May 2026

KCP K-LOC Index

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K-LOC Index 26.94% ↑			
K-LOCs 3,142	**Transactions** 538	**Balance** $82.19 Billion	
Office Index 43.69%	**Lodging Index** 26.73%	**Retail Index** 22.96%	**Multifamily Index** 14.75%

The KBRA Loan of Concern (K-LOC) Index was 26.94% in May 2026, up from 26.72% in April 2026. We identified 54 loans ($1.12 billion) as new K-LOCs in our conduit CMBS coverage universe in May. Conversely, we removed the K-LOC designation from 74 loans ($1.09 billion), including nine ($166.2 million) that were liquidated in May.

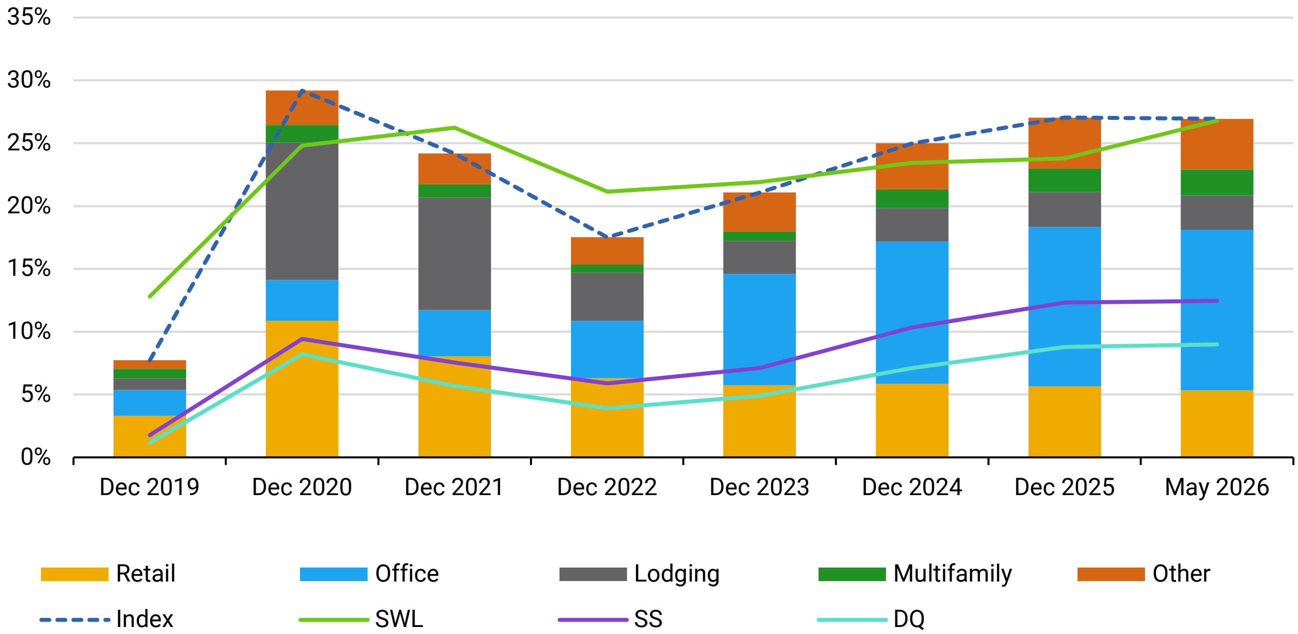
The K-LOC Index for May 2026 is a composite of 3,142 K-LOCs with an aggregate unpaid principal balance (UPB) of $82.19 billion across 538 conduit transactions.

Month in Review

K-LOC Index and Other Credit Trends

The conduit delinquency rate was 8.99% in May, up 33 basis points (bps) from 8.66% in April. The rate was 7.93% in May 2025, 5.4% in May 2024, and 4.24% in May 2023 (see Figure 1). The special servicing and watchlist rates also increased month-over-month (MoM) to 12.44% and 26.8%, respectively, from 12.02% and 25.98% in March. These rates were 10.92% and 24.54% in May 2025.

