trust, except for seller or builder concessions or temporary buydown funds, has been paid by person involved in, or benefiting from, the sale or purchase of the mortgaged property or the origination, refinancing, sale, purchase or servicing of the mortgage loan other than the borrower.

17) Downpayment – Unless otherwise indicated on the mortgage loan schedule, with respect to each mortgage loan whose purpose is listed on the mortgage loan schedule as "purchase", the borrower and/or co-borrower paid at least 3% of the purchase price with his/her own funds.

18) Complete Mortgage Files – All instruments and documents pertaining to the mortgage loan have been delivered to the custodian on or before the closing date.

19) No High Cost Loans/No Usury – The mortgage loans meet or are exempt from applicable state, local and federal laws, regulations, and other requirements pertaining to usury; and no mortgage loan in the trust is a "high-cost" loan, "covered" loan, or any other similarly designated loan as defined under any state, local, or federal applicable predatory or abusive lending laws.

20) No Encroachment/Zoning Compliance – (A) the mortgaged property is a fee simple estate in real property (except for loans secured by co-op shares and mortgage loans secured by residential long-term leases); (B)all of the improvements are included for purposes of determining the appraised value of the mortgaged property lie wholly within the boundaries and building restriction lines of such property and no improvements on adjoining properties encroach on the mortgaged property (unless insured by title policy against related title insurance policy; and (C)the mortgaged property and any improvements on the property comply with all applicable zoning/subdivision laws and ordinances.

21) Title Insurance – Except for any mortgages secured by properties located in jurisdictions where a counsel's opinion in lieu of title insurance is customarily received instead or in the case of mortgage loans secured by co-op shares, the mortgage loan is covered by American Land Title Association mortgagee title insurance or such other insurance acceptable to Fannie Mae or Freddie Mac insuring the originator or its successors and assigns as to the first priority lien of the mortgage in the original principal amount of the mortgage loan subject only to: (A) the lien of current real property taxes and assessments not yet due and payable; (B) covenants, conditions and restrictions, rights of way, easements and other matters of public record as of the date of recording of such mortgage acceptable to mortgage lending institutions in the area in which the mortgaged property is located or specifically referred to in the appraisal performed in connection with the origination of the related mortgage loan; (C) liens created pursuant to any federal, state or local law regulation or ordinance affording liens for the costs of clean-up of hazardous substances or hazardous wastes or for other environmental protection purposes; and (D) such other matters for which like properties are commonly subject, which do not individually, or in the aggregate, materially interfere with the benefits of the security intended to be provided by the mortgage.

The seller is the sole insured of such title insurance policy and such title insurance policy is in full force and effect. No claims have been made under such title insurance policy and no prior holder of mortgage has, by act or omission, done anything to impair the coverage under the title insurance policy. Assignment to securitization trust of such title insurance policy does not require consent or notification to the insurer, which has not been obtained or made.

22) Hazard Insurance – The mortgaged property securing each mortgage loan is insured by an insurer acceptable to Fannie Mae or Freddie Mac against loss by fire and such hazards as are covered under a standard extended coverage endorsement for no less than the lesser of 100% of insurable value of the mortgaged property and the outstanding principal balance of the mortgage loan, but in any event no less than the minimum replacement cost of the said property. If the mortgaged property is a condominium unit, coverage is included under a blanket policy for project.

If upon origination of the mortgage loan, the mortgaged property is in an area identified in the Federal Register by the Federal Emergency Management Agency as having special flood hazards, a flood insurance policy meeting the requirements of the current guidelines of the Federal Insurance Administration is in effect with a generally acceptable insurance carrier in an amount no less than the lesser of: (A) the outstanding principal balance of the mortgage loan; (B) the full insurable value of the mortgaged property; and (C) the maximum amount of insurance available under National Flood Insurance Act of 1968, as amended.

23) No Default – There is no default, breach or violation or event of acceleration existing under the mortgage or the related mortgage note and no event that with the passage of time or with notice and the expiration of any grace or cure period, would constitute default, breach, violation or event of acceleration. The seller has not waived any such default, breach, violation or event of acceleration and no foreclosure action is currently threatened or has been initiated with respect to the mortgage loan.

24) Loan Current/Prior Delinquencies – Unless otherwise indicated on the mortgage loan schedule, all payments required to be made up to the due date immediately preceding the cut-off date for such mortgage loan under the terms of the related mortgage note have been made, and no mortgage loan was 30 days or more delinquent more than once in the 12 months preceding the cut-off date.

25) No Bankruptcy – No mortgagor is a debtor in any state or federal bankruptcy or insolvency proceedings.

26) Proceeds Fully Disbursed/Recording Fees Paid – The proceeds of the mortgage loan have been fully disbursed; there is no requirement for future advances thereunder; and any and all of the requirements as to the completion of improvements and as to disbursements of any escrow funds have been complied with.

27) Enforceable Right of Foreclosure – Each mortgage contains customary and enforceable provisions, such as to render the rights and remedies of the holder thereof adequate for the realization against the mortgaged property of the benefits of the trust security,

including realization by judicial foreclosure (subject to any limitation arising from any bankruptcy, insolvency or other law for the relief of debtors), and there is no homestead or other exemption available to the mortgagor that would interfere with such right of foreclosure.

28) Taxes Paid – All taxes, governmental assessments, insurance premiums, water, sewer and municipal charges, and ground rents, which previously became due and owing have been paid or an escrow of funds has been established to the extent permitted by law, in an amount sufficient to pay all such items which remain unpaid and that have been assessed, but have not yet become due and payable.

29) No Damage/Condemnation – The mortgaged property is not damaged so as to adversely affect the value of the mortgaged property as security for the mortgage loan or the use for which the premises were intended or would render the property uninhabitable. There is no proceeding pending or threatened for the total or partial condemnation of the mortgaged property.

30) Insurance Not Impaired – With respect to any insurance policy including, but not limited to, hazard, title, or mortgage insurance covering a mortgage loan and the related mortgaged property, the originator/seller has not engaged in and has no knowledge of the borrower's having engaged in any act or omission that would impair the coverage of such policy, the benefits of such endorsement, or the validity and binding effect of either, including without limitation, no unlawful fee, commission, kickback, or other unlawful compensation or value of any kind as has been or will be received, retained or realized by any attorney, firm or other person or entity, and no such unlawful items have been received, retained or realized by the originator.

31) Certificate Of Occupancy – All inspections, licenses and certificates required to be made or issued with respect to all occupied portions of the mortgaged property and the use and occupancy of the same, including, but not limited to, certificates of occupancy and fire underwriting certificates, have been made or obtained from applicable authorities.

32) Environmental Laws – As of the origination of the mortgage loan, the mortgaged property was in material compliance with all applicable environmental laws pertaining to environmental hazards including, without limitation, asbestos.

33) Mortgage Loan Qualifies for REMIC – The mortgage loan is a "qualified mortgage" within the meaning of Section 860G(a)(3) of the Internal Revenue Code.

34) Lost Note Affidavit – With respect to each mortgage where a lost note affidavit has been delivered to the custodian in place of the related mortgage note, the related mortgage note is no longer in existence.

35) Deed of Trust – In the event the mortgage constitutes a deed of trust, a trustee duly qualified under applicable law to serve as such, has been properly designated and currently so serves and is named in the mortgage, and no fees or expenses are or will become payable by

the seller to the trustee under the deed of trust, except in connection with a trustee's sale after default by the mortgage.

36) Mortgage Recorded – Each original mortgage was recorded or has been properly submitted to be duly recorded and all subsequent assignments of the original mortgage have been recorded or delivered in the appropriate form to be duly recorded in the appropriate jurisdictions in which such recordation is necessary to perfect the ownership of the mortgage by the trust.

37) Leases – The mortgaged property is either a fee simple estate or a long-term residential lease. If the mortgage loan is secured by a long-term residential lease: (A) the terms of such lease expressly permit the mortgaging of the leasehold estate, the assignment of the lease without the lessor's consent (or the lessor's consent has been obtained and such consent is in the mortgage file), and the acquisition by the holder of the mortgage of the rights of the lessee upon foreclosure or assignment in lieu of foreclosure or provide the holder of the mortgage with substantially similar protection; (B) the terms of such lease do not allow the termination thereof upon the lessee's default without the holder of the mortgage being entitled to receive written notice of, and opportunity to cure, such default or prohibit the holder of the mortgage from being insured under the hazard insurance policy related to the mortgaged property; (C) the original term of such lease is not less than 15 years; (D) the term of such lease does not terminate earlier than five years after the maturity date of the mortgage note; and (E) the mortgaged property is located in a jurisdiction in which the use of leasehold estates for residential properties is an accepted practice.

38) Underwriting – Each mortgage loan was either (A) underwritten in substantial conformance to the originator's underwriting guidelines in effect at the time of origination without regard to any underwriter discretion, or (B) if not underwritten in substantial conformance to the originator's guidelines, has reasonable and documented compensating factors which are documented in the mortgage loan file.

39) Mortgaged Property is One- to Four-Family – Each mortgaged property is located in the US or a territory of the US and consists of a one- to four-unit residential property, which may include, but is not limited to, a single family dwelling, townhouse, condominium unit or a unit in a planned unit development, or, in the case of mortgage loans secured by co-op shares, leases or occupancy agreements.

Reps and Warranties for Seasoned Loans

On transactions backed by seasoned loans, Morningstar views the payment history of individual loans as one of the most important drivers of performance. Reps and warranties pertaining at origination have less relevance, and therefore, Morningstar's seasoned loan transaction reps and warranties criteria varies slightly from the reps and warranties for newly originated loan transactions. Additionally, updated FICO scores, property valuations and third party reviews may have more significance than these baseline reps and warranties.

1) Data – Information on mortgage loan schedule should accurately reflect the terms of mortgage loan and note and the originator covenants that the information is true and correct in all material respects. In addition, the information in the mortgage loan schedule is true and correct in all material respects. With respect to each mortgage loan, any seller or builder concession in excess of the allowable limits established by Fannie Mae or Freddie Mac and applicable at the time of origination has been subtracted from the appraised value of the mortgaged property for purposes of determining LTV and CLTV. With respect to each mortgage loan, as of the closing date, the FICO score listed on the mortgage loan schedule was no more than 6 months old. As of the date of the funding of the mortgage loan to the borrower, no appraisal or other property valuation listed on the mortgage loan schedule was more than 6 months old.

2) Borrower – With respect to each mortgage loan, the borrower is (A) a natural person or other acceptable form, such as a land trust, and (B) legally permitted to stay in the US as a resident at the time of the origination of such mortgage loan.

3) Property Valuations – Each mortgage loan with a written appraisal, as indicated on the mortgage loan schedule, contains a written appraisal prepared by an appraiser licensed or certified by the applicable governmental body in which the mortgage body is located and in accordance with the requirements of the Title XI of the Financial Institutions Reform Recovery and Enforcement Act of 1989 (FIREEA). The appraisal was written, in form and substance, to (A) customary Fannie Mae or Freddie Mac standards applicable at the time of origination for mortgage loans of the same type as the mortgage loans, and (B) Uniform Standards of Professional Appraisal Practice (USPAP) standards and satisfies applicable legal and regulatory requirements. The appraisal was made and signed prior to the final approval of the mortgage loan application. If the property valuation consisted of a broker price opinion (BPO), the BPO must have been provided by a licensed real estate broker.

The person performing any property valuation (including an appraiser) had no ownership interest, direct or indirect, in the mortgaged property or in any loan made on the security thereof and received no benefit from, and such person's compensation or referral of further business from the loan originator was not affected by, the approval or disapproval of the mortgage loan. The selection of the appraiser met Fannie Mae's or Freddie Mac's criteria for selecting an independent appraiser.

4) Fraud – No fraud, misrepresentation material error or omission or gross negligence has taken place on the part of the Obligated Party, or any other party in connection with the origination of a mortgage loan, determination of the value of the mortgaged property or the sale or servicing of the mortgage loan prior to the securitization closing date.

5) Regulatory Compliance – Each mortgage loan complies with applicable federal, state and local laws including, without limitation, truth-in-lending, real estate settlement procedures, consumer credit protection, equal credit opportunity, predatory and abusive lending laws and disclosure laws. In addition, the servicing of each mortgage loan prior to the closing date complied in all material respects with all applicable federal, state and local laws at the time.

6) No Prior Liens – Immediately prior to the transfer and assignment of the mortgage loan under the mortgage loan purchase agreement, the seller was the sole owner and holder of the mortgage loan free and clear of any and all liens, pledges, charges or security interests of any nature. The seller has good and marketable title and has full right and authority to sell and assign the same.

7) No Prior Modification – Unless otherwise noted on the mortgage loan schedule, neither the seller nor any prior holder of the mortgage or the related mortgage note has modified the mortgage or the related mortgage note in any material respect, satisfied, cancelled or subordinated the mortgage in whole or in part, released the mortgage property in whole or in part from the lien of the mortgage, or executed any instrument of the release, cancellation, modification, or satisfaction, except in each case as reflected in an agreement included in the loan file. If a mortgage loan has been modified, the modified terms are reflected on the mortgage loan schedule.

8) No Mechanics' Liens – The mortgaged property is free and clear of all mechanics' and materialmen's liens.

9) Enforceability and Priority of Lien – The mortgage is valid, subsisting and enforceable first or second lien on the property described therein, except as noted in the mortgage loan schedule, the mortgage property is free and clear of all encumbrances and liens having priority over the lien of the mortgage except for: (A) the lien of current real property taxes and assessments not yet due and payable; (B) covenants conditions and restrictions right of way, easements and other matters of public record as of the date of recording of such mortgage acceptable to prudent mortgage lending institutions in the area in which the mortgage property is located; (C) liens created pursuant to any federal, state and local law regulation or ordinance affording liens for the costs of clean-up of hazardous substances or hazardous wastes or for other environmental protection purposes; and (D) such other matters to which like properties are commonly subjected which do not individually, or in the aggregate, materially interfere with the benefits of the security intended to be provided by the mortgage; and any security agreement, chattel mortgage or equivalent document related to, and delivered to the trustee or custodian with, any mortgage establishes in the seller a valid and subsisting lien in the property described therein, such lien is a first or second lien and the seller has full right to sell and assign the same to the trustee.

10) Mortgage Loan Legal and Binding – The mortgage note, the related mortgage and other agreements executed in connection therewith are genuine and each is a legal, valid, binding obligation of the maker thereof, enforceable in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by the general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or law). All parties to the mortgage note and related documents had legal capacity to execute such documents and the documents have been duly executed.

11) No Rescission – No mortgage note or mortgage is subject to any right of recession, set-off counterclaim or defense (including the defense of usury). None of the terms of the

mortgage note or mortgage, or the exercise of any rights thereto, will render the mortgage note or mortgage unenforceable or subject it to any right of rescission, set-off counterclaim or defense; and no such right of rescission, set-off counterclaim or defense has been asserted.

12) Enforceable Right of Foreclosure – Each mortgage contains customary and enforceable provisions such as to render the rights and remedies of the holder thereof adequate for the realization against the mortgaged property of the benefit of the security; and except with respect to mortgage properties located in the states of [ ], there is no homestead or other exemption available to the mortgagor which would interfere with such right of foreclosure.

13) Mortgage Insurance – For a mortgage loan with mortgage insurance, such mortgage loan has the benefit of a valid, binding and primary mortgage insurance policy issued by a primary insurer acceptable to Fannie Mae and Freddie Mac or has an investment grade credit rating from Morningstar, Inc.

