

# Trimont LLC

Trimont LLC (Trimont, or the company) is a privately held company owned by investment funds controlled by Värde Partners. Trimont provides CRE services to real estate lenders and investors, including primary servicing, construction loan servicing, special servicing and asset management. Ancillary business lines include bond finance servicing, underwriting, accounting solutions and information management services. Primary and special servicing are performed predominately for third-party clients, of which Trimont has a diverse mix of capital market participants.

Trimont has serviced and managed over \$615 billion of invested capital on over 32,400 assets since its inception in 1998. The company's servicing portfolio, totaling \$110.3 billion and secured by 2,334 loans as of June 2024, has continued to grow in recent years notwithstanding the inflated interest rate environment dampening domestic originations. It has grown 10% by balance since YE22 while concurrently decreasing 9% by loan count, reflecting a larger concentration of higher balance loans.

Also as of June 2024, Trimont's special servicing portfolio totaling \$13.5 billion for over 411 loans remained stable compared to YE22, growing 1% by balance and 8% by loan count during the period. The servicer's special servicing portfolio is backed by a diverse pool of assets, including multifamily, office, lodging and mixed-use properties (59%, 20%, 10% and 5%, respectively), among others, consistent with the management team's diverse experience across multiple property types.

On Aug. 20, 2024, Trimont announced a definitive agreement to purchase Wells Fargo's non-agency, third-party Commercial Mortgage Servicing (CMS) division. The current servicer ratings assigned to Trimont do not reflect the impact of this agreement. Fitch Ratings will evaluate the proposed transaction and its impact on operations of the rated entity when provided notice by the transaction parties on the scope and timing of the purchase agreement. Consistent with Fitch's criteria and historical practice, the servicer ratings of Trimont are likely to be placed on Rating Watch Negative during the integration period.

## Servicer Ratings

- Fitch rates primary and master servicers, which protect the interests of the certificateholders in the trust by servicing and administering the mortgage loans.
- The primary servicer is responsible for day-to-day servicing functions, while the master servicer is responsible for monitoring the activities of primary servicers, investor reporting and timely remittance of funds to trustees.
- Fitch also rates special servicers, which are key to maintaining the credit quality of a pool containing nonperforming commercial mortgages and REO assets. The special servicer is responsible for working out loans, foreclosing and liquidating assets.
- In assessing and analyzing the capabilities of primary, master and special servicers, Fitch reviews several key factors, including the management team, organizational structure and operating history, financial condition, information systems and, with respect to the special servicer, workout and asset disposition experience and strategies.
- Fitch rates commercial mortgage primary, master and special servicers on a scale of 1-to-5, with '1' being the highest rating. Within each of these rating levels, Fitch further differentiates ratings by plus (+) and minus (-) along with the flat rating.

## Ratings<sup>a</sup>

Commercial Primary Servicer	CPS2
Commercial Special Servicer	CSS2

<sup>a</sup>Last rating action: Ratings affirmed on Aug. 30, 2024.

## Rating Outlook

Commercial Primary Servicer <sup>b</sup>	Stable
Commercial Special Servicer	Stable

<sup>b</sup>Rating Outlook revised to Stable from Negative on Aug. 30, 2024.

## Applicable Criteria

[Criteria for Rating Loan Servicers \(December 2022\)](#)

[Criteria for Rating North American Commercial Mortgage Servicers \(December 2022\)](#)

## Related Research

[Fitch Affirms Trimont's Commercial Primary & Special Servicer Ratings \(August 2024\)](#)

## Analysts

Timothy Symington  
+1 512 813-5651  
[timothy.symington@fitchratings.com](mailto:timothy.symington@fitchratings.com)

Adam Fox  
+1 212 908-0869  
[adam.fox@fitchratings.com](mailto:adam.fox@fitchratings.com)

## Key Rating Drivers

**Company/Management:** Trimont is owned by funds controlled by Värde Partners. The firm’s core services primarily comprise credit and asset management (CAM) services, credit administration services and investment advisory services. Through these central offerings, the firm provides clients with servicing and asset management services for complex performing loans and nonperforming loans (NPLs) secured by CRE assets. Fitch will evaluate the impact of Trimont’s proposed purchase of Wells Fargo’s non-agency, third-party CMS division when provided notice by the transaction parties on the scope and timing of the purchase.

**Governance:** Trimont’s control environment consists of high-level policies and procedures, workflow technology and system reporting, management quality control (QC) reviews, a dedicated compliance group responsible for testing compliance with servicing agreements, and an internal audit department to perform independent verification that its control environment is functioning properly. During its prior review, Fitch noted material external audit findings in Trimont’s 2022 and 2021 Uniform Single Attestation Program (USAP) audits, indicating that the company’s internal control environment was not operating effectively in certain instances. Trimont’s most recent USAP and Regulation AB (RegAB) audits did not contain any material findings, consistent with its clean System and Organization Controls (SOC) I, II, and III audits.

**Staffing and Training:** Trimont’s employees, particularly special servicing asset managers, have diverse industry experience and a broad depth of CRE knowledge. Fitch notes as a concern that primary and special servicing employees have had high overall turnover for the past eight years, remaining elevated relative to other Fitch-rated servicers, which have experienced a decline in turnover. Despite this, Fitch notes that Trimont continues to maintain strong management industry experience and tenure across both groups, as well as a robust training program.

Aggregate turnover among primary servicing employees declined to 17% in 2023, from 25% and 46% in 2022 and 2021, respectively. The group’s turnover is somewhat offset by the company’s historically robust and experienced management team of nine senior managers and 114 middle managers who average 16 years of industry experience. Overall special servicing turnover within Trimont continued to be elevated with 10 total departures, equating to function-level turnover of 23%, including six middle managers and four staff-level employees. During discussions with Trimont regarding turnover, Fitch was informed that four instances comprised internal transfers who had limited roles within special servicing. When adjusting for these transfers, function-level turnover was 14% for the year.

Fitch identified eight special servicing employees as asset managers averaging 24 years of industry experience and five years of tenure. These asset managers are actively working out defaulted loans, with an 11:1 assets-to-asset manager ratio. Fitch notes that Trimont maintains a high degree of staffing flexibility; as such, primary servicing asset management staff with special servicing experience can be utilized if volume demands further assistance. In 2023, the two groups averaged 55 and 50 hours of annual training per employee, respectively.

**Technology:** Trimont uses McCracken Financial Solutions’ Strategy system, release 19D, for primary loan servicing, with plans to upgrade to version 20 by the end of 2024 (YE24). The system is enhanced by proprietary applications for efficient servicing processes. Trimont also employs Backshop version 8.0 for special servicing. In 2024, the company advanced its technology infrastructure by automating compliance documentation in Backshop, deploying artificial intelligence (AI) capability (the Tribot AI) and further developing the Triview client portal. Trimont’s technology is supported by 20 employees dedicated to security, performance and client needs, maintaining stability yoy.

**Loan Administration:** Core servicing operations are performed in-house, along with customer-facing and back-office servicing functions that include payment processing and escrow administration. Given current challenges in the domestic labor market, Trimont expanded its outsourcing relationship with a third-party vendor and currently outsources certain primary servicing functions, such as flood zone determinations, insurance compliance, payoff quotes, financial statement and rent roll data entry, and capex draws. Trimont maintains a vendor engagement and monitoring program that is jointly administered by the director of compliance and the servicing manager responsible for hiring the vendor. The servicing groups utilize

## Company Experience Since

CRE Servicing	1995
CMBS Servicing	1995
CRE Loan Workout	1988
CMBS Workout	1998

Source: Trimont

## Operational Trends

Business Plan	■	Stable business plan with steady flow of new business offsetting portfolio declines
Servicing Portfolio	■	Year-over-year loan count change of approximately 5%
Financial Condition	■	Stable Outlook
Staffing	▲	Staffing growth in primary servicing
Technology	■	Stable technology suite given portfolio
Internal Controls	■	Stabilizing governance infrastructure; no recurring audit findings. Clean external audits.
Servicing Operations	■	Stable operations; no material changes year over year

Source: Fitch Ratings

policies and procedures for loan servicing functions supplemented by desktop procedures for certain functions; policies and procedures comprise a high-level overview of processes.