Figure 1: K-LOC Index and Other Credit Trends Since December 2019



Sources: KBRA Credit Profile (KCP), Trepp

Delinquency Update

The delinquency rate for conduit transactions was 8.99% in May. The CMBX series delinquency rate of 7.49% is up MoM from 7.1% in April and up year-over-year (YoY) from 6.39% in May 2025. See Appendix 3 for a vintage and CMBX series breakdown of delinquency, special servicing, and master servicer watchlist (SWL) rates.

For all conduit transactions, the 30- and 60-day delinquency rates were lower YoY at 0.43% and 0.15%, respectively, in May 2026, from 0.56% and 0.31% in May 2025. Meanwhile, the 90-day delinquency rate was higher at 1.07%, up from 0.94% over the same period. The share of loans that carried a matured nonperforming status in May 2026 was higher than a year prior at 2.48% compared to 2.19%. Additionally, the share of loans backed by properties in foreclosure or carrying a real estate owned (REO) designation continues to grow, reaching 2.74% and 2.12%, respectively, up from 2.51% and 1.42% in May 2025.

Figure 2: Delinquency, Special Servicing, and Watchlist Rate Summary

	Delinquent (%)									
	30	60	90	MNP	FCL	REO	Total	SWL (%)	SS (%)	Index (%)
CMBS	0.41	0.14	1.15	2.17	2.77	2.01	8.66	25.98	12.02	26.72
CMBX	0.38	0.18	1.10	1.34	2.48	1.61	7.10	26.67	10.03	23.64

Sources: KBRA Credit Profile (KCP), Trepp

MSA Update

Figure 3 lists the five most distressed metropolitan statistical areas (MSA) across the 20 largest based on conduit UPB. K-LOC Indexes for all 20 MSAs tracked in this report are provided in Appendix 2. We also follow each of these 20 MSA Indexes across the trailing 36 months ended May 2026 alongside the MSA-specific delinquency, special servicing, and master SWL rates (see Figure 12).

Figure 3: Top Five Distressed MSA Indexes

MSA	K-LOC Balance ($000s)	MSA Index Property Type Allocation (%)					MSA Index (%)
		RT	OF	LO	MF	OT	
1 Denver	1,168,289	7.03	36.20	2.59	-	4.13	49.96
2 Chicago	4,584,250	6.94	25.46	2.64	2.25	6.19	43.47
3 San Francisco	3,626,331	1.09	23.52	2.74	6.67	5.49	39.52
4 Seattle	2,265,371	0.69	24.72	7.98	0.85	1.50	35.76
5 Charlotte	835,393	6.21	19.89	2.87	0.12	4.09	33.17

Sources: KBRA Credit Profile (KCP), Trepp

Houston Multifamily Delinquency

The recently securitized $41.6 million Haven at Bellaire loan (BMARK 2025-V18) was identified as a K-LOC in May for loan covenant default and payment delinquency. The loan, which is collateralized by a 297-unit garden-style multifamily complex in Richmond, Texas, was included on the master servicer's watchlist in January 2026 regarding delinquent principal and interest (P&I) payments. The loan was reported as 30 days delinquent in January 2026 and May 2026. In April, the servicer reported a $295,258 escrow deficit due to the payment of real estate taxes. The borrower requested to repay the shortfall across 12 monthly installments citing sponsor liquidity issues; the request was denied. Of additional concern, the servicer flagged a lapse in hazard insurance coverage due to the policy expiration in November 2025. Updated financials have not been reported since issuance, although the originator's underwritten assumptions were underwhelming, with $3.3 million of net cash flow (NCF) and a debt service coverage ratio (DSCR) of 1.27.

Spotlight: Multifamily Distress in Texas With an Eye on HFC Reform

Multifamily loans have accounted for a disproportionate share of distress in recent conduit pools spanning vintages 2022 through 2025, with sector-specific K-LOC rates exceeding broader averages. The disparity is even more pronounced for loans backed by properties in Texas, where multifamily K-LOC rates exceed benchmark levels. For the 2023, 2024, and 2025 vintages, Texas multifamily K-LOC rates were 65.97%, 39.61%, and 15.78%, respectively, compared with K-LOC rates across all property types of 30.26%, 15.44%, and 8.45% for the state.