14) Source of Loan Payment – No loan payment, or part thereof, has been escrowed as part of the loan proceeds for the purpose of making monthly payments on behalf of the borrower. No payment due and payable under the terms of the note and mortgage or deed of trust, except for seller or builder concessions or temporary buydown funds, has been paid by person involved in, or benefiting from, the sale or purchase of the mortgaged property or the origination, refinancing, sale, purchase or servicing of the mortgage loan other than the borrower.

15) Complete Mortgage Files – All instruments and documents pertaining to the mortgage loan have been delivered to the custodian on or before the closing date.

16) No High Cost Loans/No Usury – The mortgage loans meet or are exempt from applicable state, local and federal laws, regulations, and other requirements pertaining to usury; and no mortgage loan in the trust is a "high-cost" loan, "covered" loan, or any other similarly designated loan as defined under any state, local, or federal applicable predatory or abusive lending laws.

17) No Encroachment/Zoning Compliance –(A)The mortgage property is a fee simple estate in real property (except for loans secured by co-op shares and mortgage loans secured by residential long-term lease); (B) all improvements are included for purposes of determining the appraised value of the mortgaged property lie wholly within the boundaries and building restriction lines of such property and no improvements on adjoining properties encroach on the mortgaged property (unless insured by title policy against related title insurance policy); and (C) the mortgaged property and any improvements on the property comply with all applicable zoning/subdivision laws and ordinances.

18) Title Insurance – Except for any mortgages secured by properties located in jurisdictions where a counsel's opinion in lieu of title insurance is customarily received instead or in the case of mortgage loans secured by coops shares, the mortgage loan is covered by American Land Title Association mortgagee title insurance or such other insurance acceptable

to Fannie Mae or Freddie Mac insuring the originator or its successors and assigns as to the first priority lien of the mortgage in the original principal amount of the mortgage loan subject only to: (A) the lien of current real property taxes and assessments not yet due and payable; (B) covenants, conditions and restrictions, rights of way, easements and other matters of public record as of the date of recording of such mortgage acceptable to mortgage lending institutions in the area in which the mortgaged property is located or specifically referred to in the appraisal performed in connection with the origination of the related mortgage loan; (C) liens created pursuant to any federal, state or local law regulation or ordinance affording liens for the costs of clean-up of hazardous substances or hazardous wastes or for other environmental protection purposes; and (D) such other matters for which like properties are commonly subject, which do not individually, or in the aggregate, materially interfere with the benefits of the security intended to be provided by the mortgage.

The seller is the sole insured of such title insurance policy and such title insurance policy is in full force and effect. No claims have been made under such title insurance policy and no prior holder of mortgage has, by act or omission, done anything to impair the coverage under the title insurance policy. Assignment to securitization trust of such title insurance policy does not require consent or notification to the insurer, which has not been obtained or made.

19) Hazard Insurance – The mortgaged property securing each mortgage loan is insured by an insurer acceptable to Fannie Mae or Freddie Mac against loss by fire and such hazards as are covered under a standard extended coverage endorsement for no less than the lesser of 100% of insurable value of the mortgaged property and the outstanding principal balance of the mortgage loan but in any event no less than the minimum replacement cost of the said property. If the mortgaged property is a condominium unit, coverage is included under a blanket policy for project.

If upon origination of the mortgage loan, the mortgaged property is in an area identified in the Federal Register by the Federal Emergency Management Agency as having special flood hazards, a flood insurance policy meeting the requirements of the current guidelines of the Federal Insurance Administration is in effect with a generally acceptable insurance carrier in an amount no less than the lesser of: (A) the outstanding principal balance of the mortgage loan; (B) the full insurable value of the mortgaged property; and (C) the maximum amount of insurance available under National Flood Insurance Act of 1968, as amended.

20) No Default – There is no default, breach or violation or event of acceleration existing under the mortgage or the related mortgage note and no event that with the passage of time or with notice and the expiration of any grace or cure period, would constitute default, breach, violation or event of acceleration. The seller has not waived any such default, breach, violation or event of acceleration and no foreclosure action is currently threatened or has been initiated with respect to the mortgage loan.

21) Loan Current/Prior Delinquencies – Unless otherwise indicated on the mortgage loan schedule, all payments required to be made up to the due date immediately preceding the cut-off date for such mortgage loan under the terms of the related mortgage note have been made,

and no mortgage loan was 30 days or more delinquent more than once in the 12 months preceding the cut-off date.

22) No Bankruptcy – No mortgagor is a debtor in any state or federal bankruptcy or insolvency proceedings.

23) Proceeds Fully Disbursed/Recording Fees Paid – The proceeds of the mortgage loan have been fully disbursed; there is no requirement for future advances thereunder; and any and all of the requirements as to the completion of improvements and as to disbursements of any escrow funds have been complied with.

24) Enforceable Right of Foreclosure – Each mortgage contains customary and enforceable provisions, such as to render the rights and remedies of the holder thereof adequate for the realization against the mortgaged property of the benefits of the trust security, including realization by judicial foreclosure (subject to any limitation arising from any bankruptcy, insolvency or other law for the relief of debtors), and there is no homestead or other exemption available to the mortgagor that would interfere with such right of foreclosure.

25) Taxes Paid – All taxes, governmental assessments, insurance premiums, water, sewer and municipal charges, and ground rents, which previously became due and owing have been paid or an escrow of funds has been established to the extent permitted by law, in an amount sufficient to pay all such items which remain unpaid and that have been assessed, ubt have not yet become due and payable.

26) No Damage/Condemnation – The mortgaged property is not damaged so as to adversely affect the value of the mortgaged property as security for the mortgage loan or the use for which the premises were intended or would render the property uninhabitable. There is no proceeding pending or threatened for the total or partial condemnation of the mortgaged property.

27) Insurance Not Impaired – With respect to any insurance policy including, but not limited, hazard, title, or mortgage insurance covering a mortgage loan and the related mortgaged property, the originator/seller has not engaged in and has no knowledge of the borrower's having engaged in any act or omission that would impair the coverage of such policy, the benefits of such endorsement, or the validity and binding effect of either, including without limitation, no unlawful fee, commission, kickback, or other unlawful compensation or value of any kind as has been or will be received, retained or realized by any attorney, firm or other person or entity, and no such unlawful items have been received, retained or realized by the originator.

28) Certificate Occupancy – All inspections, licenses and certificates required to be made or issued with respect to all occupied portions of the mortgaged property and the use and occupancy of the same, including, but not limited to, certificates of occupancy and fire underwriting certificates, have been made or obtained from applicable authorities.

29) Environmental Laws – As of the origination of the mortgage loan, he mortgaged property was in material compliance with all applicable environmental laws pertaining to environmental hazards including, without limitation, asbestos.

30) Mortgage Loan Qualifies for REMIC – The mortgage loan is a "qualified mortgage" within the meaning of Section 860G(a)(3) of the Internal Revenue Code.

31) Lost Note Affidavit – With respect to each mortgage where a lost note affidavit has been delivered to the custodian in place of the related mortgage note, the related mortgage note is no longer in existence.

32) Deed of Trust – In the event the mortgage constitutes a deed of trust, a trustee duly qualified under applicable law to serve as such, has been properly designated and currently so serves and is named in the mortgage, and no fees or expenses are or will become payable by the seller to the trustee under the deed of trust, except in connection with a trustee's sale after default by the mortgage.

33) Mortgage Recorded – Each original mortgage was recorded or has been properly submitted to be duly recorded and all subsequent assignments of the original mortgage have been recorded or delivered in the appropriate form to be duly recorded in the appropriate jurisdictions in which such recordation is necessary to perfect the ownership of the mortgage by the trust.

34) No Defense of Insurance Coverage – No action has been taken, no event has occurred, and no state or fact exists, which has resulted or will result in an exclusion from, denial of, or defense to coverage under any applicable special hazard insurance policy or bankruptcy bond irrespective of the cause of such failure of coverage, except the failure of the insurer to pay by reason of such insurer's breach of the insurance policy or the insurer's financial inability to pay.

35) Servicing – The servicing and collection practices used by the servicer with respect to the mortgage loan have been in all respects legal, proper, prudent and customary in the mortgage servicing business. While the mortgage loan has been serviced by the servicer, it has been serviced in accordance with the terms of the mortgage note or any applicable forbearance or bankruptcy plans.

36) Litigation – To the best of seller's knowledge, other than any claim or counterclaim arising out of any foreclosure or collection proceeding relating to any mortgage loan, there is no litigation, proceeding or governmental investigation pending, or any order, injunction or decree outstanding, existing or relating to the mortgage loan or the related mortgage property.

37) Leases – The mortgaged property is either a fee simple estate or a long-term residential lease. If the mortgage loan is secured by a long-term residential lease: (A) the terms of such lease expressly permit the mortgaging of the leasehold estate, the assignment of the lease without the lessor's consent (or the lessor's consent has been obtained and such consent is in the mortgage file), and the acquisition by the holder of the mortgage of the rights of the

lessee upon foreclosure or assignment in lieu of foreclosure or provide the holder of the mortgage with substantially similar protection; (B) the terms of such lease do not allow the termination thereof upon the lessee's default without the holder of the mortgage being entitled to receive written notice of, and opportunity to cure, such default or prohibit the holder of the mortgage from being insured under the hazard insurance policy related to the mortgaged property; (C) the original term of such lease is not less than 15 years; (D) the term of such lease does not terminate earlier than five years after the maturity date of the mortgage note; and (E) the mortgaged property is located in a jurisdiction in which the use of leasehold estates for residential properties is an accepted practice.

38) Mortgaged Property is One- to Four-Family – Each mortgaged property is located in the US or a territory of the US and consists of a one- to four-unit residential property, which may include, but is not limited to, a single family dwelling, townhouse, condominium unit or a unit in a planned unit development, or, in the case of mortgage loans secured by co-op shares, leases or occupancy agreements.

Morningstar Credit Ratings, LLC

Confidential Information and Analytic Firewalls Policies

Introduction

Morningstar Credit Ratings, LLC ("Morningstar") is a provider of securities analysis, market research, portfolio surveillance services, operational risk assessment services, and credit ratings. It is the intent of these Confidential Information and Analytic Firewalls Policies to (i) safeguard private clients' confidential information from being used inappropriately, (ii) protect the confidentiality of information given to Morningstar's employees in connection with the rating process, (iii) ensure that analysts involved in Morningstar's rating process are free to express their respective opinions without being influenced by any consulting relationship that Morningstar may have with a client; and (iv) prevent improper exchanges of confidential information among Morningstar's employees.

These Confidential Information and Analytics Firewalls Policies are a part of Morningstar's overall compliance policies and procedures relating to analyst independence and the use of confidential information. Employees should also consult and observe Morningstar's other compliance policies and procedures, including, but not limited to, Morningstar's Code of Conduct and Code of Ethics. Copies of Morningstar's Code of Conduct and Code of Ethics are included within Morningstar's Form NRSRO at Exhibits 5 and 7, respectively.

Morningstar maintains five separate business groups: (i) CMBS Analytical Services, (ii) CMBS New Issuance Services, (iii) RMBS Analytical Services, (iv) Operational Risk Assessment Services, and (v) Research/Advisory Services, which includes Private Client Services. A general description of these services is available at Morningstar's website at http://ratingagency.morningstar.com.

Each division head determines the responsibilities and file access of each employee within the division. Employees are only granted access to the files they need for their current responsibilities. Employees may be temporarily, or permanently, reassigned from one to another division or group, for reasons such as a shift in client or market demand for certain services. In addition, to the extent consistent with Morningstar's policies and procedures and based on expertise of certain employees and to facilitate products offered within the groups, employees may perform certain functions (including, serving on certain committees so long as such employee holds less than a majority vote on such committee) within, and/or provide certain input and skills to, another group (collectively, a "Multiple Division Service Employee"), provided that, (a) no such functions, input, skills or services across divisions or groups shall (i) impede the independence of any analyst or rating, outlook, ranking or assessment, as applicable, (ii) result in any client of another division or group receiving any confidential information from another division or group, or (iii) create any actual or potential conflict (unless indentified to and approved by the Compliance Department); and (b) no such practices shall violate applicable laws, rules, regulations or client contracts. The Compliance Department shall be notified of all proposed reassignments and assignments utilizing Multiple Division Service Employees by the President or the Managing Director(s) of the division(s) requesting such reassignments or assignments. As necessary, the Compliance Department will develop internal protocols and procedures to address any conflicts of interest and needs for additional monitoring or controls that arise from these reassignments or Multiple Division Service Employee assignments. The Compliance Department may limit the number of employees who can participate in any ongoing Multiple Division Service Employee assignment.

Confidential Information: Definition, Policies and Procedures

Any reference to "confidential information", "confidential" or words of similar import shall mean: (a) information received by Morningstar's employees from an issuer or other arranger or its accountants, attorneys, advisors or other persons on behalf of the issuer or other arranger, that has been marked "Proprietary and Confidential" (or similarly marked) or in respect of which Morningstar has received from the issuer specific written notice of its proprietary and confidential nature; (b) ratings, outlooks, other opinions, surveillance, research, analysis, reports and similar items that have been developed by Morningstar, but have not yet been published by Morningstar; (c) information provided by a client of Morningstar to Morningstar regarding the client's investment holdings, procedures and guidelines and similar or related information that has been marked "Proprietary and Confidential" (or similarly marked) or in respect of which Morningstar has received from the client specific written notice of its proprietary and confidential nature; and (d) material, nonpublic information received by Morningstar in conjunction with the preceding items (a) through (c) and as defined and discussed in Morningstar's Code of Ethics, Section II.F.

Notwithstanding the preceding paragraph, information is not deemed to be confidential information if it:

- was substantially known to Morningstar at the time of such disclosure;
- was available publicly (whether via subscription or otherwise) at the time of or prior to such disclosure;
- becomes known to the public (other than by Morningstar's act) subsequent to such disclosure;
- is disclosed lawfully to Morningstar by a third party subsequent to such disclosure;
- is developed independently by Morningstar and Morningstar does not expressly include such confidential information in providing such independently developed information;
- is approved by the provider of the information;
- is required to be disclosed by law, rule or regulation or is disclosed at the request of any governmental agency or authority; or
- specifically with respect to ratings, outlooks, other opinions, surveillance, research, analysis, reports and similar items:

- ❖ was known to investors at the time of such disclosure, including, without limitation, through the dissemination of preliminary offering materials and/or reports that reference such information or related information;
- ❖ is approved in writing by the arranger or client, including without limitation, through any engagement letter executed by Morningstar and arranger or client, for disclosure and/or is not expressly precluded in writing by the arranger from disclosure (so long as Morningstar has not reasonably objected to such preclusion for regulatory reasons);
- ❖ is required to be disclosed by law, rule or regulation or is disclosed at the request of any governmental agency or authority, including, without limitation, any laws, rules or regulations which may require a rating agency to provide analysis and information related to a rating and any reports related thereto; or
- ❖ is information, provided in or forming part of, the related deal report or pre-sale report produced by Morningstar in rating or performing surveillance of a transaction, so long as such report is distributed by Morningstar after the preliminary offering circular or analogous offering materials are printed and such information is necessary, as determined by the related Morningstar rating committee (described in Morningstar's Form NRSRO Exhibit 2), for understanding of the ratings and related analysis.