**Defaulted/NPL Management:** Trimont maintains satisfactory policies and procedures for the timely transfer of loans from the master servicer, processes and timelines to develop and execute reasonable business plans, bankruptcy experience, REO disposition experience and loan surveillance processes. Trimont holds monthly credit calls with credit committee members while more frequently updating business plans on a needs basis as situations evolve. During discussions with Trimont’s asset management team, Fitch noted business plans were sufficiently detailed and considered alternative resolution strategies with a net present value (NPV) analysis to support the ultimate resolution when warranted. Additionally, asset managers were knowledgeable about current asset performance, local markets and disposition strategies, as well as alternative valuations, such as broker opinion of value (BOV)-based recent leasing activity.

Fitch observed that all active specially serviced loans and REO assets had recent valuations within a frequency Fitch notes as consistent with industry standards of special servicing. Fitch also notes that the special servicer did not receive borrower-paid fees over the past 12 months.

**Financial Condition:** Although Fitch does not publicly maintain Issuer Default Ratings for Trimont or Värde Partners, its Financial Institutions group performed a financial condition assessment of Trimont and deemed its short-term financial position as adequate to support its servicing platform.

## Company Overview

### Servicing Portfolio Overview

	6/30/24	% Change	12/31/23	% Change	12/31/22
<b>Total Servicing</b>					
UPB (\$ Mil.)	110,260.7	0	110,118.3	10	100,368.3
No. of Loans	2,334	-8	2,529	-2	2,574
<b>Primary Servicing</b>					
UPB (\$ Mil.)	110,260.7	0	110,118.3	10	100,368.3
No. of Loans	2,334	-8	2,529	-2	2,574
<b>Special Servicing – Named</b>					
UPB (\$ Mil.)	13,474.3	6	12,699.4	-5	13,345.9
No. of Loans	411	19	344	-9	380
<b>Special Servicing – Active<sup>a</sup></b>					
UPB (\$ Mil.)	3,235.9	39	2,326.6	168	868.1
No. of Loans	87	61	54	100	27

<sup>a</sup>Including REO. UPB – Unpaid principal balance  
Source: Fitch Ratings, Trimont

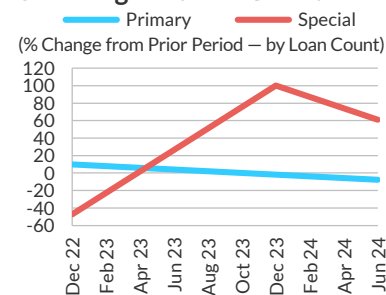
Trimont Real Estate Advisors, LLC was founded in 1988 as Hatfield Philips, Inc. The company changed its name to Trimont LLC in April 2003.

Private investment funds controlled by Värde Partners, a Minneapolis-based investment management firm, acquired Trimont through a newly created holding company, Trimont Global Real Estate Advisors, in September 2015.

Trimont operates as a privately held company that provides third-party CRE loan servicing and advisory services to real estate lenders and investors, although it is not an investor, lender or holder of controlling positions in securitized CRE transactions. However, Värde Partners is an active investor and holder of controlling positions in securitizations for which it typically appoints the company as servicer.

Trimont’s core services comprise: CAM, credit administration and investment advisory services. CAM helps clients to manage their capital through primary and special servicing functions that also include property financial surveillance, asset business plan development and construction loan administration. Credit administration services include: loan servicing, tax, remittance,

### Servicing Portfolio Growth



Note: Special servicing includes loans actively in special servicing (including REO).  
Source: Fitch Ratings, Trimont

portfolio management, insurance and cash processing, among others. Trimont's investment advisory services provide underwriting, due diligence and credit valuation analytic functions.

Through these core offerings, the firm executes its servicing operations, providing clients with servicing and asset management that involves performing and nonperforming credit with regard to CRE. Trimont also provides proprietary technological offerings via Triview, a client-facing CRE analytical platform. Trimont's client base includes global investment banks, domestic and international banks, life insurance companies, private equity funds and real estate investment managers.

In December 2021, Värde completed the recapitalization of its investment in Trimont with a new open-ended fund ownership structure, intended to provide added stability and long-term growth avenues for the company. These steps included the appointment of a new CEO, who previously headed Trimont's European operations (since 2018). The recapitalization focused on long-term organic growth within the business, including an expanded scope of operations in foreign markets.

As of YE23, Trimont has managed over \$615 billion of invested capital on over 32,400 assets since its inception in 1998. The company's servicing portfolio, totaling \$110.3 billion and secured by 2,334 CRE loans as of June 2024, has continued to grow in recent years despite the inflated interest rate environment dampening domestic originations. It has grown 10% by balance since YE22 while concurrently decreasing 9% by loan count, reflecting a larger concentration of higher balance loans. As of the same date, Trimont's special servicing portfolio totaling \$13.5 billion for over 400 loans remained stable compared to YE22, growing 1% by balance and 8% by loan count during the period.

Securitized special servicing assignments are obtained primarily from more than 18 third-party controlling class representatives (CCRs) representing 75% of named special servicing assignments by transaction count, with a minority of its securitized special servicing portfolio controlled by Värde (25%). This represents a slight increase in the percentage of deals controlled by its parent from recent years, largely attributable to regular CRE-collateralized loan obligation (CLO) issuance. Trimont added four new transactions to its portfolio during the 12 months ended in December 2023, including two CRE-CLOs, one single-asset-single-borrower (SASB) transaction and a multiborrower conduit transaction.

Trimont affiliates maintain two international offices in London and Sydney to support European and Asian commercial loan servicing and asset management. The international offices' operations were not evaluated as part of Fitch's review. Trimont remains dedicated to growing its international presence, consistent with initiatives noted in prior years.

## Financial Condition

Fitch does not maintain a public credit rating for Trimont. However, Fitch performed a financial assessment of the company and determined that its short-term financial viability is adequate to support the servicing platform.

## Employees

As of Dec. 31, 2023, the servicing groups within Trimont comprised 253 employees dedicated to primary and special servicing, up from 221 employees the prior year. Of the 253 employees, 229 are responsible for primary servicing and 48 are responsible for special servicing operations, including a segment of employees who are shared between both functions. Servicing staff growth yoy reflects aggressive hiring on the servicer's part, including the onboarding of 64 new primary servicing team members — 42 at the staff level, 20 at the middle management level and two at the senior management level. The additions average eight years of CRE experience, with 63% based in the Atlanta office, 27% in the Kansas City office and the residual 10% split between the Dallas office and remote working.

