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EMEA Servicer Evaluation Industry Report 2016

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S&P Global Ratings' Europe, Middle East, and Africa (EMEA) servicer evaluation industry report provides an annual summary of our ranking activity and the servicers that we rank. Servicers' core business is managing portfolios of loans and other credits on behalf of third parties, such as financial institutions, investors, or special-purpose entities (SPEs); otherwise, they manage the portfolios that they own. Servicers are defined as captive if they are owned by a banking group or a major investor that represents their biggest or a unique client.

Servicers can manage performing loans (primary servicers) or nonperforming loans (NPLs; special servicers), or they can monitor subservicer activity (master servicers). Many servicers supply a wider range of corollary services, which are excluded from our analysis. We only take these activities into account if we consider that they could affect the servicing activities that we rank.

The information in table 1 is current as of June 2016.

Ranking Activity In 2016

New ranking activity

In 2016, we assigned seven new rankings, assessing one servicer for the first time, as follows:

- We assigned two rankings to Savia Asset Management as a special servicer of commercial loans and residential mortgages in Spain.
- We assigned three rankings to Credito Fondiario SpA as a master servicer of residential mortgages, commercial mortgages, and non-real estate-related debt in Italy.
- We assigned two rankings to Capita Asset Services (Ireland) Ltd. as a primary and special servicer of residential mortgages in Ireland.

Surveillance ranking activity

We constantly monitor the activity of ranked servicers to detect any developments that could trigger a ranking or outlook update; we formally review our assessment on a periodic basis. In 2016, we have taken the following actions:

- We affirmed 35 rankings;
- We assigned seven new rankings;
- We raised six rankings; and
- We revised our outlooks on nine rankings.

Outstanding rankings

Our rankings have historically been concentrated in the U.K. and Italy. In 2016, we have seen increased activity in Italian, Irish, and Spanish jurisdictions. As of December 2016, we provided 77 rankings for 30 servicers.

- Thirty rankings are in Italy: four as primary servicers, 14 as special servicers, and 12 as master servicers.
- Twenty-four rankings in the U.K.: 12 as primary servicers and 12 as special servicers.
- Thirteen rankings in Ireland: seven as primary servicers, five as special servicers, and one as a master servicer.
- Five rankings in Spain as special servicers.
- Four rankings in Germany: one as a primary servicer and three as special servicers.
- One ranking in Portugal as a special servicer.

Withdrawn rankings

During the same period, we withdrew our rankings on The Situs Cos., Hatfield Philips International Ltd. and Hatfield

Philips Deutschland GmbH, Hoist GmbH, and Paragon Bank Outsourcing Solutions at the clients' request.

Most Relevant Changes In 2016

In 2016, the servicing industry in Europe witnessed new regulatory requirements in some jurisdictions and further market evolution due to new entrants and acquisitions.

Rise of NPL market in Italy increases the focus on servicing

Since the onset of the financial crisis, Italian banks have accumulated a record high of nonperforming exposure (NPE) with an outstanding balance that is nearly five times higher than the amount registered in 2007. In 2016, Italian banks have disposed some NPLs, and further sales are expected to take place in the coming months. In S&P Global Ratings' opinion, the Italian servicers could be part of the solution to work out such a large stock of NPLs regardless if they will be sold (see "**Italian Servicers Could Be Part Of The Solution To The Nonperforming Loan Burden**," published Nov. 21, 2016).

If banks are going to retain part of this stock, outsourcing its management could support banks' internal capacity of servicing defaulted loans and could also support their unlikely strategic interest in building up this expertise. Furthermore, if banks are going to sell defaulted loans or originate publicly securitized NPL transactions, third-party servicers will represent the natural alternative to manage those loans on behalf of investors, which usually do not have any capacity to service NPL loans, or on the behalf of special-purpose vehicles, which don't have this capacity by definition.