Every Morningstar employee who receives confidential information must follow all precautionary measures prescribed by Morningstar's internal control policies and procedures to safeguard confidential information. More specifically, with respect to each of Morningstar's business groups:

- **CMBS Analytical Services** group may not share confidential information (i) received by such group, or (ii) developed, but not yet published by such group, such as unpublished rating actions, outlooks, other opinions, surveillance, research, analysis, reports and similar items with anyone until such time as (a) with respect to (ii), such information is published to Morningstar's subscribers and/or (b) with respect to (i) and (ii), otherwise made public or not "confidential" as set forth above, except, in either case, for disclosures to Morningstar's employees who have a legitimate business need to know the information (including Multiple Division Service Employees in accordance with the terms hereof and Morningstar's policies and procedures), Morningstar's legal counsel and/or as required by applicable laws, rules and regulations, including any compliance personnel on behalf of Morningstar.

  Further, when Morningstar receives confidential information provided by an issuer or other arranger or its accountants, attorneys, advisors or other persons on behalf of the issuer or other arranger or by servicer, special servicer and/or trustee, such confidential information must be kept confidential in accordance with any and all confidentiality agreements to which Morningstar has agreed to be legally bound and subject to with respect to such information.

- **CMBS New Issuance Services** group may not share confidential information about a pending transaction, whether that information was provided to Morningstar, as a Selected Agency, by an issuer or other arranger or its accountants, attorneys, advisors or other persons on behalf of the issuer or other arranger, or developed, but not yet published, by such group, until such time as any preliminary offering materials are disseminated by the arranger or other relevant party related to such information, such information is public and/or such information is otherwise made public or not "confidential" as set forth above, except for disclosures to Morningstar's employees who have a legitimate business need to know the information (including Multiple Division Service Employees in accordance with the terms hereof and Morningstar's policies and procedures), Morningstar's legal counsel and/or as required by applicable laws, rules and regulations, including any compliance personnel on behalf of Morningstar.

  Further, when Morningstar, as a Selected Agency, receives confidential information provided by an issuer or other arranger or its accountants, attorneys, advisors or other persons on behalf of the issuer or other arranger, such confidential information must be kept confidential in accordance with any and all confidentiality agreements to which Morningstar has agreed to be legally bound and subject to with respect to such information.

- **RMBS Analytical Services** group may not share confidential information (i) received by such group, or (ii) developed by such group, such as unpublished rating actions, outlooks, other opinions, surveillance, research, analysis, reports and similar items, in each case, with anyone until such time as such information (a) with respect to (ii), is published to Morningstar's subscribers or (b) with respect to (i) and (ii), is otherwise made public or not "confidential" as set forth above, except, in either case, for disclosures to Morningstar's employees who have a legitimate business need to know the information (including Multiple Division Service Employees in accordance with the terms hereof and Morningstar's policies and procedures), Morningstar's legal counsel and/or as required by applicable laws, rules and regulations, including any compliance personnel on behalf of Morningstar.

  Further, when Morningstar receives confidential information provided by an issuer or other arranger or its accountants, attorneys, advisors or other persons on behalf of the issuer or other arranger or servicer and/or trustee, such confidential information must be kept confidential in accordance with any and all confidentiality agreements to which Morningstar has agreed to be legally bound by and subject to with respect to such information.

- **Operational Risk Assessment Services** group may not share confidential information (i) received by the group from a servicer or other deal participant or from accountants, attorneys, advisors or other persons on behalf of the servicer or other deal participant in conjunction with its rankings or assessments, or (ii) confidential information developed by such group, such as unpublished rankings or assessments, research, analysis, reports and similar items, in each case, with anyone until such time as such information is (a) with respect to (ii), published to Morningstar's subscribers or (b) with respect to (i) and (ii), otherwise made public or not "confidential" as set forth above, in each case, except for disclosures to Morningstar's employees who have a legitimate business need to know the information (including, but not limited to, employees of RMBS Analytical Services, CMBS New Issuance Services, and CMBS Analytical Services, as such group(s) may consider a ranking or assessment of a servicer by the Operational Risk Assessment Services group in determining or monitoring a rating, or Multiple Division Service Employees, in accordance with the terms hereof and Morningstar's policies and procedures), Morningstar's legal counsel and/or as required by applicable laws, rules and regulations, including any compliance personnel on behalf of Morningstar. Further, when Morningstar receives confidential information from servicers or other participants in finance transactions (such as loan originations and structured finance transactions) or from accountants, attorneys, advisors or other persons on behalf of such parties, such confidential information must be kept confidential in accordance with any and all confidentiality agreements to which Morningstar has agreed to be legally bound and subject to with respect to such information.

Morningstar may also use any such information for research, analytical and modeling purposes, and reports based thereon, provided that any confidential information is not presented in a way that can be directly tied to the provider of such confidential information.

- **Research/Advisory Services, which includes Private Client Services**, group may not share confidential information of a client with anyone except for the client's designated representatives and/or as required by applicable laws, rules and regulations, including any compliance officer on behalf of Morningstar. For avoidance of doubt, confidential information of a client must not be shared with other divisions or groups within Morningstar or any party outside of Morningstar. Further, when Morningstar receives confidential information of client, such confidential information must be kept confidential in accordance with any and all confidentiality agreements to which Morningstar is legally bound by and subject to with respect to such information.

If an employee needs more information or advice related to the existence or content of any confidentiality agreements with respect to any Morningstar clients, the employee should contact Morningstar's Legal and/or Compliance Departments before presuming any information is non-confidential.

Analytic Firewalls Policy

Divisional Firewalls. An analyst within a division or group may not share any confidential information with other divisions or groups within Morningstar (other than (i) Multiple Division Service Employees in accordance with the terms hereof and Morningstar's policies and procedures and (ii) between CMBS Analytical Services and CMBS New Issuance Services, as necessary) or discuss the deliberations relating to, or confidential information used in determining, individual ratings, outlooks, rankings or assessments with other Morningstar employees who are not involved in the same analytical or rating process (other than (i) Multiple Division Service Employees in accordance with the terms hereof and Morningstar's policies and procedures and (ii) between CMBS Analytical Services and CMBS New Issuance Services, as necessary). For the avoidance of doubt, the Managing Director of CMBS Analytical Services (or an alternate from either CMBS Analytical Services or CMBS New Issuance Services in the Managing Director's absence as described in "CMBS New-Issue Rating Opinions: Procedures and Methodologies" on our website, http://ratingagency.morningstar.com) is a member (with a non-majority vote) of Morningstar's new issuance committee (described in Morningstar's Form NRSRO Exhibit 2).

Consulting or Advisory Services. No analyst may participate in "consulting or advisory services" (as defined below) if that analyst is involved in any credit rating processes (other than Multiple Division Service Employees in accordance with the terms hereof and Morningstar's policies and procedures), or participates or votes on any credit rating committee, or has responsibility for participating in determining credit ratings or for developing or approving procedures or methodologies used for determining credit ratings, including qualitative and quantitative models. "Consulting or advisory services" shall include all Morningstar services other than those involving the issuance of credit ratings issuance, the surveillance of credit ratings, or other activities regulated by the SEC as a result of Morningstar's NRSRO status.

Separation of Sales & Marketing from Credit Rating Analytics. No credit analyst shall be directly involved with any negotiations, discussions or arrangements for any fees or other compensation from any arranger, subscriber, or other client if that analyst is involved in any credit rating processes, or participates or votes on any credit rating committee, or has responsibility for participating in determining credit ratings or for developing or approving procedures or methodologies used for determining credit ratings, including qualitative and quantitative models. All analytical decisions with respect to credit ratings and developing procedures and methodologies with respect to determining credit ratings will be outside the presence of Sales & Marketing staff. All fee arrangements and engagement terms will be determined by the Sales & Marketing group. Because Morningstar cannot prevent in all cases its clients from raising issues related to fees, analytical employees are required to refer all inquires related to fees or other commercial terms to engagements for credit rating services to the relevant member of Sales & Marketing group or the Managing Director of Sales & Marketing.

Analytical employees may attend meetings, calls or other discussions with issuers, arrangers, subscribers, or other clients or potential clients for the purpose of discussing analytical components of a product, methodologies, criteria and credit considerations. At such meetings, calls or discussions, no fee discussions or negotiations of engagement terms or new business may occur while analytical employees are present. Therefore, analytical employees must excuse themselves from such meetings, calls or other discussions, if such discussions or negotiations are initiated. Sales & Marketing employees should not initiate fee discussions or negotiations of engagement terms or new business, with analytical employees present. Sales & Marketing employees must ask such analytical employees to leave these meetings, calls or other discussions before initiating any such discussions or negotiations.

Morningstar's accounting staff may only provide information concerning individual fees for subscribers, issuers, transactions and other credit rating clients with members of the Sales & Marketing group and the Legal and Compliance Departments, as requested.

From time to time, members of the Sales & Marketing group may meet with analytical staff to prepare budgets, to determine capacity issues, and to discuss information and regulatory requirements that may affect the terms of an engagement or fee schedules. The Sales & Marketing group is prohibited from providing fee information in these meetings or discussions, but can solicit information from analytical staff to determine whether current engagement terms (including obligations to provide certain information to conduct future surveillance) and fees remain appropriate and whether the proposed engagements are within the scope and budget of the analytical group.

The Sales & Marketing group and Morningstar's analytical groups are subject to Morningstar's policy on safeguarding information contained in its Code of Ethics. Each group must take precautions set forth therein order to avoid the dissemination of information between these groups.

Certain Conflicts of Interest. No Morningstar employee shall allow the commercial or personal relationship between Morningstar and any third party to influence their opinion or use such relationship to try to influence the opinion of an analyst who is involved in any credit rating processes, or participates or votes on any credit rating committee, or has responsibility for participating in determining credit ratings or for developing or approving procedures or methodologies used for determining credit ratings, including qualitative and quantitative models, or who is involved in any rankings or assessments, or participates or votes on any ranking or assessment committee, or has responsibility for participating in determining rankings or assessments or for developing or approving procedures or methodologies used for rankings or assessments. Employees must disclose to the Compliance Department any potential conflict of interest, not otherwise specifically enumerated in this policy or Morningstar's Code of Ethics and Code of Conduct. This can include personal or business relationships with, and/or business interests in issuers, arrangers, subscribers or other clients of Morningstar. The Compliance Department will determine whether a conflict exists and determine the appropriate action to be taken. The Compliance Department can recommend, among other things, the divesting of certain business interest or the recusal of the employee from a committee vote.

Application of These Policies

These policies are intended to be complementary to all other policies and procedures adopted by Morningstar. Employees who have questions on interpretation or application of these policies should contact their supervisors or managers, the Compliance Department, and/or the CEO/President of Morningstar. The senior officers of Morningstar will coordinate the appropriate response. In the event the terms hereof conflict with Morningstar's "Confidential Information and Analytic Firewalls Policies," the "Morningstar Credit Ratings, LLC Code of Conduct" and/or Morningstar's other policies and procedures, such conflicts shall be addressed by the Compliance Department.

Morningstar Credit Ratings, LLC
Form NRSRO

Exhibit 4
Organizational Structure

See Attached:

4.A Organization Chart of Ownership Interests

4.B. Organization Chart of Key Personnel

4.A

Exhibit 4.A

Morningstar Credit Ratings, LLC

Organization Chart of Ownership Interests in
Morningstar Credit Ratings, LLC

Page 1 of 4

Morningstar, Inc.

100%

Morningstar Credit Ratings, LLC

Note 1: Pages 2 to 4 of this Exhibit 4.A set forth a list of Morningstar, Inc.'s direct and indirect subsidiaries.

The information below is presented as of February 24, 2012. Except as specifically indicated below, Morningstar, Inc. holds, directly or indirectly, a 100% interest in each entity listed below. Some inactive subsidiaries have been omitted.

Subsidiaries of Morningstar, Inc.

Subsidiary	**Jurisdiction of Formation**
Corporate Fundamentals, Inc.	Delaware
Morningstar Global LLC	Delaware
Morningstar Associates, LLC	Delaware
Morningstar Investment Services, Inc.	Delaware
Morningstar Commodity Data, Inc. (f/k/a Logical Information Machines, Inc.	Illinois
Ibbotson Associates, Inc.	Illinois
Morningstar Credit Ratings, LLC (f/k/a Realpoint LLC)	Pennsylvania
Aegis Corporate Research Pty Ltd (1)	Australia
Aegis Equity Research Pty Ltd (1)	Australia
Aegis Investment Partners Pty Ltd (1)	Australia
Aegis Managed Investments Research Pty Ltd (1)	Australia
Ibbotson Pty Limited (1)	Australia
Intech Research Pty Limited (2)	Australia
Ibbotson Associates Australia Limited (2)	Australia
Morningstar Australasia Pty Limited (3)	Australia
Morningstar Direct Investments (4)	Australia
Morningstar Group Australia Pty Limited (5)	Australia
Share Analysis Pty Ltd (1)	Australia
Morningstar Brazil Financial Information Ltda. (5)	Brazil
Morningstar Associates, Inc. (6)	Canada
Morningstar Canada Group, Inc. (5)	Canada
Morningstar Research, Inc. (6)	Canada
Servicios Morningstar Chile Ltd. (5)	Chile
Morningstar Research (Shenzhen) Ltd. (7)	China
Morningstar Danmark A/S (8)	Denmark
Morningstar Danmark Holdings Aps (5)	Denmark
Morningstar France Holding SAS (5)	France
Morningstar France Fund Information SARL (9)	France

Subsidiary	Jurisdiction of Formation
Seeds Finance SA (10)	France
Morningstar Deutschland GmbH (5)	Germany
Morningstar Real-Time Data GmbH (11)	Germany
Morningstar Asia, Ltd. (5)	Hong Kong
Morningstar Hong Kong Fund Information, Ltd. (7)	Hong Kong
Morningstar India Private Limited (12)	India
Morningstar Italy, S.R.L. (5)	Italy
Ibbotson Associates Japan K.K. (13)	Japan
Morningstar Korea, Ltd. (14)	Korea
Morningstar Associates Korea Co., Ltd. (15)	Korea
Morningstar Luxembourg SARL (5)	Luxembourg
Investigaciones MS Mexico, S. de R.L. de C.V. (5)	Mexico
Servicios MStar Global, S. de R.L. de C.V. (5)	Mexico
Morningstar Europe, B.V. (16)	The Netherlands
Morningstar Holland, B.V. (17)	The Netherlands
MStar Holdings C.V.	The Netherlands
Morningstar Research Limited (Morningstar New Zealand) (3)	New Zealand
Morningstar Norge AS (5)	Norway
Morningstar Research PTE Limited (7)	Singapore
Morningstar Research (Proprietary) Limited (5)	South Africa
Morningstar Network, S.L. (5)	Spain
Morningstar Switzerland GmbH (5)	Switzerland
Morningstar Research Thailand Limited	Thailand
Morningstar (Dubai) LLC (5)	United Arab Emirates
Fundamental Data Limited (18)	United Kingdom
Hemscott Group Limited (18)	United Kingdom
Morningstar Associates Europe Limited (19)	United Kingdom
Morningstar Europe, Ltd. (5)	United Kingdom
Morningstar U.K., Ltd. (5)	United Kingdom
Morningstar Real-Time Data Limited (18)	United Kingdom
Morningstar Real-Time Data Holdings Limited (20)	United Kingdom
Old Broad Street Research Limited (18)	United Kingdom
OBSR Advisory Services Limited (21)	United Kingdom

