FitchRatings

Prudential Asset Resources

Prudential Asset Resources (PAR, or Prudential) is the commercial real estate (CRE) loan servicing subsidiary of PGIM Real Estate Finance (PGIM REF), a wholly owned subsidiary of Prudential Financial, Inc. (PFI). The company performs loan servicing exclusively for loans originated by PGIM REF that are held in the company's general account, securitized in CMBS transactions or originated for government-sponsored enterprises (GSE) or other institutional investors.

PAR's commercial servicing portfolio mainly comprises nonsecuritized insurance company loans on behalf of PGIM REF, representing 56% of the portfolio by loan count. The company also performs servicing for GSEs and institutional investors, representing 33% and 10% of the portfolio, respectively, by loan count. While Prudential's loan servicing portfolio continues to be heavily weighted toward general account loans, new affiliate investment funds are expected to increase and further diversify the portfolio.

PGIM REF originations of approximately $15 billion in 2017, more than $18 billion in 2018, and $19.5 billion in 2019 continue offset loan maturities and increase the average balance of loans serviced. The majority of new loan originations are institutional loans for the general account and agency loans, a portion of which are securitized into Freddie Mac CME transactions, which continue to provide PAR with experience in servicing securitized loans given the runoff of its legacy CMBS portfolio. International servicing, continues to increase approximately $1 billion annually as PFI expands originations globally.

Servicer Ratings

- Fitch rates primary and master servicers, which protect the interests of the certificateholders in the trust, by servicing and administering the mortgage loans.
- The primary servicer is responsible for day-to-day servicing functions, while the master servicer is responsible for monitoring the activities of the primary servicers, investor reporting and timely remittance of funds to trustees.
- Fitch also rates special servicers, which are key to maintaining the credit quality of a pool containing nonperforming commercial mortgages and real estate-owned assets. The special servicer is responsible for working out loans, foreclosing and liquidating assets.
- In assessing and analyzing the capabilities of primary, master, and special servicers, Fitch reviews several key factors, including the management team, organizational structure and operating history, financial condition, information systems and, with respect to the special servicer, workout and asset disposition experience and strategies.
- Fitch rates commercial mortgage primary, master, and special servicers on a scale of 1 to 5, with 1 being the highest rating. Within each of these rating levels, Fitch further differentiates ratings by plus (+) and minus (–) as well as the flat rating.

Structured Finance
Commercial Mortgage Servicer
North America

Ratings

Commercial Master Servicer	CMS2+
Commercial Primary Servicer	CPS1
Commercial Loan-Level Special Servicer	CLLSS2

Last Rating action: Affirmed March 2020

Applicable Criteria

Criteria for Rating Loan Servicers (February 2020)

Criteria for Rating North American Commercial Mortgage Servicers (January 2020)

Related Research

Fitch Affirms Prudential's Commercial Mortgage Servicer Ratings (March 2020)

Fitch Affirms Prudential Financial's Ratings; Outlook Stable (September 2019)

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Key Rating Drivers

Company/Management: Prudential has been servicing CRE loans since 1898 and continues to remain active in the servicing and origination of CRE loans, particularly for the general account and, to a lesser extent, for new vintage CMBS and GSEs. Servicing functions performed by PAR are key to supporting the CRE originations of PGIM REF, providing a steady flow of new business. While the number of loans serviced has remained stable for approximately two years, the average balance of loans serviced has increased 15%, leading PAR to surpass $100 billion of servicing in third-quarter 2019.

PAR also services the majority of the CRE investments of PFI and performs servicing for affiliate CRE investment funds and expects to begin servicing high-yield and core-plus loans in 2020 on behalf of the new CRE investment funds. PAR also services approximately $7 billion of loans in six currencies and 10 countries, one of the largest and most diverse international portfolios of Fitch-rated servicers in North America.

Staffing and Training: Prudential continues to experience several years of low turnover and above-average employee training. Managers in master and primary servicing average 12 years of company tenure and 21 years of industry experience, while servicing staff average seven years of company tenure and 16 years of experience. Special servicing managers average more than 12 years of company tenure and 32 years of workout experience. Employees routinely exceed the company's required 40-hour average training minimum, having completed 42 hours for the 12 months ended Sept. 30, 2019.

Technology: Prudential is the first Fitch-rated servicer to successfully implement optical character recognition to automate the review of the property insurance ACORD 25 form in 2019. The company maintains a highly integrated technology infrastructure for loan servicing anchored by the most recent version of McCracken's Strategy (version 19D) and supplemented by a proprietary application to support loan originations, asset management and workflow. Prudential also maintains propriety applications for borrower and investor communications, as well as a data warehouse.

Procedures and Controls: PAR has a dedicated business strategy and support (BSS) group responsible for measuring performance, compliance and accuracy through a comprehensive process that includes monitoring more than 250 metrics. PAR is also subject to an internal audit review by the parent of PGIM REF, Prudential Investment Management (PIM, a subsidiary of PFI), as well as external RegAB and various third-party client audits.

Financial Condition: Fitch affirmed the long-term Issuer Default Rating (IDR) for PFI at 'A'/Stable in September 2019 reflecting the company's very strong business and financial profile. The ratings also consider ongoing challenges due to low interest rates and competitive market conditions, as well as business and investment exposure to the macroeconomic environment in Japan.

Loan Administration: PAR's core servicing system and proprietary ancillary systems are fully integrated into a robust technology platform that performs all servicing functions from origination to payoff and provides for key metrics to support compliance. While Prudential uses both an offshore affiliate and an outsourcing vendor to perform certain servicing functions, the company retains all approval authority and has the ability to perform and monitor the functions domestically.

Defaulted/Nonperforming Loan Management: Nonsecuritized loans, which represent a majority of PAR's named special servicing portfolio, are balance sheet loans originated by PGIM REF. While the special servicing team of four is small, staff members manage specially serviced loans in a team environment and have experience with all CRE property types across all markets. The size of the special servicing team is appropriate for the limited number of active specially serviced loans.

Company Experience Since:

CRE Servicing	1875
CMBS Primary Servicing	1999
CMBS Master Servicing	2001
CRE Loan Workout	1875
CMBS Workout	2003

Source: Prudential Asset Resources.

Operational Trends

Business Plan	▲	Growth in portfolio with demonstrated sponsor support investing in servicing infrastructure
Servicing Portfolio	■	Year-over-year loan count change of approximately 10%
Financial Condition	■	Stable Outlook
Staffing	■	Staffing changed less than 12% +/-
Technology	▲	Best in class to improving technology, well managed upgrades
Internal Controls	■	Stable control environment; no material audit findings.
Servicing Operations	■	Stable operations, no material changes year-over-year

Source: Fitch Ratings.

