S&P Global
Ratings

RatingsDirect®

Servicer Evaluation: Mount Street Loan Solutions LLP

Servicer Analysts:
Heloise Juarez, London +44 (0) 20 71762905; heloise.juarez@spglobal.com
Chiara Sardelli, London (44) 20-7176-3878; chiara.sardelli@spglobal.com

Table Of Contents

1704596 | 302427486

Servicer Evaluation: Mount Street Loan Solutions LLP

Ranking Overview

Servicing Category	Overall ranking	Management and organization subranking	Loan administration subranking	Outlook
Primary servicing - U.K. commercial mortgages	ABOVE AVERAGE	ABOVE AVERAGE	ABOVE AVERAGE	Stable
Special servicing - U.K. commercial mortgages	ABOVE AVERAGE	ABOVE AVERAGE	ABOVE AVERAGE	Stable
Financial position	Sufficient	N/A	N/A	N/A

N/A--Not applicable.

Major Ranking Factors

- Mount Street Loan Servicing (MSLS) has expanded significantly since its inception, driven by the servicer's ability to adapt to current market conditions. It has attracted new servicing mandates on syndicated and balance-sheet loans, while diversifying its client base. The servicer has achieved further growth also through the merger and acquisition of two other servicing businesses, Crown Credit Services GmbH in 2013, and Morgan Stanley Mortgage Servicing (MSMS) in 2014. As a result of this latter integration, MSLS also incorporated most of the former MSMS staff. This guarantees loan-management continuity for a significant portion of the portfolio. Thus, we acknowledge a longer track record than the company tenure would suggest. The servicer is expecting further growth by the end of 2016, having a busy pipeline in place.
- To accommodate its growing business, MSLS' staff increased to 35 at the end of 2015 from 31 at the end of 2014. New hires are planned by the end of this year to absorb expected growth. The 2015 figure excludes an external data entry team based in Belfast. While a period of sustained growth and externalization can increase operational risk, MSLS benefits from several factors that mitigate this risk, in our opinion: the leadership team's experience, recently introduced quality controls, and robust processes to ensure a smooth performance. To better manage its growing staff, the servicer also hired a part-time human resources (HR) consultant in 2015 and has a legal counsel available on retainer for any HR related issues.
- Although MSLS already had clear finance risk and compliance oversight in place in our previous review, in 2015 the company strengthened its governance framework by creating a finance and operations department to coordinate all of these functions. This is an expected evolution for a growing company. We will closely monitor the impact of these recent changes.
- MSLS' training framework relies on conference attendance more than formal training, yet the average staff experience exceeds the industry average. Therefore, we consider MSLS' people development set-up as adequate, given the company's current size and composition.
- In 2015, the company invested in a customized interface to simplify the use of the loan servicing system, freeing-up asset managers' time and thus raising efficiency.
- The outstanding balance of the special serviced portfolio in Europe and in the U.K.--the latter mainly comprises a former MSMS deal--has decreased as a result of positive resolutions and a general reduction in U.K. special servicing opportunities. MSLS has demonstrated a satisfactory recovery performance, increasing the number of deals resolved per year to 19 in 2015 from 12 in 2014. At the same time, the company seized opportunities in the market by replacing special servicers for 13 loans in existing commercial mortgage-backed securities (CMBS)

transactions in 2015.

Opinion

S&P Global Ratings' overall rankings on Mount Street Loan Servicing (MSLS) are ABOVE AVERAGE as a primary and special servicer of commercial mortgages in the U.K. We have based our rankings on the major ranking factors in our criteria.

Outlook

The outlook is stable for both the primary and special servicing of commercial loans. We expect the servicer to consolidate the changes implemented in 2015 and perform in line with our current ranking level.