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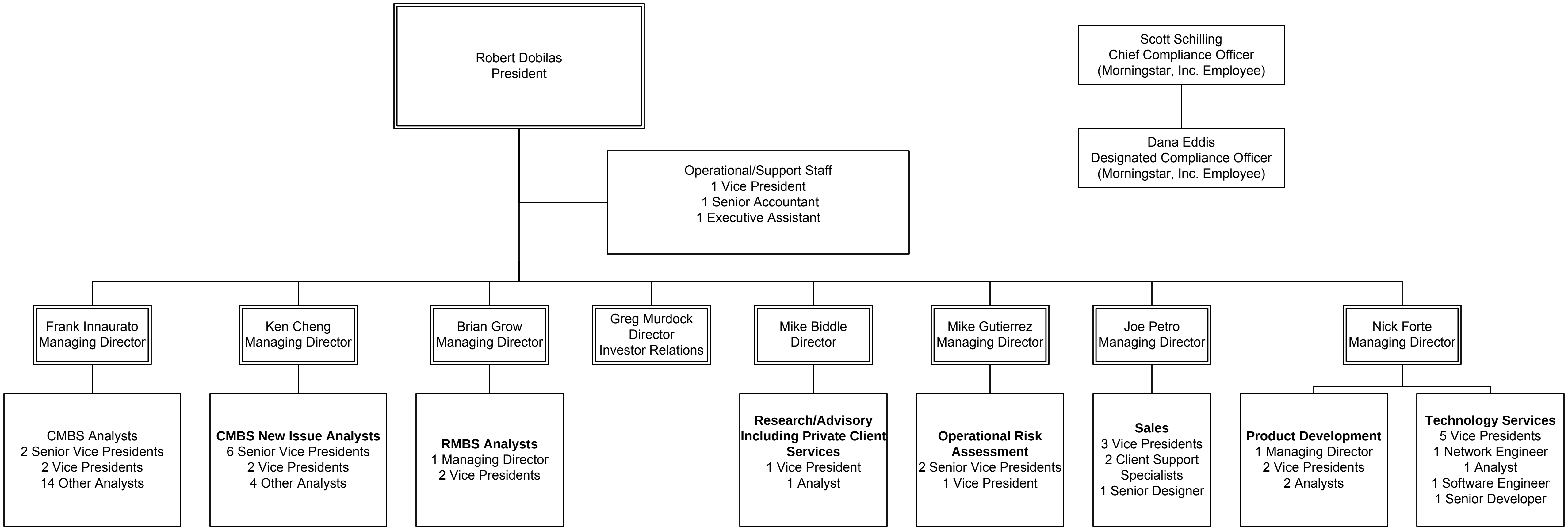
(1) Morningstar Australasia Pty Limited owns 100%.
(2) Ibbotson Pty Limited owns 100%.
(3) Morningstar Direct Investments owns 100%.
(4) Morningstar Group Australia owns 100%.
(5) Morningstar Holland B.V. owns 100%.
(6) Morningstar Canada Group, Inc. owns 100%.
(7) Morningstar Asia, Ltd. owns 100%.
(8) Morningstar Danmark Holdings Aps owns 100%.
(9) Morningstar France Holding SAS owns 100%.
(10) Seeds Group SAS owns 100%.
(11) Morningstar Real-Time Data Holdings Limited owns 100%.
(12) Corporate Fundamentals, Inc. owns 100%.
(13) Ibbotson Associates, Inc. owns approximately 71%.
(14) Morningstar, Inc. owns 80%.
(15) Morningstar Korea, Ltd. owns 100%.
(16) MStar Holdings C.V. owns 100%.
(17) Morningstar Europe, B.V. owns 100%.
(18) Morningstar U.K., Ltd. owns 100%.
(19) Morningstar Associates, LLC owns 100%.
(20) Morningstar Real-Time Data Limited owns 100%.
(21) Old Broad Street Research Limited owns 100%.

4.B

Morningstar Credit Ratings, LLC



As of 03/30/12

Morningstar Credit Ratings, LLC ("Morningstar")

Code of Conduct

INTRODUCTION

Morningstar's objective is to provide the most accurate and timely credit ratings and analytical information to its investor clients and the capital markets. Morningstar is periodically evaluating its analytical criteria, financial models, delivery systems and investment reports to determine ways to improve its processes, practices and products. Credit ratings are not recommendations to purchase, sell or hold any security.

Morningstar has developed this Code of Conduct (this "Code") to align its policies and procedures with the Code of Conduct Fundamentals for Credit Rating Agencies, Technical Committee of the International Organization of Securities Commissions, December 2004 (the "IOSCO Code").

Morningstar requires its employees to comply with this Code and Morningstar's: Code of Ethics and Confidential Information and Analytics Firewalls Policies. Copies of Morningstar's Code of Ethics and Confidential Information and Analytics Firewalls Policies are made available on Morningstar's website, at http://ratingagency.morningstar.com, as part of Morningstar's Form NRSRO, Exhibits 7 and 3, respectively.

Morningstar strives to keep its rating and surveillance processes independent of conflicts of interest. Morningstar's employees are directed and expected to put clients' interests ahead of their own. Morningstar's management, and Morningstar's analytical and technology teams, have always strived to earn clients' trust. Morningstar holds its employees to high standards for personal conduct, protection and use of confidential information, compliance with Morningstar's reporting and other internal procedures and compliance with applicable securities laws, rules and regulations.

1. QUALITY AND INTEGRITY OF THE RATING PROCESS

A. Quality of the Rating Process

1.1 Each rating shall be based on a thorough analysis of all available information received by, known to and subject to review by Morningstar in accordance with Morningstar's policies and procedures, and believed to be material to the respective rating by, Morningstar.

1.2 Morningstar shall use rating criteria and methodologies that are rigorous, systematic, and where possible, result in ratings that can be subjected to some form of objective validation based on historical experience.

1.3 In assessing the creditworthiness of a security, analysts involved in the preparation or review of any rating or surveillance thereof shall use criteria and methodologies established by Morningstar.

1.4 Credit ratings shall be assigned by a vote of a rating committee comprised of analysts and not by any individual analyst. Morningstar shall use analysts who, individually or collectively, have the appropriate knowledge and experience in developing a rating opinion for the type of credit being applied.

1.5 Morningstar shall maintain internal records to support its credit opinions for a reasonable period of time or in accordance with applicable law.

1.6 Based on information received by Morningstar with respect to and material to a rating, Morningstar and its analysts shall take steps to avoid issuing any credit analyses or reports that contain misrepresentations or are otherwise misleading as to the general creditworthiness of a security.

1.7 Morningstar shall commit sufficient resources to perform high-quality credit assessments for all securities it rates. When deciding whether to rate or continue to rate a security, Morningstar shall assess whether it is able to devote sufficient analysts with sufficient skill sets to make proper rating assessments, and whether its analysts likely will have access to information Morningstar determines is necessary in accordance with its policies and procedures in order to make such an assessment.

1.8 Morningstar shall organize its rating teams of analysts in a manner to promote continuity and high-quality ratings and to avoid bias in the rating process.

B. Monitoring and Updating

1.9 Except for "one-day" ratings that are only valid on and as of the day issued and do not involve surveillance, and other ratings that clearly indicate that they do not involve ongoing surveillance, Morningstar may, in accordance with its policies and procedures and to the extent Morningstar receives information Morningstar determines is necessary to perform such surveillance, monitor on an ongoing basis and update the rating by:

a. regularly reviewing the credit characteristics of the security in accordance with Morningstar's policies and procedures;

b. initiating a review of the status of the rating upon receiving any information that Morningstar reasonably expects to result in a rating action (including termination of a rating), and,

c. updating on a timely basis the rating, as appropriate, based on the results of such review.

1.10 Where Morningstar makes its ratings available to the public, Morningstar shall publicly announce if it discontinues rating a security. Where Morningstar ratings are provided only to its subscribers, Morningstar shall announce to its current subscribers via electronic mail or a posting to the subscription portion of its website if it terminates a rating of a security. In both cases, Morningstar's last rating report, or an amendment or supplement thereto, shall indicate the date the rating was last updated and the fact that it no longer will be monitored.

C. Integrity of the Rating Process

1.11 Morningstar and its employees shall comply with all applicable laws, rules and regulations governing Morningstar's activities in each jurisdiction in which it operates.

1.12 Morningstar and its employees shall deal fairly and honestly with issuers, investors, other market participants and the public.

1.13 Analysts shall be held to high standards of integrity. Morningstar will not employ individuals known by Morningstar to have questionable integrity.

1.14 Morningstar and its employees shall not, either implicitly or explicitly, give issuers, investors and/or subscribers any assurance or guarantee of a particular rating prior to the determination of a rating by the rating committee. Morningstar may still provide prospective assessments for structured finance transactions.

1.15 Morningstar's Designated Compliance Officer and Compliance Department shall be responsible for reviewing employees' compliance with the provisions of this Code and with applicable laws, rules and regulations.

1.16 Upon becoming aware that another employee of Morningstar is or has engaged in conduct that is illegal, unethical or contrary to this Code or Morningstar's Code of Ethics, a Morningstar employee should report such information immediately to the Designated Compliance Officer, President or other officer of Morningstar so proper action may be taken. Any Morningstar officer who receives such report is obligated to take appropriate action, as determined by the laws, rules and regulations in each jurisdiction in which Morningstar operates and the rules, procedures and guidelines set forth by Morningstar.

2. INDEPENDENCE AND AVOIDANCE OF CONFLICTS OF INTEREST

A. General

2.1 Morningstar and its analysts shall use care and analytic judgment to maintain both the substance and appearance of independence and objectivity.

2.2 The determination of a rating by a rating committee shall be based only on factors known to the rating committee that are (i) believed by it to be relevant to the credit analysis and/or (ii) not expressly excluded from the ratings analysis.

2.3 Morningstar shall not forbear or refrain from taking a rating action, if appropriate, based on the potential effect (economic, political, or otherwise) of the rating action on Morningstar, an issuer, an investor or other market participant.

2.4 Ratings assigned by Morningstar to a security shall not be affected by the existence of or potential for a business relationship between Morningstar (or its affiliates) and the issuer (or its affiliates) or any other party, or the non-existence of such a relationship.

2.5 Morningstar shall ensure that its ancillary and other business operations do not present conflicts of interest with its credit rating business. Morningstar has established and maintains policies and procedures to identify, minimize and manage any conflicts of interest between Morningstar's credit rating business and its other businesses.

B. Morningstar's Procedures and Policies

2.6 Morningstar has adopted and implemented written internal procedures and mechanisms to (1) identify, and (2) eliminate, or manage and disclose, as appropriate, any actual or potential conflicts of interest that may influence opinions and analyses Morningstar makes or the judgment of its analysts. Morningstar's Code of Ethics discloses such conflict avoidance and management measures.

2.7 When issuing or publishing a rating, Morningstar's disclosures of actual and potential conflicts of interest, if any, shall be complete, timely, clear, concise, specific and prominent.

2.8 Credit ratings and outlooks are defined and described on Form NRSRO Exhibit 2.A and at http://ratingagency.morningstar.com.

2.9 Morningstar, as a Selected Agency and in accordance with Morningstar's policies and procedures, may consider a ranking and assessment of a master servicer or special servicer performed by Morningstar's Operational Risk Assessment Services group. Morningstar's pre-sale and/or deal report may reference any such consideration. As discussed therein, when issuing or publishing any such rating, outlook, ranking or assessment, Morningstar is not thereby issuing any credit rating of any entity, including the issuer. Information regarding Morningstar's Operational Risk Assessment Services group is available at http://ratingagency.morningstar.com.

2.10 As and to the extent required under applicable securities laws, rules and regulations, when issuing or publishing any report related to a credit rating, Morningstar shall disclose the general nature of its relevant compensation arrangements which, unless otherwise required by applicable securities laws and regulations, shall be limited to disclosure of the capacity in which an entity requested and compensated Morningstar for a credit rating and related surveillance for such credit rating (i.e. issuer/arranger paid ratings, subscriber paid ratings, investor paid ratings or other arrangement and/or combination).

2.11 Morningstar and its employees shall not engage in any securities trading presenting conflicts of interest with Morningstar's rating activities, as set forth in Morningstar's Code of Ethics.

2.12 As referenced above, Morningstar does not rate entities, including governmental entities.

C. Analyst and Employee Independence

2.13 Reporting lines for analysts and their compensation arrangements shall be structured to eliminate or effectively manage actual or potential conflicts of interest. An analyst shall not be compensated or evaluated on the basis of the amount of revenue that Morningstar derives from securities that the analyst rates or with which the analyst regularly interacts.

2.14 Morningstar shall not have analysts initiate, or participate in, discussions with any issuer/arranger (or its affiliate) regarding Morningstar fees or compensation arrangements.

2.15 No Morningstar employee shall participate in or otherwise influence the determination of Morningstar's rating of any particular security if the employee:

a. Owns the rated security or derivatives of the rated security, other than holdings in diversified mutual funds or other forms of collective investment pools;

b. Has had an employment or other significant business relationship with the issuer of the rated security within the previous six months;

c. Has an immediate family relationship (i.e., spouse, partner, parent, child, sibling or any other person living in your household) who currently works for the issuer of the rated security; or

d. Has, or had, any other significant business relationship with the issuer of the rated security, or any entity under common control with the issuer of the rated security, or any agent of the issuer of the rated security, that, in each case, may be perceived as presenting a conflict of interest.

2.16 Investment opportunities and gifts

2.16.1 The receipt of investment opportunities, gifts or gratuities from persons seeking business with Morningstar directly or on behalf of a client could call into question the independence of your business judgment. Doubtful situations should be resolved against your personal interest.

2.16.2 Employees must not accept any investment opportunity, gift, gratuity or other item of more than nominal value, from any person or entity that does business, or desires to do business, with Morningstar directly or on behalf of a client.

2.16.3 With respect to limitations imposed by applicable laws: (a) Employees may accept gifts from a single giver, so long as the value, individually and in the aggregate, does not exceed the maximum amount permitted under applicable laws; and (b) Employees may attend business meals, sporting events and other entertainment events at the expense of a giver, so long as the expense is reasonable, both you and the giver are present and the value, individually and in the aggregate, does not exceed the maximum amount permitted under applicable laws.

2.16.4 At this time, SEC Rule 17g-5(c) (7) prohibits the receipt of gifts, including entertainment, by a "credit analyst who participated in determining or monitoring [a] credit rating, or a person responsible for approving the credit rating[,] . . . from the obligor being rated, or from the issuer, underwriter, or sponsor of the securities being rated, other than items provided in the context of normal business activities such as meetings that have an aggregate value of no more than $25."

2.17 Subject to applicable law, any analyst who becomes involved in any personal relationship that creates the potential for any real or apparent conflict of interest shall disclose such relationship to the appropriate manager or officer of Morningstar.

2.18 Morningstar has adopted and implemented policies and procedures for reviewing the past work of analysts that leave the employ of Morningstar and join an obligor, issuer, underwriter, or sponsor of a security for which Morningstar issued a credit rating during the 12-month period prior to such employment (or any affiliate of any such obligor, issuer, underwriter, or sponsor).

3. RESPONSIBILITIES TO THE INVESTING PUBLIC AND ISSUERS

A. Transparency and Timeliness of Ratings Disclosure

3.1 Morningstar shall distribute in a timely manner its rating actions regarding the securities it rates.

3.2 Morningstar shall publicly disclose its policies for distributing ratings and reports.

3.3 Morningstar shall indicate with each of its rating reports (referred to as "DealViews") when the rating was last changed.

