Servicer Evaluation: Specialized Loan Servicing

Servicer Analyst:
Mark J Shannon, New York + (404) 989-7655; mark.shannon@spglobal.com

Secondary Contact:
Steven L Frie, New York + 1 (212) 438 2458; steven.frie@spglobal.com

Analytical Manager:
Robert J Radziul, New York + 1 (212) 438 1051; robert.radziul@spglobal.com
Servicer Evaluation: Specialized Loan Servicing

Ranking Overview

<table>
<thead>
<tr>
<th>Servicing category</th>
<th>Overall ranking</th>
<th>Management and organization</th>
<th>Loan administration</th>
<th>Ranking outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential mortgage loan primary servicer</td>
<td>STRONG</td>
<td>STRONG</td>
<td>STRONG</td>
<td>Stable</td>
</tr>
<tr>
<td>Residential mortgage loan subprime servicer</td>
<td>STRONG</td>
<td>STRONG</td>
<td>STRONG</td>
<td>Stable</td>
</tr>
<tr>
<td>Residential mortgage loan special servicer</td>
<td>STRONG</td>
<td>STRONG</td>
<td>STRONG</td>
<td>Stable</td>
</tr>
<tr>
<td>Residential mortgage loan subordinate-lien servicer</td>
<td>STRONG</td>
<td>STRONG</td>
<td>STRONG</td>
<td>Stable</td>
</tr>
</tbody>
</table>

Financial Position

SUFFICIENT

Ranking Overview

Rationale

S&P Global Ratings' rankings on Specialized Loan Servicing LLC (SLS) are STRONG as a residential mortgage primary, subprime, special, and subordinate-lien loan servicer. On Nov. 2, 2022, we raised these rankings on SLS to STRONG from ABOVE AVERAGE (see Specialized Loan Servicing LLC Servicer Rankings Raised to STRONG; Ranking Outlooks Stable published Nov. 2, 2022). As part of the ranking action, we raised our loan administration subrankings to STRONG from ABOVE AVERAGE and affirmed our management and organization subrankings as STRONG. The ranking outlook on each ranking is stable.

Our rankings reflect:

- SLS' experienced management and staff, with manageable overall turnover levels.
- The Computershare Loan Services (CLS) enterprise compliance management system and governance framework designed at the enterprise level and uniformly cascaded to SLS.
- CLS' enterprise-level direct oversight and support of key control functions, such as vendor management, information technology (IT), complaint management, and the lines of defense.
- SLS' strong internal control environment with multiple lines of defense, enterprise risk management and analytics, and systems automation to support each function.
- SLS' well-designed IT infrastructure, applications, and controls surrounding cybersecurity.
- SLS' servicing performance metrics, which are generally competitive against its peer group.
- SLS' good focus on systems and workflow automation throughout the loan administration processes.
- SLS' solid servicing strategies for first and subordinate-lien loans, and robust default management practices and loss mitigation technology to effectively manage nonperforming, re-performing and high-risk loans.

We raised our loan administration subrankings on SLS to STRONG from ABOVE AVERAGE for the four rankings due
to the continued strength of its overall servicing performance metrics, solid loan administration servicing practices, automated workflow technology used throughout the loan administration processes, and robust default management practices employed across all its portfolio types. In addition, SLS' internal audits continue to reflect solid results and stability in the loan administration processes and the overall servicing operations.

The ranking outlook on each ranking is stable. SLS' operations are supported by the company's experienced and tenured management team, strong internal controls, robust technology environment and process workflow automation, solid default management processes and delinquency statistics, and competitive servicing performance metrics. We believe SLS will remain a capable and effective servicer of prime, subprime, special-serviced, and subordinate-lien mortgage loans.

In addition to conducting an onsite meeting with servicing management, our review includes current and historical Servicer Evaluation Analytical Methodology data through June 30, 2022, as well as other supporting documentation provided by the company.