Since the Italian banking system started accumulating NPLs, we have observed servicers readying their organizations to manage part of the stock of defaulted assets. In the aftermath of the financial crisis, the clients' greater concern on reputational risks required the servicers' to guarantee sufficient controls to reduce these risks. At the same time, servicers have been pushed to achieve more cost-effective structures by the critical market condition, which reduces the margin on the servicing fee by requiring more effort at the same price. The most proactive servicers have thus invested to improve automation of their supporting systems and reduced the recourse to expensive resources to process tasks that can be easily standardized. Servicers have also invested in their staff. Motivated and committed credit managers are invaluable assets because they can more effectively engage the customers. Servicers have reported a negative impact of the current economic scenario on the collection level. Nonetheless, based on provided information, they are still reporting a resilient ability to perform in line with their dynamic business plans.

A high number of acquisitions registered around Europe

In 2016, we recorded several acquisitions and consolidations among the servicers that we rank in Europe.

In November 2015, affiliates of the Fortress Group, a global asset management company, acquired the controlling capital of doBank SpA. doBank SpA was the former Unicredit servicing platform and largest servicer in Italy by assets under management. In July 2016, doBank SpA obtained control of Italfondiario SpA, the second-largest servicer in Italy formerly owned by other Fortress affiliates. The two companies continue to operate as separate entities. In December 2016, Arrow Global Group PLC announced its intention to acquire Zenith Service SpA subject to Bank of Italy's approval.

In 2015, Blackstone Group L.P. (Blackstone) and TPG Specialty Lending Inc. (TPG), through their special situations platforms, acquired Acenden from Lehman Brothers' administrators. As a result, Acenden became the servicer of a new flow of mortgages originated by Kensington Mortgages Ltd. (KM) that Blackstone and TPG previously acquired in 2014 from Investec. At the beginning of 2016, Blackstone and TPG launched The Northview Group, which includes KM, Acenden, and the newly established New Street Mortgages, a mortgage lending brand for niche markets. The group moved its operations to Maidenhead where new premises host a workforce of 500 people working on mortgage underwriting, processing, and servicing. The subsidiaries of the group share common objectives and supporting functions while maintaining separation and independency of their respective operations.

In May 2016, Tech Mahindra Ltd., a global multinational specialist in digital transformation, announced the acquisition of Target Group Ltd. and its subsidiary, Target Servicing Ltd. Target Group Ltd. is a business process outsourcing and software provider to the mortgage and financial services industry, while Target Servicing Ltd. is a third-party servicer that offers end-to-end services tailored to clients' needs. We will closely follow the latter's performance and will monitor any impact the acquisition might have on the servicer.

In December 2016, Capita PLC announced the sale of the Capita Asset Services division, which includes Capita Asset Services (Ireland) Ltd. and Capita Asset Services (U.K.) Ltd. (jointly referred to as CAS) and Capita Mortgage Services Ltd. Those companies work as relatively independent entities; consequently, the clients estimate that the sale process will have a minor impact on its operations in the medium term after the sale.

Further acquisitions took place in Spain and Germany. In May 2016, Lindorff took over the majority stake of Aktua Soluciones Financieras S.L.U. (Aktua). Lindorff is a major European credit management service provider and has extensive experience handling primarily unsecured nonperforming portfolios. In November 2016, Lindorff and Intrum Justitia announced their intention to merge, creating the largest credit management company in Europe. Aktua could benefit from operational synergies by being part of a larger credit management service group. A full integration plan has yet to be approved, and we will closely monitor its implementation. In addition, as observed in previous years, banks have continued consolidating their core business by selling their servicing platforms. At the beginning of the year, Ibercaja sold its real estate platform to Aktua.

Just like in Spain, the German servicing sector registered an important acquisition. In late 2015, a private equity firm acquired GFKL Financial Services AG (GFKL) and Lowell Group Ltd., another U.K. servicer, to create a European group providing special servicing of unsecured credits. Although the former CEO of GFKL moved to the supervisory board of GFKL as chairman following the purchase, the management team in Germany remained widely unaffected, which guarantees continuity in managing the German operations. After the sale, in February 2016, GFKL turned into a Gesellschaft mit beschränkter Haftung (GmbH; a private limited liability company) from an Aktiengesellschaft (AG; limited by share). Since the ownership change, the new European executive team is working on a common plan across businesses in Europe. Nonetheless, there have been no major changes in the German operations, and the servicer confirmed that it is not expecting any in the foreseeable future.

