

IMS Limited Partnership

IMS Limited Partnership (IMS) is an independently owned Canadian commercial mortgage loan servicer founded in 2009. IMS is an affiliate of IMC Limited Partnership (IMC), a commercial mortgage lender and investment fund manager. The companies are related by common ownership and management. The founding partners and senior management team of both companies have worked together in the Canadian commercial mortgage market since 1997 and are equity partners in each company.

Predominately a captive servicer, servicing assignments are dependent upon the fundraising and loan origination activities of IMC, although IMS has a small number of third-party servicing clients as well. IMC originates between \$500 million and \$600 million in commercial real estate (CRE) loans each year, and loans are held by one of IMC's six investment funds or sold to third parties, which may include securitization.

IMC is a securitized issuer, having issued seven transactions under its own shelf since 2011; it also contributed loans to seven other Canadian securitized transactions, with REALT 2021-1 the most recent. IMC also originates and IMS retains servicing for government-insured loans in the National Housing Act (NHA) mortgage-backed securities (MBS) program guaranteed by Canada Mortgage and Housing Corporation (CMHC) and high-yield loans, which have some level of transition, and core/core plus loans. High-yield loans and core/core plus loans are held in the company's funds.

IMS's servicing group of six employees was named primary servicer for 279 loans representing \$2 billion in outstanding balance as of June 30, 2022. Of the loans serviced, 141 totaling \$958.3 million are held in 13 securitized transactions. The remaining 138 loans totaling \$1.1 billion are held in IMC affiliate funds or by third parties.

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.

Ratings

Commercial Primary Servicer CPS2-

Outlook

Stable

Applicable Criteria

[Criteria for Rating Loan Servicers \(December 2022\)](#)

[Criteria for Rating North American Commercial Mortgage Servicers \(December 2022\)](#)

Related Research

[Fitch Affirms IMS Limited Partnership's Commercial Primary Servicer Rating \(February 2023\)](#)

[Canadian CMBS Default and Loss Study \(December 2018\)](#)

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Key Rating Drivers

Company/Management: The servicing group is integral to the overall business model of IMC, providing for strong sponsorship support. IMS acts as the primary servicer for each loan originated by IMC, irrespective of the ultimate owner of the loan, and serves as the main point of contact between the lender and borrower. IMC also relies on IMS for borrower and property-level information to help manage and report on its investment funds. In addition to shared office space and technology infrastructure, IMC provides IMS premises and facility management, finance and administration functions, HR and IT support, as well as compliance oversight.

The president and CEO of IMC and IMS has over 35 years of real estate banking and capital markets experience in Canada and the U.S. Senior managers of the originations group average 27 years of experience in the industry, while the senior manager of servicing has significant industry experience and has been with IMS/IMC since inception.

Staffing and Training: While the primary servicing team of six is smaller than those of other Fitch-rated servicers, presenting key-person risk, Fitch notes that staff size is appropriate for the number of loans serviced. The company also makes good use of technology and cross-training to create efficiencies and minimize individual responsibility for servicing functions. IMS continues to demonstrate its ability to manage headcount adding three employees over the past 24 months to address turnover and portfolio growth. There was no turnover in the past 12 months, compared to 40% overall turnover last review and consistent with Fitch's 2020 review. Previous turnover ratios were high due to the small size of the group. There has been no management turnover during the past 36 months.

Technology: IMS uses Altisource's REALSynergy for primary loan servicing, which supports all primary servicing functions, including cash processing. IMS makes good use of the system for quality control reporting as well as investor reporting. Servicing data are maintained in a cloud-based environment and backed up at varying intervals from hourly to monthly. IMS maintains a maximum recovery time of one day for core servicing systems, which compares favorably to highly rated servicers.

IMS remains dedicated to maintaining servicing technology as REALSynergy was recently updated to perform servicing fee calculations on loan payoffs. Previous technology updates included updating the system for daily automatic CMHC reporting to support the company's entry into origination and servicing of NHA-MBS.

Loan Administration: IMS was founded and began servicing commercial mortgages in 2009 and securitized loans in 2011. IMS services a wide range of properties across Canada as the company's total portfolio is made up predominately of multifamily (21% by loan count), retail (20%), manufactured housing (15%) and self-storage (12%) properties. Additionally, IMS has experience with shorter term, high-yield loans given the focus of IMC funds. IMS maintains a well-controlled primary servicing platform with no instances of reporting restatements or errors, minimal tax penalties and no lapsed Personal Property Security Act (PPSA), the Canadian equivalent of the Uniform Commercial Code, in the past 36 months.