Profile

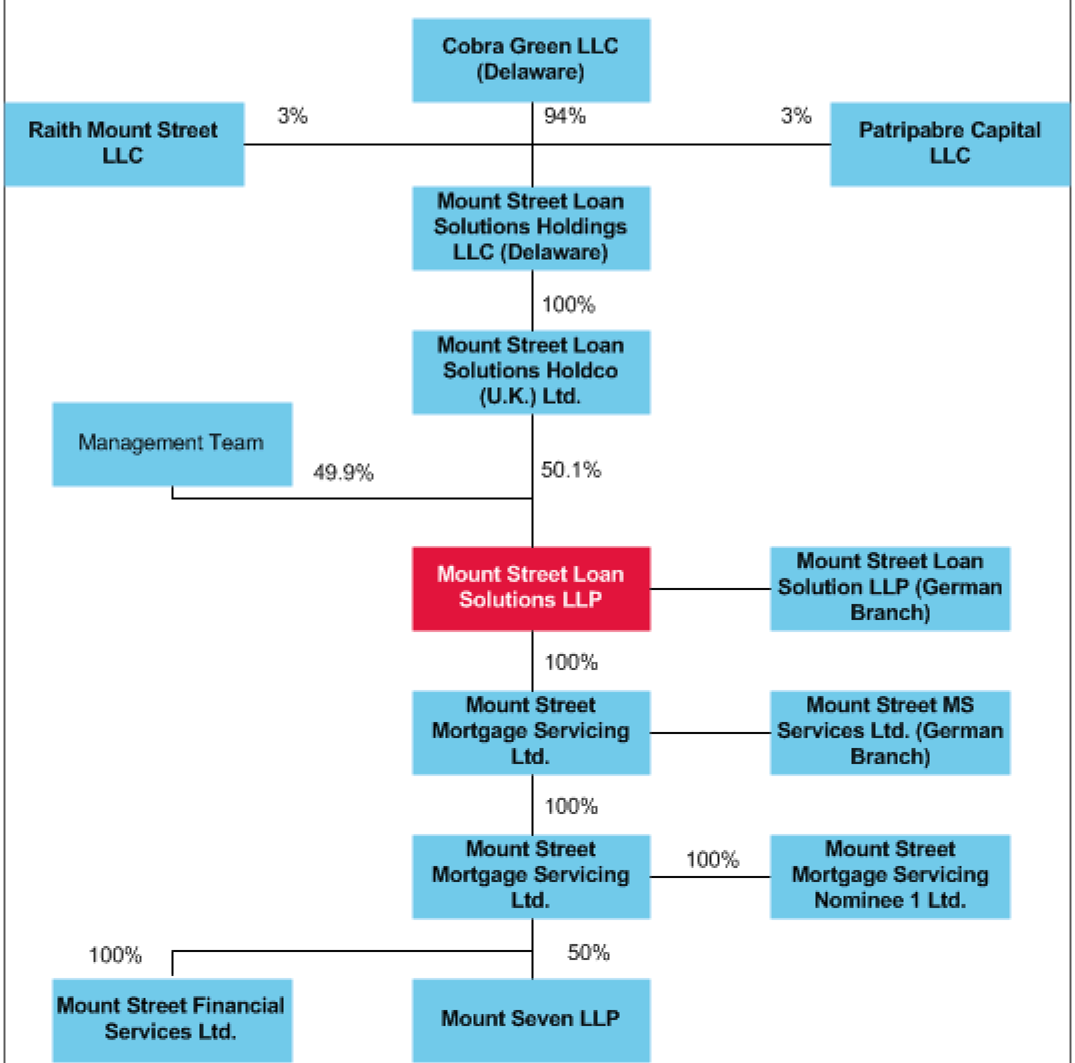
Company Overview	
Servicer name	Mount Street Loan Solutions LLP
Date formed	December 2012
Staff	35
Servicing centers	London, Frankfurt
Client types	Banks, investors, insurance companies, and special-purpose entities

MSLS is an independent provider of commercial mortgages servicing in Europe. Originally established in the U.K., it now operates from its headquarters in London and an office in Frankfurt.

MSLS was established in December 2012 as a joint venture between the MSLS management team--which owns 49.9% of its shares--and Clayton Holdings LLC (Clayton), a U.S.-based company with a long track record in the servicing industry providing loan valuation, management, and servicing. In 2014, Greenfield Acquisition Partners LLC--Clayton's owner--sold Clayton and transferred MSLS control to Cobra Green, another entity of the Greenfield's group, which now owns the remaining 50.1% of MSLS' capital. The sale did not result in significant changes to MSLS' structure, other than the replacement of the Clayton board member by a representative from Greenfield. The MSLS board comprises three nonexecutive partners (one from Greenfield Acquisition Partners) and three managing partners.

