



## **Servicer Evaluations**

Under a standardized approach, servicers can be compared directly using the evaluations assigned that indicate their respective servicing competence. Servicers are evaluated based on eight criteria which include (a) Company Structure, Management Experience, and Outlook (b) Asset Administration, Reporting, and Customer Service (c) Loss Management (d) Technology and Systems (e) Financial Condition (f) Staff and Training (g) Procedures and Controls and (h) Outsourcing and Sub-Servicing Arrangements. Servicer evaluations may be taken as evidence of DBRS having assigned an operational risk evaluation and may be relied on by third parties as such.

### **SUPERIOR**

A servicer evaluation of “Superior” indicates that a servicer has exhibited a thorough understanding of the eight servicing criteria, in addition to being assessed as Superior in the implementation and execution of all of the facets of servicing. These servicers may be characterized as companies that have seasoned servicing professionals that have the capacity to handle peaks in workflow and that exhibit market leadership and experience through economic and credit cycles.

### **GOOD**

A servicer evaluation of “Good” indicates that a servicer has exhibited a comprehensive understanding of the eight servicing criteria and received a positive assessment in most of the aspects of servicing, but could benefit from improvement in some less critical areas or could gain from additional experience. Servicers in this category may have experience in servicing similar assets outside of securitization, and are entering securitization servicing as an expansion of current business lines.

### **ADEQUATE**

A servicer evaluation of “Adequate” indicates that a servicer has exhibited a full understanding of the eight criteria reviewed by DBRS, but it lacks a certain level of experience and consistency in implementation. These servicers may not yet have substantial volume to demonstrate their ability in execution, or may be entering the securitization servicing as a new line of business.

### **WEAK**

A servicer evaluation of “Weak” indicates that a servicer has fallen short in one or more of the eight criteria, either through not exhibiting any benchmarked traits, or through lack of understanding of how to implement them correctly. A servicer with a “Weak” evaluation may have limited functions within the servicing agreements, and its ability to expand the services offered without further development is considered constrained.