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Grandbridge Real Estate Capital LLC STRONG Commercial Loan Primary Servicing Ranking Affirmed; Outlook Is Stable

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OVERVIEW

- We affirmed our ranking on Grandbridge Real Estate Capital LLC as a primary servicer.
- Our ranking reflects our opinion of the company's successful track record as a primary servicer, seasoned and tenured management and staff, experience with multiple capital sources and a wide variety of property types, solid financial and resource commitment to technology systems, and a good compliance and control environment.

NEW YORK (Standard & Poor's) March 2, 2016--Standard & Poor's Ratings Services today affirmed its STRONG ranking on Grandbridge Real Estate Capital LLC (Grandbridge) as a commercial loan primary servicer. The outlook for the ranking is stable.

A wholly owned subsidiary of BB&T Corp. (BB&T), Grandbridge is a full-service commercial mortgage banking company. Headquartered in Charlotte, N.C., Grandbridge arranges permanent commercial and multifamily real estate loans, services loan portfolios, and provides asset and portfolio management and real estate brokerage services nationally. It has a relatively broad capital-provider base, primarily including insurance companies, commercial mortgage-backed securities, and government-sponsored entities.

The company, which originated \$7 billion in commercial real estate loans during 2015, operates loan origination offices in 23 cities across the U.S. Servicing personnel are primarily based in Charlotte and Birmingham, Ala., with additional staff located in Atlanta; Kansas City, Mo.; Los Angeles; and Orlando, Fla. Although its loan count has declined in the past few years, Grandbridge's servicing portfolio volume, which totaled \$29 billion as of Dec. 31, 2015, has remained fairly steady as increased average loan size has largely offset the reduced loan count.

Our ranking reflects:

- Controlled growth and a successful track record of serving lender clients and borrowers;
- An experienced and tenured management team and staff;
- Experience with multiple capital sources and various collateral property types and locations;
- A solid financial and resource commitment to the technology systems needed to effectively manage the loan portfolio;
- Institutional backing and support of its parent, BB&T; and
- Notwithstanding a less frequent internal audit schedule than most similarly ranked peers, a good compliance and control environment.

The outlook for the commercial mortgage primary servicer ranking is stable. We believe Grandbridge has the staffing, processes, and technology it needs to administer its portfolio in accordance with generally accepted servicing practices. We believe it has reasonable growth plans and a skilled and tenured servicing team. The servicing platform also is expected to continue to benefit from BB&T's strong institutional support.

The financial position is SUFFICIENT.

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 Evaluations: Servicer Evaluation Ranking Criteria: U.S., Sept. 21, 2004

Related Research

- Select Servicer List, Feb. 29, 2016
- Servicer Evaluation: Grandbridge Real Estate Capital LLC, Aug. 11, 2014

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