3.4 Morningstar shall publish sufficient information about its analytical criteria and methodologies so investors and issuers can understand how Morningstar derives its ratings.

3.5 Morningstar shall explain the key reasons for the rating(s) in its rating reports.

3.6 Where feasible and appropriate, prior to issuing or revising a rating, Morningstar, as a selected agency, shall inform the issuer of the critical information and principal considerations upon which a rating is based and, if appropriate, afford the issuer an opportunity to clarify any likely factual misperceptions or other matters that Morningstar would wish to be made aware of in order to produce an accurate rating. Morningstar shall duly evaluate the response.

3.7 Morningstar shall conduct annual default and transition studies on its ratings. The findings from these studies will be made available on Morningstar's website, at http://ratingagency.morningstar.com.

3.8 Unsolicited ratings are ratings assigned by Morningstar without the full participation of issuers in the rating process. Morningstar reserves the right, in its sole discretion, to issue ratings without the full participation of issuers in the rating process if Morningstar believes (1) there is a meaningful credit market or investor interest served by the publication of such a rating, and (2) it has information Morningstar determines is necessary in accordance with its policies and procedures to support its analysis and surveillance. Morningstar will identify issues with unsolicited ratings in accordance with its policies and procedures.

3.9 Morningstar will alert investors and issuers of any material modifications to its analytical criteria and methodologies on its website, at http://ratingagency.morningstar.com.

B. The Treatment of Confidential Information

In connection with this subsection B, employees are reminded to also refer to the aforementioned "Confidential Information and Analytic Firewalls Policies" and "Code of Ethics" and Morningstar's other policies and procedures, as such policies relate to any or all of the following:

3.10 Morningstar and its employees shall protect the confidential nature of information supplied by an issuer or its agent. Morningstar and its employees shall refrain from disclosing confidential information in press releases, through research conferences, conversations with investors, other issuers or any other persons.

3.11 Morningstar shall use confidential information only for purposes related to its credit rating activities or otherwise in accordance with any confidentiality agreement with an issuer, arranger or other client.

3.12 Employees shall take all reasonable measures to protect all property and records belonging to or in possession of Morningstar from fraud, theft or misuse.

3.13 Employees shall not engage in transactions in securities when they possess confidential information concerning the issuer of such security.

3.14 Employees shall familiarize themselves with the internal securities trading policies maintained by Morningstar, and are required to periodically certify their compliance as required by such policies.

3.15 Employees shall not disclose any non-public information about rating actions or possible future rating actions, except in accordance with Morningstar's policies and procedures.

3.16 Employees shall not share confidential information entrusted to Morningstar with employees of any non-ratings businesses without the prior written consent of the issuer.

3.17 Morningstar employees shall not use or share confidential information for the purpose of trading securities, or for any other purpose, except the conduct of Morningstar ratings business and as necessary, with its legal counsel.

3.18 If laws or regulations now or in the future enacted require disclosure of any information to a regulatory authority or otherwise, employees shall discuss such disclosure with the Designated Compliance Officer of Morningstar and such Designated Compliance Officer of Morningstar shall determine how to proceed with respect to such disclosure.

C. Prohibitions on Certain Unfair, Coercive or Abusive Practices

Morningstar employees are prohibited from engaging in any of the following unfair, coercive, or abusive practices:

3.19 Conditioning or threatening to condition the issuance of a credit rating on the purchase by an obligor or issuer, or an affiliate of the obligor or issuer, of any other services or products, including pre-credit rating assessment products, of Morningstar or any person associated with Morningstar;

3.20 Issuing, or offering or threatening to issue, a credit rating that is not determined in accordance with the Morningstar's established procedures and methodologies for determining credit ratings, based on whether the rated person, or an affiliate of the rated person, purchases or will purchase the credit rating or any other service or product of Morningstar or any person associated with Morningstar;

3.21 Modifying, or offering or threatening to modify, a credit rating in a manner that is contrary to Morningstar's established procedures and methodologies for modifying credit ratings based on whether the rated person, or an affiliate of the rated person, purchases or will purchase the credit rating or any other service or product of Morningstar or any person associated with Morningstar; and

3.22 Issuing or threatening to issue a lower credit rating, lowering or threatening to lower an existing credit rating, refusing to issue a credit rating, or withdrawing or threatening to withdraw a credit rating, with respect to securities or money market instruments issued by an asset pool or as part of any asset-backed or mortgage-backed securities transaction, unless all or a portion of the assets within such pool or part of such transaction also are rated by Morningstar, where such practice is engaged in by Morningstar for an anticompetitive purpose.

4. DISCLOSURE OF THIS CODE

The President and Designated Compliance Officer of Morningstar shall be responsible for enforcing this Code and the related rating policies and procedures. Senior management of Morningstar is responsible for (i) keeping employees who report to them informed of Morningstar’s policies and procedures and (ii) enforcing Morningstar’s policies and procedures among such employees. The President and Designated Compliance Officer of Morningstar shall be responsible for communicating with market participants and the public about any questions, concerns or complaints that Morningstar may receive regarding this Code and the related rating policies and procedures.

5. IOSCO CODE OF CONDUCT FUNDAMENTALS

Morningstar accepts and supports the principles of the IOSCO Code, which is to promote investor protection by safeguarding the integrity of the rating process. Morningstar believes that this Code is generally consistent with, adheres to the principles of, and accomplishes the objectives of, the IOSCO Code. This Code differs in some respects from the IOSCO Code in areas such as (i) the rating process for unsolicited ratings, (ii) the treatment of prospective rating assessments for structured finance transactions, (iii) the fact Morningstar solely rates asset backed securities, (iv) certain publishing procedures, (v) compliance with Morningstar's policies and procedures, and (vi) continuous adherence to applicable securities laws, rules and regulations.

6. MORNINGSTAR POLICIES AND PROCEDURES

This Code shall be considered in conjunction with Morningstar's other policies and procedures. The term "confidential information" herein shall be interpreted in accordance with Morningstar's "Confidential Information and Analytic Firewalls Policies". In addition, provisions herein applicable to "ratings" shall also apply to rating outlooks produced by Morningstar as and to the extent relevant. In the event the terms hereof conflict with Morningstar's "Confidential Information and Analytic Firewalls Policies," the "Morningstar Credit Ratings, LLC Code of Ethics" and/or Morningstar's other policies and procedures, such conflicts shall be addressed to a member of the Compliance Committee for resolution.

END

Exhibit 6

Morningstar Credit Ratings, LLC ("Morningstar")

Form NRSRO

Conflicts of Interest – Identification

This Exhibit sets forth the types of conflicts of interest relating to the issuance of credit ratings by Morningstar that are material to Morningstar:

1. Morningstar is paid by issuers or underwriters to determine credit ratings with respect to securities or money market instruments they issue or underwrite.

2. Morningstar is paid for services in addition to determining credit ratings by issuers, underwriters, or obligors that have paid Morningstar to determine a credit rating.

3. Morningstar is paid by persons for subscriptions to receive or access the credit ratings of Morningstar and/or for other services offered by Morningstar where such persons may use the credit ratings of Morningstar to comply with, and obtain benefits or relief under, statutes and regulations using the term "nationally recognized statistical rating organization."

4. Morningstar is paid by persons for subscriptions to receive or access the credit ratings of Morningstar and/or for other services offered by Morningstar where such persons also may own investments or have entered into transactions that could be favorably or adversely impacted by a credit rating issued by Morningstar.

5. Morningstar is paid by persons for subscriptions to receive or access the credit ratings of Morningstar and/or for other services offered by Morningstar where such a person, or a person affiliated with such person, may also pay Morningstar to determine credit ratings with respect to securities or money market instruments they issue or underwrite.

6. Morningstar has a person associated with it that is a broker or dealer; however, the broker-dealer is not engaged in the business of underwriting securities or money market instruments, and does not maintain client accounts or execute security transactions on behalf of clients.

7. Morningstar issues or maintains credit ratings for securities or money market instruments issued by an asset pool or as part of any asset-backed or mortgage-backed securities transaction that were paid for by the issuer, sponsor, or underwriter of the security or money market instrument.

8. Further with respect to items 1 and 4 above and the credit ratings referenced therein, a servicer that is an affiliate of such an issuer, underwriter, other arranger or subscriber may be obtaining and paying for, or refusing to obtain or pay for, a Morningstar servicer ranking or assessment, and Morningstar may consider the presence or absence of such ranking or assessment in connection with Morningstar's determination of such a credit rating.

9. Morningstar analysts and officers are employees at-will, and as such they are generally not subject to agreements or laws that would prevent them from accepting future employment with an obligor, issuer, underwriter or sponsor that Morningstar provided a rating and that such analyst or officer participated in determining or supervised employees that participating in determining such a rating.

10. During the 2011 fiscal year, Morningstar received more than 10% of its revenues from a single client. This conflict of interest is typically prohibited under Rule 17g-5(c)(1). However, Morningstar received a temporary, conditional exemption from this rule with respect to its revenue derived from issuer-paid ratings, pursuant to an order issued by the U.S. Securities and Exchange Commission on March 5, 2012. The duration of the exemption is until January 1, 2013.

Morningstar Credit Ratings, LLC
Code of Ethics

I. INTRODUCTION

This Code of Ethics (the "**Code**") sets forth the standards of conduct expected of all **Employees** of Morningstar Credit Ratings, LLC ("**Morningstar**"). This Code is designed to guide Employees with respect to standards of business conduct and personal investment activities.

Morningstar is required to provide all Employees with a copy of this Code and any amendments hereto. Each Employee is required to provide the **Compliance Department** with a written acknowledgement of his or her receipt of the Code and any amendments hereto.

Morningstar requires its Employees also to comply with this Code and Morningstar's: Code of Conduct and Confidential Information and Analytics Firewalls Policies, which are incorporated herein by reference. Copies of Morningstar's Code of Conduct and Confidential Information and Analytics Firewalls Policies are made available on Morningstar's website, at http://ratingagency.morningstar.com, as part of Morningstar's Form NRSRO, Exhibits 5 and 3, respectively.

*Unless defined in the following sections, key terms and phrases have the meanings defined in Section X Each defined word or phrase is identified in **bold-faced type** the first time it is used in the Code.*

II. STANDARDS OF BUSINESS CONDUCT

A. PLACING THE INTERESTS OF OUR CLIENTS FIRST

This **Code** is based on the principle that **Morningstar** and you, as our Employee, owe a responsibility to best serve our **Clients**. Accordingly, you must avoid activities, interests and relationships that might interfere or appear to interfere with making decisions in the best interests of our Clients. The Code seeks to place the interests of our Clients over the interests of Morningstar and any Employee.

At all times, you must:

1. ***Place the interests of our Clients first***. In other words, you must scrupulously avoid serving your own personal interests ahead of the interests of our Clients.

2. ***Conduct all of your personal securities transactions in full compliance with this Code.*** You must not take any action in connection with your personal investments that could cause even the appearance of unfairness or impropriety. Accordingly, you must comply with the policies and procedures set forth in this Code. Doubtful situations should be resolved against your personal trading.

3. ***Avoid taking inappropriate advantage of your position***. The receipt of investment opportunities, gifts or gratuities from persons seeking business with Morningstar directly or on behalf of a Client could call into question the independence of your business judgment. Doubtful situations should be resolved against your personal interest.

B. LEGAL COMPLIANCE

Employees must obey all laws and regulations applicable to Morningstar's business, including but not limited to, the applicable **Federal Securities Laws**.

C. COMPLIANCE DEPARTMENT

Morningstar's Compliance Department consists of the Designated Compliance Officer ("**DCO**") and a compliance manager. No member of the Compliance Department may take part in a decision relating to a **Covered Security** in which such person has or, as part of the transaction in question, would acquire **Beneficial Ownership**. For any decision relating to a Covered Security for which a Compliance Department member has or, as part of the transaction in question, would acquire Beneficial Ownership in a Covered Security, the other Compliance Department member will have final decision making authority. If both members of the Compliance Department have or, as part of the transaction in question, would acquire Beneficial Ownership in a Covered Security, the matter will be referred to the General Counsel Office of Morningstar, Inc.

III. MANAGING CONFLICTS OF INTEREST

A. PROHIBITED CONFLICTS

Morningstar is prohibited from having the following conflicts of interest relating to the issuance or maintenance of a credit rating as a credit rating agency:

1. Issuing or maintaining a credit rating solicited by a person that, in the most recently ended fiscal year, provided it with net revenue (as reported under Rule 17g-3 of the Exchange Act) equaling or exceeding 10% of its total net revenue for the fiscal year;

2. Issuing or maintaining a credit rating with respect to a person (excluding a sovereign nation or an agency of a sovereign nation) where Morningstar, a credit analyst that participated in determining the credit rating, or a person responsible for approving the credit rating, directly owns securities of, or has any other direct ownership interest in, the person that is subject to the credit rating;

3. Issuing or maintaining a credit rating with respect to a person associated with Morningstar;

4. Issuing or maintaining a credit rating with respect to an obligor or security where Morningstar or a person associated with Morningstar made recommendations to the obligor or the issuer, underwriter, or sponsor of the security about the corporate or legal structure, assets, liabilities, or activities of the obligor or issuer of the security; or

5. Issuing or maintaining a credit rating where the fee paid for the rating was negotiated, discussed, or arranged by a person within Morningstar who has responsibility for participating in determining credit ratings or for developing or approving procedures or methodologies used for determining credit ratings, including qualitative and quantitative models.

With regard to the prohibitions in paragraphs (1) and (5) above, to the extent the **Commission** permits exemptions by rule, order, waiver or otherwise, it shall not be a violation of this Code to engage in the forgoing activities, if Morningstar obtains such an applicable exemption. With respect to paragraph (1) above, actual and forecasted revenues will be analyzed by the Compliance Department each month for concentrations exceeding 10%. When it is reasonably certain to assume that revenues will not change significantly from the forecast and the concentrations shown reflect revenues for a particular client will exceed 10% for a particular client by the fiscal year-end, an exemption request will be submitted to the Commission. Generally, Morningstar will not be able to determine this prior to the close of the third quarter of its fiscal year. At which time, a request for an exemption, if required, will be initiated. Morningstar will disclose such conflict of interest in its Form NRSRO, even if an exception, waiver, or order by the Commission grants Morningstar relief from the above prohibition.

B. GIFTS

Morningstar is prohibited from issuing or maintaining a credit rating where a credit analyst who participated in determining or monitoring the credit rating, or a person responsible for approving the credit rating received gifts, including entertainment, from the obligor being rated, or from the issuer, underwriter, or sponsor of the securities being rated, other than items provided in the context of normal business activities, such as meetings, that have an aggregate value of no more than $25.

Employees must not accept any investment opportunity, gift, gratuity or other item of more than nominal value, from any person or entity that does business, or desires to do business, with Morningstar directly or on behalf of a Client.

If you are offered, or receive, any such gift (including entertainment) from any obligor of Securities for which Morningstar issues or maintains a credit rating on Securities issued by such issuer, arranger, underwriter or sponsor, you are to promptly inform the Compliance Department. If the gift is tangible and the receipt of the gift violated applicable Federal Securities Laws and/or this Code, the Compliance Department may make arrangements to have the gift returned, donated or destroyed. If the gift violates this Code or applicable Federal Securities Laws, a letter explaining Morningstar's policy with respect to gifts will be sent to the applicable issuer, arranger, underwriter or sponsor.