Employee Statistics

	2023				2022			
	No. of Employees	Average Years Industry Experience	Average Years Tenure	% Turnover	No. of Employees	Average Years Industry Experience	Average Years Tenure	% Turnover
<b>Primary Servicing</b>								
Senior Management	9	25	14	0	6	26	13	15
Middle Management	114	15	6	13	61	15	6	12
Servicing Staff	106	5	3	22	117	7	3	34
<b>Total</b>	<b>229</b>	<b>—</b>	<b>—</b>	<b>17</b>	<b>184</b>	<b>—</b>	<b>—</b>	<b>25</b>
<b>Special Servicing</b>								
Senior Management	6	23	9	0	4	17	12	0
Middle Management	30	22	4	22	25	19	4	41
Servicing Staff	12	7	3	38	9	3	2	43
<b>Total</b>	<b>48</b>	<b>—</b>	<b>—</b>	<b>23</b>	<b>38</b>	<b>—</b>	<b>—</b>	<b>38</b>

Source: Fitch Ratings, Trimont

Primary Servicing

Trimont’s primary servicing function is covered by the firm’s CAM and credit administration teams with a total of 229 dedicated employees. Within these groups, employees are divided into subfunctions, with each devoted to a specified pool of assets and, in some cases, bifurcated by large institutional clients. Trimont has designated specific members of its servicing and asset management teams as specialists in various property types, ranging from traditional multifamily, office and retail to more specialized property types, including gaming, datacenters, construction and land.

Aggregate primary servicing turnover declined materially to 17% in 2023, down from 25% in 2022, while consolidated management turnover for 2023 was 11%, including 11 middle managers (10 of these departures were voluntary) and no senior managers, down from 13% management turnover the prior year. Staff-level turnover remained elevated yoy due to 24 departures, resulting in 22% turnover. The majority of these separations are classified as voluntary, which Trimont primarily attributes to an aggressive domestic labor market for employees with CRE servicing experience. However, Fitch notes that this figure has declined yoy given the 34% and 49% staff-level turnover noted during the prior two reviews, respectively.

Overall, Trimont continues to retain a strong, highly experienced management team. Senior managers average 25 years of industry experience and 14 years of tenure, while middle managers average 15 years and six years, respectively. The combined management team of 123 provides sufficient management depth for the group’s 106 staff employees with more than one middle manager for every staff-level employee, which is a high ratio compared to other Fitch-rated primary servicers. Servicing staff maintain adequate levels of experience, averaging five years of industry experience and three years with the company.

Special Servicing

The special servicing group comprises six senior managers with 23 years of industry experience and nine years of tenure, with focuses on asset management, credit administration and compliance. Special servicing also includes 30 supporting middle managers, averaging 22 years of industry experience and four years with the company; and 12 staff members, averaging seven years of industry experience and three years of tenure with Trimont. Of the total resources dedicated to the group, Trimont notes that 20 employees are wholly earmarked for special servicing, while the remaining 28 dedicate between 2% and 60% of their worktime to providing additional bench strength for the group.

Trimont’s primary servicer turnover declined materially to 17% in 2023, down from 25% for 2022, 46% for 2021 and 25% and 24% in 2020 and 2019, respectively. Furthermore, consolidated management turnover for 2023 was 11%, including 11 middle managers (10 of these departures were voluntary) and no senior managers, down from 13% management turnover the prior year.

Overall special servicing turnover within Trimont continued to be elevated with 10 total departures, totaling function-level turnover of 23%, including six middle managers and four staff-level employees. Trimont notes that, of the above-mentioned turnover, four instances comprised internal transfers who had limited roles in special servicing. When adjusting for these transfers, function-level turnover in 2023 drops to 14%. Management turnover for 2023 was 19%, up from 8% the previous year, but noted to be 6% when adjusting for internal transfers. Turnover among asset managers increased yoy with the departure of two asset managers, resulting in 31% asset manager turnover, up from 20% in 2022. Per Fitch criteria, an asset manager is defined as an employee with in excess of three years of CRE experience while concurrently being assigned an actively specially serviced asset.

Fitch identified eight special servicing employees as asset managers, averaging 24 years of industry experience and five years of tenure. Fitch calculated an 11:1 assets-to-asset manager ratio, which is higher yoy given the large increase in actively specially serviced assets and REO assets. Trimont's servicing functions have a high degree of flexibility with regard to team members, and primary servicing asset management staff with special servicing experience can be utilized if volume demands. Asset managers are supported by staff-level analysts and can leverage a separate team of property-type experts for specific concerns as needed.

The special servicing team is geographically diverse, with 16 employees based out of the Dallas office, 11 in Kansas City, nine in Atlanta, three in London and nine fully remote employees.

### Training

Employee training is directed by senior management and the company's dedicated training manager, who establish overall training goals for the year. Additionally, employees are polled annually to incorporate individual training needs, and employee development is addressed as part of the annual performance review process. Annual employee training requirements include mandatory compliance and information security training (including annual anti-phishing and anti-fraud training), as well as regional, role-specific or client-required topics.

Training is delivered through a variety of methods, including traditional instructor-led classroom sessions using internal and external subject matter experts and computer-based e-learning. The company uses the Learning Management System (LMS) to track training hours and offer over 800 on-demand e-learning courses ranging from Microsoft Office applications to soft skills and leadership development. Additional courses pertaining to the LMS were added during the past 12 months, along with new in-person training topics.

In addition to LMS, Trimont benefits from its own internal training platform, Trimont University. Together with LMS, Trimont University contains online courses to supplement classroom learning. Trimont University requires employees to complete a specific curriculum, including courses covering security and compliance, employee relations, CRE fundamentals, general policies and procedures, proprietary Trimont systems and customer service. Additional courses are required for specific roles and departments, including programs related to real estate law, lease review, taxes, insurance and other certification courses. In 2023, primary servicing and special servicing employees averaged 55 hours and 50 hours per employee, respectively, both surpassing Trimont's target of 40 annual hours of training.

Trimont also maintains a partnership with NYU Schack Institute of Real Estate to offer an online certificate program for employees. NYU provides Trimont with 10 courses tailored to offer a solid framework for understanding CRE and financial analysis while concurrently rotating on an annual basis. Employees can select five courses that are most appropriate for their respective roles and skill levels. Once the courses are completed, the employees are distinguished with a certification from NYU. All 10 courses in the certificate program are taught online by NYU professors and are offered across five mini-semesters to accommodate employee schedules, offering convenient flexibility alongside the certification process.

Trimont remains committed to its diversity, equity and inclusion initiative (DEI) with the intent of enhancing the company's awareness among its employees. The initiative provides consistent training on issues relating to bias, inclusion and other talent management concerns involving inclusion; it also establishes four senior management DEI committees focused on career, culture, community and communication, respectively. The servicer introduced a revised DEI

Overall special servicing turnover within Trimont continued to be elevated with 10 total departures, totaling function-level turnover of 23%, including six middle managers and four staff-level employees. Trimont notes that, of the above-mentioned turnover, seven instances comprised internal transfers who had limited roles in special servicing. When adjusting for these transfers, function-level turnover in 2023 drops to 14%. Management turnover for 2023 was 19%, up from 8% the previous year, but noted to be 6% when adjusting for internal transfers.

Trimont maintains a strong training program, with a large number of training courses specifically targeting the development of asset management and servicing skills, including an extensive diversity, equity and inclusion (DEI) training program that includes an additional two dedicated courses. The courses addressed unconscious bias and also included a women's forum.

strategy over the past year that focuses on seven distinct areas within the business, including leadership development, awareness and talent acquisition.

## Operational Infrastructure

### Outsourcing

Trimont currently engages Silverskills, an India-based company, for support with the following servicing functions: loan onboarding, Uniform Commercial Code (UCC) setup, insurance compliance, property tax monitoring, covenant setup, financial statement extraction, rent roll analysis, payoff quote preparation and limited internal governance roles. There are currently 24 fulltime team members dedicated to the servicing team, including nine financial analysts, two treasury analysts, three loan servicing analysts, three insurance analysts and seven loan boarding analysts. Trimont notes the support staff does not have any borrower-facing roles while their output is subject to QC from onshore Trimont team members.