IMS has demonstrated asset management capabilities given the nature of the company's servicing role where the vast majority of credit decisions and borrower relationships are maintained internally. IMS acts as a traditional primary servicer and also on behalf of an affiliate controlling class holder for securitized loans in six transactions while nonsecuritized loans are mainly retained in affiliate managed funds.

Corporate Governance: IMS's internal control infrastructure consists of policies and procedures, quality control oversight by the servicing team and a corporate compliance function. IMS does not maintain an internal audit group. The company's high-level policies and procedures to address primary servicing are updated annually and provide an overview of tasks to be performed. Detailed step-by-step instructions and illustrations of related systems and drives supplement the manuals.

Financial Condition: Fitch's Financial Institutions group performed a financial assessment of IMS and determined that the company's short-term liquidity and financial viability are adequate to support the servicing platform.

Company Experience Since:

	Since
CRE Servicing	2009
Securitized Servicing	2011

Source: IMS

Operational Trends

Business Plan	■ Stable business plan with steady flow of new business offsetting portfolio declines
Servicing Portfolio	■ Less than 10% year-over-year growth by loan count or run-off in the portfolio
Financial Condition	■ Outlook/Trend
Staffing	■ Staffing changed less than 12% +/-
Technology	■ Stable technology platform
Internal Controls	■ Stable control environment; no material audit findings.
Servicing Operations	■ Stable operations, no material changes year over year

Company Overview

IMS is an independently owned Canadian commercial mortgage loan servicer founded in 2009. It is affiliated with IMC, a commercial mortgage lender and investment fund manager. IMS and IMC are related by common ownership and management. The founding partners and senior management team of both IMS and IMC have worked together in the Canadian commercial mortgage and securitized market since 1997 at Merrill Lynch and are equity partners in each company.

Servicing Portfolio Overview

	6/30/22	% Change	12/31/21	% Change	12/31/20
Total Servicing					
UPB (\$ Mil.)	2,052.3	-1	2,080.8	-8	2,253.3
No. of Loans	279	0	280	-1	283

Source: IMS

IMC has more than \$840 million in AUM, an increase from \$612 million last review, across six investment funds, which have a mix of institutional and high net-worth investors and average fund lifespans that range from three to seven years. IMC's latest high-yield debt fund was raised in 2021 with approximately \$175 million in capital commitments. Commercial mortgages are retained in IMC-managed investment funds, or sold to third-party investors or securitized in securitized transactions. The funds contain reinvestment periods so a longer duration fund could hold more loans on a cumulative basis than its total AUM over time.

IMC has originated \$5.1 billion of commercial mortgage loans since 2011 and targets between \$500 million and \$600 million annually, which does not include the senior portions of loans that IMC typically syndicates out to third parties. During 2022 and 2021, IMC originated 34 loans totaling \$561.8 million and 40 loans totaling \$597.9 million, respectively. Recent loan origination activity has increased from 17 loans totaling \$227 million during 2020 and is above 39 loans totaling \$499.9 million during 2019.

During 2021, IMC became an approved lender for NHA-MBS loans and IMS also became an approved servicer for loans in NHA-MBS transactions. To date, IMC has originated eight NHA-MBS loans totaling \$41.3 million after becoming an approved lender and servicer in 2021. With recent capital raising initiatives for high-yield loans and core/core plus loans and IMC's participation in government-insured loans in the NHA-MBS program guaranteed by CMHC, loan origination activity is expected to remain strong. High-yield loans have some levels of transition and core/core plus loans and CMHC-insured loans are expected to be complementary providing permanent takeout financing.

IMC is an active securitized issuer, having issued seven transactions under its own shelf, Institutional Mortgage Securities Canada Inc. (IMSCI), between 2011 and 2016. It also contributed loans to seven securitized transactions issued by the Royal Bank of Canada under the REAL-T shelf. For the IMSCI transactions, IMC retains the controlling pieces in the funds but does not assign IMS as special servicer, preferring to engage third parties.

The nonsecuritized segment of the servicing portfolio has grown the most in recent years as IMC has focused on shorter term, high-yield loans, which have some level of transition as well as core/core plus loans. As of June 30, 2022, the portfolio has grown 38% by loan count since 2020 while the securitized portfolio has declined 23% over the same time period.

