

Trimont LLC AVERAGE Commercial Mortgage Loan Master Servicer Ranking Assigned; Ranking Placed On RankingWatch Positive

February 7, 2025

Overview

- Trimont LLC is a privately owned commercial real estate asset management company with more than 35 years of operating history. It is currently ranked by S&P Global Ratings as a primary, special, and construction loan servicer of commercial mortgage loans.
- Trimont LLC recently signed an agreement with Wells Fargo Bank N.A. to acquire the non-agency third-party commercial loan servicing platform and portfolio, affiliated technology systems, and staff. The transaction is anticipated to close in March 2025.
- We assigned our overall AVERAGE ranking on Trimont LLC as a commercial mortgage loan master servicer as a result of the forthcoming acquisition.
- We placed the ranking on RankingWatch with positive implications.

DALLAS (S&P Global Ratings) Feb. 7, 2025--S&P Global Ratings today assigned its AVERAGE ranking on Trimont LLC (Trimont) as a commercial mortgage loan master servicer. As part of this ranking action, we have also assigned an AVERAGE subranking for management and organization and loan administration. At the same time, we placed the ranking on RankingWatch with positive implications. Trimont is currently ranked by S&P Global Ratings as a primary, special, and construction loan servicer of commercial mortgage loans (see "Servicer Evaluation: Trimont LLC," published June 12, 2024).

In August 2024, Trimont entered into an agreement with Wells Fargo Bank N.A. (Wells Fargo) to purchase Wells Fargo Commercial Mortgage Servicing's (WFCMS) non-agency third-party commercial mortgage servicing business segment. As part of this agreement, Trimont will assume WFCMS's non-agency third-party commercial mortgage servicing platform and portfolio, its experienced leadership team and staff members, and affiliated technology. Trimont also entered into a transition services agreement with Wells Fargo that will provide access to certain leased office space, technology systems, and related staff. As a result, following the transaction's closing in March 2025, Trimont will also become a commercial mortgage loan master servicer.

Our ranking reflects Trimont's:

- Experienced senior management team;
- Seasoned and well-tenured WFCMS domestic master servicing team that is supported by a

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captive offshore subsidiary;

- Operational continuity, which is expected following the acquisition of WFCMS's commercial mortgage servicing platform;
- One-year transition services agreement, with extension options, which outlines the services Wells Fargo will provide to Trimont following the transaction's closing date, ensuring a smooth transition;
- Solid training program, with diversified learning opportunities;
- Strong control and governance framework, including proactive policies and procedures, internal and external audits, compliance processes, and prudent approval matrices;
- Good leverage of its technology systems and plans to operate the systems independently for the foreseeable future; and
- Extensive commercial real estate expertise.

Rationale

Trimont is currently ranked by S&P Global Ratings as a primary, special, and construction loan servicer of commercial mortgage loans. While the master servicing business will be new to Trimont, the vast majority of WFCMS's master servicing leadership team and employees will be transitioning to Trimont as part of the acquisition. This will provide a level of experience and continuity for the servicing portfolio, operational practices, client base, and systems. The master servicing portfolio is expected to total approximately \$122.8 billion (by unpaid principal balance) as of Dec. 31, 2024, with 6,475 properties, 5,600 loans and 65 sub-servicers. The total portfolio of \$454.5 billion as of Dec. 31, 2024, including master servicing, will consist of commercial mortgage-backed securities (CMBS) conduit, single-asset single-borrower, commercial real estate-collateralized loan obligations, and Freddie Mac K-series loans.

It is anticipated that more than 700 experienced WFCMS staff members will join Trimont, including approximately 140 who will support master servicing.

We assigned our overall AVERAGE ranking on Trimont and placed the ranking on RankingWatch positive with the expectation that Trimont will benefit from WFCMS's commercial loan servicing platform, affiliated technology systems, long tenure operating as a master servicer of CMBS transactions, and staff who will continue to provide support for the master servicing platform. We anticipate WFCMS's operations and staff will be successfully integrated into Trimont's servicing platform.

Our ranking is limited to our assessment of the master servicing operations. We may also factor in any synergies that may be realized from the rest of the acquired platform, where applicable, including any benefit or risk from the primary and special servicing operations, which are not in the scope of our master servicer ranking review.

We assigned an AVERAGE overall ranking because Trimont does not currently perform master servicing. If the transaction closes, our assumption is that the company will be able to effectively integrate WFCMS's master servicing platform over time, while providing servicing activities in a manner consistent with the servicing documents. We expect that Trimont's experienced leadership team will successfully manage the staff transition, as most will still perform the same tasks, and integrate the acquired servicing activities, systems, and vendors.

RankingWatch

We placed our overall ranking on RankingWatch positive. Our RankingWatch placement reflects our expectation of operational continuity and staff familiarity with the operations and systems, as well as knowledge of the CMBS market, as integral factors. We intend to resolve the RankingWatch placement following a further review and discussion with Trimont after the completion of the acquisition to assess the status of the integration of the new staff, technology, processes, and portfolio.

We note our overall AVERAGE ranking is assigned in advance of the proposed transaction's closing, which, if it does not occur, we could take a ranking action that we consider appropriate, including withdrawing this ranking and the RankingWatch placement. Together, our assessment, among other factors, will determine whether our current AVERAGE ranking will remain intact.

The financial position is SUFFICIENT.

Related Research

- Select Servicer List, Nov. 26, 2024
- Servicer Evaluation Spotlight Report™: The Importance Of Cyber Security For U.S. And Canadian Servicers In A Challenging Environment, Aug. 12, 2024
- Servicer Evaluation: Trimont LLC, June 12, 2024
- Servicer Evaluation: Wells Fargo Commercial Mortgage Servicing, Sept. 12, 2023
- Servicer Category Descriptions Expanded and Revised, Feb. 28, 2022
- Analytical Approach: Global Servicer Evaluations Rankings, Jan. 7, 2019

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