The company also engages a third-party tax service provider to provide tax service monitoring and payment of CRE taxes.

The company currently does not outsource any core asset management or special servicing functions but may engage third-party specialists such as insurance brokers, law firms, property inspectors, environmental firms, property managers, sales or leasing brokers and appraisers, as necessary, during the loan resolution process.

### Vendor Management

Trimont has a vendor engagement and monitoring program that is jointly administered by the director of compliance and the manager responsible for hiring the vendor. The manager is responsible for defining the scope of services and QC measures, and ensures services are priced within market standards. New vendor contracts are reviewed by Trimont's legal department prior to engagement.

Trimont's vendor management policy focuses on the review of specific key performance indicators (KPIs) regarding its third-party service providers. These enhanced reviews also lead to more robust vendor reviews, including the collection of SOC I and SOC II audits, disaster recovery tests and other related financial and insurance information.

The servicer enhanced its vendor management policies and procedures in 2022 by expanding upon information security reviews while concurrently adding a standardized vendor review assessment process. These enhancements were further enhanced by acquiring a new vendor management tracking application in 2023, enabling Trimont to automate and standardize the risk assessment process and allowing managers to more clearly oversee the function.

The manager is responsible for monitoring vendor performance relative to agreed-upon service levels during the engagement. The legal, accounting, IT or risk management department can request an audit of vendor performance if they perceive any potential performance issues.

Trimont has enhanced its vendor management program yoy, most recently by acquiring a new vendor management tracking application in 2023; this will allow Trimont to automate and standardize the risk assessment process, allowing managers to more clearly oversee vendor performance.

## Information Technology

Trimont uses McCracken Financial Solutions' Strategy system, release 19D, with an application service provider license for primary loan servicing, which it expects to upgrade to version 20 by YE24. The company maintains several proprietary treasury and cash management applications to supplement cash management functions previously contained within Strategy. Trimont uses Documentum as its document management repository.

Trimont uses Backshop version 8.0 as a centralized asset management application for special servicing. Backshop is integrated with Strategy, as loans boarded into Strategy are automatically synchronized with Backshop, and both systems are integrated with Trimont's data warehouse. Backshop is a commonly used third-party software solution, utilized by several other Fitch-rated servicers for special servicing loan administration. Trimont boards all client loans within the system, including securitized and nonsecuritized assignments. Additionally, all securitized loans utilize Backshop workflow functionality for lender consent request processing, with a collection of securitized transactions concurrently leveraging covenant-tracking capabilities within the software.

Subsequent to Fitch's prior review, Backshop was updated to allow Trimont employees to fully automate the request of compliance documentation, with an upload link for relevant documents sent directly to the client. Fitch was given a demonstration of the new compliance request and upload feature, noting that it seemed to work as intended with a setup and review process that appeared easily integrated with existing QC systems.

Trimont continues the deployment and evolution of its proprietary client-facing web portal, Triview, delivering client-specific information such as enhanced reporting and performance analytics. Fitch was provided a demonstration of the enhanced portal, including the most recent advancements. These advancements primarily focus on a security architecture that includes user account management bifurcation, allowing the portal to harness enhanced login security. Furthermore, Triview now maintains a wire instruction log, intended to further reduce the risk of malicious actors gaining system access and allowing Trimont to monitor access to secure information.

In 2024, Trimont deployed the initial iteration of its proprietary iterative and generative AI solution, Tribot. During discussions with senior management, it was noted that security of data within the AI system is of key importance, with specific users only having access to specific loan-related data, similar to how access rights are granted and monitored on a traditional asset management system. The AI is expected to help save time with initial document population; however, all documents are reviewed and modified by an onshore Trimont employee prior to use.

The company has a dedicated reporting team of eight employees to design and develop reporting for and in cooperation with clients using Microsoft SQL Server Reporting Services. Strategy produces a set of industry-standard servicing reports, with ad-hoc reporting as necessary. Trimont also utilizes a data warehouse to process the majority of the firm's reports; more specifically, reports largely related to Strategy tables.

The company utilizes its optical character recognition (OCR) platform, Lucro, a third-party application, to systematically extract data from operating statements. Operating statements are automatically loaded every 15 minutes into both Strategy and Backshop via a flat file created by Lucro. Employees review all operating statements loaded into the systems for accuracy. Rent rolls and lodging occupancy metrics are manually entered into Backshop by a third-party firm, at which point the data are validated by an onshore Trimont employee.

Borrowers who have signed up for Trimont's online borrower website portal (Vision) are able to access loan information and submit requests or inquiries via the application, which are then addressed by the assigned Trimont team. Vision also gives borrowers access to loan payment and balance information, transaction history and escrow information, among other data. While Fitch notes the limitations of Trimont's current borrower portal compared to peers, the company recently deployed a new borrower website, which went live in February 2023. The new website offers enhanced security features such as protected access to wiring instructions based on loan access rights, as well as identity federation for user account management, allowing respective organizations the ability to manage user IDs and passwords.

Trimont has 20 employees dedicated to ensuring its IT environment is secure, performing well and meeting clients' needs, up from 18 the previous year. This reflects an ongoing focus on technology development. IT employees are responsible for the development of proprietary web applications, user interfaces, scripted processes/functions, reports, queries, automated processes, tools and templates. Other responsibilities include storage/capacity planning, backups, networking, telecommunications, desktop environment, third-party software management, remote connectivity, logical/physical security, disaster recovery and security compliance.

**Cybersecurity**

Trimont engages a cybersecurity vendor annually to monitor and respond to threats and vulnerabilities while also alerting the firm to such events. The vendor regularly conducts third-party penetration testing on Trimont's systems to detect security vulnerabilities. The latest reliability test, assessed by a third party in September 2023, showed no critical or high importance findings.

Furthermore, Trimont runs internal security scans on an ongoing basis, including a formal patching program that also performs testing against internal systems, monitoring the efficacy of the firm's defenses. The servicer maintains cyber insurance and notes it did not experience

Subsequent to Fitch's prior review, Backshop was updated to allow Trimont employees to fully automate the request of compliance documentation, with an upload link for relevant documents sent directly to the client. Fitch was given a demonstration of the new compliance request and upload feature, noting that it seemed to work as intended with a setup and review process that appeared easily integrated with existing QC systems.

In 2024, Trimont launched Tribot, its proprietary generative AI system. Management emphasizes the importance of data security, ensuring specific users only have access to certain loan data, akin to traditional asset management systems. Tribot aims to save time on initial document creation, although all documents are reviewed and adjusted by an onshore Trimont employee before use.

Trimont has 20 employees dedicated to ensuring its IT environment is secure, performing well and meeting clients' needs, up from 18 the previous year. This reflects an ongoing focus on technology development. IT employees are responsible for the development of software, web applications, user interfaces, scripted processes/functions, reports, queries, automated processes, tools and templates.



any adverse cybersecurity incidents over the past 12 months. Concurrently, Trimont did not issue any claims on its insurance.

### Disaster Recovery/Business Continuity Plan

The IT group is also responsible for disaster recovery as a component of overall business continuity planning, addressing the restoration, implementation and support of hardware, software, telecommunications and data communication networks, if necessary.

The disaster recovery plan is updated throughout the year to address changes to the technology environment and software changes or updates. The plan, which Trimont tests annually, calls for a four-hour recovery of critical systems, among the shortest recovery times of Fitch-rated servicers. The plan was most recently tested in August 2023, with successful results.