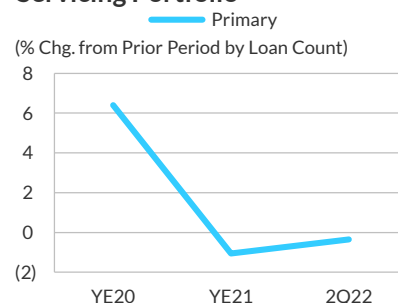
IMS is headquartered in Toronto, Ontario, from which all servicing functions are performed. In addition to shared office space and technology infrastructure, IMC provides IMS premises and facility management, finance and administration functions, HR and IT support, as well as compliance oversight.

Financial Condition

Fitch does not publicly rate IMS. However, Fitch's Financial Institutions group performed a financial assessment of the company and noted IMS's, in tandem with IMC's, success in the Canadian securitized space, solid business model, low levels of debt and strong support from its parent.

While the servicing portfolio has declined due partly to disruptions from the pandemic, loan origination activity has rebounded and is expected to remain strong with recent capital raising initiatives and participation in CMHC-insured loans on apartments and condominiums.

Servicing Portfolio



Source: IMS

Originations continue to focus on high-yield loans increasing IMS's experience with more high-touch, complex loans. High-yield loans in the company's portfolio have more frequent reporting requirements and contain larger balances compared to securitized loans.

Office Locations



Primary Office: Toronto, ON

Fitch noted that IMS's servicing portfolio measured by UPB, number of loans and number of properties has declined since fiscal 2020 driven by maturities in the portfolio. Fitch expects steady originations from IMC to lead to growth in IMS's servicing portfolio over time. While IMS's net income and total revenue have declined since 2020, Fitch expects these metrics to stabilize. IMS's servicing portfolio should benefit from IMC's originations, which amount to between \$500 million and \$600 million in commercial real estate mortgages each year. Fitch believes IMS improved its diversification in recent periods by rebalancing its portfolio to include exposures in multiple geographic areas and property types.

Staffing and Training

IMS's primary servicing group consists of six employees led by a senior manager with 41 years of industry experience, who has been with IMS since inception. Supporting the senior manager are two middle managers who average seven years of industry experience and five years of tenure. Along with the senior manager, one middle manager assists with loan closings splitting time with IMC as well.

There was no turnover in the past 12 months, compared to 40% overall turnover last review and consistent with Fitch's 2020 review. Previous turnover ratios were high due to the small size of the group as two staff-level employees departed the company. There has been no management turnover during the past 36 months. IMS has historically had a stable employee base with minimal turnover; over an eight-year period from 2013 to 2021, 10 employees left the group.

IMS has a demonstrated history of strong headcount management. In the past 12 months, IMS added one new staff-level employee to support portfolio growth. At Fitch's last review, IMS added two staff-level employees to address turnover; one of which was an internal transfer from IMC who splits time performing fund management activities for IMC. During 2020 and 2019, IMS hired a middle manager and two staff-level employees, respectively, to address turnover.

While key-person risk is present due to the size of the servicing group, the company's staffing is appropriate relative to the market and size of the servicing portfolio. Servicing employees perform all functions and are cross-trained in all areas of loan servicing. IMC and IMS senior management team take a proactive approach to staffing needs, meeting at least monthly to review the servicing portfolio. Additionally, IMC has two employees with servicing backgrounds who can be transferred to IMS if necessary. Fitch also notes that IMS is headquartered in a competitive commercial mortgage servicing market with a sufficient pool of experienced servicing personnel.

Employee Statistics

	2022				2021			
	No. of Employees	Avg. Years Industry Experience	Avg. Years Tenure	% Turnover	No. of Employees	Avg. Years Industry Experience	Avg. Years Tenure	% Turnover
Primary Servicing								
Senior Management	1	41	14	0	1	39	12	0
Middle Management	2	7	5	0	2	7	5	0
Servicing Staff	3	3	2	0	2	3	2	100
Total	6	—	—	0	5	—	—	40

Note: Turnover ratios are high due to the small nature of the group.
Source: IMS

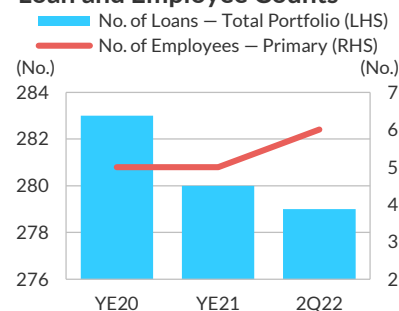
Training

The senior vice president of loan servicing, the group chief compliance officer (CCO) and the group CEO assess, coordinate and review all training. Training is provided one-on-one, given the small staff size, as well as through hands-on compliance monitoring and feedback. IMS sets training goals and objectives to ensure servicing staff members are able to perform all servicing functions and provide backup for day-to-day functioning. An ongoing training program focused

IMS stated that average annual training of employees includes four hours of servicing-related training, four hours to six hours of mortgage lending training and 10 hours–15 hours of one-on-one coaching. IMS also conducts weekly team meetings to review all activity across the servicing portfolio and provide individual training and coaching.