Chart 1

Ownership Structure
Mount Street Loan Solutions LLP



MSLS rapidly expanded since inception by either gaining new mandates or acquiring other platforms. At the end of 2013, it took over the German operations of Crown Credit Services GmbH's (Crown), absorbing its portfolio and staff, which resulted in the opening of an office in Frankfurt. In 2015, MSLS relocated its four German staff into a new office nearby Frankfurt airport, reducing the commute for both the local and London-based staff. In early 2014, MSLS also purchased MSMS, Morgan Stanley Bank's European servicing platform. As a result, most of MSMS servicing staff were integrated into MSLS, ensuring continuity of the loan management. At the time of the acquisition, the MSMS portfolio accounted for £4.4 billion of the total portfolio. As of December 2015, it decreased to £2.7 billion, equal to 17.21% of the total portfolio and 19.45% of the U.K. portfolio. As of December 2015, 31 staff worked in the London office which can accommodate up to 47 staff. Nonetheless, MSLS forecasts even higher growth by the end of this year so it is in the process of signing a new lease for the vacant space on the ground floor of its English building.

Moreover, in 2015, MSLS decided to increase staff specialization and outsourced data entry and payment processing tasks to an external provider located in Belfast. Currently, there are five full-time employees in Belfast fully dedicated to MSLS.

While our ranking addresses the servicing operations in the U.K., it is worth mentioning that MSLS obtained a transitional authorization from the Central Bank of Ireland to service commercial mortgage loans there. The opening of a third operations centre in Dublin, will follow the final approval, therefore, MSLS is already scouting potential managers for the head of Ireland role. In our opinion, this shows MSLS' ability to seize market opportunities and position the company accordingly.

Management And Organization

We have raised to ABOVE AVERAGE from AVERAGE our sub-rankings on MSLS for management and organization as a primary and special servicer of commercial loans in the U.K. The servicer relies on an experienced senior management team, which has successfully attracted new business. The company has shifted away from its initial focus on CMBS, in response to a decline in the securitized market and has diversified its client base, yet became a primary servicer for four new CMBS deals in 2015. Moreover, the leadership team has created a new department overseeing finance, risk, and compliance. This has effectively created a more rigorous governance framework. We foresee the leadership team to sustain the company's development and to transition to larger scale operations.

We based our sub-rankings on our view of the following:

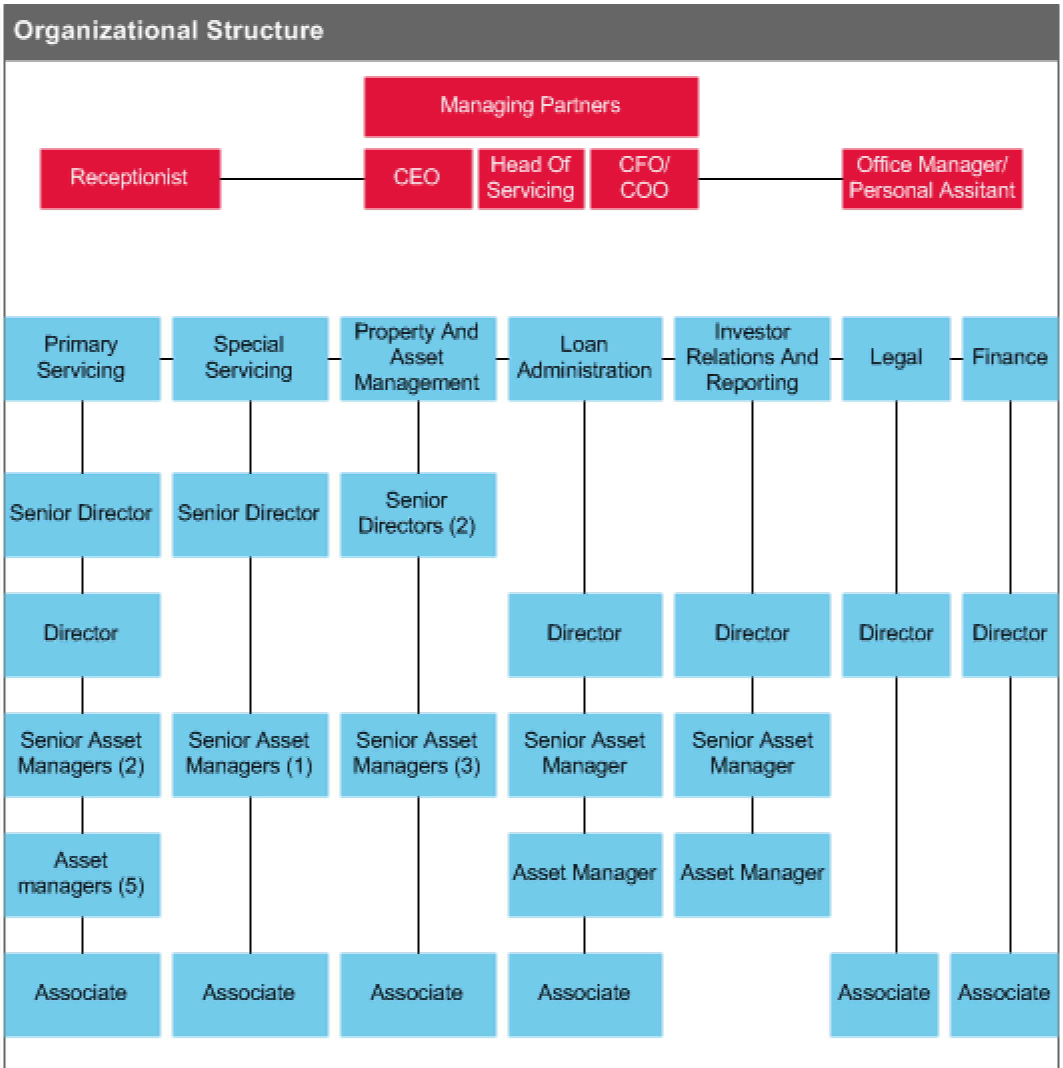
Structure

Minor changes apply to the structure since our last review. The three managing partners share the leadership with clear separations of roles as one acts as the chief executive officer (CEO), one as head of servicing, and the other as chief financial officer (CFO) and chief operating officer (COO). Middle managers are quite experienced and coordinate servicing functions (primary and special), property valuation, basic management activity functions, investor relationships, and legal activities. Internal controls, such as audits, are mainly externally provided and report to the board.

The relevant development in 2015 is the appointment of a new team which oversees finance, risk, and compliance--formerly part of the CFO and COO's responsibilities. MSLS filled the newly created position as head of finance and operations and hired two more team members. The appointed manager has almost 20 years' experience and sound expertise having worked in the same position within the corporate real estate division at Standard Chartered Bank. The new role directly reports to the CFO and COO and the latter's monitoring activity guarantees continuity in the management of those functions, in our opinion. Furthermore, we consider that this change reinforces the governance of the company and prepares it to better absorb expected growth. We will closely monitor the consolidation of this change.

At present, MSLS does not have an HR department because the servicer considers that its current size does not justify the investment. Nonetheless, since our last review, the company has recruited an HR consultant who supports the managing partners on all HR related matters and works from MSLS' London office one day a week. MSLS, with the assistance of the HR consultant, has already implemented a comprehensive staff handbook. It includes a maternity leave policy, holiday policy, sickness policy, whistleblowing policy, and social media policy. The company also benefits from its stable collaboration with three recruitment companies and a legal counsel on retainer. Therefore, there is satisfactory support at the current staff level.

Chart 2



Staff

MSLS has increased its headcount in line with portfolio growth so headcount increased to 35 as of December 2015 from 28 at the time of our last review. This figure includes the externally provided ring-fenced team and the three managing partners. The 2016 business plan forecasts an increase staff to 52 at the end of the year, including six new asset managers and new staff to be hired to support finance, legal, investor relations, and administration functions.

Table 1

Turnover Rate

	2015	2014	2013
Staff at beginning of period	31	26	0
Number of joiners	6	6	11
Number of staff leaving voluntarily	2	1	0
Number of staff leaving involuntarily	0	0	0
Number of expired contracts	0	0	0
Number of staff redundancies	0	0	0
Staff at end of period	35	31	11

The recent recruitment activity at staff level has slightly decreased the staff experience but it still remains at a fairly high level compared to peers. Moreover, this figure does not take into account the incorporation of the MSMS servicing staff which guarantees longer management continuity over this portion of the portfolio. Furthermore, MSLS' team has wide experience in the field.