Trimont maintains a separate business continuity plan to address the timely resumption of critical business functions. This plan was developed with input from a business continuity committee that performed a business impact analysis to prioritize key functions. The plan is tested companywide at least biannually in conjunction with disaster recovery testing, as well as periodically by the individual functional departments. The most recent companywide test occurred in August 2023, with no material findings. Should an event of disaster occur, employees can remotely access systems via the company's virtual private network (VPN).

In the event Trimont is unable to access its office for extended periods, it will employ a work-from-home protocol and, if needed, contact the building manager for alternate space on a temporary basis. If the building manager cannot provide sufficient space, Trimont will reach out to surrounding hotels for use of their meeting spaces until a more permanent solution is established. Subsequent to the end of the pandemic emergency, Trimont began to institute its return-to-office policy, which involves a hybrid approach similar to that instituted by other Fitch-rated servicers. Additionally, Trimont benefits from regionally diverse offices, thereby mitigating the impact of local events.

Trimont's critical network drives are replicated hourly to its disaster recovery site, and other servers are backed up hourly on Trimont's storage area network. The disaster recovery plan results in a maximum possible loss of critical company data of 15 minutes in an event of disaster. Loan servicing data maintained in Strategy are hosted by McCracken and are therefore subject to its disaster recovery plan, which includes daily backups but the potential for one day of lost servicing data. Trimont participates in McCracken's disaster testing exercises, the most recent of which was conducted in April 2024 without issue.

## Governance

Trimont's control environment consists of high-level policies and procedures, workflow technology and system reporting, management QC reviews, a dedicated compliance group responsible for testing compliance with servicing agreements and an internal audit department to perform independent verification that its control environment is functioning properly.

Fitch previously noted as a concern the continued material external audit findings in Trimont's 2022 and 2021 USAP audits, indicating that its internal control environment was not operating effectively in certain instances. Trimont's most recent USAP and RegAB audits did not contain material findings.

### Policies and Procedures

Trimont maintains policies and procedures for loan servicing functions that are supplemented by desktop procedures for certain specific servicing functions. These policies and procedures, available to all employees through the company intranet, provide a high-level overview of the process and a description of the function but not the specific instructions to perform servicing functions. A policy coordinator ensures each policy section is reviewed annually and updated as necessary. Policy and procedure revisions must be approved by the respective department head prior to implementation.

The company reviews its policies and procedures annually, with 22 policies and procedures documents reviewed in the 2023 review period. During these reviews, it was noted that no material changes or revisions were conducted. Fitch has reviewed Trimont's policies and

During previous reviews, Fitch noted as a concern that Trimont's system-driven QCs did not identify late or incomplete escrow analyses during the previous review, indicating a potential weakness in the first line of defense. Since the external audit findings, the primary servicing group has developed more in-depth monthly exception reports to better monitor the timeliness of escrow analyses. The findings did not reoccur on the servicer's most recent audits.

procedures, noting them to be thorough, in depth and consistent with other highly rated Fitch servicers. Trimont continues to update and prioritize its information security policy to better reflect evolving industry and internal standards. The information security policy is published and distributed annually within the company, consistent with previous years.

The loan servicing group maintains desktop procedures as training manuals and supplemental documentation to policies and procedures. These training manuals are not published online but are typically saved on the respective department's network drive for the appropriate employees to access.

### Compliance and Controls

Trimont's QC efforts are centered on electronic workflow tools and ticklers, as well as system-generated and ad-hoc reporting, to perform QC review checks. Electronic workflow tools embedded within servicing technology automate the review and approval process, routing various items to be reviewed to each individual necessary in a process, tracking their progress and ensuring all necessary approvals are obtained.

QC checks are conducted daily, weekly and monthly by a servicing employee who is partially dedicated to monitoring QC metrics. The servicing management team meets weekly to review these metrics.

Trimont also maintains a separate internal compliance function outside the servicing groups, which comprises one compliance director with 25 years of industry experience, an associate director of compliance and a compliance analyst. The compliance director reports directly to the chief legal officer (CLO). The compliance director is responsible for reviewing and testing each servicing agreement in which a compliance report is generated, including recommendations for improvement. Findings and recommendations are discussed with the related business line management and team leaders.

Fitch notes that Trimont's independent compliance department is focused on routinely testing compliance with servicing processes, similar to comparable compliance departments at other Fitch-rated servicers. The department focuses on both securitized and, more recently, nonsecuritized loans. During its 2021 and 2022 audit findings, Trimont's compliance department evidenced its flexibility by conducting targeted specialized testing to ensure full compliance with RegAB and USAP criteria, assisting in remediation efforts during the past three review cycles. These reviews included an enhanced focus on escrow analysis, along with tax and insurance escrow.

For specially serviced securitized assets, Trimont maintains several levels of review and approval as QC measures. Business plans are reviewed by the team leader and in-house counsel to confirm compliance with respective pooling and servicing agreements (PSAs) and loan documents. Trimont also maintains a credit committee to review business plans for large loan modifications, foreclosures and note and REO sales within securitizations. The committee comprises the CEO, CLO, chief commercial officer (CCO), executive managing director of American operations, senior managing director of CAM, managing director of special servicing, head of CMBS and other professionals as needed. The committee meets as needed for approvals.

### Internal Audit

Trimont's internal audit program is based on an annual risk assessment to confirm that policies and procedures and complementary risk and control methodologies are operating effectively. Internal audit is staffed by two employees who are independent of servicing, reporting to the chief financial officer (CFO), along with support from the servicer's offshore vendor.

The internal audit group has performed four audits in the past 12 months: new bank account setup, lockbox sweep, physical asset management and movement of funds. Fitch reviewed the audits and no high-risk issues were found; however, Fitch notes areas of improvement were identified within the servicing agreement audit, as well as associated remediation plans.

### External Audit

Fitch reviewed the most recent USAP and RegAB external audits, both dated Feb. 28, 2024 and covering servicing functions for 2023. Both audits noted compliance with the respective servicing criteria.

Subsequent to the prior review, Trimont added additional depth to the second line of defense within its governance structure, including a new compliance resource and a new vendor management associate.

During its 2021 and 2022 audit findings, Trimont's compliance department evidenced its flexibility by conducting targeted specialized testing to ensure full compliance with RegAB and USAP criteria, assisting in remediation efforts during the past three review cycles. These reviews included an enhanced focus on escrow analysis, along with tax and insurance escrow.

In late 2023, Trimont completed its SOC 1 and SOC 2 external audit (reviewed by Fitch), which contained unqualified opinions. Both audits were conducted by Grant Thornton. The SOC 1 report is an audit of the entire servicing platform relevant to internal controls over financial reporting and the related technology. The SOC 2 report details the control environment for the company's internal controls involving security, availability, processing integrity, confidentiality and privacy. Additionally, Trimont completed its SOC 3 external audit, which Fitch notes as uncommon among highly rated servicers.

Fitch previously noted as a concern the continued material external audit findings in Trimont's 2022 and 2021 USAP audits, indicating that its internal control environment was not operating effectively in certain instances. Trimont's most recent USAP and RegAB audits did not contain material findings.

## Primary Servicing

As of June 30, 2024, Trimont's total primary servicing portfolio comprised 2,334 CRE loans with an aggregate balance of \$110.3 billion. Subsequent to YE22, Trimont's primary servicing portfolio increased 10% by balance, while the loan count concurrently contracted by 9%. This reflects a concentration within larger balance loans, a majority of which are nonsecuritized.