While the primary servicing group is among one of the smallest of Fitch-rated primary servicers, IMS makes good use of technology and cross-training to create efficiencies and is supported by IMC employees who provide finance and administration functions, HR and IT support, as well as compliance oversight. IMS continues to demonstrate its ability to manage headcount adding three employees over the past 24 months to address turnover and portfolio growth.

Loan and Employee Counts



Source: IMS

on company policies and procedures takes place at least annually and is supplemented through bi-weekly meetings with management.

New hires are trained on all aspects of servicing, including use of the REALSynergy servicing software, and are provided with system and internal process manuals, including policies and procedures. New hires are also subject to reviews of transactions performed during training, conducted by a senior servicing staff member, before they are authorized to perform transactions independently.

Servicing training is provided through a combination of one-on-one and group training provided by IMS and IMC staff, as well as group training by third-party advisors such as law firms that also assist with the identification of ongoing training requirements. Average annual training of employees includes four hours of servicing-related training, four to six hours of mortgage lending training and 10 hours–15 hours of one-on-one coaching.

Operational Infrastructure

Outsourcing

IMS does not outsource any core primary servicing functions and retains the requisite servicing capabilities in house to perform the limited functions outsourced. The company uses IMC to perform annual property site inspections and, on a limited basis, outsources site inspections to other third parties.

Vendor Management

IMS does not maintain a dedicated vendor management group. Managers are responsible for monitoring the various vendors used by IMS, providing feedback to IMC and IMS's senior management team.

Technology

IMS's primary loan servicing system is REALSynergy version 22.1.0.130, by Altisource, having upgraded in August 2022. REALSynergy has bi-annual updates to the system and the company maintains the servicing system on a Microsoft SQL 2017 server. The most recent update to REALSynergy included servicing fee calculations on loan payoffs.

REALSynergy supports all loan administration functions such as cash processing, bank account reconciliations, disbursements, lockbox payment processing and automatic debits. The system also handles investor remittance reporting, escrow administration analyses, scheduled tax and insurance payments and property inspections tracking. Fitch noted the system has similar functionality compared to more widely used primary servicing systems, as REALSynergy is capable of spreading financial statements in the CREFC Operating Statement Analysis Report (OSAR) format and performing Net Operating Income Adjustment Worksheet (NOIWS) calculations. IMS also spreads financial information in an Excel underwriting template as a secondary check against the system.

The REALSynergy servicing system has preconfigured standard industry reports such as the CREFC IRP, which can be exported to Excel. REALSynergy also has a built-in, ad hoc reporting tool, which allows the servicing group to create custom reports for detailed portfolio data not captured in any of the canned reports. These reports can be scheduled and are available to all users of the system. IMS updated REALSynergy to produce daily automatic CMHC reporting that are automatically uploaded to TAO's (a structured finance software solutions vendor) MortgageHUB reporting system used by issuers for loans in NHA-MBS.

IMS makes good use of REALSynergy for quality control via management reporting and creating tasks in the system. For example, the collection of financial statements and reporting timelines are tracked via reports from the system, monthly maturity reports are used to identify maturing loans and initiate borrower contact, PPSA expiration dates are monitored via quarterly reports, insurance policy expirations are monitored via a monthly report, and deferred maintenance issues and any follow-up actions are tracked in REALSynergy.

The company engages third parties for IT oversight and day-to-day IT support (including IT support for REALSynergy). A third party also provides system security maintenance and network monitoring to assess vulnerabilities.

Cybersecurity

With IMC, IMS employs a third-party IT managed service provider to maintain system security and monitor the network. The service provider continuously assess network vulnerabilities and conducts penetration tests; there haven't been any security breaches identified in the past 12 months. Additionally, IMS stores information on different virtual drives with access limited by role and centrally authorized by the managed service provider. The vendor also administers user profiles and passwords who provide regular reporting to the COO and the office manager.

Disaster Recovery/Business Continuity Plan

IMS maintains a business continuity plan that enables IMS staff to work remotely as well as at a hot site location near the main office that can accommodate all servicing staff. The data center at IMS's office maintains an unlimited power supply independent of the building's power and a new server can be operational at the designated hot site within 24 hours if a disruption occurs.