In our opinion, the European servicing industry will register further acquisition and consolidation in 2017. Similarly, there could be interesting development in this sector in jurisdictions such as Greece.

Table 1

EMEA Servicer List

Servicer name	Servicer type	Asset class	Comments
		Germany	
GFKL Financial Services GmbH (GFKL)	Special servicer	Asset finance	GFKL is a group that supplies collection and loan management services through six operative subsidiaries in Germany. In 2015, a private equity firm acquired GFKL and Lowell Group Ltd., another U.K. servicer, to create a European group providing special servicing of unsecured credits. As of June 2016, GFKL employed 803 staff members in Germany working on a portfolio of €16 billion. Proceeds Collection Services GmbH (PCS) and Sirius Inkasso GmbH (SI) together manage the largest part of the overall GFKL portfolio. Our rankings only apply to them. PCS works for financial institutions and banks on consumer loans. As of the end of June 2016, 150 staff members managed a total portfolio of €12.4 billion. SI manages small credits primarily for insurance companies for a total portfolio of €1.127 billion managed by 196 employees.
Hudson Advisors Germany GmbH (HAG)	Primary and special servicer	Commercial mortgages	HAG is a subsidiary of Hudson Advisors LLC. HAG manages a range of assets in different market roles on behalf of Lone Star Funds. HAG, as a servicing operation, is supported by regional functions based in London and Dublin. As of June 2016, HAG employed 38 employees in Germany managing a total commercial portfolio of €2.4 billion, 42% of which are performing loans.
Solutus Advisors Germany GmbH (Solutus)	Special servicer	Commercial mortgages	Solutus was incorporated as a special servicer of commercial mortgage loans in the U.K. in late 2010. In 2012, Solutus opened a new office in Frankfurt. As of June 2016, Solutus' total commercial portfolio in Germany accounts for €253 million and is managed by two loan managers.
		Ireland	
Acenden Ltd. (Acenden)	Primary and special servicer	Residential mortgages	In 2015, The Blackstone Group L.P. and TPG Specialty Lending Inc. acquired control of Acenden's capital. Starting in 2016, Acenden is part of the Northview Group, together with two lenders, Kensington Group Ltd. and New Street Mortgages. Acenden acts as primary and special servicer for U.K. and Irish residential mortgages managed by 227 staff members working from its