The majority of primary servicing is performed for third-party institutional investors with about 9% on behalf of life insurance companies, up slightly from previous years. The company's diverse primary servicing portfolio is primarily weighted toward multifamily-backed loans, comprising 38% of the total loan count, trailed by lodging-, office- and mixed use-backed loans, which constitute 15%, 14% and 9% of the portfolio, respectively. Trimont's diverse servicing portfolio is consistent with its staff's wide-ranging knowledge and deep experience base, in line with prior reviews.

### Primary Servicing Portfolio Overview

	6/30/24	% Change	12/31/23	% Change	12/31/22
<b>Securitized</b>					
No. of Transactions – Primary Servicer	11	10	10	0	10
UPB – Primary Servicing (\$ Mil.)	4,841.2	-19	5,991.7	68	3,576.1
No. of Loans – Primary Servicing	120	-17	144	45	99
<b>Nonsecuritized</b>					
UPB (\$ Mil.)	105,419.5	1	104,126.7	8	96,792.3
No. of Loans	2,214	-7	2,385	-4	2,475

UPB - Unpaid principal balance  
Source: Fitch Ratings, Trimont

### New Loan Setup

Trimont's servicing operations team tracks each step in the boarding process through the Strategy web portal, from document receipt to the actual passing of the loan in Strategy, to ensure all elements of the loan setup process are completed in a timely manner. When executed core loan documents are received, they are routed to the document control group for uploading to the document repository. The special processing team enters the loan information in Strategy and then generates a report to provide a logic check of key repayment terms that were keyed into the loan servicing system.

Once initial setup is complete, the report and pertinent loan documents are forwarded to a designated senior associate or manager for QC review and activation in Strategy. Once the loan is activated, a "hello" letter is generated and sent to the borrower, along with the assigned asset manager and financial analyst. Bulk transfers, although performed infrequently, are generally handled in the same manner using a data tape from the previous servicer. From the uploading of loan documents, the overall loan setup timeline in Strategy is approximately three days.

Within 30 days of closing or assignment for servicing and after receipt of closing documents, the performing asset management team reviews the legal documents to identify servicing compliance requirements, including reporting requirements and covenant or performance triggers. Compliance requirements are abstracted from the loan documents and recorded in Trimont's

Trimont's internal audit group has shown clean audits yoy. These audit results are further supported by the clean external audits reviewed by Fitch, demonstrating an effective and operational governance structure after the previous two years of material audit findings.

compliance tracking application. During the life of the loan, the asset manager or financial analyst will see compliance issues for each transaction when logging into the application portal.

### Accounting and Cash Management

Trimont receives payments via wire transfer, automated clearing house (ACH) and checks. Payment processing is handled by the treasury group, which is responsible for moving funds based on payment postings entered by servicing analysts into Strategy and processing remittances. If funds are unidentified, a copy of the check or wire is emailed to all employees requesting information. Outstanding checks and wires are reviewed by a servicing analyst daily and by managers at a minimum of weekly in Documentum, an electronic storage and workflow tool.

The treasury group uses a report for account reconciliation, which matches expected and received transactions, and identifying out-of-balance accounts. Out-of-balance accounts are researched by the reconciliation team, which is responsible for preparing daily and monthly reconciliations.

As of December 2023, Trimont was responsible for 128 springing lockbox accounts, of which 72 accounts were activated. In addition, there were 483 loans with active cash management agreements. The company is also responsible for monitoring 14 LOCs associated with commercial loans that are tracked in Strategy. The document control department tracks LOC expirations monthly, with asset managers responsible for working with clients to obtain renewals prior to expiration.

### Investor Reporting

Prior to each calendar month, a senior associate or manager from the investor remittance group prepares a calendar that includes all remittance reporting and disbursement deadlines for the upcoming reporting period. After review and concurrence from the treasury reconciliation group, the calendar is distributed to members of each group as a tickler function to confirm the upcoming deadlines.

Prior to external distribution of any reports or remittance of funds to clients, a senior associate or manager from the investor remittance group reviews the remittance reports. Both treasury reconciliation and investor reporting will agree on funding using a proprietary application. Once a funding agreement is reached, cash is remitted. A second level of review is performed at the senior associate/management level within the treasury reconciliation group to ensure disbursement from the collection account matches the remittance report details. The remittance vouchers are approved by a manager and submitted to treasury cash management on or before the remittance date for the actual movement of funds. During discussions with Trimont, it was noted that there were no reporting errors or restatements during the 12 months ended in December 2023.

### Escrow Administration

As the company is predominately a third-party servicer, escrow administration is dictated by individual clients to establish and maintain reserve accounts. The asset management group is responsible for reviewing and processing reserve account draws and disbursements. If a loan requires the escrowing of funds for real estate taxes or insurance, an escrow analysis is performed following the loan setup in Strategy and at least once annually thereafter. Trimont's general policy is to review reserve draw requests within two business days and, if approved by the assigned asset manager, further approvals are obtained as required by Trimont's internal signing authority limits.

Trimont uses CoreLogic to assist in the tax monitoring process for certain assets, and tax authority websites and information supplied directly from the borrower for other assets. Taxes and insurance for non-escrowed assets are tracked in the same manner as escrowed assets when requested by clients. Critical date reports are generated for both escrowed and non-escrowed assets. Trimont obtains evidence of real estate taxes via tax jurisdiction websites and tax payment receipts provided by borrowers.

The company retains four employees as insurance compliance associates with an average of 10 years of insurance experience and three years of tenure with Trimont. These associates are responsible for reviewing insurance covenants contained within loan documents against actual

### Payment Collections via:

(%)	
Wire	81
ACH	17
Checks	2

ACH - Automated clearing house  
Source: Fitch Ratings, Trimont

### Portfolio Escrowed for:

(%)	
Taxes	45
Insurance	37

Source: Fitch Ratings, Trimont

Subsequent to Fitch's prior review, Trimont did not have any lapsed UCCs, down from one during the previous review. At the same time, it experienced two immaterial tax penalties due to administrative error.

insurance policies. Trimont requests evidence of renewals on insurance policies from borrowers/sponsors, as well as insurance agents.

Critical date reports from Strategy are also used to monitor the expiration of UCCs. On a monthly basis, the document control team reports on UCCs expiring within six months. The asset manager provides approval for continuation based on the status of the asset. When continuation is necessary to protect the lender's interest, the document control team prepares the UCC continuation through an online vendor known as CT Advantage. The document control team tracks the progress of UCC continuations and updates the UCC expiration date upon receipt of recorded continuations.

### Asset Administration

Trimont utilizes a third-party compliance tracking system to monitor borrower deliverables such as property operating statements, rent rolls and borrower financial statements. The servicing operations team is responsible for collecting operating statements and rent rolls per loan document requirements and client servicing agreements, including applicable PSAs and subservicing agreements. Using OCR, operating statements are automated for input into the servicing system. When required by servicing agreements, notices are sent prior to due dates to remind the appropriate parties that information is coming due. Compliance reports are generated by the database and reviewed by the compliance team with the asset management teams to resolve chronic delinquencies.

A financial analyst analyzes property financial statements loaded into Backshop. Periodic analyses are performed by both the financial analyst and asset manager as required by the client or PSA. In the case of securitized transactions, CRE Finance Council (CREFC) operating statement analysis reports (OSARs) are prepared and distributed in accordance with PSA requirements. In addition, Trimont typically reviews rent rolls and analyzes tenant rollover and corresponding borrower lease-up initiatives in conjunction with its review of annual budgets/business plans and more frequently as required under a client's servicing agreement.