Company Overview

Servicing Portfolio Overview

	9/30/19	% Change	12/31/18	% Change	12/31/17
Total Servicing					
UPB ($ Mil.)	102,617	7	96,153	7	89,564
No. of Loans	4,630	2	4,558	(2)	4,631
Primary Servicing					
UPB ($ Mil.)	102,617	7	96,153	7	89,564
No. of Loans	4,630	2	4,558	(2)	4,631
Master Servicing					
UPB ($ Mil.)	125	(27)	172	(37)	275
No. of Loans	23	(26)	31	(37)	49
Special Servicing — Named					
UPB ($ Mil.)	76,766	7	72,041	7	67,162
No. of Loans	2,985	2	2,921	(0)	2,933
Special Servicing — Active[a]					
UPB ($ Mil.)	67	(32)	99	(28)	137
No. of Loans	6	—	6	(33)	9

[a]Includes REO assets.
Source: Prudential Asset Resources.

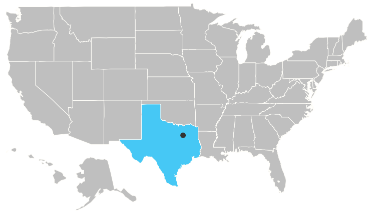
Growth in the servicing poftolio and product type diversification come from servicing for affiliate investment funds with various mandates. PAR expects to begin servicing core, core+, value-add, agency, and agriculture loans in 2020 in support of new CRE investment funds.

PAR is the commercial mortgage servicing entity of PGIM REF, a wholly owned subsidiary of PFI. PFI is one of the world's largest financial services organizations, with operations in the U.S., Asia, Europe and Latin America and over $1.4 trillion in total assets under management as of Sept. 30, 2019. As of that date, PAR's total servicing portfolio consisted of 4,630 loans totaling $102.6 billion, of which approximately $8.5 billion is securitized. PAR retains all primary servicing responsibility for loans originated by PGIM REF as well as special servicing for nonsecuritized loans. Additionally, PAR provides servicing for loans originated by PGIM Real Estate, which provides commercial real estate equity and debt financing to international clients.

PAR's commercial servicing operations continue to focus on loans originated by PGIM REF for the general account, the GSEs (Federal Housing Administration [FHA], Fannie Mae and Freddie Mac) and other third-party investors. PGIM REF originated approximately 580 commercial real estate loans totaling $18.1 billion in 2018 with similar production in 2019. While the number of loans serviced has remained stable for approximately two years, the average balance of loans serviced has increased 15%, leading PAR to surpass $100 billion of servicing in the third quarter of 2019. In addition to CRE servicing, PAR also performs general ledger accounting, transfers, debt valuations and total return reporting for insurance company loans, new loan forecasts, loan quality ratings and loan fee accounting for PGIM REF.

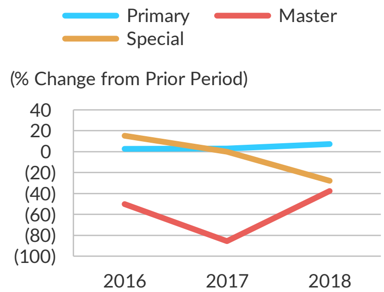
Principal servicing operations and the majority of servicing staff are located in Dallas, with offshore servicing staff located in Letterkenny, Ireland, through an affiliate company, Pramerica (PFI's offshore captive platform). PAR also has expanded international commercial loan servicing and now services more than $7 billion in loans denominated in six foreign currencies across 10 countries from the Dallas office.

Office Locations



Primary Office: Dallas, TX.

Servicing Portfolio



Note: Special servicing includes loans actively in special servicing (including REO). Total excludes special servicing.
Source: Prudential Asset Resources .

PAR was previously an active originator of CMBS loans through a joint venture with Perella Weinberg known as Liberty Island Group. The venture, which had a five-year term, concluded in June 2016, having originated and contributed 312 loans representing $4 billion, for which PAR retained primary servicing responsibilities.

PAR services approximately $7 billion of loans in six currencies and 10 countries, one of the largest and most diverse international portfolios of Fitch-rated servicers in North America

PGIM Real Estate and PGIM REF formed a partnership in 2016 for a high-yield real estate debt investment platform called PGIM Real Estate Debt Strategies (PREDS). The platform, which combines PGIM REF's debt origination and management abilities with PGIM Real Estate's investment management and capital-raising abilities, invests in transitional whole loans and mezzanine/preferred equity, for which PAR retains servicing responsibility. PREDS began originating loans in 2018 and as of September 2020 had originated approximately 40 loans totaling $2 billion. PREDS is expected to continue to generate approximately $1.0 billion in new originations annually, for which all will be retained by PAR.

Financial Condition

Fitch affirmed the long-term IDR for PFI at 'A'/Stable on Sept. 13, 2019. Fitch's ratings on PFI reflect the company's very strong business and financial profile. The ratings also consider ongoing challenges due to low interest rates and competitive market conditions, as well as business and investment exposure to the macroeconomic environment in Japan.

Recent financial performance and key balance sheet metrics continue to be in line with rating expectations.

Fitch views the recently announced acquisition of Assurance IQ (Assurance) as neutral to PFI's credit profile as the longer term strategic value of the transaction is balanced against near-term integration risk. Assurance is a leading consumer solutions platform for health and financial wellness solutions.

Employees

As of Sept. 30, 2019, PAR maintained master and primary servicing staff of 143 employees, unchanged from Fitch's prior review, including 27 (up from 21) staff located in Letterkenny as part of Pramerica. The number of special servicing employees, the majority of which are shared resources with primary servicing due to the low number of loan defaults, remains unchanged from the prior year.

Employee turnover remains low compared to other large institutional Fitch rated servicers.

Staffing levels are monitored by senior management on a monthly basis. Senior managers proactively manage recruitment relative to turnover to ensure staffing levels remain adequate to meet servicing obligations. Employee performance is monitored with midyear and annual performance appraisals, 360-degree peer feedback, mentoring programs, customer survey feedback and ongoing staffing discussions.

Employee Statistics

	2019				2018			
	No. of Employees	Average Years Industry Experience	Average Years Tenure	%Turnover	No. of Employees	Average Years Industry Experience	Average Years Tenure	%Turnover
Domestic Primary/Master Servicing								
Senior Management	4	31	13	0	3	28	10	33
Middle Management	28	21	12	4	27	20	12	4
Servicing Staff	84	18	9	13	91	18	8	11
Total	**116**	—	—	**10**	**121**	—	—	**10**
Offshore Primary/Master Servicing								
Senior Management	0	—	—	0	0	—	—	0
Middle Management	5	13	11	0	1	17	17	0
Servicing Staff	22	7	3	19	20	9	4	0
Total	**27**	—	—	**17**	**21**	—	—	**0**
Total	**143**	—	—	**11**	**142**	—	—	**9**
Special Servicing								
Senior Management	1	30	6	0	1	29	5	0
Middle Management	1	34	17	0	1	33	17	0
Servicing Staff	2	22	13	0	2	21	12	0
Total	4	—	—	0	4	—	—	0

Source: Prudential Asset Resources.