			offices in Maidenhead, London, and Dublin. As of June 2016, Acenden managed an Irish mortgages portfolio of €1.22 billion, of which 34% is performing loans.
Capita Asset Services (Ireland) Ltd.(CAS)	Primary, special, and master servicer	Commercial and residential mortgages	Capita Asset Services is part of Capita PLC, a Financial Times Stock Exchange 100 company and a leading provider of outsourcing services across a number of markets. Capita Asset Services (Ireland), Capita Asset Services (U.K. and London), and Capita Asset Services (GmbH), collectively described as CAS, are the group entities working as master, primary, and special servicers. At the end of June 2016, CAS' headcount across the U.K. and Ireland comprised 582 employees. The CAS Irish portfolio comprises €91.3 billion, including €89 billion of commercial mortgages and €2.3 billion of residential mortgages.
HML	Primary and special servicer	Residential mortgages	HML is currently the largest third-party mortgage administrator in the U.K. and operates in Ireland as well. In July 2014, Computershare, an Australian-listed company that provides outsourced services across more than 20 jurisdictions, bought HML. As of June 2016, HML employed about 998 staff across its four operational sites: the head office in Skipton and the offices in Glasgow, Derry, and Dublin. As of June 2016, HML managed a total Irish portfolio of €2.18 billion, including 36% of performing residential mortgages.
Pepper Finance Corp. (Ireland) DAC T/A Pepper Asset Servicing	Primary and special servicer	Residential and commercial mortgages	PAS is part of Pepper Group, established in Australia in 2001 and listed there. As of June 2016, PAS employed approximately 443 staff and managed assets totaling 18.6 billion, comprising €8.7 billion of residential mortgages, €7.8 billion of commercial mortgages, and €2.1 billion of unsecured loans (the latter figure is outside the scope of our assessment).
ORIX Aviation Systems Ltd. (OAS)	Primary servicer	Asset finance	OAS is a wholly owned subsidiary of ORIX Corp., which is a financial services group based in Tokyo, and operating in over 36 countries worldwide. OAS is an owner of aircrafts, a lessor, and an asset manager for aircraft leases and aviation-related investments. As of June 2016, the OAS team comprised 51 staff managing a total portfolio in excess of 130 aircraft, with over 50 clients.
			Italy
CAF SpA (CAF)	Special servicer	Residential mortgages and asset finance	CAF was established in 2004. Lone Star Funds, a U.S. private equity firm, acquired it in May 2015. CAF works as a servicer managing several asset classes. However, we rank it as a special servicer of residential mortgages and consumer credits only. CAF also supplies pricing, due diligence advisory, and real estate evaluation services to investors and Italian banks. CAF's staff totals 191 people based in Rome and Milan. As of June 2016, CAF manages a total portfolio of €6.386 billion, including €1.558 billion of Italian residential mortgages and €4.828 billion of unsecured credits.
Credit Network & Finance SpA (CNF)	Special servicer	Asset finance	CNF is a special servicer established in 2007 and initially focused on the collection of defaulted debt related to non-life insurance policies. In 2012, it expanded into the banking sector as a special servicer of consumer credits. The company has offices in Verona, Milan, and Benevento. As of June 2016, CNF's insurance-related debt portfolio accounted for an outstanding balance of €102 million, while the consumer credits portfolio accounted for €809 million and subsequently rose to €204.7 million and €2.736 billion by year end, respectively. The company's workforce comprises 145 staff.
Credito Fondiario SpA (CF)	Primary and master servicer	Residential and commercial mortgages and asset finance	CF is a bank that provides primary, special, and master servicing activity. Our ranking is limited to its primary activity on residential and commercial mortgages and master servicing activity on secured and unsecured credits. Since 2013, Tages Holding SpA and some senior managers have retained control of Credito Fondiario. As of June 2016, the workforce comprised 92 employees, who manage a total portfolio of €4.2 billion, including almost €300 million of performing commercial and residential mortgages and €3.6 billion of master serviced credits.
FBS SpA (FBS)	Special servicer	Residential and commercial mortgages and asset finance	FBS was founded in 1997 by the current CEO and other finance executives, some of whom still remain as senior managers and minority shareholders. FBS is an independent organization managing several asset classes. FBS owns FBS Real Estate SpA, which provides real estate advisory services for external players and the parent company. Its 124 employees are located in Milan and two operative branches in Ravenna, north Italy, and Bari, south Italy. As of June 2016, FBS managed a total portfolio of €7.41 billion, 77% of which is unsecured.
Italfondiario SpA (Italfondiario)	Primary and special servicer	Residential and commercial mortgages	Italfondiario is one of the two largest independent Italian servicers of performing and nonperforming loans. In October 2016, Italfondiario became part of the doBank group. In addition, the company avails itself of specialized group companies, such as doRealEstate and Italfondiario Business Information Service, thereby offering its clients a fully integrated suite of