Watchlists are maintained in accordance with each client's criteria (or in the case of securitized transactions, in accordance with CREFC criteria) using internal reports and knowledge of the property and market conditions. Trimont's baseline watchlist contains all assets within 90 days of maturity or past due by one day. In addition, the asset management team identifies potential issues from periodic site inspections, property performance monitoring, adverse leasing activity and market surveillance, and reviews the watchlist commentary on a monthly basis.

Site inspections are performed by the assigned asset manager or financial analyst, or outsourced to a third party. Approximately 60% of inspections are performed by third-party vendors. Trimont performs the remaining 40% of physical property inspections internally, in contrast to other Fitch-rated servicers, which generally outsource site inspections. Site inspections on securitized loans are performed in accordance with CREFC guidelines, while tracking and reporting are carried out in Strategy using the system's site inspection form, database and ability to set triggers and initiate workflow.

Strategy identifies and emails asset managers pending maturity letters 105 days prior to scheduled loan maturity. The asset manager reviews the letter and determines when to notify the borrower after considering the loan's client expectations and any pending extension or modification plans. Through 2024, roughly 812 loans totaling \$36.9 billion are scheduled to mature.

Borrower consent request tracking is executed in the Strategy web portal. For balance sheet or securitized loan consent requests, asset managers and their supervisor (and potentially the managing director, depending on complexity) must give approval. For an added level of oversight and input to be sent to the borrower or certificateholder, a recommendation may be presented to Trimont's credit committee.

### Customer Service

The assigned asset manager is the primary point of contact for a borrower, and Trimont's policy requires that all inquiries be responded to within 24 hours. Generally, asset managers are responsible for approximately 25 sponsor relationships, commensurate with a "high touch" servicing model. Trimont does not perform customer service surveys of borrowers; however,

Trimont's servicing platform provides flexibility for tracking various client-specific requirements for each portfolio, such as watchlist criteria, frequency of site inspections and periodic financial statement and rent roll collections.

Of Trimont's \$1.6 billion in resolutions for 2023, the following actions were taken:

- 33% were securitized loans returned to the master servicer.
- 3% were full payoffs with no loss to the trust.
- 37% were REO liquidations.
- 17% were note sales.
- 10% were sold at foreclosure.

Of the 30 resolutions, 11 were retail, eight were lodging, four were office, three were multifamily and four were designated as "other".

senior managers stay in contact with client representatives to monitor performance levels and solicit feedback.

## Special Servicing

As of June 30, 2024, Trimont was the named special servicer for 411 loans totaling \$13.5 billion, consistent with the prior year. As of the same date, securitized loans represented 90% of Trimont's named special servicing portfolio by balance, down from 95% as of Fitch's prior review. Named securitized special servicing consists of 33 securitized transactions issued in 2015 or later, including 14 SASB, 12 CRE-CLO, two conduit multiborrower, four Freddie Mac capital markets execution (CME) and one other transaction.

Third-party special servicing appointments represent the majority of Trimont's special servicing assignments, consistent with the servicer's historical servicing portfolio. The servicer's parent company is the CCR on eight transactions of the firm's special servicing assignments as of June 2024. Trimont's active specially serviced securitized portfolio increased to 87, from 36 the prior year, 24 of which are REO assets as of the same date. The majority of special servicing transfers consisted of maturity and payment defaults, with 31%, 22% and 19% of the transfers being lodging-, multifamily- and office-backed loans, respectively.

Trimont resolved \$1.6 billion in unpaid principal balance (UPB) of actively specially serviced loans in 2023, including 22 securitized loans and eight nonsecuritized loans. Of the 30 resolutions, 11 were retail, eight were lodging, four were office, three were multifamily and four were designated as other.

### Special Servicing Portfolio Overview

	6/30/24	% Change	12/31/23	% Change	12/31/22
<b>Securitized</b>					
No. of Transactions – Special Servicer	33	3	32	0	32
UPB – Special Servicer (\$ Mil.)	12,451.2	0	12,499.4	-1	12,649.3
No. of Loans – Named Special Servicer	369	11	332	-5	349
UPB – Actively Special Servicing (Non-REO) (\$ Mil.)	1,737.3	4	1,668.4	213	532.6
No. of Loans – Actively Special Servicing (Non-REO)	31	7	29	480	5
UPB – REO Assets (\$ Mil.)	475.4	4	458.1	958	43.3
No. of REO Assets	14	8	13	333	3
<b>Nonsecuritized</b>					
UPB – Named Special Servicer (\$ Mil.)	1,023.1	411	200.1	-71	696.6
No. of Loans – Named Special Servicer	42	250	12	-61	31
UPB – Actively Special Servicing (Non-REO) (\$ Mil.)	38.0	145	15.5	-80	76.4
No. of Loans – Actively Special Servicing (Non-REO)	32	220	10	900	1
UPB – REO Assets (\$ Mil.)	183.3	-1	184.6	-14	215.8
No. of REO Assets	10	400	2	-89	18

UPB - Unpaid principal balance  
Source: Fitch Ratings, Trimont

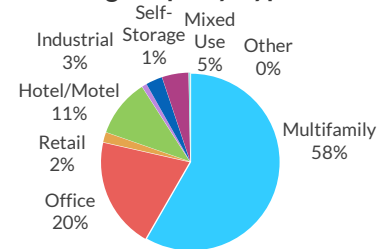
### Loan Administration

For performing loans where Trimont is the named special servicer, the company's approach to surveillance includes reviewing monthly remittance reports for loans that have been placed on the master servicer's watchlist or have delinquent payments or near-term maturities. Trimont holds ongoing discussions with master servicers about loans for which it is the named special servicer. That communication occurs approximately once per quarter and increases as the loan approaches maturity.

In addition to holding regular conversations as needed, Trimont and its clients have periodic formal asset review meetings during which Trimont and the client discuss transactions that have issues and sometimes focus on specific markets or property types. All assets are reviewed at least once annually.

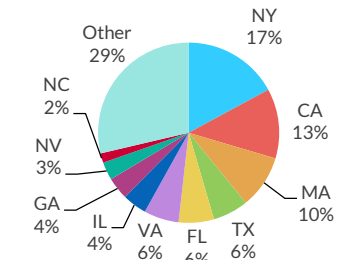
Fitch notes that Trimont's policies and procedures require credit committee review of discounted payoffs, foreclosures, REO and note sale resolution plans; however, other resolutions, such as modifications, are at the committee chair's discretion.

### Named Securitized Special Servicing Property Type



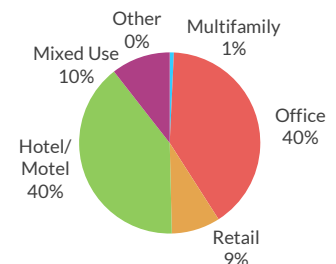
Source: Fitch Ratings

### Top 10 Named Securitized Special Servicing States



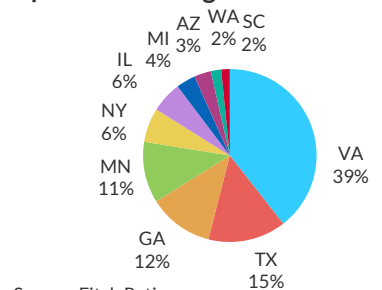
Source: Fitch Ratings

### Active Securitized Special Servicing Property Type



Source: Fitch Ratings

### Top 10 Active Securitized Special Servicing States



Source: Fitch Ratings

Consent requests are assigned to an asset manager once received. The asset manager communicates to the borrower a fee or fee range when sufficient information has been collected to make a determination. Each borrower consent request is presented to the controlling holder/operating advisor for review and approval or, as required by the applicable PSA, for securitized assets.