Primary/Master Servicing

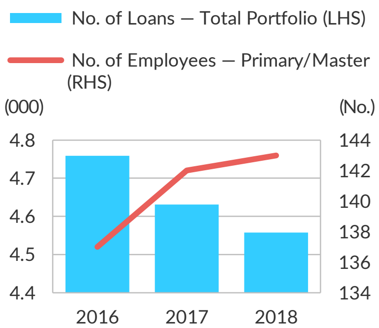
The primary and master servicing team is organized functionally across servicing, asset management, investment operations, and business support services group. Given the limited number of master servicing duties as a result of legacy payoffs, there is no dedicated master servicing staff as master servicing duties are integrated across the functional teams. Servicing teams are generally staffed at the associate, analyst and senior level to provide advancement opportunities as well cross team support.

The primary and master servicing group continued to experience low overall turnover of 10%, consistent with the prior review, as result of 12 employee separations in Dallas and four in Letterkenny. Turnover among middle managers was limited to one domestic separation, resulting in 4% turnover. Turnover among domestic staff level employees increased due to two employee retirements who had been with the company more than 10 years. Domestic average employee industry experience and tenure were not negatively affected by turnover, while the average experience and tenure of offshore employees declined as a result of six new hires.

The senior management team is led by four managers who average 31 years of experience and 13 years of tenure. There are 28 domestic middle managers who average 21 years of experience and 12 years of tenure as well as five offshore managers who average 13 years and 11 years, respectively. PAR maintains an experienced and tenured domestic management team of 32, providing sufficient depth and support to the group's 84 domestic staff level employees.

Domestic staff-level employees declined slightly to 84 employee from 91 the prior year; however, the number of offshore employees increased resulting in a net gain of one servicing employee. Domestic staff level employees average 18 years of experience and nine years of tenure, which compares favorably to highly rated Fitch servicers. Offshore staff-level employee average seven years of experience, three years with company and include five new hires. Offshore Pramerica employees, who are solely dedicated to servicing.

Loan and Employee Counts



Source: Prudential Asset Resources .

Special Servicing

The special servicing group consists of one senior manager, one middle manager and two staff-level employees, unchanged from the prior year. The middle manager is fully dedicated to special servicing, while the remaining three employees support PGIM REF and primary servicing, and are available as needed. Fitch noted that PAR has a deep bench of experienced staff with workout experience to draw upon should the volume of defaults increase. While the special servicing management team is small and presents potential key-person risk, Fitch believes these risks are mitigated by the depth of experience and tenure of the entire group, as well as the resources available within master/primary servicing and PGIM REF.

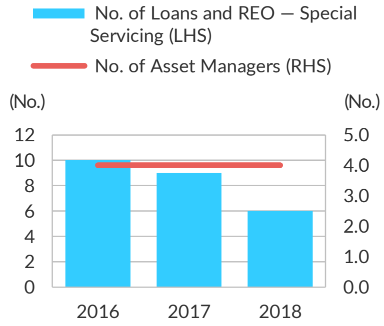
The special servicing group is led by a senior manager with 30 years of experience and six years of company tenure. The manager has prior asset management and servicing experience within PAR and is also responsible for certain master/primary servicing functions. The middle manager, who also acts as the group's primary asset manager, has 34 years of experience and 17 years of tenure. Staff-level employees, consisting of two shared resources, average more than 20 years of experience and 13 years with the company.

The special servicing group experienced multiple years of no turnover. Fitch noted that while the special servicing group is small and draws on support from master/primary servicing employees, middle and asset managers have remained largely consistent for several years.

PAR does not maintain a separate real estate-owned (REO) group due to the limited number of REO assets. However, its experienced asset managers are responsible for foreclosure and REO management functions. As is common among non-third-party special servicers with low loan defaults, the special servicing team includes both employees dedicated to special servicing as well as employees who also perform other asset management functions for PAR and PRIM REF.

PAR has demonstrated proficiency adjusting its staffing needs relative to market conditions. During times of increased defaults, PAR has increased the size of the special servicing team by drawing experienced real estate professionals from other areas within PGIM REF, such as originations. In addition, as PGIM REF has expanded geographically, Prudential placed asset managers in PGIM REF offices within highly distressed regions.

SS Loan and Employee Counts



Source: Prudential Asset Resources .

Training

PAR maintains a tiered approach to training requirements with employees with less than three years of tenure required to complete 40 training hours and employees with greater than three years completing 30 hours annually.

PAR's training program, called Learning Connection, is administered by the corporate compliance group as well as a training committee comprised of the departmental representative and chaired by the vice-president of BSS. All training is delivered and tracked by the company's proprietary TrainingConnect application. System generated reports from Learning Connect and TrainingConnect are used to track employee compliance with required training and professional development.

In 2019, PAR introduced tiered annual training requirements based on employee tenure. Employees completed an average of 42 hours during the 12-months ended Sept 2019.

Training is provided through a variety of methods, including Web-based training, vendor-sponsored webinars and outside instructors. Annual training curriculums focus on improving individual skillsets, developing leadership competencies and departmental cross-training opportunities. PAR also required all new employees to complete level one of the MBA CCMS certification program within 12 months of being hired. The company also provides employees the opportunity to complete level two of the MBA CCMS certification and currently has four employees who have completed the full CCMS program.

Annual required training for PAR employees includes a corporate policy refresher, ethics training, anti-bribery/anti-corruption, privacy and information security awareness courses. Training topics added to the Learning Recent training topics include State of the US Retail Market, Mortgage Servicing & Sub-Servicing, Ordinance or Law Insurance, LIBOR training, GSE Loan Servicing, Group Lease Training and Loan Workout 101. In addition to Learning Connection, PAR offers financial support to employees for undergraduate and post-graduate studies and professional certifications.

For the 12-month period ended Sept. 30, 2019, PAR employees responsible for both primary and special servicing functions averaged 42 hours of training, commensurate of Fitch-rated servicers of similar scale. PAR will expand its Learning Connection program with the addition of myLearning in 2020

Operational Infrastructure

Offshore Operations

Pramerica is a captive offshore affiliate located in Letterkenny supporting various Prudential affiliate companies. Of Pramerica's 1,800-plus employees, 27 are dedicated to PAR servicing.

The affiliate, which originally began as a business continuity platform for servicing, has grown to become an integral part of daily operations and extends PAR's workday an additional five hours. Employees within Pramerica are able to perform and/or participate in payment processing, CMBS surveillance, investor reporting, loan accounting, lease consents, repair monitoring, reserve disbursements and treasury and servicing functions for international loans.

While PAR utilizes employees of an offshort affilate, offhsore employees are fully integrated with the servicing group and report directly to domestic managers.

In 2019, PAR realigned Pramerica staff to report directly to managers in Dallas who utilize key performance indicator reports to monitor multiple performance metrics around servicing functions and tracks volume, productivity and quality. In addition to day to day interfaces, PAR formally holds approximately 20 knowledge exchanges between Dallas and Letterkenny either in person or through video conferences.