Annually, you will be asked to certify that you have not received any such gifts for which your receipt thereof was not approved by the Compliance Department or permissible under this Code.

C. SERVICE AS A DIRECTOR, OFFICER, OR SIMILAR FUNCTION OF OTHER ENTITIES

Morningstar is prohibited from issuing or maintaining a credit rating where a credit analyst who participated in determining the credit rating, or a person responsible for approving the credit rating, is an officer or director of the person that is subject to the credit rating. In determining whether Securities are rated by Morningstar, you must obtain confirmation from the Compliance Department.[1]

Employees may not engage in any outside employment, consulting or other activity that would create an actual or apparent conflict of interest with their employment with Morningstar. In determining whether any outside employment, consulting or other activity would create an actual or apparent conflict of interest with your employment with Morningstar, you must obtain confirmation from the Compliance Department.

Employees may not serve on the board of directors or other governing board of a publicly traded company, even though it is not an obligor, issuer, sponsor, underwriter or arranger of any Securities for which Morningstar issues or maintains a credit rating, unless the employee has received the prior written approval of the Compliance Department, which approval may be withheld in the discretion of the Compliance Department and will not be given unless a determination is made that your service on the board would not be inconsistent with the interests of our Clients or violate or potentially violate any Federal Securities Laws. Even if Morningstar approves your serving in such capacity for another company, you may not have any ownership interest in, or affiliation, business relationship or other financial or personal interest with, that company, unless you have received the prior written approval of the Compliance Department, which approval may be withheld in the discretion of the Compliance

[1] For these purposes, an issuer of capital stock is not necessarily also the issuer of ABS even though that issuer sold loans to the trust that is the issuer of such ABS.

Department and will not be given unless a determination is made that such interest would not be inconsistent with the interests of our Clients or violate or potentially violate any Federal Securities Laws.

Annually, you will be asked to certify that you have not violated the foregoing Code provisions.

D. Insider Trading and Safeguarding Material Non-Public or Confidential Information

1. Employees are prohibited from engaging in transactions in any Securities while in possession of material, nonpublic information regarding the Securities (so-called "insider trading"). Employees are also prohibited from providing material, nonpublic information to any person who might use the information to purchase or sell Securities (so-called "tipping"). Any questions regarding Morningstar's policy on insider trading or the application of the insider trading policy to any specific information should be directed to a member of the Compliance Department. Insider trading can result in significant civil penalties and can result in criminal prosecution.

2. Definitions

(a) Material Information - Generally speaking, information is "material" where there is a substantial likelihood that a reasonable investor could consider the information important in deciding whether to buy or sell the Securities in question, or where the information, if disclosed, could be viewed by a reasonable investor as having significantly altered the "total mix" of information available. Where the nonpublic information relates to a possible or contingent event, materiality depends upon a balancing of both the probability that the event will occur and the anticipated magnitude of the event in light of the totality of the activities of the issuer involved. Common, but by no means exclusive, examples of "material" information include information concerning a company's sales, earnings, dividends, significant acquisitions or mergers and major litigation. So-called "market information," such as information concerning an impending Securities transaction, may also, depending upon the circumstances, be "material." Because materiality determinations are often challenged with the benefit of hindsight, if an Employee has any doubt whether certain information is "material," this doubt should be resolved against trading or communicating this information.

(b) Nonpublic information - Information is "nonpublic" until it has been made available to investors generally. In this respect, one must be able to point to some fact to show that the information is generally public, such as inclusion in reports filed with the Commission or press releases issued by the issuer of the Securities, or reference to this information in publications of general circulation. Information provided by a Client concerning what Securities are being followed by the Client, and the Client's past, present and prospective Securities transactions or holdings, is strictly confidential.

Any questions regarding Morningstar's policy on insider trading or the application of the Insider Trading Policy to any specific information should be directed to a member of the Compliance Department.

(c) Confidential information - Refer to our Confidential Information and Analytics Firewalls Policies for a description or definition of any reference to "confidential information," "confidential" or words of similar import with respect to information received by Morningstar in connection with its ratings services and related analysis. Employees should observe the confidentiality of information that they acquire by virtue of their employment at Morningstar, including information concerning customers, competitors and other Employees, except where disclosure is approved by Morningstar or otherwise legally mandated. Of special sensitivity is financial information, which should under all circumstances be considered confidential except where its disclosure is approved by Morningstar, or when it has been made publicly available in a press release or a report filed with the Commission or other comparable regulatory authority.

3. Information Safeguarding. Employees are required to take all reasonable steps to safeguard all material non-public information or confidential information obtained through his or her employment at Morningstar from fraud, misappropriation or misuse, and to maintain the analytical firewalls set forth in Morningstar's Confidential Information and Analytics Firewalls Policies. To protect this type of information and maintain adequate analytical firewalls, employees should maintain the following safeguards:

(a) Analysts may discuss the analysis supporting the credit rating for a particular transaction or security with an investor or subscriber. In the case of an initial rating, analysts may discuss the analysis supporting the rating on investor calls only after the issuer or one of its agents have distributed the preliminary disclosure documents or similar materials. However, an analyst should never discuss material non-public information or confidential information with any investor or subscriber. Analysts should discuss only the information publicly disclosed and their analysis of the rating.

If investors or subscribers make an inquiry regarding fees, contract provisions, or new products, analysts should refer these persons to the appropriate person in Sales & Marketing.

If an investor or subscriber provides the analyst with new or different information that may be relevant for his or her rating analysis, the analyst may investigate the information provided. The analyst should notify the Compliance Department if they are unable to determine whether such claims are material non-public or confidential information, before utilizing the information in any rating analysis.

(b) Employees are prohibited from having discussions regarding material non-public or confidential information under circumstances in which others could overhear these conversations or in locations where applicable analytical firewalls between Morningstar groups could be compromised. Furthermore, information that is covered by this provision applies at all times to communications both inside and outside Morningstar's offices. Employees should enter or reserve a private conference room for these discussions. Employees must refrain from having conversations related to such information in public locations, such as restaurants, subways, trains, elevators, taxis and airplanes, and from using speakerphones phones.

(c) Credit ratings files, documents, and related work products must not be left in the open for unauthorized personnel to see. Excess or additional copies of materials and documents properly stored in accordance with applicable law, should shredded when no longer used. In addition, issuer files may not be released to any third parties without the express written consent or direction of the issuer, except in response to any valid request for such information contained in a subpoena, court order or as otherwise required by applicable law or by any judicial, legislative or regulatory authority.

If a matter is of a particularly sensitive nature, additional precautions may be appropriate. These could include keeping files secured in locked cabinets or other secure places, arranging for special handling of files, and utilizing private conference rooms when speaking on the telephone to avoid being overheard. If an employee's desk is situated where unauthorized persons may see such materials, sensitive papers should be locked and/or kept in drawers, turned face side down, or otherwise concealed.

E. Monitoring, Investigations and Other Conflicts of Interest

1. Morningstar Employees must cooperate with all monitoring, controls and investigations conducted by the Compliance Department in its efforts to manage and monitor conflicts of interest. This includes, but is not limited to:

(a) Making yourself available for interviews as part of the internal audit process and answering questions asked honestly;

(b) Completing all periodic and one-time certifications required under this Code and any other policies and procedures adopted from time to time;

(c) Participating in all personal securities reporting and monitoring activities as required by this Code;

(d) Maintaining proper records of rating actions as required under applicable law and Morningstar's policies and procedures;

(e) Completing annual internal questionnaires and certifications regarding your background, business relationships, and experience; and

(f) Properly recording and tracking calls and correspondences with investors, subscribers, issuers or arrangers as may be requested by the Compliance Department.

2. From time to time, the Compliance Department may monitor potential conflicts of interest that are not directly prohibited under applicable law, but may affect the integrity of is credit rating process. Employees are subject to such policies, protocols and procedures that may be developed to address such conflicts of interest in the future.

IV. PERSONAL SECURITIES TRANSACTIONS

A. TRADING IN GENERAL

An **Access Person** must report, in compliance with the provisions set forth below, any **Purchase or Sale of a Covered Security** in which such Access Person has, or by reason of the transaction will acquire any direct or indirect Beneficial Ownership.

At anytime, the Compliance Department may identify actual or potential conflicts of interest and by email notify Access Persons that personal securities transactions in a certain Client or Security may be prohibited, limited or subject to pre-clearance. Access Persons could be asked to divest their interests or hold their interests for an indefinite period of time. Access Persons are prohibited from having or acquiring Beneficial Ownership in any Security that Morningstar provides a NRSRO credit rating.

B. PRE-CLEARANCE

Access Persons must seek to obtain pre-clearance trading approval from the Compliance Department to Purchase or Sell any Covered Security for which the Access Person has or will have by reason of the trade acquire Beneficial Ownership of a Covered Security that Morningstar could be expected to provide a credit rating or other ranking, assessment or research services on such Covered Security.

Access Persons can seek pre-clearance for certain transactions that may otherwise be prohibited by this Code in the event of a documented financial hardship or the settlement of an estate, so long as the transaction would not violate Federal Securities Laws.

The Compliance Department retains the sole discretion to pre-clear transactions. Pre-clearance approvals need to be obtained prior to the transaction's execution and requests can be made via email or another form acceptable to the Compliance Department.

C. USE OF TRADE CONFIRMATIONS AND FEEDS

Every Access Person should direct each broker, dealer or bank who maintains an account for Covered Securities of which such Access Person has direct or indirect Beneficial Ownership, to supply to Morningstar's Compliance Department, duplicate copies of confirmations or electronic feeds of all transactions in the account and copies of periodic statements for the account.

D. REPORTING

The Compliance Department shall identify and inform all Access Persons of their duty to complete and provide the account statements and reports described below. The Compliance Department will review such account statements and reports.

Such account statements and reports received by Morningstar shall be kept confidential except to the extent that disclosure may be required by regulatory authorities and that disclosure, on a confidential basis, may be made for an audit of compliance procedures.

E. ADDITIONAL RESTRICTIONS FOR CERTAIN ANALYSTS, DIVISIONS OR GROUPS

Certain Morningstar employees may be subject to additional restrictions with respect to whether they may hold certain Securities.

An analyst must not engage in any Purchase or Sale of a Covered Security in which such analyst has, or by reason of the transaction will acquire, any direct or indirect Beneficial Ownership, if that Covered Security is:

(a) (i) subject to a current letter rating or outlook issued and maintained by Morningstar; and (ii) the credit analyst either participated in determining, or was responsible for approving, that credit rating or outlook;

(b) (i) issued by a third-party service provider[2] that is subject to a current ranking or assessment (or similar determination, regardless of title) issued and maintained by Morningstar; and (ii) the analyst either participated in determining, or was responsible for approving, that ranking or assessment (or similar determination, regardless of title); or

(c) (i) issued by a third-party service provider, or the parent or an affiliate thereof, that the Compliance Department, in its sole discretion, has designated as a third-party service provider whose securities may not be held by an analyst within the Operational Risk Assessment Group who either participated in determining, or was responsible for approving, that third-party service provider's ranking or assessment (or similar determination, regardless of title); and (ii) the analyst either participated in determining, or was responsible for approving, that ranking or assessment (or similar determination, regardless of title). In furtherance of this subparagraph, the Compliance Department may, from time to time, designate a third-party service provider, or the parent or certain or all affiliates thereof, as an issuer whose securities may not be held by an analyst within the Operational Risk Assessment Group who either participated in determining, or was responsible for approving, that third-party service provider's ranking or assessment (or similar determination, regardless of title).

An analyst is deemed to have participated in determining or approving that credit rating, outlook, ranking or assessment if the analyst participated in its determination or approval in any manner, including participation on a committee that was responsible for such determination or approval. In this context, "analyst" means any employee who participated in determining or approving that credit rating, outlook, ranking or assessment, regardless of title, including credit analysts, senior credit analysts, supervisors and division heads.

[2] References to a "third-party service provider" means servicers or other participants in finance transactions (such as loan originations and structured finance transactions), which participants may include servicers of various assets, loan originators and other third party service providers

Credit ratings and outlooks are defined and described on Form NRSRO Exhibit 2.A and at http://ratingagency.morningstar.com). Third-party service provider rankings and assessments for the Operational Risk Assessment Group are defined and described at http://ratingagency.morningstar.com).

F. INITIAL HOLDINGS REPORTS

If you are an Access Person, you must report no later than ten (10) days after becoming an Access Person to the Compliance Department the following information:

(a) the title and type of Security, the exchange ticker symbol or CUSIP number (as applicable), number of shares, and principal amount of each Covered Security in which the Access Person had any direct or indirect Beneficial Ownership as of the date the person became an Access Person;

(b) the name of the broker, dealer or bank with which the Access Person maintains an account in which any Securities are held for the direct or indirect benefit of the Access Person as of the date the person became an Access Person[3]; and

(c) the date that the report is submitted by the Access Person.

G. QUARTERLY TRANSACTION REPORTS

Every Access Person must report to the Compliance Department no later than thirty (30) days after each calendar quarter end the following information:

(a) With respect to any transaction during the quarter in a Covered Security in which the Access Person had or acquired any direct or indirect Beneficial Ownership:

(1) The date of the transaction, the title, the exchange ticker symbol or CUSIP number (as applicable), the interest rate and maturity date (if applicable), the number of shares and the principal amount of each Covered Security involved;

(2) The nature of the transaction (*i.e.,* purchase, sale or any other type of acquisition or disposition);

(3) The price of the Covered Security at which the transaction was effected;

(4) The name broker, dealer or bank with or through which the transaction was effected; and

(5) The date that the report is submitted by the Access Person.

The foregoing includes reporting securities acquired through a gift, inheritance, marriage or similar event.

(b) With respect to any account established by the Access Person in which any Securities were held during the quarter for the direct or indirect benefit of the Access Person[4]:

[3] Please note that the report requires disclosure of the name of any broker-dealer or bank with which the Access Person has an account in which "any Securities" are held for his direct or indirect benefit and not just accounts holding Covered Securities.

(1) The name of the broker, dealer or bank with which the Access Person established the account;

(2) The date the account was established; and

(3) The date that the report is submitted by the Access Person.

(c) If an Access Person instructs all brokers, dealers or banks that hold Securities in which such Access Person has any direct or indirect Beneficial Ownership, to provide duplicate broker-trade confirmations and account statements required under the above subsection C. entitled "Use of Trade Confirmations and Feeds" to the Compliance Department within the time period required for a Quarterly Transaction Report and provides the information required in part b. above, then such Access Person need only represent on the Quarterly Transaction Report:

(1) that he/she has directed all broker, dealers or banks who hold any Securities in which such Access Person has beneficial ownership to send duplicate confirmations and account statements to the Compliance Department;

(2) the form of such confirmations, account statements or records provide to Morningstar contain all the information required in a Quarterly Transaction Report; and

(3) with respect to any account established during the applicable half year in which the Access Person has Beneficial Ownership in Securities the information provided is true and accurate.

It is the obligation of each Access Person relying on subsection (c) of this Section G to ensure compliance with its requirements.

H. ANNUAL HOLDINGS REPORTS

If you are an Access Person, you must report no later than thirty (30) days after the calendar year end, the following information:

(a) the title and type of Security, the exchange ticker symbol or CUSIP number (as applicable), number of shares, and principal amount of each Covered Security in which the Access Person has any direct or indirect Beneficial Ownership and is not held in an account reported in subsection (b) below;

(b) the name of any broker, dealer or bank and the related account number with which the Access Person maintains an account in which any Covered Securities are held for the direct or indirect benefit of the Access Person[5]; and

(c) the date that the report is submitted by the Access Person.