Servicing data are maintained onsite at the IMS office and backed up hourly to the cloud, resulting in a maximum possible data loss of one hour; monthly backups are taken to a hot site nearby. IMS maintains a maximum recovery time of one day for core servicing systems, which compares favorably to highly rated servicers. The company's disaster recovery plan was most recently tested in November 2022 with successful results.

Corporate Governance

IMS's internal control environment is predicated on policies and procedures and manager oversight. Consistent with other Fitch-rated primary servicers with similar portfolio and staff sizes, the company does not maintain dedicated quality control and internal audit groups. The combined IMC and IMS companies maintain a compliance function whose responsibilities include the establishment, operation and regular review of group, including servicing, policies and procedures to ensure group compliance with regulatory requirements. The compliance function includes the CEO, CCO and controller of IMC, as well as the IMS senior manager of servicing.

Policies and Procedures

IMS's policies and procedures manuals are reviewed at least annually. The senior manager of loan servicing and the CCO identify and propose updates to senior management, obtaining as-needed expert advice from external counsel. The CEO provides final approval. Fitch notes that servicing policies were most recently reviewed and approved in October 2022, resulting in no material changes.

Fitch reviewed the policies and procedures and found them to be thorough in scope and generally detailed with some topics lighter than others. The manuals provide a comprehensive overview for servicing procedures; detailed step-by-step instructions and illustrations of related systems and drives supplement the policies and procedures. IMS maintains sections dedicated to securitization specific topics as well as special servicing asset management functions. The company also maintains separate desktop procedures for using REALSynergy, which were created internally.

IMS provides employees with formal policies and procedures training annually during the first quarter and requires they confirm review and compliance with them, including the company's conflict of interest policy. Additional updates and training are provided at bi-monthly team meetings. All employees have access to the published policies and procedures on the company's shared network drive.

Compliance and Controls

Compliance with servicing agreements begins with the review of documents at the time of securitization for securitized loans or at closing for third-party and affiliate loans, and the entry of all requirements into REALSynergy by the servicing manager as tasks and/or calendar entries. In addition to using the servicing system for quality control, the company also uses Excel spreadsheets to facilitate secondary quality control reviews of timelines for key servicing tasks and calculations performed in REALSynergy. IMS does not maintain a dedicated quality control function; quality control is performed through daily multiple levels of review of each servicing function, in addition to the servicing group's multiple reconciliations of actions performed, somewhat mitigating the lack of a dedicated function.

IMS successfully implemented its business continuity plan in March 2020 as a result of the coronavirus pandemic. The vast majority of employees transitioned to remote working with no disruptions reflecting the company's detailed and tested plan. Employees returned to the office full time in February 2022.

Fitch notes that while comprehensive and detailed, policies and procedures are reviewed less frequently compared to peers; the most recent review occurred in October 2022 following the last review in August 2020. There have been no material updates to policies and procedures in the last 12 months.

Compliance with regulatory requirements is managed jointly by a single compliance team overseeing the IMC and IMS group of companies. The senior manager of loan servicing ensures compliance with and reporting to relevant regulators, and IMC's controller directs IMS's finance activities, including financial reporting to regulators. Both positions report to IMC's CCO regarding compliance matters. The compliance team includes the CEO, CCO and servicing manager and the controller meets monthly to review adherence, as well as any changes, to regulatory requirements.

Internal Audit

IMS does not maintain an internal audit group, a common finding among companies of similar size. The company relies on management oversight of adherence to policies and procedures and servicing agreements.

External Audit

IMS is reviewed by PricewaterhouseCoopers LLP for a limited Uniform Single Attestation Program (USAP)-specified procedures review; while the review uses the USAP minimum servicing standards as a guideline, it is not an audit and makes no determination that the company is in compliance with the minimum servicing standards. Fitch reviewed the most recent letter dated March 25, 2022 and did not identify any material issues. IMS was not required to undergo a Reg AB audit. IMS is also subject to desktop reviews from securitized master servicers.

Additionally, IMS is subject to various audits from regulators, such as from the:

- Financial Services Regulatory Authority of Ontario (FSRA);
- Real Estate Council of Alberta (RECA);
- Manitoba Securities Commission; and
- BC Financial Services Authority (BCFSA).