Table 2

Average Years Industry Experience/Company Tenure

	Experience (years)	Tenure (months)
Senior management	26.79	2.7
Middle management	15.25	1.3
Primary servicing staff	18.82	2.1
Special servicing staff	16.9	2.1

There is no staff survey performed and no intranet based on the recent establishment of the company and its size, which are tools commonly used by bigger companies

Training/development

MSLS' target annual training hours has decreased to 35 hours per year from 40, given the high level of experience in the team. Course type training does not satisfy the company's needs due to its staff's broad experience so most of the training is external, largely involving attendance at seminars and conferences. Mandatory training requirements are not centralized and each team is responsible for defining them, if any, and to monitor that the staff attend all relevant training. As of December 2015, the company registered an average of 37.51 hours, up from an average of 27.13 hours recorded at our last review.

Table 3

Average Number Of Training Hours Per Employee

	Induction	Procedural	Other	Total*
Internal formal training	6.0	0.0	4.4	4.4
External formal training	0.0	3.1	16.9	23.9
On the job/coaching	6.0	6.6	0.0	6.6
Online training	0.0	0.0	2.7	2.7
Total	12.0	6.6	30.9	37.5

*Excludes induction, which relates to all new hires.

There is a plan to set up "Lunch and Learn" sessions with the head of legal on specific legal topics, but as of now there is no dedicated internal trainer. Taking into consideration the current level of experience and size of the company, we still consider this to be adequate. Finally, MSLS encourages staff to pursue further education on any related professional or degree qualification by providing both financial support and time off. There are currently two staff out of 35 enrolled in a degree or qualification program, including one studying for the assessment of professional competence accreditation required to qualify as a chartered surveyor.

The company's induction training comprises a three-hour course, which includes IT familiarization, an overview of loan management procedures, a company overview, and an explanation of its business continuity (BC) procedures and arrangements. Furthermore, any new hire receives customized on-the-job training. Every new joiner also has a mentor who is a peer responsible for integrating the newcomer into the team and providing ongoing support.

There is an annual appraisal mechanism and the bonus scheme is based on the individual, team and company's performance. MSLS also provides discretionary benefits such as childcare vouchers and health cash plans which are now well described in the staff handbook introduced last year.

The company has created a structure that enables career development. The management team is also considering creating a graduate scheme which would eventually require expanding the training framework. In 2015, following an audit finding, MSLS implemented a formal succession plan for all of its senior leadership team.

We will closely monitor the evolution of the HR organization and training framework to assess whether it will be in line with the forecast increase in staff.

Systems and technology

MSLS remains in contract with its current system provider, a third-party finance and real estate management software provider for its servicing platform. MSLS does not have in-house IT staff. It works with a subsidiary of its current system provider which has a remote hosting solutions agreement for its IT provision.

The hosting is provided virtually. There is a service level agreement within the infrastructure to guarantee 99.75% uptime with penalties for failure to meet it. The company is certified to BSI ISO 27001 and 9001 standards.

The service includes system intrusion detection and any incident is reported to a senior manager to determine the response according to the nature of the incident. There are Cisco ASA 5500 firewalls in place.

Its current system provider is used for the servicing of commercial mortgages and stores all borrower and loan level information. However, at the moment, there is no direct link between the servicing platform and bank accounts, and no tenant level data available. The servicing platform is also used for the servicing of nonperforming loans (NPL). The data tape is updated and uploaded directly to the servicing platform, however, cash-flow modeling is not supported by the system and has to be performed in excel.

During the first quarter of 2015, MSLS developed a customized and more user-friendly interface with another IT provider to enhance the loan servicing platform. The interface allows staff to drill down directly into the information on each loan or borrower and automatically generates reports (borrower statements) and emails. All records are automatically recorded in the relevant file.

Reporting is by Voyanta, which is integrated with its servicing platform to provide reporting data.

MSLS uses a Microsoft office platform network for its daily working environment. They outsource the IT support for all Microsoft related software but own the hardware. They don't have any servers as all the technology is held in the cloud.

All of the staff have the ability to work remotely via the internet, and can remotely access files, emails, and the servicing platform, which is built on an Oracle database.

The only change since our last review is that MSLS has switched its infrastructure provider to Edge Techonology Group (ETG) from Connect Support Services.

Edge Technology Group (ETG) provides MSLS with a privately hosted IT infrastructure across geographically dispersed datacenters. The production facility is in London providing core IT infrastructure services, back-up, archiving, and support. As ETG is a global provider across Europe, the Middle East, Africa, and the Americas, all infrastructure and service solutions are in-line with SOC1, SOC2, SOC3, and ISO27001 standards. Production services are fully replicated in real-time to a second offsite facility in Bournemouth. Within minutes, MSLS can restore any file to any chosen location.