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[4] See fn. 3 above.

[5] See fn.3 above.

The above information is required to be updated annually. More specifically, each Access Person must submit annually a holdings report setting forth the above-specified information that must be current as of a date no more than forty-five (45) days before the report is submitted.

I. EXCEPTIONS TO REPORTING REQUIREMENTS

(a) An Access Person need not make a report to the Compliance Department under the Reporting Section above with respect to transactions effected for, and Covered Securities held in, any account over which the Access Person has no direct or indirect influence or **Control**.

(b) As noted above, an Access Person need not report securities transactions during a quarter on the Quarterly Transaction Report to the Compliance Department if all the information in the report would duplicate information contained in broker trade confirmations or account statements that Morningstar holds in its records so long as Morningstar receives the confirmations or statements no later than 30 days after the end of the applicable quarter. In this case you may certify on your Quarterly Transaction Report that your trade confirmation and/or brokerage account statements represent all transactions that must be reported.

(c) Access Persons are not required to report securities transactions in Covered Securities purchased pursuant to an **Automatic Investment Plan** on the Quarterly Transaction Report.

V. LOOK-BACK REVIEWS

In order to ensure that Morningstar provides objective and timely credit ratings, which are free from undue influence, Morningstar will conduct a look-back review of the credit ratings work of certain Employees.

A. DETERMINATION THAT A LOOK-BACK REVIEW IS REQUIRED

1. A look-back review will be conducted with respect to an Employee or former Employee when Morningstar knows or can reasonably be expected to know that such an Employee or former Employee has or will obtain employment with any obligor, issuer, underwriter or sponsor of a security Morningstar issued a credit rating during the 12-month period prior to the respective Employee's employment and that Employee participated in any capacity in determining credit ratings for such obligor, issuer, underwriter or sponsor for such a security.

2. Employees will be deemed to be participating in determining a credit rating, if during the applicable period:

(a) the Employee acted as the primary or secondary analyst with respect to the rated security;

(b) the Employee voted in the rating committee process with respect to the rated security; or

(c) the Employee supervised an Employee who voted in the rating committee process with respect to the rated security.

3. Once it has been determined by the Compliance Department that a look-back review is required, an Employee Transition Report will be filed with the Commission with respect to any Employee who:

(a) was a senior officer of Morningstar;

(b) participated in any capacity in determining a credit rating for such obligor, issuer, underwriter or sponsor; or

(c) supervised an employee that participated in any capacity in determining a credit rating for such obligor, issuer, underwriter or sponsor.

B. CONDUCTING A LOOK-BACK REVIEW

1. Once the Compliance Department has determined that a look-back review is required, it shall promptly initiate a review by retrieving a list of transactions that the Employee participated in any capacity in determining a credit rating for the respective obligor, issuer, underwriter or sponsor during the applicable look-back period.

2. The Compliance Department will form a Look-Back Review Committee to review the credit ratings work performed by the analyst, analyst supervisor, or senior officer with respect to the respective obligor, issuer, underwriter or sponsor during the applicable look-back period.

3. The Look-Back Review Committee will consist of at least three persons, including at least one member of the Compliance Department and at least one analyst supervisor. The analyst supervisor selected may not be the direct team or deal lead of the Employee subject to the review during the look-back period and may not have been the secondary analyst on the transactions reviewed by the analyst supervisor during the Look-Back Review.

4. The Look-Back Review Committee will act by a majority of its members to determine whether any conflicts of interest of the Employee influenced the rating and provide a report of its findings to the Designated Compliance Officer, Human Resources, and the Managing Director of the applicable analytical group.

5. The Look-Back Review Committee may consider the following items in its conflict of interest determination with respect to the Employee:

(a) Emails of the Employee and email searches related to the applicable obligor, issuer, underwriter or sponsor during the applicable look-back period;

(b) Procedural failures or procedural or policy exceptions initiated or granted to the Employee with respect to the applicable obligor, issuer, underwriter or sponsor (for example, unsubstantiated diversions from credit ratings methodologies or criteria, or rating committee actions without a quorum);

(c) The credit ratings reports and working files related to the credit rating determinations subject to the Look-Back Review; and

(d) Comparisons of the credit ratings of the applicable obligor, issuer, underwriter or sponsor subject to the Look-Back Review to its peers to evaluate whether the rating analysis was not consistent, particularly related to exceptions to the credit ratings methodology or criteria.

6. When the Look-Back Committee determines that a conflict of interest existed, the Look-Back Committee will require the analytical group that issued the credit rating to re-rate the transaction subject to the conflict, in accordance with Morningstar's methodology, criteria, policies and procedures. The analytical committee voting on re-rating the transaction, shall not include the primary or secondary analyst on the transaction rated at the time the conflict existed.

7. If a revised credit rating is appropriate, Morningstar will publish an updated ratings report disclosing the updated credit rating, which includes: (i) a description of the rating actions impacted by the conflict of interest, including applicable dates and the level of the impact the conflict had on the applicable rating(s); and (ii) a disclosure that the reason for the ratings action is the discovery that one or more prior credit rating actions were influenced by a conflict of interest.

(a) For a revised investor-paid surveillance credit rating, notice will be delivered via Morningstar's subscription website or through an email to current subscribers.

(b) For a revised initial issuer-paid rating, notice will be delivered via a revised report posted to Morningstar's public website.

(c) For revisions affecting both an issuer-paid initial rating and a subsequent investor-paid surveillance credit rating, notices will be delivered via Morningstar's public website and to current subscribers via the subscription website or through an email to current subscribers.

8. The re-rating process and publication of a new ratings report will take place as soon as reasonably possible after it is concluded that a revised credit rating is required. A reasonable amount of time is at least the amount of time it would typically take Morningstar to initially rate a similar transaction.

C. CERTIFICATION OF POST-EMPLOYMENT ACTIVITIES

1. Any Employee who is a senior officer, credit rating analyst or credit rating analyst supervisor will, at the time of the termination of their employment with Morningstar:

(a) identify, in writing to Morningstar, the name of the Employee's new employer, the Employee's title or position and job description with such new employer, and whether such new employer or any of its affiliates is an obligor, issuer, underwriter, or sponsor of a security or money market instrument for which Morningstar issued a credit rating during the 12-month period prior to such employment;

(b) agree to inform Morningstar in writing if such Employee becomes employed by any other employer within the period of five years from and after the date of the termination of the Employee's employment with Morningstar, the Employee shall certify to Morningstar the name of the Employee's new employer, the Employee's title or position and job description with such new employer, and whether such new employer or any of its affiliates is an obligor, issuer, underwriter, or sponsor of a security or money market instrument for which Morningstar issued a credit rating during the 12-month period prior to such employment; and

(c) will provide a certification of post-employment activities in a form acceptable to Morningstar's Compliance Department.

VI. COMPLAINTS POLICY

A. FIRM'S DEFINITION OF A COMPLAINT

This policy applies to complaints received that pertain to the firm's (i) credit ratings, models and methodologies; and (ii) compliance with applicable securities laws provided by users of Morningstar's credit ratings or by employees of Morningstar. Complaints need not be hostile and can be merely suggestions, concerns, inquiries, allegations, suspicions, or questions that may suggest: (i) a failure to follow published methodologies, criteria, and models; (ii) errors in the application of methodologies, criteria or models, including the selection of the model used; (iii) unfair or inappropriate application of our ratings, models, criteria or methodologies; (iv) inappropriate activity or errors by an analyst; and (v) a possible violation of the law.

Complaints may be submitted on a confidential, anonymous basis. If you are unsure whether a communication you receive or a concern that you have is a complaint, you should report it as such and allow the Compliance Department to make the final determination as to whether it is a complaint subject to this policy.

B. COMPLAINT REPORTING

Complaint reporting pertaining to Morningstar's credit ratings, models and methodologies; or compliance with applicable securities laws should be conducted as follows:

1. Employees of Morningstar are required to immediately notify their direct supervisor and the Compliance Department in writing of any complaints that (a) the employee has; (b) the employee receives from users of Morningstar's credit ratings; or (c) the employee receives from another Morningstar employee. Employees should not independently respond to or settle any complaint made by a user of Morningstar's credit ratings or by another Morningstar employee. If the complaint involves the employee's director supervisor or Morningstar's President, the Morningstar employee need not notify such supervisor or the President of such complaint.

2. Users of Morningstar's credit ratings may submit any complaints in writing to Morningstar's Compliance Department by either of the following methods:

(a) Via mail or courier to:
Morningstar Credit Ratings, LLC
410 Horsham Road, Suite A
Horsham, PA 19044
ATTN: Compliance Department

(b) Via email to: ratingagency@morningstar.com (Please put ATTN: Compliance Department in the subject line.)

3. The complaints should indentify the name and contact information (email, address, and phone number) of the complainant, along with a description of the nature of the complaint, the dates on which the incidents subject to the complaint occurred or were noticed by the complainant.

4. Complaints will be shared internally only when such persons have a legitimate business reason to know or are actively assisting in the investigation and/or resolution of the complaint.

5. In lieu of the processes set forth in paragraphs (1) and (2) above, complaints can be submitted on a confidential and anonymous basis.

(a) Morningstar employees may submit complaints on an anonymous and confidential basis through the Global Compliance website (www.integrity-helpline.com/morn.jsp) or by calling 1-800-555-8316.

(b) Users of Morningstar's credit ratings may submit complaints on an anonymous and confidential basis by:

(i) Mail or courier to:
Morningstar Credit Ratings, LLC
410 Horsham Road, Suite A
Horsham, PA 19044
ATTN: Compliance Department

(ii) Phone toll free to: 1(800) 299-1665. The caller should request to speak to someone in the Compliance Department.

C. RESPONSIBILITY FOR AND TREATMENT OF COMPLAINTS

1. Supervisors and the Compliance Department will deal with complaints in a responsive and fair manner.

2. Each supervisor has a responsibility for ensuring that his or her direct reports are aware of their responsibilities in handling complaints in accordance with firm's policies. Each supervisor is responsible of supporting the Compliance Department and Morningstar in fulfilling its responsibility of investigating complaints in a timely manner and providing all information requested by the Compliance Department that is responsive to complaint. Each supervisor has the responsibility of reminding his or her direct reports that they have responsibility of informing the Compliance Department of complaints he or she has regarding the firm's credit ratings, models and methodologies and suspected violations of applicable securities laws and that he and she has the ability to submit complaints on an anonymous and confidential basis using the Global Compliance website (www.integrity-helpline.com/morn.jsp) or by calling 1-800-555-8316 and respond to all complaints.

3. The Compliance Department is responsible for investigating all complaints received in a timely and complete manner. After careful consideration of all of the facts, circumstances, and information received pertaining to the complaint, the DCO is responsible for providing a recommendation to the President as to what action or actions should be taken.

4. The Compliance Department is responsible for ensuring that Morningstar responds to all written complaints received.

5. The Compliance Department will maintain a complaint file for a period no less than is required under applicable law that can contain the following items, as applicable:

(a) a copy, transcript or recording of the complaint (if not available a summary of the complaint),
(b) the date the complaint was received,
(c) documents gathered during the investigation of the complaint,
(d) recommendations as to what action or actions should be taken with respect to this complaint,
(e) any subsequent communication with the complainant including any final written response,
(f) the date of any final written response, and
(g) action taken by Morningstar in light of the complaint and recommendations.

VII. Reporting of Violations

If an Employee becomes aware of any violation(s) or potential violation(s) of any of the provisions of this Code of Ethics, such Employee must report such violation(s) or potential violation(s) promptly to a member of the Compliance Department. The DCO is required to receive all reports of such violations. Failure to report any violation(s) of this Code that an Employee is are aware of, in a prompt manner will be considered itself a violation of the Code and subject to remedial action.

Employees shall refer to the DCO any information that alleges that an issuer of Securities rated by Morningstar has committed or is committing a material violation of law that has not been adjudicated by a Federal or State court.

VIII. Remedial Actions

If you violate this Code, you are subject to remedial actions, to be imposed by the Compliance Department, which may include, but are not limited to, progressive discipline, disgorgement of profits, imposition of a substantial fine, demotion, suspension or termination.

IX. ADMINISTRATION

A. Interpretations and Exceptions

Please refer any questions regarding the applicability, meaning or administration of this Code to a member of the Compliance Department ***in advance of*** any contemplated transaction. Exemptions from certain provisions of this Code may be granted by the Compliance Department if it is determined that the fundamental obligations of the person involved are not and will not be compromised. In no instance will exemptions be granted if the exemptions are not permitted under the applicable Federal Securities Laws.

B. Questions

Questions regarding this Code of Ethics should be addressed to a member of the Compliance Department. In the event the terms hereof conflict with Morningstar's "Confidential Information and Analytic Firewalls Policies," the "Morningstar Credit Ratings, LLC Code of Conduct" and/or Morningstar's other policies and procedures, such conflicts shall be addressed to a member of the Compliance Department for resolution.

C. Review

The Compliance Department will annually review the adequacy of the Code and the effectiveness of its implementation.

D. ANNUAL CERTIFICATE OF COMPLIANCE

You are required to certify upon commencement of your employment or the effective date of this Code, whichever occurs later, and annually thereafter, that you have read and understand this Code and recognize that you are subject to this Code. Each annual certificate will also state that you have complied with the requirements of this Code during the prior year, and that you have disclosed, reported, or caused to be reported all transactions during the prior year in Covered Securities of which you had or acquired Beneficial Ownership.

X. DESIGNATED COMPLIANCE OFFICER ACTIVITIES

A. GENERAL

Morningstar shall designate an individual as the Designated Compliance Officer, who will be responsible for administering its policies and procedures with respect to the management of conflicts of interest and the prevention of the misuse of nonpublic information. The Designated Compliance shall also be responsible for establishing the procedures with respect to the receipt, retention and treatment of complaints (including those provided on a confidential, anonymous basis) regarding Morningstar's credit ratings, models, methodologies, and compliance with applicable securities laws and its policies and procedures.

B. LIMITATIONS

The Designated Compliance Officer, while serving in this capacity, may not (without a specific exemption from the Commission):

1. perform credit ratings;

2. participate in the development of ratings methodologies and models;

3. perform marketing or sales functions; or

4. participate in establishing compensation levels, other than for employees working for that individual.

The forgoing limitations do not limit the access the Designated Compliance Officer (or other members of the Compliance Department) has to ratings files, credit ratings, committee meetings, sales information, and compensation information that he or she may need to execute his or her oversight, monitoring and reporting responsibilities. Furthermore, the presence of the Designated Compliance Officer at committee meetings related to the rating process in an oversight or monitoring capacity shall not be considered performing credit ratings, so long as the Designated Compliance Officer or a person who he or she supervises does not vote in such a committee.

The above limitations do not prevent the Designated Compliance Officer from advising on the development of ratings methodologies and models with respect to internal control processes, legal and compliance considerations, or considerations with respect to investors (including making editorial corrections or suggestions to enhance its readability and understanding by investors and to avoid misleading investors). This can include monitoring that adequate testing of the model is being conducted; providing guidance on the Commission's expectations for published methodologies and best practices with respect to internal controls and governance, and promoting the use of Plain English with respect to published methodologies and communications regarding criteria and models. However, the above limitation does prohibit the Designated Compliance Officer or a person who he or she supervises from voting in any committee to approve such methodologies, criteria or models.

