

Morningstar DBRS Confirms Commercial Mortgage Special Servicer Ranking for CWCapital Asset Management

CMBS

DBRS, Inc. (Morningstar DBRS) confirmed its MOR CS1 commercial mortgage special servicer ranking for CWCapital Asset Management, LLC (CWCAM or the Company), a wholly owned subsidiary of CW Financial Services LLC (CWFS). The trend for the ranking remains Stable.

The confirmed ranking reflects the following considerations:

-- CWCAM's highly experienced management team whose combined ranks include several commercial mortgage-backed securities (CMBS) industry veterans. Employee turnover increased slightly in 2024 but remained moderate. The senior management team has been stable and the Company has added several asset managers to address increased portfolio activity. Asset managers' average industry experience continues to be high.

-- The Company's successful multidecade record resolving a sizable volume of troubled debt and real estate owned (REO) assets, which has involved many large-loan transactions. The Company continues to be among the highest-volume CMBS special servicers in terms of named transactions and active portfolio.

-- CWCAM's well-controlled operating environment, including its analytics, disciplined asset deliberation procedures, and thorough CMBS-centric reporting practices.

-- A solid internal audit regimen, which includes annual Regulation AB attestations and other recurring examinations by third-party audit firms. A compliance committee monitors procedural effectiveness and adherence to servicing agreements using key performance indicator metrics and various tracking reports. Additionally, the Company has a property manager audit program for REO assets.

-- CWCAM's strong technology capabilities. The platform centers on the RealINSIGHT asset management application, which CWFS owns and hosts for other special servicers. CWCAM uses the application's auction website to list and conduct asset sales as well. The Company has effective practices for data backup, system security, and recovery/business continuity testing. The asset management application also undergoes annual Systems and Organization Controls audits.

As of December 31, 2024, CWCAM was the named special servicer on 10,183 loans with a total \$211.26 billion unpaid principal balance (UPB) involving 336 securitized transactions, including two commercial real estate collateralized loan obligation transactions and 241 Freddie Mac-sponsored securitizations.

As of YE2024, the active special servicing portfolio had a total UPB of \$8.51 billion consisting of 185 assets (146 loans and 39 REO), up from \$5.98 billion and 207 assets (158 loans and 39 REO) at YE2023. As of YE2024, by asset count, 77% of the active portfolio involved securitized transactions. Approximately 39% of the active portfolio by asset count involved Freddie Mac or Fannie Mae transactions.

All rankings are subject to surveillance, which could result in rankings being raised, lowered, placed under review, confirmed, or discontinued by Morningstar DBRS.

Morningstar DBRS North American commercial mortgage servicer rankings are not credit ratings. Instead, they are designed to evaluate the quality of the parties that service commercial mortgage loans. Although the servicer's financial condition contributes to the applicable ranking, its relative importance is such that a servicer's ranking should never be considered as a proxy of its creditworthiness.

Notes:

All figures are in U.S. dollars unless otherwise noted.

The principal methodology is North American Commercial Mortgage Servicer Rankings (August 23, 2024), <https://dbrs.morningstar.com/research/438283>.

For more information on this industry, visit <https://dbrs.morningstar.com> or contact us at info-DBRS@morningstar.com.

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