Outsourcing

PAR outsources limited servicing functions to Silverskills in Gurgaon, India and ReQuire/Covius in Chennai, India. Silverskills performs data entry for rent rolls as well as financial statement data entry spreading within PAR's LoanConnect application along with bank reconciliations, loan quality ratings and various data entry functions; ReQuire/Covius performs insurance policy data input, also within LoanConnect. The work product of both vendors is reviewed by PAR, which itself maintains the ability to perform both functions internally if needed.

The vice president of BSS oversees Silverskills with the goal of continuous process improvement to further leverage offshoring opportunities in order to maximize the efficiency of the overall platform. Fitch noted that PAR's internal key metric report contains multiple measures of work performed by third parties.

Similar to other CRE servicers, PAR engages third parties for tax payment and reporting, UCC filings and property inspections. Fitch does not view the current level of outsourcing to be material given its limited scope, and PAR retains the expertise to perform the functions in house.

Vendor Management

Vendor management is the responsibility of Prudential's enterprise vendor governance office (EVGO), which is made up of employees from legal, compliance, audit, risk management and the individual business lines. EVGO maintains processes for selecting and engaging vendors, and analyzes the financial condition, capabilities and controls around outsourced functions as well as performs a risk rating analysis of the vendor. Additionally, PAR has a business services support team specifically responsible for working with the vendor governance office and the PGIM REF risk management group on behalf of PAR to ensure vendors are monitored and assessed for the appropriate risk level.

Prior to engaging a vendor, a performance monitoring plan is developed that includes monthly, quarterly and annual reporting. The business support services team actively solicits feedback from PAR line managers to confirm ongoing monitoring and identify any material changes that may impact the risk assessment of the vendor. Managers are responsible for monitoring and validating the work of their teams, including quality control testing. The vice president of BSS is responsible for monitoring the performance of offshore vendors. Vendor performance is also tracked by servicing function in PAR's Key Indicator Report, which contains multiple metrics to monitor each servicing function.

Information Technology

PAR is the first Fitch-rated servicer to successfully implement optical character recognition to automate the review of the property insurance ACORD 25 form in 2019. The newly automated review process has materially reduced review time, saving more than 1,000 hours, and increased the acuracy of data collected. Having proven successful, the company plans to expand the functionaity to other forms and servicing processes.

PAR uses McCracken's Strategy, version 19D, as its primary system for all loans, including loans for non-U.S. collateral. In addition, the following secondary systems and applications are integrated with Strategy:

- LoanConnect: Proprietary asset management and workflow application.
- BorrowerConnect: Proprietary borrower website
- Data Connect: Consolidated data warehouse.
- InvestorView-Proprietary investor website.
- PruXchange: Website for document exchange.
- IBM Content Manager: Third-party document imaging and content management.
- Argus: Third-party property valuation.
- MIAC: Third-party servicing portfolio valuation.
- PRIDE/AMLS: Third-party check production system and OFAC verification.
- Oracle: Third-party general ledger.

Nightly data feeds from Strategy are used to populate DataConnect for reporting purposes and LoanConnect. Microsoft Power BI is the primary report writer for DataConnect and LoanConnect. Additional reporting is available through preprogrammed reports in Strategy as well as ad hoc reporting through Crystal Reports and the AS400's query tool. Robot Reports is used to schedule, distribute and store all key reports.

Recent technology enhancements include upgrade of Strategy from version 19 to 19D, implementation of Microsoft Power BI for reporting functions, LoanConnect enhancements to support international servicing, and expanded use of automated task management tools to track investor reporting and remittance due dates.

Initiated in 2018, PAR successfully completed initiative project to adopt Optical Character Recognition (OCR) technology to data collection from ACORD 25 forms. Fitch was provided a demonstration of the technology which significantly reduced the time necessary to review the forms and increased data accuracy.

Future technology initiatives include modernization of the borrower and investor websites; expansion of OCR and artificial intelligence technologies to automate, operating statements and rent rolls. Continued development of international loan monitoring tool and use of an application program interface to synchronize data from the company's tax vendor.

Application and technology support is provided by a team of 25 IT professionals located in Dallas, Atlanta and Newark. Additionally, PAR is able utilize 10 Pramerica IT resources to support development and data analysis needs. Network and desktop support services are provided by the Prudential global business and technology support groups. Security administration and oversight are provided by PIM's business security office.

Disaster Recovery/Business Continuity Plan

PAR maintains a business continuity plan that is distributed to senior management and disaster recovery teams annually. The primary business plan includes both a work-from-home strategy as well as an alternative Prudential office in North Dallas located approximately 20 miles away from the main office that is equipped with information technology hardware if necessary. Business-critical associates are equipped with laptops allowing remote access to all critical Prudential systems. The plan includes information cards and a call tree listing critical phone numbers, contact information and meeting places that are distributed to all employees. In addition to the formal business continuity plan for U.S. operations, PAR is able to leverage Pramerica to perform critical servicing functions such as cash processing.

The Strategy loan servicing system is hosted by McCracken in its Billerica, MA, data center. The data center has a redundant power supply with a disaster recovery contract with SunGard for 24-hour recovery. The most recent vendor disaster recovery test occurred in

November 2019 and was deemed successful. LoanConnect is classified as mission critical application with an expected recovery time of four hours or less.

All other PAR applications are hosted by Prudential's data center in Dresher, PA, which also has a redundant power supply. In addition, Prudential maintains a secondary production data center in Minneapolis that can become the primary production site within a few hours of a failure at the primary data center. The most recent data center failover test occurred in January 2019 with successful results. PAR expects minimal data loss in the event of a power loss as a result of ongoing data replication between its data centers.

The disaster recovery plan and activation of the North Dallas recovery location are tested on an annual basis. The most recent successful test occurred in March 2019, with no material issues cited.

Internal Control Environment

PAR maintains a very strong multifaceted internal control environment. Controls are established through formal policies and procedures, and compliance is actively monitored by dedicated quality control resources, largely through comprehensive metrics for accuracy and timeliness. PAR is also subject to annual internal audit reviews by PGIM, a subsidiary of PFI whose coverage includes PGIM REF and PAR, as well as external, Reg AB and third-party client audits.

Policies and Procedures

PAR's policies and procedures are available to all employees electronically through the company's internally developed LoanConnect application. Unless business needs require a change, policies and procedures are formally reviewed every two years by the respective department director, the vice president of BSS and the responsible team director. The policies and procedures reflect the original implementation date as well as the date of the most recent revision. There were no material updates to policies and procedures during the 12 month ended September 2019.

In addition to policies and procedures, LoanConnect also contains pooling and servicing agreements (PSAs) and PSA abstracts for all transactions that PAR master services. Fitch reviewed a sample of Prudential's policies and procedures and found them to be complete, with step-by-step instructions and illustrations for servicing tasks. Policies and procedures sampled by Fitch had variable last review dates; however, Fitch noted some policies had not been reviewed in 24 months pursuant to PAR's policy.

PAR's monthly Key Indicator Report, which is used to monitor operational complainace across servicing functions, is highly effective monitoring tool with well defined metrics and risk tolerances for each function.