XI. DEFINITIONS

A. *"Access Person"* means: (i) any Employee who is an analyst or who otherwise has access to nonpublic information; (ii) any officer (or other person holding a similar position or performing similar functions) of Morningstar; and (iii) the Designated Compliance Officer of Morningstar. Section III.D hereof includes a definition of "nonpublic information."

B. *"Automatic Investment Plan"* means a program in which regular periodic purchases (or withdrawals) are made automatically in (or from) investment accounts in accordance with a pre-determined schedule and allocation. An Automatic Investment Plan includes a dividend reinvestment or 10b-5 plan.

C. *"Beneficial Ownership"* shall be interpreted in the same manner as it would be under Rule 16a-1(a)(2) of the Securities Exchange Act of 1934, as amended, in determining whether a person has beneficial ownership of a Security for purposes of Section 16 thereof and the rules and regulations thereunder. In this regard, beneficial ownership will be deemed to exist if a person, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares, a direct or indirect pecuniary interest in the securities (*i.e.*, an opportunity, directly or indirectly, to profit or share in any profit derived from a transaction in the securities). Under this definition, an indirect pecuniary interest in securities generally includes, but is not limited to, securities held by members of a person's immediate family sharing the same household, a person's interests in securities held in certain trusts, a general partner's proportionate interest in the portfolio securities held by a general or limited partnership, a person's right to receive dividends that is separated or separable from the underlying securities (otherwise a right to receive dividends alone shall not represent a pecuniary interest), and a person's right to acquire securities through the exercise or conversion of any derivative security whether or not presently exercisable. *However,* this presumption may be rebutted but shall be in effect until a determination to the contrary is made by the Compliance Department. A person will not be deemed to be the beneficial owner of portfolio securities held by a corporation or similar entity in which the person owns securities if the shareholder is not a Controlling shareholder of the entity and does not have or share investment control over the entity's portfolio.

The following are examples of an indirect pecuniary interest in Securities:

- Securities held by members of an Access Person's **Immediate Family** sharing the same household; however, this presumption may be rebutted by convincing evidence that profits derived from transactions in these Securities will not provide such Access Person with any economic benefit where an Access Person's proportionate interest as a general partner in portfolio Securities held by a general or limited partnership.
- An Access Person's interest as a manager-member in the Securities held by a limited liability company.

Access Persons do not have an indirect pecuniary interest in the portfolio Securities held by a corporation or similar entity in which he/she owns Securities if such Access Person is not a **Controlling** shareholder of the entity and does not have or share investment control over the entity's portfolio.

The following circumstances constitute Beneficial Ownership of Securities held by a trust by an Access Person:

- If an Access Person is a trustee of the trust and has a pecuniary interest in any holding or transaction in the issuer's Securities held by the trust as well as if an Access Person is trustee and members of such Access Person's Immediate Family receive certain performance fees or a member of such Access Person's Immediate Family is a beneficiary to the trust.
- If an Access Person is a beneficiary to a trust and such Access Person (a) shares investment control with the trustee with respect to a trust transaction, the transaction shall be attributed to such Access Person as well as the trust, (b) has investment control with respect to a trust transaction without consultation with the trustee, the transaction shall be attributed to such Access Person and (c) such Access Person shall be deemed to have pecuniary interest in the issuer's securities held by a trust to the extent of such Access Person's *pro rata* interest in the trust where the trustee does not exercise exclusive investment control. For instance, an Access Person who holds securities as a beneficiary of a trust over which he has investment discretion, such as a 401(k) or other participant-directed employee benefit plan, would be considered a beneficial owner of Securities in the plan.
- If you are a settlor of a trust and reserve the right to revoke the trust without the consent of another person, the trust holdings and transactions shall be attributed to you; *provided, however,* if the settlor does not exercise or share investment control over the issuer's securities held by the trust, the trust holdings and transactions shall be attributed to the Trust instead of you as settlor.

D. *"Client"* means a client for which Morningstar provides credit ratings or research or other consulting services for compensation.

E. *"Commission"* means the U.S. Securities and Exchange Commission.

F. *"Control"* and/or *"Controlling"* means the power to exercise a controlling influence over the management or policies of a company unless such power is solely the result of an official position with such company. Any person with direct or indirect Beneficial Ownership of more than ten percent (10%) of the voting securities or other equity, ownership or voting rights of a company shall be presumed to control such company, *provided, however,* that this presumption may be rebutted but shall be in effect until a determination to the contrary is made by the Compliance Department.

G. *"Covered Security"* means a Security (as defined below, which, in effect, means all securities) except that it shall not include: (i) direct obligations of the Government of the United States; (ii) bankers' acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements; (iii) Securities or shares issued by money market Funds; (iv) Securities or shares issued by open-end Funds other than Reportable Funds; (v) Securities or shares issued by unit investment trusts that are invested exclusively in one or more open-end Funds, none of which are Reportable Funds; and (vi) individual retirement accounts, 401k plans/accounts, 529 plans and Keough plans that hold only Securities or shares that are excluded from the definition of a Covered Security under the foregoing items (i) through (v) of this sentence.

H. "*Employee*" means any officer (or other person holding a similar position or performing similar functions), or employee of Morningstar or other person who is otherwise subject to the supervision and control of Morningstar.

I. "*Federal Securities Laws*" means the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002, the Investment Company Act of 1940, the Investment Advisers Act of 1940, Title V of the Gramm-Leach-Bliley Financial Modernization Act of 1999, any rules adopted by the Securities and Exchange Commission under any of these statutes, the Bank Secrecy Act of 1970 as it applies to Funds and investment advisers, and any rules adopted thereunder by the Securities and Exchange Commission or the Department of the Treasury, each, as amended.

J. *"Fund"* means an investment company registered under the Investment Company Act of 1940, as amended.

K. "Immediate Family" means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, and includes any adoptive relationship.

L. *"Purchase or Sale of a Covered Security"* means acquisition or disposition of any direct or indirect Beneficial Ownership in a Covered Security and includes, among other things, the writing of an option to purchase or sell a Covered Security.

M. *"Reportable Fund"* means: (i) any Fund for which you serve as an investment adviser (as defined under the Investment Company Act of 1940, as amended; or (ii) any Fund whose investment adviser or principal underwriter you control, controls you, or is under common control with you. For purposes of this definition of a Reportable Fund, "control" has the same meaning ascribed to it in Section 2(a)(9) of the Investment Company Act of 1940.

N. *"Security"* means any note, stock, treasury stock, security future, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, pre-organization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option or privilege entered into on a national securities exchange relating to foreign currency or, in general, any interest or instrument commonly known as a "security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any security of the foregoing. The term *"Security"* includes any: (i) option or derivative instrument on that Security and any other Security that is convertible into or exchangeable for that Security; (ii) interest in a partnership, corporation, limited liability company, Fund, hedge fund or other form of collective investment pool; and (iii) interest in commercial real estate, commercial mortgaged-backed securities ("*CMBS*") or residential mortgage-backed securities ("*RMBS*").

MORNINGSTAR®

POLICIES, PROCEDURES AND INTERNAL CONTROLS WITH RESPECT TO RULE 17G-5(C)(1) EXEMPTION

On March 5, 2012, the U.S. Securities and Exchange Commission issued an order granting Morningstar Credit Ratings, LLC ("Morningstar") a temporary, conditional exemption from Rule 17g-5(c)(1) of the Securities Exchange Act of 1934 (the "Order"), which prohibits NRSROs from having 10% or more of their revenues in a fiscal year from a single person or entity. The duration of the exemption is until January 1, 2013 with respect to any revenue derived from issuer-paid ratings.

In addition, the Order is conditioned upon: (1) the public disclosure by Morningstar in Exhibit 6 of its Form NRSRO, as applicable, that it received 10% or more of its total net revenue in fiscal year 2011, and if applicable, in the fiscal year 2012, from a single client; (2) Morningstar establishing policies, procedures, and internal controls with respect to the conflict of interest created by exceeding the 10% threshold set forth in Rule 17g-5(c)(1); and (3) Morningstar not receiving revenues equal to 25% or more of its total net revenues in either 2011 or 2012 from a single client.

In order to mitigate the conflict of interest presented by the exemption granted, we note the following policies that provide for the creation of firewalls:

1. Morningstar is prohibited under Section III(A)(5) of its Code of Ethics from issuing or maintain a credit rating where the fee paid for the rating was negotiated, discussed, or arranged by a person within Morningstar who has responsibility for participating in determining credit ratings or for developing or approving procedures or methodologies use for determining credit ratings, including qualitative and quantitative models.

2. Morningstar employees are required under Section III(D)(3) of Morningstar's Code of Ethics to take all reasonable steps to safeguard all material non-public information or confidential information obtained through his or her employment in a manner designed to maintain the analytical firewalls set forth in Morningstar's Confidential Information and Analytical Firewalls Policies.

3. All analytical decisions with respect to credit ratings and developing procedures and methodologies with respect to determining credit ratings will be outside the presence of Sales & Marketing staff and by committee. All fee arrangements and engagement terms will be determined by the Sales & Marketing group.

4. Analytical employees are required to refer all inquires related to fees or other commercial terms to engagements for credit rating services to the relevant member of Sales & Marketing group or the Managing Director of Sales & Marketing.

5. Analytical employees may attend meetings, calls or other discussions with issuers, arrangers, subscribers, or other clients or potential clients for the purpose of discussing analytical components of a product, methodologies, criteria and credit considerations. At such meetings, calls or discussions, no fee discussions or negotiations of engagement terms or new business may occur while analytical employees are present. Therefore, analytical employees must excuse themselves from such meetings, calls or other discussions, if such discussions or negotiations are initiated. Sales & Marketing employees should not initiate fee discussions or negotiations of engagement terms or new business, with analytical employees present. Sales

& Marketing employees must ask such analytical employees to leave these meetings, calls or other discussions before initiating any such discussions or negotiations.

6. Morningstar's accounting staff may only provide information concerning individual fees for subscribers, issuers, transactions and other credit rating clients to members of the Sales & Marketing group and the Legal and Compliance Departments, as requested.

7. All credit ratings are issued pursuant to a committee, which excludes Sales & Marketing employees and results in no single analyst being responsible for a credit rating.

In order to mitigate the conflict of interest presented by the exemption granted, we note the following additional procedures designed to establish internal controls with respect to this process.

1. *Reporting.* Accounting staff will provide the Compliance Department with a monthly report showing client's whose revenues account for 10% or more of our year-to-date revenues; and whose revenues may account for 10% or more of our revenues as of the fiscal year end, based upon current revenue forecasts. The Compliance Department will use this report to monitor conflicts permitted by, and resulting from, the Order. The Managing Director of Sales & Marketing will supply the Compliance Department with any information that it requires to carry out its duties under this policy, including but not limited to notice of the engagement of certain clients.

2. *Disclosure.* Morningstar will disclose in Exhibit 6 of its Form NRSRO that it received 10% or more of its annual revenues from a single client for the fiscal year ended 2011, and if applicable, the fiscal year ended 2012.

3. *Ratings Committee Observation.* The Compliance Department regularly observes rating committee meetings. Observation of final New Issue Ratings Committee meetings by a representative of the Legal or Compliance Department will become mandatory when revenues from that issuer or arranger in the previous year accounted for 10% or more of Morningstar's revenues in that year.

4. *Managing Director Certification.* With the publication of a preliminary rating report, and prior to the publication of any final ratings (if different than the preliminary rating report), the Managing Director of the applicable New Issuance group will execute a certification that, among other things, to his or her knowledge, no analytical staff participating in the rating process negotiated, discussed or arranged the fee for the engagement.

5. *Oversight by Responsible Body under Section 15E(t) of the Exchange Act of 1934.* The oversight body lodged with the responsibilities under Section 15E(t) of the Exchange Act for Morningstar will receive and review information regarding issuers or arrangers that provided 10% or more of Morningstar's total revenue for the preceding year, and discuss any actual or potential conflicts of interest, which may result from this relationship.

Exhibit 8

Morningstar Credit Ratings, LLC

Form NRSRO

Number and Minimum Qualifications of Credit Analysts and Their Supervisors

The total number of credit analysts is 26. A general description of the minimum qualifications required of the credit analysts, including education level and work experience, is as follows:

- Minimum Education: Bachelor's Level Degree.
- Experience, Skills and Knowledge:
    - Strong writing and communications skills are required.
    - A high level of proficiency and comfort with all aspects of Microsoft Office applications along with
    - Internet search ability.
    - Strong quantitative and general accounting / finance skills. Strong organizational and time management skills.
    - In addition to analytical ability, the candidate must be able to present, both written and verbally, all conclusions and answer any questions with respect to the basis for such conclusions.

The total number of credit analyst supervisors is 10. A general description of the minimum qualifications required of the credit analyst supervisors, including education level and work experience, is as follows:

- Minimum Education: Bachelor's Level Degree.
- Experience, Skills and Knowledge:
    - Experience in the commercial and multifamily real estate properties sector preferable, including new loan underwriting or asset management.
    - Minimum of 2 years of experience with CMBS bonds, commercial real estate finance and loan structures, servicing functions, and lender default remedies.
    - Strong quantitative and general finance skills.
    - Strong writing and communications skills are required.
    - A high level of proficiency and comfort with all aspects of Microsoft Office applications along with
    - Internet Search ability.
    - Strong quantitative and general accounting / finance skills. Strong organizational and time management skills.
    - In addition to analytical ability, the candidate must be able to present, both written and verbally, all conclusions and answer any questions with respect to the basis for such conclusions.

Exhibit 9

Description of Designated Compliance Officer

The designated compliance officer of Morningstar Credit Ratings, LLC is Dana M. Eddis. Ms. Eddis is a full-time employee of Morningstar, Inc. Morningstar Credit Ratings, LLC is a wholly owned subsidiary of Morningstar, Inc.

Ms. Eddis is responsible for leading, managing and directing all compliance activities for the firm, including the development and maintenance of a compliance program that is reasonably designed to detect and prevent violations with applicable laws and regulations. Ms. Eddis joined Morningstar, Inc. as a Compliance Manager responsible for Morningstar Credit Ratings, LLC in April 2011. Effective for the 2012 calendar year, Ms. Eddis became the Designated Compliance Officer of Morningstar Credit Ratings, LLC.

Prior to joining Morningstar, Inc. and beginning in 2006, Ms. Eddis was employed with the Am Law 200 law firm, Stevens & Lee, in the Philadelphia region, where she was a corporate and securities attorney. During her time with the firm, Ms. Eddis advised clients on a variety of corporate governance, regulatory compliance, securities law, and transactional matters. In 2005, Ms. Eddis served as a law clerk with the Enforcement Division of the U.S. Securities and Exchange Commission in Philadelphia, Pennsylvania. Between 2001 and 2004, Ms. Eddis worked at a mutual fund accounting team at The Vanguard Group, where she managed the daily operations of an accounting team responsible for verifying dividend payments and proxy voting for over 300 mutual funds. At Vanguard, Ms. Eddis was responsible for establishing training programs and developing and implementing risk management programs for her department.

Ms. Eddis graduated *magna cum laude* from Temple University with a bachelor of arts degree in economics. She also received her MBA and law degrees from Temple University. Ms. Eddis is licensed to practice law in the Commonwealth of Pennsylvania.