			services, including collection, recovery, real estate services, and due diligence. As of June 2016, the servicer manages a gross book value of approximately €10.3 billion on behalf of Italian banks and international investors, of which 59% are residential mortgages and 41% commercial loans, by 367 operative staff out of a total workforce of 548. Italfondiario also manages €28 billion of consumer loans which are beyond the scope of our assessment.
Prelios Credit Servicing SpA (PCS)	Special and master servicer	Residential and commercial mortgages and asset finance	PCS is owned by Prelios SpA. PCS is a special and master servicer of residential mortgages, commercial mortgages and unsecured loans, and also manages nonsecuritized portfolios. It operates its servicing platform through a central function in Milan and has a branch in Rome. Special servicing assets under management at the end of June 2016 had a gross book value of €2.78 billion, including €1.085 billion of asset finance loans, which are beyond the scope of our assessment as special servicer, €1.274 billion of commercial loans, and €418 million of residential mortgages. As a master servicer, PCS manages a total portfolio of €6.9 billion of gross book value, which comprises €3.24 billion of asset finance loans, €1.47 billion of commercial loans, and €2.18 of residential loans.
Securitisation Services SpA (SecServ)	Master servicer	Residential and commercial mortgages and asset finance	SecServ is an Italian company that undertakes third-party master servicing for securitizations and performs a number of other roles, including primary servicer, computation agent, corporate servicer, and noteholder representative. SecServ is part of Banca Finint and, as of June 2016 managed a total portfolio of €20.5 billion, including €3.098 billion of residential mortgages, €0.701 billion of commercial mortgages, and €16.717 billion of consumer loans.
doBank SpA (doBank)	Special servicer	Residential and commercial mortgages and asset finance	doBank was established in 1999 as a special servicer within UniCredit Bank AG, and in February 2015, it was acquired by Fortress Investment Group LLC. In July 2016, doBank obtained the control of Italfondiario SpA, the second-largest servicer in Italy and formerly owned by other Fortress affiliates. As of June 2016, doBank managed a total portfolio of €34 billion in nonperforming loans. Of the overall portfolio, 25% comprises residential mortgages, 67% commercial loans, and 8% unsecured loans. doBank and Italfondiario as a group managed almost €72.3 billion of assets over the same period - including €28 billion of Italfondiario's unsecured portfolio, which is outside the scope of our analysis.
Zenith Service SpA (Zenith)	Master servicer	Residential and commercial mortgages and asset finance	Formed as an independent company in November 1999, Zenith manages and oversees securitized and nonsecuritized loan portfolios. The company has two offices: one in Milan and one in Rome. Since its incorporation, the company has participated in various transactions as a primary, special, and corporate master servicer and more recently as a backup servicer. Our ranking relates exclusively to the company's master servicing activity. At the end of June 2016, Zenith managed a total portfolio of over €12.5 billion; €11.4 billion comprised consumer finance, €0.96 billion commercial loans, and €0.161 billion residential mortgages.
		Spain	
Aktua Soluciones Financieras S.L.U. (Aktua)	Special servicer	Residential mortgages	Aktua is an asset management company providing a wide range of services, including portfolio valuation and pricing, loan servicing, and real estate asset management, including commercialization and sales. In 2016, Lindorff, a European credit management service provider, acquired the majority stake in Aktua. Currently, the servicer operates from 23 offices located all over Spain. As of June 2016, Aktua managed a portfolio accounting for more than €3.352 billion of residential mortgages and €2.5 billion of repossessed residential properties. The company serves financial institutions, investors, and private and public entities in Spain.
FinSolutia S.A.	Special servicer	Residential mortgages	FinSolutia S.A. is an independent company supplying a variety of services to support asset management, from portfolio due diligence to repossessed properties management in Portugal and Spain. The Portuguese and Spanish branches manage assets independently within their own jurisdictions, but share senior management teams, supporting functions, and IT platforms. As of June 2016, the total residential specially serviced portfolio in Spain accounted for a total gross book value of €355 million, including loans and repossessed properties, managed by 75 staff. The company also manages corporate loans outside the scope of our assessment.
Hipoges Iberia S.L. (Hipoges)	Special servicer	Residential mortgages	Hipoges is an asset management company providing a wide range of services all along the investment cycle and founded in 2008. Hipoges' primary business is servicing portfolios of distressed debt and real estate assets. As of June 2016, Hipoges' overall Spanish portfolio accounted for €5.8 billion of gross book value, comprising secured and unsecured credits including residential mortgages, corporate and small and midsize enterprise