Compliance and Controls

PAR's dedicated BSS team is responsible for measuring performance, compliance and accuracy through a comprehensive metric process. The process includes more than 250 key performance metrics to track accuracy and timeliness on a monthly basis. The team is composed of 10 members, including the vice president of the BSS team, who reports directly to the president of PAR. BSS also regularly performs independent testing of various processes, including new loan setup, delinquency monitoring, adjustable-rate loans and payoffs. Exception reports are automated in LoanConnect or DataConnect and monitored by the BSS team.

Examples of internal controls monitored by the BSS team and reported monthly include investor report timeliness, as specified in the servicing agreement, UCC lapses, letter of credit lapses, errors in advancing, and loan and property data integrity. Fitch reviewed the September 2019 Key Indicator report used to monitor performance in areas such as advancing, bank account reconciliation, monthly cash activity, investor reporting, collateral monitoring, insurance, asset management and surveillance functions among others. Fitch found the report, which included prior month results and prior year-end averages, a highly effective tool to monitor compliance and servicing performance. The report, which Fitch views as best in class among highly rated servicers, did not contain any material negative findings or trends.

In addition, the BSS team prepares quarterly quality control reports for FHA-insured and Ginnie Mae loans, which are provided to and countersigned by senior management. Fitch also reviewed a quality control report for FHA loans as of 2Q19, which sampled 13 loans for compliance with servicing terms. The report contained no material findings.

A dedicated compliance team with PGIM oversees compliance activities of PAR with support from the BSS group. The compliance team is part of the boarder Prudential Financial compliance organization the reports to the chief compliance officer of PFI. Compliance examination occur annually across the enterprise given PGIM's designation as a registered investment advisor.

Internal Audit

PGIM has a separate audit team of approximately 20 auditors at the corporate level, with employees allocated to PGIM REF and PAR based on the scope of the internal audit. The team performs annual audits of PAR servicing functions with varying scopes based on a risk assessment of each function and other audits performed in a given year as well as annual SOX audits.

PAR's servicing group is subject to an annual internal audit by PGIM, although the scope varies and is based on a broader annual risk assessment of all PGIM REF entities. PAR is considered a medium-risk entity subject to a full internal audit every two years to three years and receives process- or product-specific, limited-scope reviews in between full-scope audits.

The most recent full-scope internal audit focused on Agency Asset Management and Reporting and was completed in 1Q20. Fitch discussed the scope of the audit, sample testing procedures, and results with two representatives of PGIM internal audit. The scope of the audit included loan set up, trigger setup and administration, site inspections, credit actions, financial statement and rent roll analysis, and reporting for FNMA loans from September 2018 through August 2019. The audit was contained three findings, that Fitch deemed to be minor, which management responded to with corrective remediation plans. One of the audit findings was remediated within the first quarter and the last two have remediation plans scheduled to be completed in 2Q20. While the loan was focused on a specific loan type, Fitch noted the audit is applicable to the entire servicing portfolio as PAR follows the same servicing procedures for all loans, irrespective of loan type.

PAR is subject to multiple internal and external audits annually. The most recent internal audit, which Fitch noted had a broad scope and contained detailed sample testing, contained only minor operational findings which management addressed through remediation plans.

External Audit

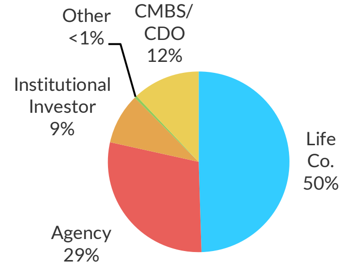
PAR is subject to annual RegAB audits for its servicing portfolio. Fitch reviewed PricewaterhouseCoopers LLP's (PwC) 2019 Reg AB audit of PAR issued in February 2020. The audit confirmed PAR's compliance with servicing criteria and contained no negative findings. PAR does not undergo a USAP audit, instead performing a Reg AB audit for its entire portfolio.

In addition to the Reg AB audit, PAR was the subject of desktop or full reviews by two CMBS master servicers, operational reviews by Freddie Mac and Fannie Mae in 2019, as well as four targeted audits by PwC for specific products or processes in 2019. None of the external reviews or audits resulted in unsatisfactory ratings or material findings according to PAR.

Primary Servicing

As of Sept. 30, 2019, PAR acted as primary servicer for 4,630 loans totaling $102.6 billion, including 555 CMBS loans representing $8.6 billion and 4.075 non-CMBS loans totaling $94.0 billion. The servicing portfolio has increased 15% by balance from year end while the number of loans has remained stable, reflecting the larger balance of new originated loans during the 21 months ended September 2019. Non-CMBS loan servicing is performed for PGIM REF (56% by count), for the GSEs (33%) and on behalf of institutional investors (10%), a product mix that has been consistent for several years.

Primary Servicing Product Type
(As of Sept. 31, 2019)



Source: Prudential Asset Resources .

Primary Servicing Portfolio Overview

	9/30/19	% Change	12/31/18	% Change	12/31/17
CMBS					
No. of Transactions — Primary Servicer	177	5	168	6	159
UPB — Primary Servicing ($ Mil.)	8,604	1	8,523	2	8,325
No. of Loans — Primary Servicing	555	(0)	557	(4)	580
Non-CMBS					
UPB ($ Mil.)	94,013	7	87,630	8	81,239
No. of Loans	4,075	2	4,001	(1)	4,051

Source: Prudential Asset Resources.

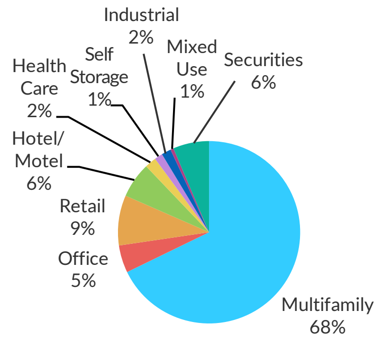
New Loan Setup

PAR works closely with PGIM REF's regional offices to set up newly originated loans. Loan closers in Prudential's regional offices enter required data elements into LoanConnect, which is then transferred to Strategy via an automatic feed once the loan has closed. While PAR maintains the ability to setup loans in bulk, it does this infrequently as most new loan servicing assignments are sourced from regional offices.

Following the receipt of executed loan documents, PAR performs a quality control review on all data points prior to releasing the loan into production. New loan boarding takes approximately one hour as a result of data feeds from LoanConnect, and PAR's goal is to set up all new loans within two days of closing. Post loan boarding, a secondary servicing team member performs a formal quality control review of each loan and completes a quality control check list. Additionally, the BSS team monitors loan boarding timelines through exception reports and cross-checks 20% of new loans against the original loan documents.

Throughout the loan origination process, loan covenants are captured by several groups across REF and PAR. Originators and loan closers are responsible for the initial input of loan covenants into LoanConnect. A quality control review is performed both at the regional office where the loan was originated and by PAR, as it is responsible for monitoring and managing all post-closing covenant actions and boarding the loans to Strategy, which is accomplished primarily through a nightly data feed. Reports and e-mail reminders are sent to responsible parties within PAR once loan covenants are tripped. An asset manager reviews the loan documents for lockbox covenant requirements and captures the data in LoanConnect for tracking and compliance administration.

