

RATING ACTION COMMENTARY

Fitch Assigns Computershare U.S. RMBS Master Servicer Rating; Outlook Stable

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Fitch Ratings - New York - 14 Jun 2024: Fitch Ratings has assigned a U.S. 'RMS1-' residential master servicer rating to Computershare Trust Company, National Association (CTCNA). The Rating Outlook is Stable. CTCNA's rating reflect its successful acquisition and integration of Wells Fargo Bank's (WFB) Corporate Trust Services (CTS), which includes the master servicing operation.

RATING ACTIONS

| ENTITY / DEBT ↕ | RATING ↕ |
|------------------------------|---|
| Computershare - Servicer MSA | |
| RMBS Master Servicer | RMS1- Rating Outlook Stable New Rating |

[VIEW ADDITIONAL RATING DETAILS](#)

KEY RATING DRIVERS

The 'RMS1-' rating reflects the successful completion of the Transition Servicing Agreement (TSA) and separation from Wells Fargo, continuous investments in systems and technology, experienced senior management team, effective servicer transition planning, and strong servicer oversight program. The rating also reflects the various shared corporate functions provided by its parent company.

The sale of Wells Fargo's CTS to CTCNA was announced in March 2021. In November 2021, the sale closed and a two-year TSA was put in place for the transition of the business operations. The transition was structured with both a TSA and a Servicing Agreement (SA). The TSA was designed to enable the smooth transition of the technology platforms and processes required to run the corporate trust business acquired by CTCNA. The parties successfully completed the transition, resulting in the TSA expiring in the normal course in October 2023.

CTCNA continues to maintain a long-term relationship with Wells Fargo under the SA. The SA is the governing document whereby Wells Fargo has appointed CTCNA as its agent to perform the delegated activities for the transactions and roles that remain in Wells Fargo's name. This would include certain RMBS transactions where Wells Fargo remains the named Master Servicer due to various legal and fiduciary responsibilities that are currently not transferrable.

The master servicing hub is located in Columbia, Maryland with additional staff in Hyderabad and Bengaluru, India. In addition, the platform is supported by other enterprise-wide CTCNA affiliated businesses. Computershare Corporate Trust (CCT) is headed by Mike Watchke, who previously held the same senior position at Wells Fargo Bank and has over 30 years of industry experience. The master servicing operation is led by Kristen Cronin, who also moved over in the same capacity. Cronin reports directly to Watchke and maintains a team of approximately 400 FTEs with 220 attributable to the master servicing operation as of Dec. 31, 2023.

The master servicer utilizes a proprietary integrated web-based platform to effectively manage data quality and exception reporting. The system provides enhanced capabilities associated with the business rules to further accommodate event triggers and improve automated resolutions. The master servicing system is further integrated with a workflow process management tool, which allows business users to establish start/stop points within the process flow and perform actions that can be dynamically configured to achieve certain performance objectives.

There is also a data translation functionality that can accommodate a variety of supplier, industry and customer standards/formats. The master servicer indicated that it will continue development/integration of reporting solutions to provide real-time access to a robust data repository.

Computershare Limited (CPU), is the ultimate parent of CTCNA. The company was founded in 1978 and oversees transfer agent and investor servicers operating in more than 20

countries with approximately 12,000 employees. The company is headquartered in Victoria, Australia and is traded on the Australian Securities Exchange as CPU. Fitch has had substantial experience with Computershare as subservicer of U.S. and European mortgage and as a named party in Canadian covered bond transactions.

As of Dec. 31, 2023, CTCNA's master servicing portfolio was reduced by 14,523 loans yoy. The master servicing portfolio totaled 869,330 loans for approximately \$186.3 billion. This breaks down into 430,404 non-agency RMBS loans totaling \$115.9 billion, 405,448 other master serviced loans totaling \$65.7 billion, and 33,478 agency conventional loans totaling \$4.6 billion.

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APPLICABLE CRITERIA

[Criteria for Rating Loan Servicers \(pub. 15 Dec 2022\)](#)

[Criteria for Rating U.S. and Canadian Residential and Small Balance Commercial Mortgage Servicers \(pub. 15 Dec 2022\)](#)

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ENDORSEMENT STATUS

Computershare Trust Company, National Association

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