Disaster recovery (DR) and BC plans have remained the same since our last review. The company has established clear responsibilities and priorities so that all employees can be notified of an event as quickly as possible. The company provides all new employees with details of the DR and BC plans, and adds them to the call tree.

MSLS undertook a business and disaster recovery test on April 20, 2016. All staff were contacted in line with the call-out tree and the test was 92% successful. Following the test, MSLS reviewed the home IT provision to ensure that all business critical individuals had access to Microsoft Office at home or were provided with laptops with Microsoft Office so as to be able to work remotely. Moreover, the supplier of the London office telephone lines can redirect them to mobile phones.

We will monitor the delivery of those action items at our next review.

Internal controls

Audit. MSLS has maintained the appointment of Ernst & Young (EY) as financial and internal auditor. EY reports on internal control finding to the Board semiannually and annually on the financial audit.

The internal auditor ran the first audit cycle in 2014 and MSLS implemented each related recommendation by early 2015. In 2015, the EY plan focused on policies and procedures covering primary and special servicing, loan administration, and investor reporting, raising several findings such as the lack of high level documents setting out business strategy and delegated authorities. EY will review the implementation of any countermeasure in due course. We expect to have the 2015 report available for assessment at our next review.

Risk and Compliance. Since our last review, the responsibility of the risk and compliance functions were transferred from the CFO and COO to the newly appointed head of finance and operations and his team.

Since our last review, MSLS has compiled and maintained a risk matrix to record all major risks, their likelihood to happen, and potential impact. The matrix also includes the assessment of controls in place to reduce them and the analysis of any residual risk. The management team periodically reviews the matrix and if they deem any residual risk inacceptable, the risk owner has to implement further countermeasure to reduce it. The control is then tested to ensure the residual risk level is acceptable. The board reviews the risk map annually. The matrix is mostly focused on operational risks although it has been expanded and since October 2015 lists 27 risks including one strategic risk, one legal and compliance risk, five reputational risks, and 20 operational risks.

The team is also responsible of data accuracy checks. Every six months, an assigned reviewer from the team will randomly select four files from serviced performing loans and carry out an unannounced 30 minute interview with the relevant asset manager and the head of primary to answer a standard questionnaire. The board of directors reviews these results twice a year. The last two rounds of checks were completed in October 2015 and April 2016, the reports for the October 2015 review showed that no major issues were identified. Moreover, the loan administration team carries out a "lessons learned" process after each interest payment date to identify any issues and address them.

In our opinion, the creation of a new team dedicated to risk and compliance is a positive change but, as it is a fairly recent addition, it is currently difficult to assess its impact. However, we will monitor the team deliveries closely.

Complaints. There have been no complaints to date but there is a documentation procedure for complaints and a log is required to record any complaints received. The company advises that there are no current litigations.

Policies and Procedures

The policies cover the main compliance areas like anti-money laundering, conflict of interest and inducement, as well as all aspects of servicing and payment processes. In 2015, following an internal control finding from EY, the policies were split by topic or area. There is no code of ethics but the staff handbook covers professional conduct and appearance.

All policies are reviewed at least annually and approved. A record of this approval is kept. Changes are tracked and version controlled. The company stores its procedures manual on its shared drive with restricted read-only access for staff, and archives previous versions for audit purposes. Any changes are communicated to the staff and are made available in the shared drive. New staff are provided with a copy and are required to sign to say that they have read it.

Loan Administration

We have raised to ABOVE AVERAGE from AVERAGE our sub-rankings on MSLS for loan administration as a primary and special servicer of commercial loans in the U.K. In our opinion, MSLS has substantially grown its overall portfolio to £15,556 billion, of which £7,036 billion in the U.K. These figures correspond to 83% and 51% increases, respectively, from the end of 2014, from £8,495 billion overall and £4,404 billion in the U.K. The team also has a busy pipeline in place for 2016 and we expect the leadership team to sustain the current growth level and transition to larger scale operations.

New loan set-up

In 2015, the company successfully boarded 60 loans and a large portfolio of NPLs. On average, it took 10 days to get the information live into the system.