Full-scope audits of IMS are performed annually by PWC for the partners and FSRA. IMS reported that all audits have resulted in positive and unqualified opinions. Unlike other Fitch-rated Canadian primary servicers, IMS does not receive Service Organization Control 1 (SOC 1) audits or the Canadian Standard on Assurance Engagements audit called Reporting on Controls at a Service Organization (CSAE 3416). Fitch notes that these audits are extensive in their coverage of operational controls.

Fitch finds the lack of an internal audit department common among smaller firms. IMS tests compliance with policies and procedures and servicing agreements through management oversight and various external audits from regulators. However, Fitch notes that, unlike other Fitch-rated Canadian primary servicers, IMS does not currently receive SOC1 or CSAE 3416 audits, which independently test the company's operational controls.

Primary Servicing

As of June 30, 2022, IMS was named primary servicer for 279 loans representing \$2 billion in outstanding balance. Of the loans serviced, 141 totaling \$958.3 million are securitized in 13 securitized transactions. The remaining 138 loans totaling \$1.1 billion are held in IMC affiliate funds or by third parties. IMS services a wide range of properties across Canada as the company's total portfolio is made up predominately of multifamily (21% by loan count), retail (20%), manufactured housing (15%) and self-storage (12%) properties. Additionally, IMS has experience with shorter term, high-yield loans given the focus of IMC funds.

Primary Servicing Portfolio Overview

	6/30/22	% Change	12/31/21	% Change	12/31/20
Securitized					
No. of Transactions – Primary Servicer	13	0	13	0	13
UPB – Primary Servicing (\$ Mil.)	958.3	-11	1,074.8	-22	1,381.6
No. of Loans – Primary Servicing	141	-9	155	-15	183
Nonsecuritized					
UPB (\$ Mil.)	1094.0	9	1,006.0	15	871.6
No. of Loans	138	12	123	23	100

Source: IMS

Loan/Portfolio Onboarding

Loan setup is a manual process and generally takes up to four days, depending on the complexity of the loan and receipt of all documents. Information such as interest rates, payment terms, and borrower and investor details are manually put into the servicing system and may take up to two days to enter. An internal loan boarding checklist is followed to ensure all significant information is input in REALSynergy. While the system has the ability to perform bulk uploads, IMS has not made use of this feature given the nature of its portfolio and lack of need. REALSynergy generates a summary report of the data entered during loan setup, which is reviewed by the servicing manager to verify accuracy against information contained in the loan documents; the quality control review may take up to two days after loan boarding but occurs prior to any payment collections.

Loan document covenants and triggers are identified and tracked via REALSynergy's task manager and date trigger functions. Date-sensitive items such as interest rate adjustments are set up with triggers and any document covenants that require follow-ups are set as tasks. Tasks are assigned to a user in the system, and a task manager window in the system displays any upcoming tasks for the user. Reports for both functions are generated on a monthly and weekly basis by the servicing manager.

Accounting and Cash Management

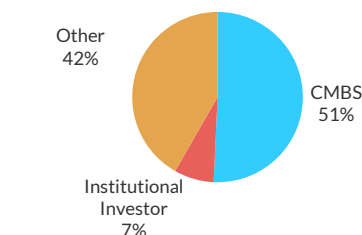
IMS monitors monthly payments via REALSynergy as well as outside the servicing system using Excel summaries of all payments and remittances due for each portfolio and investor to identify any inconsistencies with the servicing system. IMS posts manual loan payments prior to the automated ACH deposit, and a reconciled shadow remittance report is created to ensure accuracy. Once the reports have been reconciled, investor remittances are posted one business day prior to the remittance date in REALSynergy to generate an investor EFT file and post-dated wires. Two senior managers are required to approve the payments.

Monthly, IMS reconciles accounts within 15 calendar days of the close of each accounting or reporting period. Each account reconciliation details exceptions and explanations and is generally resolved within 90 days. IMS does not currently have a procedure in place to monitor bank credit ratings as the company only engages TD Canada Trust (the personal and small business banking business of TD Bank, N.A., rated AA-/F1+ by Fitch) to hold trust funds.

IMS is currently monitoring one letter of credit. For letters of credit, applicable details are entered into REALSynergy and a task is entered for 30 days prior to the maturity date. A copy

Primary Servicing Product Type

(As of June 30, 2022)



Note: Percentages based on number of loans.
Source: IMS

Similar to rated peers in Canada, new loan setup is a manual process. IMS maintains control through the use of a checklist and a system-generated summary report reviewed by the servicing manager. The company lacks some of the exception reporting to help validate new loan data found at highly rated primary servicers; however, IMS performs a dual review of loan data.