			loans, commercial real estate, unsecured loans, and a real estate-owned portfolio. Of a total staff of 200, 47 manage residential mortgages. The Spanish residential mortgages portfolio accounts for €1.4 billion of gross book value.
Savia Asset Management, S.L.	Special servicer	Commercial loans and residential mortgages	Savia Asset Management is a Spanish special servicer, controlled by JB Capital Markets, which is a broker-dealer working under the supervision of the Spanish and English financial conduct authorities. The mother company provides supporting functions and shares the same premises in Madrid. Savia Asset Management specializes in collection of nonperforming loans. As of June 2016, it was in charge of €2.7 billion of commercial loans, €638 million of consumer loans (outside the scope of our review) and €145 million of residential mortgages. Part of the activity (small tickets) is managed through external law firms and debt collection agencies whose work is duly monitored by internal asset managers.
			Portugal
FinSolutia S.A.	Special servicer	Residential mortgages	FinSolutia S.A. is an independent company supplying a variety of services to support asset management, from portfolio due diligence to repossessed properties management in Portugal and Spain. The Portuguese and Spanish branches manage assets independently within their own jurisdictions but share senior management teams, supporting functions, and IT platforms. As of June 2016, the total residential specially serviced portfolio in Portugal accounted for a total gross book value of €370 million, including loans and repossessed properties, managed by 45 staff.
			U.K.
Acenden Ltd. (Acenden)	Primary and special servicer	Residential mortgages	In 2015, The Blackstone Group L.P. and TPG Specialty Lending Inc. acquired control of Acenden's capital. Starting in 2016, Acenden is part of the Northview Group, together with two lenders, Kensington Group Ltd. and New Street Mortgages. Acenden acts as primary and special servicer for U.K. and Irish residential mortgages managed by 227 staff members working from its offices in Maidenhead, London, and Dublin. At the end of June 2016, Acenden's total U.K. portfolio accounted for £9.857 billion, of which 78% was performing loans.
Capita Asset Services (U.K.) Ltd. (CAS)	Primary and special servicer	Commercial mortgages	Capita Asset Services is part of Capita PLC, a Financial Times Stock Exchange 100 company and a provider of outsourcing services across a number of markets. Capita Asset Services (Ireland), Capita Asset Services (U.K. and London), and Capita Asset Services (GmbH), collectively described as CAS, are the group entities working as master, primary, and special servicers. At the end of June 2016, CAS' headcount across the U.K. and Ireland comprised 582 employees. The U.K. commercial portfolio for which we rank them comprised £15.3 billion.
CBRE Loan Services Ltd. (CBRELS)	Primary and special servicer	Commercial mortgages	CBRELS is a primary and special servicer of European commercial loans. CBRELS is part of the CBRE Group, which is one of the largest commercial real estate services firms in the world, with over 400 offices in more than 62 countries. CBRELS is based in London and has a headcount of 23 staff members. As of June 2016, CBRELS had a primary servicing portfolio of £17.88 billion and a special servicing portfolio of £0.92 billion. CBRE's loan servicing portfolio consists of both securitized and unsecuritized loans, whose assets are primarily located in the U.K., Germany, and France.
Capita Mortgage Services Ltd. (CMS)	Primary and special servicer	Residential and commercial mortgages	CMS is part of Capita PLC, a Financial Times Stock Exchange 100 company and a provider of outsourcing services across a number of markets. CMS has been operating since 1993, managing a range of loan types on behalf of lenders and investors across both performing and nonperforming assets. As of June 2016, CMS managed loans totaling £3.5 billion (27% commercial loans and the remaining residential mortgages). The commercial portfolio comprises £890 million of performing loans and £68 million of loans in special servicing. The residential portfolio is split between £2.4 billion of performing loans and £227 million of loans in special servicing. CMS service a wide variety of loan types, including residential first and second charges, housing association mortgages, bridging and developer finance, commercial, equity release and shared equity mortgages.
HML	Primary and special servicer	Residential mortgages	HML is currently the largest third-party mortgage administrator in the U.K. In July 2014, Computershare, an Australian-listed company that provides outsourced services across more than 20 jurisdictions, bought HML. As of June 2016, HML employed about 998 staff across its four operational sites: the head office in Skipton and the offices in Glasgow, Derry, and Dublin. As of June 2016, HML managed a total U.K. portfolio of £27.6 billion, including 86% performing residential mortgages.