**Defaulted/Nonperforming Loan Management**

Specially serviced loans are assigned based on the asset manager’s experience or market knowledge. The resolution process is determined by client-specific requirements or servicing agreements. The process generally begins with a re-underwriting of the property and a borrower analysis. Reporting and other services provided are determined based on client requirements or, for securitized assets, in accordance with PSA requirements.

Trimont uses its Application Portal to begin its market research, and it will leverage its broker relationships to provide market information and a potential sales price. The company also has market research resources that include local markets from recently published reports and journals. Application Portal is also used to determine if it has prior relationships with the borrower/sponsor. The asset manager searches the internet and LexisNexis for information on the borrower, and market contacts are used to assess borrower/sponsor reputation and capability with a particular asset. Credit reports are also run on borrowers and guarantors.

Site inspections for specially serviced assets are conducted within 60 days of transfer by third-party inspectors and on a case-by-case basis by Trimont’s asset managers, and they are generally required annually thereafter. However, in practice, Trimont states that ongoing visits often occur much more frequently. The CREFC property inspection form is utilized unless another form is dictated by the client. Once the site inspection is complete, the results are uploaded to Documentum. The collateral inspection may also include environmental assessments and property condition reports as needed.

An asset status report (ASR) is completed in accordance with the governing client agreement or PSA and is updated at least annually. For nonsecuritized assets, the ASR for a nonperforming asset is submitted within 60 days following an event of default. For securitized assets, the plan is submitted according to PSA requirements, usually between 30 days and 45 days, following the transfer to special servicing. The business plan will be revised if there is a substantial change in the resolution strategy or more frequently if required. Business plans are approved by the asset manager for the subject loan and managing director of special servicing and, as applicable for securitized loans, by the credit committee. The credit committee consists of the CEO, CLO, CCO, executive managing director of American operations, senior managing director of CAM, managing director of special servicing, head of CMBS and other professionals as needed.

The team leader and in-house counsel and/or compliance director ensure the proposed resolution is in compliance with the PSA or other servicing agreement and loan documentation.

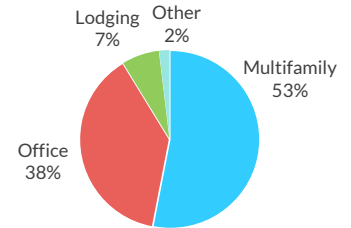
The final business plan includes demonstrating how the proposal complies with the applicable PSA, including an NPV analysis of alternative resolution strategies. Once approval is received, the asset manager will send it to the directing holder/operating advisor for approval, as appropriate.

**REO Management**

The business plan and operating budget for REO assets are submitted for approval within 60 days following the end of the property redemption period, if applicable, or after the foreclosure sale date. Business plans and budgets are then updated annually thereafter if not resolved earlier. Property managers prepare budgets in conjunction with the asset manager, who is responsible for monitoring expenses.

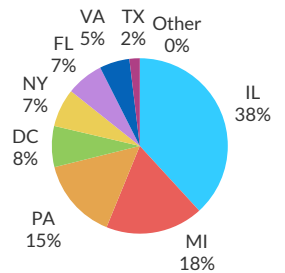
The credit committee reviews large loan REO business plans for securitized assets from initial approval to foreclose, or to take a deed-in-lieu prior to becoming an REO and, in turn, generally for permission to sell the asset prior to disposition. If a major change occurs to the strategy outlined in a previously approved business plan, an updated plan is presented to the credit committee.

**Named Nonsecuritized Special Servicing Property Type**



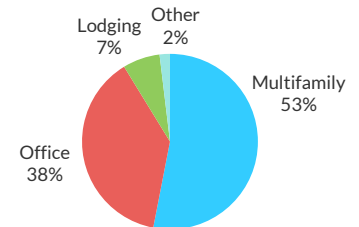
Source: Fitch Ratings

**Top 10 Named Nonsecuritized Special Servicing States**



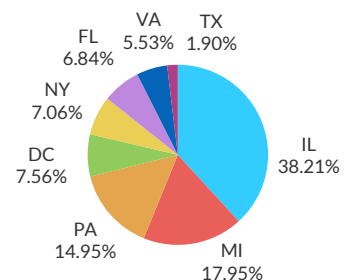
Source: Fitch Ratings

**Active Nonsecuritized Special Servicing Property Type**



Source: Fitch Ratings

**Top 10 Active Nonsecuritized Special Servicing States**



Source: Fitch Ratings

## Governance and Conflicts of Interest

### Managing Potential Conflicts

Potential conflicts of interest in special servicing can arise through various forms, particularly as investors retaining controlling positions in securitizations or specific loans have an influence on workout strategies and the ability to select the special servicer.

Trimont does not have ownership interests in any securitized transactions or otherwise, and it is appointed special servicer for securitized transactions by third-party controlling classholders. The company's policy is to evaluate all workout alternatives before selecting the resolution method that will result in the highest recovery for the securitized transaction(s) using an NPV-based analysis.

Trimont provided Fitch with its employee handbook, which includes a conduct policy and conflict of interest section. The conflict of interest policy lays out the company's expectation that employees will conduct business according to the highest ethical standards of conduct. Upon being hired, new employees must read and acknowledge their understanding of the handbook. Employees are required annually to review and acknowledge their receipt and understanding in writing.

Trimont negotiates modification fees during the workout process and believes strongly that borrowers should pay fees associated with the workout. The company discloses modification fees paid by the borrower in its business plans. Trimont did not collect fees from borrowers on loan resolutions in 2023. Fitch did not observe any instances of Trimont charging above market fees and, in some instances, Trimont may have waived the collection of default interest or a portion of workout fees at its discretion.

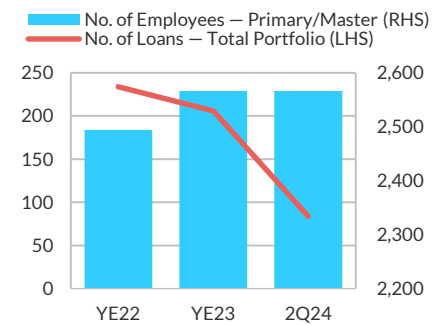
Fitch reviewed a sample of business plans for approximately seven specially serviced loans and REO assets and discussed approximately eight active loans with asset managers. Business plans were sufficient, timely and generally reflected consideration of alternate resolution strategies with an NPV analysis to support the ultimate workout strategy when warranted. Asset managers were knowledgeable on the current performance of the asset, local market and disposition strategies. Asset managers were also able to provide alternative valuations, such as BOVs and internal values based on current market conditions and recent leasing activity.

Fitch also reviewed all active specially serviced loans and REO assets for recent valuations and found all assets to have timely valuations where required.

### Affiliate Companies

Trimont does not have any affiliate companies that provide real estate management or broker services. Värde Partners' affiliate companies provide debt and equity capital to CRE investors.

### Loan and Employee Counts



Source: Trimont

Fitch reviewed a sample of seven business plans for specially serviced loans to assess the impact of potential conflicts of interest on workouts. In all instances, Fitch found the business plans to be well documented and thorough, reflecting a complete history of the loan, borrower and collateral, as well as discussion of circumstances surrounding the default and market. The plans clearly described alternate resolution strategies that were considered, an NPV analysis of alternatives and a clear substantiation of the ultimate resolution strategy chosen.

Trimont is a third-party service provider and does not invest in CRE debt or equity positions. However, its parent company may invest in these and appoint Trimont as special servicer. Värde Partners is currently the CCR for seven transactions where it has been appointed as special servicer.

### SS Loan and Employee Counts



SS – Special Servicing  
Source: Trimont



## SOLICITATION & PARTICIPATION STATUS

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