% Payment Collections Via

ACH	100
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Source: IMS

IMS currently does not service any loans that have cash management agreements such as springing lockboxes, a common theme among Canadian primary servicers. The percentage of loans set up on a pre-authorized debit is higher than that of typical Fitch-rated servicers in the U.S.

of the letter of credit is placed in the file while the original is forwarded to the custodian for retention, if applicable. Servicing will follow up with the borrower or issuing bank to obtain a renewal, if necessary, or to verify an extension of the expiration date for letters of credit with an automatic renewal provision.

Reporting

Remittances are completed through a multiple-person authorization prior to disbursement. REALSynergy is used to generate investor remittance reports while accuracy is checked through offline Excel reconciliations. Monthly remittance reports are provided to master servicers and investors one business day before funds are remitted.

Escrow Administration

For new loans, tax information and remittance schedules are set up in REALSynergy and detailed reports for escrowed loans are run on a monthly basis, identifying tax payment due dates for the following month. The reports are sorted by due date and identify loans requiring remittances and amounts payable. The servicing team reviews REALSynergy to ensure payments are correctly scheduled and checks the escrow balance for each loan to ensure sufficient funds are available to make the payment to the taxing authority. Escrow analyses for loans where IMS is responsible for paying taxes on are completed annually once the final tax bill is received and reviewed by the servicing manager.

For non-escrowed loans, IMS attempts to obtain copies of tax bills and evidence that taxes have been paid. REALSynergy is used to identify upcoming tax payment due dates as well as loans whose tax payments were due the previous month and whether proof of payment was received. If the proof of payment is outstanding, a letter will be forwarded to the borrower requesting that proof of payment be forwarded. IMS will also request information from the municipality if proof of payment has not been received within the timeline established in the loan documents.

IMS does not have any loans escrowed for insurance. At closing, insurance coverage is reviewed by a third-party consultant to determine the adequacy in coverage. Renewal of insurance coverage is monitored via a monthly insurance expiration report maintained in REALSynergy identifying upcoming expiration dates and any insurance that has expired. Any inconsistencies or issues will be raised to the borrower and a revised certificate will be requested.

The servicing group sets up reserve accounts in the system and verifies account balances and enters requirements for disbursement for each reserve account in the task manager feature in REALSynergy. IMS runs monthly system-generated reports to track deadlines regarding compliance with capital improvement plans and required replacement items.

All requests for a release of funds from the reserve account are reviewed by servicing including required documentation from the borrower to ensure the conditions for disbursement have been met. If necessary, a site inspection may be arranged. Authorization for the disbursement of funds from the reserve account is requested from the servicing manager and the disbursement is processed on the servicing system with sign off from the servicing manager and another senior manager.

IMS maintains relevant PPSA details on REALSynergy and monitors the expiration dates. IMS recently began running monthly reports in addition to quarterly reports to identify any PPSA expiring within the next 30 days. For expiring PPSAs, servicing arranges the renewal, sometimes through the legal counsel who prepared the original loan documents.

Asset Administration

Monthly, IMS generates a delinquency report from REALSynergy to identify outstanding payments. If a payment via automatic debit is not received due to insufficient funds, IMS immediately contacts the borrower to understand the borrower’s intention. Servicing will monitor the loan until it’s remedied and/or ensure that the appropriate action is taken according to the applicable PSA or servicing agreement.

At the beginning of each calendar year, servicing generates a report from REALSynergy identifying the financial reporting timelines for all loans. IMS prepares and sends out year-end

IMS has not had any instances of reporting restatements or errors in the past 36 months.

% Portfolio Escrowed for

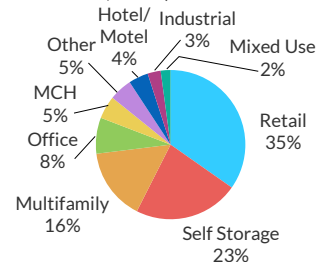
Taxes	19
Insurance	0

Source: IMS

No loans are escrowed for insurance, a common theme in the Canadian commercial mortgage market. There have not been any tax penalties in the past 24 months. Additionally, there were no lapsed PPSAs in the past 36 months.

Securitized Primary Servicing by Property Type

(As of June 30, 2022)



Source: IMS

Approximately 98% of year-end financial statements for all loans in the servicing portfolio were collected by May 31 and approximately 98% of financial statements were reported by July 31, collection and reporting rates which compare favorably to highly rated peers.

information request letters to borrowers and monitors via REALSynergy information request and due dates and the receipt of financial information. It also analyzes due dates and completion dates. A secondary tracking log is created outside the system as well.