Hudson Advisors U.K. Ltd. (HAUK)	Primary and special servicer	Commercial mortgages	HAUK is a subsidiary of Hudson Advisors LLC, which was established in 1995 with headquarters in Dallas, Texas. HAUK's servicing operation is based in central London and manages a range of assets in different roles on behalf of Lone Star Funds. HAUK, as a servicing operation, is supported by regional functions based in Frankfurt and Dublin. As of June 2016, HAUK employed 105 employees in the U.K. managing a total commercial portfolio of £5.6 billion, 24% of which is performing.
Link Financial Outsourcing Ltd. (Link)	Primary and special servicer	Asset finance	Link is the U.K. servicing arm of the Link Financial Group (LFG) founded in London in 1998. LFG manages an overall portfolio of over €13.5 billion in the U.K., Germany, Spain, Italy, and Ireland. As of June 2016, Link managed a portfolio of £3.93 billion, comprising 20% performing and 80% nonperforming loans. Link services assets across a wide product range, including unsecured consumer loans, motor loans and hire purchase, asset finance, credit card, mortgage product, and student loans. LFG also provides backup servicing via Link to third-party structured finance arrangements or directly to originators.
Mount Street Loan Solutions LLP (MSLS)	Primary and special servicer	Commercial mortgages	MSLS was incorporated in December 2012. Headquartered in London and with an office in Frankfurt, MSLS specializes in loan servicing, facility agent and security trustee roles, nonperforming loan underwriting and due diligence, surveillance reporting, restructuring, and work-outs across Europe. As of June 2016, Mount Street employed 37 staff managing a portfolio of €25 billion of pan-European commercial real estate debt (both securitized and balance sheet positions), including £16 billion in the U.K., of which 85.9% are performing loans.
Solutus Advisors Ltd. (Solutus)	Special servicer	Commercial mortgages	Solutus was incorporated as a special servicer of commercial mortgage loans in late 2010. As of June 2016, Solutus managed a total commercial portfolio of £1.138 billion, including primary servicing loans, from its London and North West office, managed by 14 staff.
Target Servicing Ltd.	Primary and special servicer	Residential mortgages and asset finance	Target Servicing Ltd. is the FCA-regulated business outsourcing subsidiary of Target Group Ltd., a supplier of lending and mortgage software and service solutions in the U.K. In May 2016, Tech Mahindra, a global multinational specialist in digital transformation, acquired Target Group Ltd. Target's Servicing Ltd.'s principal location is Newport, South Wales, and it also has an operational office in Chester. Target Servicing Ltd.'s core business is servicing secured and unsecured loans. As of June 2016, 364 servicing employees managed a total loan portfolio of £5.860 billion. Residential mortgages represent 93% of the portfolio, while the remaining part comprised of consumer credit loans. Target Servicing Ltd. additionally services £1.549 billion of commercial loans and £759 million of investment savings products, the latter being outside the scope of our assessment.
Wells Fargo Commercial Mortgage Servicing (WFCMS)	Primary and special servicer	Commercial mortgages	WFCMS is the fully owned commercial real estate servicing branch of Well Fargo Bank, which is among the largest corporations in North America, providing banking, insurance, investment, and finance services at the global level. WFCMS has expanded its European servicing business, in which it has been active since 2006, following the acquisition of the former Hypotheken Bank's (commercial U.K. assets in 2013. As of June 2016, WFCMS managed €1.15 billion of U.K. commercial mortgages. It has two London-based employees who are fully supported by global operations, which comprises more than 900 staff worldwide.

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
- **Methodology For Evaluating And Ranking Small-Balance Commercial Mortgage Servicers**, July 23, 2007
- **Servicer Evaluation Ranking Criteria: U.S.**, Sept. 21, 2004

Related Research

- **Select Servicer List**, Jan. 13, 2017
- **Italian Servicers Could Be Part Of The Solution To The Nonperforming Loan Burden**, Nov. 21, 2016
- **A Look At Internal Controls In The Global Residential Mortgage Servicing Industry**, July 14, 2014
- **EMEA Servicer Evaluation Industry Report 2014**, Dec. 23, 2014
- **Criteria Regarding "Prudent Servicing Practices" in CMBS Outlined**, June 8, 2004

Only a rating committee may determine a rating action and this report does not constitute a rating action.

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