CMBS Servicing Property Type
(As of Sept., 31, 2019)



Source: Prudential Asset Resources.

Accounting and Cash Management

The cash management team is responsible for monitoring bank accounts, posting transactions and verifying account reconciliations daily, while the servicing team is responsible for resolving unidentified payments and suspense reconciliations. The treasury team oversees money movements, check and wire disbursements, and overall checks and balances. Finally, the accounting team independently verifies all receipt account activity daily to ensure aged or unidentified receipts are resolved.

A dedicated cash management team, within servicing, work with the banks, borrowers and internal and external counsel to ensure that cash management is timely and accurate. The team's core responsibilities include covenant monitoring, document negotiation, waterfall

% Payment Collections Via:

ACH	66
Lockbox	2
Wire	32
Other	-

Source: Prudential Asset Resources.

management and review of the budgets on a loan-by-loan basis and overall management and administration of the cash management process. The group also verifies bank account rating quarterly to confirm compliance with servicing agreements.

As of September 2019, Prudential serviced 253 loans with cash management agreements, less than 6% of which were being actively managed by the cash management team. For the 12 months ended September 2019, the cash management team has activated five loans with springing lock boxes.

Letters of credit, which may be posted as additional loan collateral, are recorded and monitored in LoanConnect. Renewal notices are sent 90, 60 and 30 days prior to expirations. In the event a letter of credit is not renewed, the loan servicing team makes several attempts to contact the borrower before drawing on the letter before expiration. As of September 2019, PAR was responsible for monitoring 27 letters of credit.

Escrow Administration

PAR administers tax and insurance escrows for approximately 28% of the entire portfolio serviced and 68% of CMBS loans serviced. Tax and insurance escrow accounts are reviewed annually to confirm sufficient funding for the year using monthly reports from the servicing system to identify loans due for updated escrow analysis. A monthly exception report identifies any lapse in a loan's annual escrow review. PAR incurred one de minimis tax penalty during the 12-months ended September 2019 due to a late payment for which the company has since implemented enhancements to its exception monitoring for tax payments.

Tax payments for non-escrowed loans are monitored and tracked similarly to escrowed loans to ensure taxes are paid timely with the assistance of PAR's tax vendor. Weekly tax monitoring reports are generated from the servicing system to identify all loans with delinquent taxes or due within 30 days.

The servicing team is responsible for reviewing tenant improvement and leasing escrow draw requests and distributions. Following the receipt of a borrower's draw request, with proper documentation, the request is reviewed, independently approved and disbursed in accordance with the loan documents. All escrow due dates and any compliance items are tracked in LoanConnect.

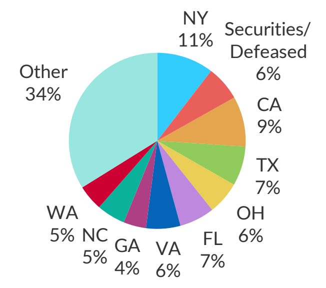
Property insurance monitoring begins at loan setup when insurance reviews are performed and requirements are documented in LoanConnect. Borrowers are contacted prior to insurance expirations reminding them of the expiration and what coverage levels are required per the loan documents. Insurance renewals are reviewed and updated in the new insurance module within LoanConnect and compared to loan document requirements. Any deficiencies are communicated directly to the borrower and if not corrected timely could result in forced placement insurance by PAR. In 2019, PAR implemented optical character recognition to review and extract data from the ACORD 25 form which has improved the accuracy and lowered the time necessary to review insurance compliance.

The loan servicing team is also responsible for UCC administration. UCC continuations are automatically generated by the servicing system six months prior to expiration and sent to a vendor for renewal. PAR did not have any UCC lapses during the 12-months ended September. 2019, an improvement from Fitch's last review. Exception reports are run weekly to identify any missing or expired UCC dates. Additionally, the BSS team runs queries to identify delinquent tax or insurance as well as lapsed or missing UCCs as part of the teams monthly quality control oversight.

Investor Reporting

The investor reporting group, which is part of the loan accounting group, is responsible for monthly reporting and remittance distributions. Investor reporting analysts maintain reporting calendars for all assigned portfolios and are responsible for entering and reviewing data in LoanConnect prior to the reporting date. The investor reporting analyst validates the reports, and validations are secondarily reviewed by an investor reporting manager prior to distribution. The majority of investor reports are generated from the loan system, and any manual inputs or adjustments are verified against source documents. Investor reporting managers create a monthly compliance and reporting calendar to monitor and confirm

CMBS Geographic Distribution
(As of Sept. 31, 2019)



Source: Prudential Asset Resources.

% Portfolio Escrowed for:

Taxes	30
Insurance	28

Source: Prudential Asset Resources.

reporting and remittance deadlines. In addition to investor reporting managers, the BSS team also track investor reporting metrics monthly to identify potential issues.

Asset Administration

The servicing team monitors loan payment due dates using exception reports from Strategy. The borrower is contacted two days after the grace period, and a delinquency letter is sent when loans are 10 days past the grace period. If a payment is not received within 30 days, collection efforts are transferred to the asset management team and the loan may be transferred to special servicing. All efforts to contact the borrower are recorded in LoanConnect.

The surveillance team is responsible for collecting and analyzing borrower financial statements and rent rolls quarterly with the assistance of Silverskills. Borrowers are sent email reminders quarterly of financial statement and rent roll submission requirements, with additional follow up reminders as necessary. Financial statement analysis is typically completed within two to three business days from the date that all documentation is received, imaged and indexed.

Tenant and financial statement data are entered into LoanConnect, which can be used to generate ad hoc queries and performance reports detailing tenant rollover and exposure. The surveillance team monitors the financial statement and rent roll data entry process in the workflow system and reviews the data based on an internal matrix. In addition, the system provides various checks and balances as the information is entered. Monthly management and metrics reports ensure that all required information is received and available.

Either quarterly or upon receipt of new collateral performance information from the borrower, the surveillance group performs a compliance test as part of its property financial review and analysis process. If the lockbox covenants are tripped, the surveillance group immediately notifies the cash management group. The cash management group then works through a checklist of events to ensure that the proper parties are notified and the proper documents executed.

PAR uses the Commercial Real Estate Finance Council (CREFC) watchlist criteria, which are automated within LoanConnect. The surveillance team formally reviews all watchlist loans monthly and updates commentary as appropriate. The surveillance team also reviews all flagged loans for possible escalation to special servicing.

Property site inspections are performed by a third-party vendor for the majority of loans serviced (96%) pursuant to loan servicing agreement requirements. PAR utilizes industry standard inspection forms which are reviewed within 30 days of receipt by Silverskills and the surveillance team. Any deferred maintenance findings are recorded in LoanConnect and elevated by an asset manager who monitors any major repair items.

Pending loan maturities are also monitored in LoanConnect by the servicing group. Borrowers are provided notice of loan maturity up to 12 months in advance and loans are added to the watchlist six months to 12 months in advance of maturity, depending on loan type.

