

RATING ACTION COMMENTARY

Fitch Takes Various Actions on Specialized Loan Servicing's U.S. RMBS Servicer Ratings

Fri 21 Oct, 2022 - 4:11 PM ET

Fitch Ratings - New York - 21 Oct 2022: Fitch Ratings has taken the following rating actions on Specialized Loan Servicing, LLC's (SLS) U.S. residential primary and special servicer ratings:

- Primary servicer rating for Prime product upgraded to 'RPSS2+' from 'RPS2'; Outlook Stable;
- Primary servicer rating for HELOC product upgraded to 'RPS2+' from 'RPS2'; Outlook Stable;
- Primary servicer rating for Second Lien product upgraded to 'RPS2+' from 'RPS2'; Outlook Stable;
- Primary servicer rating for Alt-A product affirmed at 'RPS2+'; Outlook Stable;
- Special servicer rating affirmed at 'RSS2+'; Outlook Stable;
- Primary servicer rating for Subprime product affirmed at 'RPS2+'; Outlook Stable;

RATING ACTIONS

ENTITY / DEBT ↕	RATING ↕	PRIOR ↕
Specialized Loan Servicing, LLC		
RMBS Primary Alt-A Servicer	RPS2+ Rating Outlook Stable	Affirmed
RMBS Primary Home Equity/HELOC Servicer	RPS2+ Rating Outlook Stable	Upgrade
RMBS Primary Prime Servicer	RPS2+ Rating Outlook Stable	Upgrade
RMBS Primary Specialty Servicer - Second Lien	RPS2+ Rating Outlook Stable	Upgrade
RMBS Primary Subprime Servicer	RPS2+ Rating Outlook Stable	Affirmed
RMBS Special Servicer	RSS2+ Rating Outlook Stable	Affirmed

[VIEW ADDITIONAL RATING DETAILS](#)

KEY RATING DRIVERS

The ratings reflect SLS's experienced senior management team and staff, effective growth strategy, its continued investments in systems and processes, and the use of integrated technology throughout the servicing platform. The ratings also take into consideration the financial support of Computershare Limited, which includes Computershare Trust Company, National Association (CTCNA). CTCNA is currently rated 'BBB'/Outlook Stable by Fitch.

SLS operates as a wholly owned subsidiary of Computershare Limited (Computershare), an Australian software financial company that was established in 1978, and it maintains a global presence with 90 offices located in 21 countries with over 14,000 employees worldwide. CTCNA and SLS are two separate legal entities that are considered affiliates in the Computershare Limited ownership structure.

SLS has been servicing RMBS loans for over 19 years and maintains an experienced senior management team averaging over 23 years of industry experience and 11 years of company tenure. The servicer evidences strong bench strength and effective staff recruitment, training, retention, and succession planning programs.

SLS has continued to make enhancements to its customer self-service and digital online functions; upgraded its interactive voice response and skill-based routing technology, and established a specialized team focused on resolving complex customer service issues. SLS continues to expand automation, training and performance incentives to improve service delivery and increase efficiency across the servicing operation.

The servicer continues to leverage Computershare's affiliated businesses to meet its growth objectives. Computershare acquired LenderLive Network LLC in 2019, a fulfillment and secondary market service provider, which joins the list of other owned mortgage related affiliates; this includes mortgage servicing rights (MSR) valuations, acquisitions/sales, and risk management solutions companies. The company has invested in its originations fulfillment platform to build out its loan flow pipeline.

In addition, SLS maintains a highly integrated servicing platform, utilizing Sagent's LoanServ servicing system (LoanServ). SLS also maintains several proprietary applications, including its upgraded loss mitigation system and optical character recognition technology to strengthen the document and new loan boarding processes.