Since our last review, the boarding process has been outsourced to an external provider based in Belfast. As a result, there are now 10 people trained on loan on-boarding up from three people in 2014, the five external staff are based in Belfast while the five internal staff are based in London. The external five-member ring-fenced team input most of the data into the management platform. While this can increase the level of operational risk, MSLS considers that there are sufficient controls to mitigate this event and ensure data accuracy. The external team applies the steps listed in the so-called deal handover log, which monitors the progress during the onboarding process. Internal asset managers review the log on a weekly basis during the loan onboarding process. The portfolio manager's is required to sign off following the data input to make the loan live in the system. The company also has a loan set up memorandum template--listing all the relevant information to input-- to ensure the correct boarding of loans to its servicing platform. While the process remains substantially unchanged, the customized interface implemented in 2015 helped reduce the time spent on data entry.

MSLS sends a welcome letter within 10 days of boarding the loan, providing the borrower or sponsor with a primary and back-up contact.

Document tracking

As part of the loan boarding process, MSLS ensures that all loan and collateral documentation is complete and available online. The appointed legal representatives retain documents and Iron Mountain, MSLS' archive provider, stores them securely. Within 15 days of boarding, asset managers check 100% of documentation.

Payment processing

Since last year, the external provider team based in Belfast is in charge of payment processing. MSLS thus enhanced the controls over this activity and, in our opinion, this should guarantee the same level of reliability.

On average, MSLS handles about 1,000 instructed payments per quarter. All payments are posted to accounts manually (60% electronically via bank web portals and the remaining through manual payments) as there is no link between its servicing platform and the bank accounts. However, all the calculations are made automatically in the servicing platform. MSLS applies a strict six-eye rule so whoever creates a payment should differ from the first and second level authorizations, and only a director or above can authorize a second level. Only the three partners and five senior managers have signing rights.

The payment queue is reviewed daily while cash reconciliation is performed weekly, signed-off by the head of loan administration.

Bank accounts are reconciled monthly or quarterly according to the underlying credit agreement.

Investor reporting

There is a team of four working on reports, up from three at our last review. MSLS is committed to provide clients with clear and concise reports. To this end, MSLS reports aim to be as detailed as possible and provide market commentaries and loan level commentaries including covenant monitoring. MSLS reports are automatically produced by the Voyanta application which extracts the information from its servicing platform, the servicing system.

Reports are subsequently made available on the MSLS website for the investors and clients but the latter are also provided with secure access to detailed information on their own portfolio. MSLS recently remodeled it to reflect the new brand image and, most importantly, to provide a more user-friendly interface for its clients. The team now has full editing rights on the website, which will simplify the implementation of changes in the future.

Primary servicing

As of December 2015, 182 loans composed the primary servicing portfolio accounting for £13.6 billion, compared to 103 loans accounting for £4.5 billion at the time of our last review. In 2015, four different originators appointed MSLS as primary servicer on four new CMBS deals but new lending represented the greatest source of growth. As a result, 134 balance-sheet and syndicated loans totaling £11.5 billion represented the vast majority of the primary business, while 48 CMBS loans totaling £2.2 billion made up the remainder. The primary portfolio growth rate is forecasted to continue in 2016 mainly from alternative lenders such as debt funds due to lower volumes from traditional investment banks.

Table 4

Primary Servicing Portfolio Distribution

As of Dec. 31, 2015

	Amount (mil. £)	Number of loans	Number of properties
Commercial mortgages < £5 million	40,109,834.0	34.0	100.0
Commercial mortgages > £5 million and < £15 million	168,512,864.0	17.0	55.0
Commercial mortgages > £15 million	13,440,225,062.0	131.0	1,264.0
Total	13,648,847,760.0	182.0	1,419.0

The primary servicing structure did not change so it is split between the primary Servicing team (10 people, one more than in the last review) and the loan administration team (nine people, five more than in the last review). The main change since our last review is that five roles from the loan administration team are now outsourced to an external provider in Belfast. The decision to foster specialization by outsourcing some administrative tasks allowed MSLS to gain efficiency, therefore, on average, each asset manager works on 18.2 loans from 12.8 during our last review. The legal team which supports the servicing team has expanded to three staff from two at the time of our last review.

Asset managers can discuss specific events performing loans within the primary servicing committee such as payment default and substitution or property disposal requests. The primary servicing committee quorum includes eight mandatory members including the Chairman, CEO, head of primary servicing, head of special servicing, head of legal, and the head of property and asset management. All decisions require a majority vote to agree on the proposal, corrective actions, or disposal strategies. Any asset manager can join the committee as an observer to gain insights on specific or related issues concerning a loan in their portfolio. The primary servicing committee also reviews the watchlist on a quarterly basis. Indeed, MSLS adheres to the commercial real estate finance council Europe Watchlist guidelines.