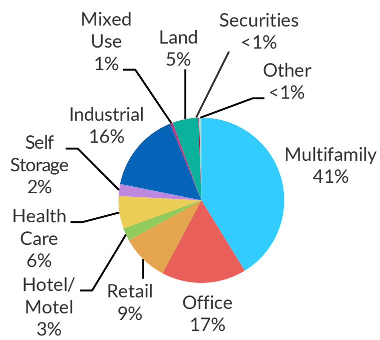
Customer Service

Borrower inquiries received by mail, a customer service line and BorrowerConnect are routed to servicing and asset management staff for resolution. Staff respond to most borrower inquiries immediately and provide payoff quotes within 72 hours. PAR maintains a relationship management team for top borrower relationships in an effort to improve customer service.

PAR performs a formal borrower satisfaction survey for the entire portfolio annually as well as a survey following any credit actions such as assumptions and lease approvals. Additionally, senior management tracks feedback against benchmarked goals and follows up on low survey scores.

PAR perform is one of few Fitch rated servicers who perform an annual borrower satisfaction survey for which it continues to score highly.

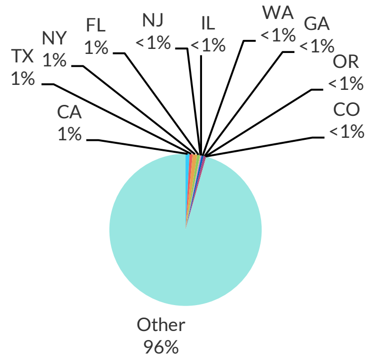
Non-CMBS Servicing Property Type
(As of Sept. 31, 2019)



Source: Prudential Asset Resources.

PAR reviews all watchlist loans and associated commentary monthly, a consistent practice among highly rated servicers.

Non-CMBS Geographic Distribution
(As of Sept. 31, 2019)



Source: Prudential Asset Resources.

Master Servicing

As of Sept. 30, 2019, PAR was named co-master servicer for 13 legacy CMBS transactions, consisting of 23 loans totaling $125 million, down from $172 million the prior year. PAR acts as co-master servicer for legacy CMBS transactions up through the 2007 vintage PAR's master servicing portfolio is expected to continue to run off as the company did not currently retain master servicing for loans contributed to new issue CMBS or agency CME transactions.

Although PAR maintains a small master servicing portfolio, it has demonstrated proficiency managing advancing across multiple loan products. As of Sept 2019, the company had approximately $7 million of funds advanced for 21 loans.

Master Servicing Portfolio Overview

	9/30/19	% Change	12/31/18	% Change	12/31/17
No. of Transactions — Master Servicer	13	(13)	15	(17)	18
UPB — Master Servicing ($ Mil.)	125	(27)	172	(37)	275
No. of Loans — Master Servicing	23	(26)	31	(37)	49
No. of Primary Servicers Overseen	0	—	0	—	0

Source: Prudential Asset Resources.

Primary Servicer Oversight

Although PAR primary services all of the loans in its master servicing portfolio, the company maintains policies and procedures for primary servicer oversight. Subservicers would be required to submit quarterly reports and annual USAP/Reg AB attestations as well as tax and insurance certifications. PAR would also conduct either a desktop audit or on-site audit of subservicers who service 20 or more loans. The purpose of the review is to confirm compliance with loan documents and servicing agreements. Subservicers who service fewer than 20 loans would be required to submit quarterly reports and provide annual USAP/Reg AB attestations and tax and insurance certifications.

PAR shadow services all primary serviced loans by setting them up on its servicing system and recording all monthly payments as well as tax and insurance payment status on a quarterly basis. Reporting and remittances are reviewed by the PAR investor reporting group on a monthly basis. Any property inspections performed by subservicers would be tracked and managed in LoanConnect as are all deferred maintenance issues.

Advancing

All principal and interest advance requests are initiated by the investor reporting group, which is responsible for the remittance of funds, subsequent tracking of interest on advances and the repayment of advances. The investor reporting group works with PAR's accounting group to ensure that advances are repaid in a timely manner. Advance recoverability determinations are made jointly by the vice presidents of servicing, asset management and accounting based on the total amount outstanding relative to the most recent valuation of the asset, collateral type and composition of the securitization for which the advance was made.

Outstanding advances are tracked in LoanConnect and reviewed monthly to protect PAR and the individual securitizations from over-advancing. Due to PAR's declining master servicing portfolio and its role as co-master servicer, its advancing threshold is generally lower than other master servicers, particularly for highly concentrated transactions for which it is master servicer. However, loans are evaluated individually, with consideration given to the size of the entire CMBS transaction.

Investor Reporting

PAR adheres to the CREFC watchlist criteria with an automated process that is managed within LoanConnect by the surveillance team. Once the team has input the watchlist criteria, the system runs a nightly check of all loans and identifies those that have tripped the criteria. This information is reviewed by the surveillance group on a monthly basis and reported as part of the CREFC investor reporting package. PAR reviews and refreshes watchlist comments on a monthly basis, which Fitch views as a best practice for highly rated servicers.

Special Servicing

Special Servicing Portfolio

As of Sept. 30, 2019, PAR was named special servicer on three CMBS loans for loans in three legacy conduit transactions totaling $36.2 million, none of which are in special servicing. As of the same date, PAR was designated special servicer for 2,982 nonsecuritized commercial mortgage loans totaling $76.6 billion. Non-CMBS special servicing and asset management duties are exclusively for PGIM REF-originated and retained CRE loans.

As of the same date, six loans totaling $67.1 million were in default, none of which were REO. Additionally, PAR resolved five non-CMBS loans totaling 62.0 million for the same period, the majority of which were resolved and returned to the servicer or resolved through a discounted payoff. While PAR has had limited REO assets in several years, the company has experience foreclosing and selling CRE assets throughout the U.S. and generally sells assets through receivership.

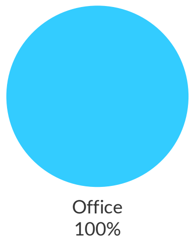
The special servicing group provides asset resolution support for all affiliate capital business lines secured by CRE assets and is expected to continue to add named special servicing assignments.

Special Servicing Portfolio Overview

	9/30/19	% Change	12/31/18	% Change	12/31/17
CMBS					
No. of Transactions Special Servicer	3	—	3	—	3
UPB — Special Servicer ($ Mil.)	36	(15)	43	(24)	56
No. of Loans Named Special Servicer	3	—	3	—	3
UPB Actively Special Servicer (Non-REO) ($ Mil.)	0	—	0	—	0
No. of Loans Actively Special Servicer (Non-REO)	0	—	0	—	0
UPB ¾ REO Assets ($ Mil.)	0	—	0	—	0
No. of REO Assets	0	—	0	—	0
Non-CMBS					
UPB — Named Special Servicer ($ Mil.)	76,730	7	71,998	7	67,106
No. of Loans Named Special Servicer	2,982	2	2,918	(0)	2,930
UPB Actively Special Servicing (Non-REO) ($ Mil.)	67	(32)	99	(28)	137
No. of Loans Actively Special Servicing (Non-REO)	6	—	6	(33)	9
UPB REO Assets ($ Mil.)	0	—	0	—	0
No. of REO Assets	0	—	0	—	0

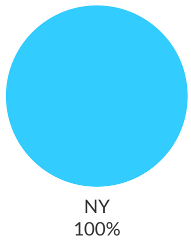
Source: Prudential Asset Resources.