Once the requested financial information is received, servicing analyzes it in an OSAR underwriting Excel template, and it is reviewed by the servicing manager or an underwriting manager for accuracy. Financial statements are analyzed to determine whether the property is performing within established guidelines; inconsistencies are questioned and clarifications sought, and properties with variances are reviewed in conjunction with the annual inspection. The data are then input in the system and reporting is generated. The goal for turnaround time from receipt of financials to OSAR is 30 days. IMS also analyzes rent rolls outside the system in Excel and imports the top three tenants in REALSynergy.

Watchlists are created manually for all securitized portfolios using the CREFC format and guidelines. The servicing manager reviews and updates watchlists monthly, requesting occupancy, leasing and financial updates from borrowers when necessary. If a loan is identified as meeting the watchlist guidelines, it will be added and flagged in the servicing system.

A monthly maturity report is generated through REALSynergy to identify maturing loans. Conversations with borrowers begin approximately six months before maturity and formal letters are sent to borrowers three months prior to maturity. Servicing contacts the borrower monthly or until the refinancing arrangements have been communicated. One month prior to the maturity date, servicing will contact the borrower to determine the status of the refinancing and the estimated closing date, at which time a mortgage discharge statement is provided.

The frequency of site inspections depends on the loan documents and governing servicing agreements, but property inspections for securitized loans are typically required annually. Property inspections for third-party investor loans may have different requirements or no requirements at all. Inspection frequency is set in REALSynergy at loan boarding. Each calendar year, servicing generates a report for inspections due in the coming year that are monitored as tasks in the system.

IMS's fund management group reviews all completed site inspection reports. Any issues identified are assessed for potential inclusion on the watchlist, in which case, the borrower and/or property manager will be contacted to determine a plan of action. If the situation warrants, the master servicer and/or the special servicer will be contacted and another inspection may be scheduled.

For borrower consents, loan documents are reviewed based on the required level of consent for the request type. The borrower will be contacted for any required financial, leasing or agreement information, and a case memo will be drafted with a recommendation reviewed internally and then submitted to the master servicer or investor for nonsecuritized loans for approval. The target for completing consent requests is within 30 days of receipt.

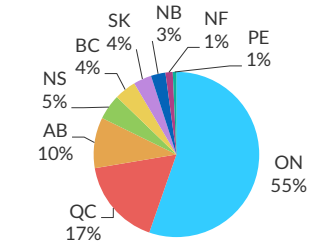
Borrower Relationship Management

Monthly billing statements are generally not prepared, although monthly billing statements for adjustable-rate mortgage loans will be prepared upon borrower request. The billing is generated through REALSynergy, which itemizes the applicable interest rate for the payment, the amounts due, the due date and any remittance instructions. In addition, borrowers are provided notice when there is any material change to the loan rate and advance notices prior to rate changes.

When a payoff request is received for prepayment prior to maturity, servicing will review the prepayment details in the system and the loan documents for repayment rights under the loan. Prepayment rights will be communicated to the borrower and, if required, a mortgage discharge statement will be drafted and reviewed by the senior manager of loan servicing. IMS stated that the turnaround time is generally within two business days. The turnaround time for document release and re-conveyances is within five business days after payout, and any account corrections are processed within two business days.

Securitized Primary Servicing by Province

(As of June 30, 2022)

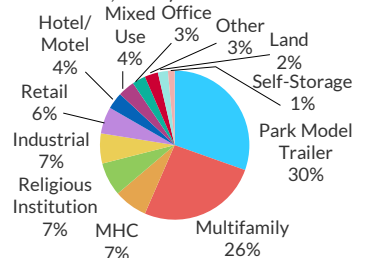


Source: IMS

Unique among Canadian commercial mortgage servicers, nearly all site inspections (99%) are completed in house by IMC employees with less than 1% outsourced to third-party contractors.

Nonsecuritized Primary Servicing by Property Type

(As of June 30, 2022)

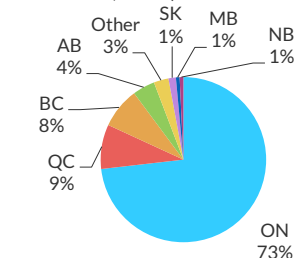


Source: IMS

IMS does not currently use REALSynergy's Web Loan View tool, which provides investors and borrowers access to their commercial loan information in the system over a secure website.

Nonsecuritized Primary Servicing by Province

(As of June 30, 2022)



Source: IMS

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

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