Each loan is reviewed annually with a report presented at an annual review meeting for a formal approval. If there are any issues identified then it is escalated to the primary servicing committee.

MSLS' servicing suite of procedures, which allows it to service a loan throughout its life cycle, has proved to be scalable to absorb the growth of the primary portfolio. Yet, the implementation of a customized interface for the loan servicing platform, which displays a dashboard, has also enabled the team to free-up time and focus on more asset management tasks.

In our opinion, MSLS' primary servicing activity is well designed, the team well-structured and sized, and the primary servicing committee guarantee a further layer of controls on top of the management team activity.

Special servicing

The portfolio under special servicing decreased as a result of the resolution activity and the reduction of new defaulted loans given the positive economic scenario. As a result, at the end of December 2015, there were 22 loans accounting for £1.9 billion in special servicing, down from 25 loans accounting for £2.1 billion at the time of our last review. Yet, despite the challenging market conditions in 2015, MSLS was appointed on 13 loans where they replaced the existing special servicer. The leadership team specified that they only compete for replacement when they feel they can add value by implementing a better strategy than the previous special servicer, without it having a negative impact on the company image.

Table 5

Special Servicing Portfolio Distribution

As of Dec. 31, 2015

	Arrears			Standstill agreements		
	Amount (mil. £)	**Number of loans**	**Number of properties**	**Amount (mil. £)**	**Number of loans**	**Number of properties**
Commercial mortgages < £5 million	152,200	1	1	9,125,579	5	13
Commercial mortgages > £5 million and < £15 million	13,265,443	1	3	9,310,968	1	1
Commercial mortgages > £15 million	1,481,937,701	5	64	393,102,575	9	182
Total	1,495,355,344	7	68	411,539,122	15	196

MSLS has an experienced team who has extensively dealt with distressed commercial real estate loans, restructuring of CMBS, loan sales, loan enforcement and administration, and real estate-owned operating management and liquidation. There are still three people in the special servicing team--the same number since our last review. On average, each employee works on 7.3 loans lower than the average 8.3 loans per employee in our last review.

While the special servicing portfolio is shrinking, MSLS is able to retain the expertise of its special servicing team because they are also responsible for all due diligence on any of MSLS' new or prospective mandates. This ensures that the team keep their skills up to date and have internal career opportunities.

There is an ad-hoc special servicing committee with eight mandatory attendees including the Chairman, CEO, head of primary servicing, head of special servicing, head of legal, and the head of property and asset management. As for the primary servicing committee, the team has the flexibility to convene a committee when needed. Any litigation, standstill, enforcement, or restructuring proceedings are approved by the special servicing committee before they are implemented.

MSLS demonstrates a consistent performance in loan resolution. In 2015, MSLS resolved 19 loans across its special servicing portfolio, with an average recovery rate of 85% compared with 12 loans resolved in 2014 with a recovery rate of 100%. Year-to-date for 2016, MSLS has resolved three loans with an average recovery rate of 71%.

We expect the team to continue to deliver a similar resolution performance.

Financial Position

We consider MSLS' financial position to be SUFFICIENT. We have based this outcome on our assessment of the company's financial statements for 2013, 2014, and 2015, as well as its management accounts, profit and loss, and cash flow projections for 2016.

Related Criteria And Research

Related Criteria

- Revised Criteria For Including RMBS, CMBS, And ABS Servicers On Standard & Poor's Select Servicer List, April 16, 2009
- Servicer Evaluation Ranking Criteria: U.S., Sept. 21, 2004

Related Research

- AVERAGE Ranking Affirmed On Mount Street Loan Solutions As U.K. Primary And Special Servicer; Outlook Stable, Dec. 3, 2014
- AVERAGE Ranking Affirmed On Mount Street Loan Solutions As U.K. Primary And Special Servicer; Outlook Revised To Stable, Sept. 11, 2013
- Servicer Evaluation: Mount Street Loan Solutions LLP, March 15, 2013
- Select Servicer List, published monthly

Additional Contact:
Structured Finance Europe; StructuredFinanceEurope@spglobal.com