Named CMBS Special Servicing Property Type
(As of Sept. 31, 2019)



Source: Prudential Asset Resources.

Named CMBS Special Servicing Geographic Distribution
(As of Sept. 31, 2019)



Source: Prudential Asset Resources.

Loan Administration

PAR has a shared surveillance team under the asset management group monitoring all assets serviced by the company. The portfolio surveillance team is responsible for credit monitoring the general account, Fannie Mae and interim portfolios as well as any CMBS assets for which PAR is the named special servicer. The special servicing team also has regular communication with the master servicing team regarding potential defaults.

With respect to non-CMBS loans, the special servicing team participates in monthly and quarterly watchlist reviews with various capital sources within Prudential and asset managers prepare a closely monitored list quarterly that serves as a watchlist of potential loan defaults across the portfolio. The vice president of special servicing is also a member of the PMCC risk management committee that meets quarterly to review risks by identifying problem markets, sponsors, tenants and other issues.

Defaulted/Nonperforming Loan Management

Following the transfer of a loan to special servicing, a special servicing code is placed on the loan to notify the master servicing group of the new status. The special servicing group provides written direction to the master servicer on the application of any funds received while the loan is in special servicing.

The assigned asset manager is responsible for conducting a full loan file review including trust documentation to identify potential breaches of the loan sellers' representations and warranties. In addition, the asset manager performs a physical inspection of the collateral and obtains current rental, sales and comparable information from a variety of third-party research providers as well as current borrower and guarantor financial statements. In accordance with the time frame provided in the PSA or other documents, the asset manager is also responsible for drafting an asset status report upon a servicing transfer event, typically within 60 days of transfer. Asset status reports are approved by the special servicing credit committee based on established delegations of authority and contain a full collateral description including improvements; narrative discussion of the loan and circumstances surrounding the default; anticipated foreclosure date (if applicable); appraised value and associated valuation methodology; and possible and recommended resolution strategies.

Any changes to the resolution strategy or material deviations in resolution times or budgets must be reviewed and approved by the special servicing credit committee.

The special servicing group conducts a quarterly review of all specially serviced assets, including CMBS and non-CMBS, using detailed asset summaries that include a review of property and market performance as well as resolution strategy status and prognosis.

Fitch previously reviewed a sample of two asset strategy reports provided by PAR for PGIM REF loans, including a forbearance and an asset sale through receivership cases. Fitch found the asset strategy reports to be well documented and thorough as necessary for the action contemplated. The reports documented clear descriptions of events surrounding the default, property condition, financial data for the borrower and property and the consideration of alternate resolution strategies with a proposed strategy based on a net present value analysis.

REO Management

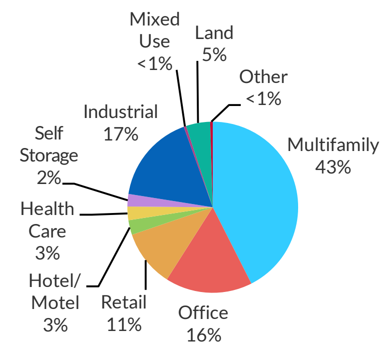
PAR follows a dual-track methodology similar to most special servicers, under which foreclosure proceedings occur simultaneously with workout discussions to protect the interest of the trust.

When a workout with the borrower is not feasible, the asset manager is responsible for performing a preforeclosure inspection and appraisal update, obtaining an environmental site assessment, performing a delinquent tax search and working with legal counsel to determine all liens on the property and which, if any, are senior to the subject lien. The asset manager generally solicits multiple bids from prospective property managers to ensure the proper scope of services and pricing are obtained. Property managers are required to complete annual operating budgets and provide detailed monthly operating reports to the asset manager as well as to PFI for independent review. Loans in the foreclosure process are subject to enhanced monitoring not only by PAR special servicing but also the broader PGIM REF organization inclusive of senior management, finance and legal.

The asset manager prepares a property strategic plan (PSP) within 60 days of title transfer to PAR. The PSP includes operational, capital expenditure and disposition plans for the asset and is approved by the special servicing credit committee. While assets may require lease up or capital improvements before being marketed, asset managers generally attempt to liquidate REO assets as quickly as possible, with each asset analyzed and managed to achieve the highest possible recovery. In developing a liquidation strategy, asset managers contact multiple brokers to obtain opinions of value, additional market color and prospective marketing plans. Listing brokers are selected based on market and asset experience as well as fees.

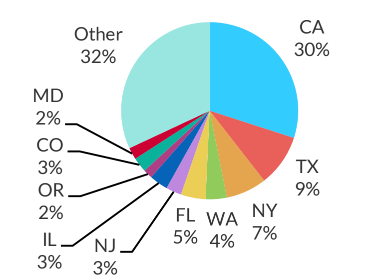
PAR resolved five non-CMBS loans totaling $62.0 million for the same period, the majority of which were resolved and returned to the servicer or resolved through a discounted payoff.

Named Non-CMBS Special Servicing Property Type
(As of Sept. 31, 2019)



Source: Prudential Asset Resources.

Named Non-CMBS Special Servicing Geographic Distribution
(As of Sept. 31, 2019)



Source: Prudential Asset Resources.

Governance and Conflicts of Interest

Managing Potential Conflicts

Potential conflicts of interest in special servicing arise through various forms, particularly as investors retaining controlling positions in securitizations or specific loans have influence on workout strategies and the ability to select the special servicer.

PAR acts as special servicer only for loans originated by PGIM REF and currently does not pursue third-party special servicing appointments. Additionally, neither PAR nor any other affiliate PFI companies currently invest in subordinate CMBS B-pieces or subordinate loans for which PAR might be appointed special servicer.

PAR has an information barrier policy that separates physical and electronic data from business units, including PGIM REF's investment division and certain other U.S.-based business and corporate departments. The policy includes compliance monitoring and employee training and acknowledgment of the policy. In the event PAR was working out a loan where a PFI-related entity held an investment, the policy would be applied to mitigate potential conflicts and separate the decision-making process.

Prudential has additional company policies to address conflicts of interest and mitigate risk. Fitch reviewed the company's policies relating to personal conflicts of interest, protection and use of material nonpublic information and vendor agreements and compliance. The policies were well documented and demonstrate how Prudential organizationally takes conflicts of interest seriously.

Affiliate Companies

Neither PAR nor PGIM REF nor PFI has affiliate companies that provide real estate management or broker services. Affiliate Prudential companies may provide CRE financing or equity investments for sponsors of CMBS loans.