Distressed credit levels in Texas reflect both the broader pressures facing multifamily collateral and more localized risk factors, including the use of Public Facility Corporation (PFC) and Housing Finance Corporation (HFC) ownership structures. These structures, as defined under Texas state law, enable property tax exemptions for owners in exchange for housing affordability requirements. Elevated multifamily K-LOC rates in Texas reflect the added compliance, execution, and political risks associated with these programs.

Vintage K-LOC Comparison

Vintage	Multifamily		All Conduit	
	Texas	U.S.	Texas	U.S.
2020	10.01%	16.21%	20.20%	20.12%
2021	14.22%	8.06%	11.85%	12.26%
2022	11.90%	23.06%	14.52%	13.99%
2023	65.97%	39.05%	30.26%	16.23%
2024	39.61%	15.65%	15.44%	6.44%
2025	15.78%	3.85%	8.45%	1.75%

Source: KBRA Credit Profile (KCP)

The elevated K-LOC rate (65.97%) for Texas multifamily loans securitized in 2023 is driven by several larger balance assets, including The Muse & Eden Pointe loan, which is participated across BBCMS 2023-C22 ($66 million) and BBCMS 2024-C24 ($15.6 million), and the BLE Portfolio and La Primavera crossed loan group in BBCMS 2024-C24 ($40.2 million) and MSWF 2023-2 ($40 million). Notably, both loans are collateralized by properties subject to PFC structures. For the BLE Portfolio and La Primavera loan group, concerns stem from poor financial performance and compliance issues related to the public ownership structure. Meanwhile, ongoing building code violations at the Muse property have prompted the City of Dallas to petition to install a receiver. While the PFC structure can reduce real estate tax expenses, the associated affordability requirements and public benefit give local governments a more direct interest in property conditions, which can increase oversight and compliance-related overhead for borrowers. We examined the increased operational challenges facing properties subject to affordable housing requirements and the impact on credit quality in our February 2025 report.

In certain cases, multifamily loans have been securitized before anticipated PFC or HFC agreements were finalized, despite originators underwriting under the assumption that related tax exemptions had been achieved. Loan terms generally stipulate certain recourse carveouts if the agreement is not secured by a certain date after securitization. These protections can include items such as mandated principal paydowns, though some trusts are experiencing issues with enforcement. The $62.5 million Waterford Grove Apartments loan (MSBAM 2025-5C1; CMBX 19) was transferred to special servicing for imminent monetary default in March 2026. The loan is secured by a 584-unit garden-style multifamily property in Houston that was expected to operate under an HFC ownership structure. Although the required documents had been provided at issuance, the real estate tax exemption had not yet been granted. Under the loan agreement, if the exemption was not obtained by February 14, 2026, the borrower would be required to prepay the loan within 30 days in an amount sufficient to achieve a minimum DSCR of 1.25 and a debt yield of 8.50%, assuming unabated real estate tax costs. The borrower failed to meet that requirement, citing an inability to remit the payment in full. According to the special servicer, discussions are underway for a potential modification that would instead allow the borrower to make periodic installments toward the appropriate paydown. Without the tax exemption, the borrower incurred approximately $1.1 million in real estate tax expenses during 2025, contributing to NCF that was 31% below the originator's underwritten assumption and yields a DSCR of 1.06. Due to other pressures in the local market, occupancy ended the year at 74%, down from 89% at issuance.

The Langdon at Walnut Park loan (BBCMS 2024-5C29; CMBX 18) further demonstrates the execution risk associated with public ownership structures. The 277-unit garden-style multifamily property in Austin failed to secure an expected tax exemption, resulting in a transfer to special servicing in August 2025. Rather than requiring an immediate cure for the default, the parties negotiated a modification that allowed the borrower to pay down the $60 million loan with an upfront $5 million payment, followed by quarterly curtailments of $500,000 beginning in January 2027 until the tax exemption is granted or the loan is alternatively repaid in full. The modification also imposed a cash flow sweep and waived all lockout, prepayment, and yield maintenance provisions. Despite the modification, the absence of the tax exemption will continue to weigh on performance. In 2025, approximately $1.1 million in real estate taxes contributed to NCF that was 30% below the originator's underwritten assumption, resulting in a DSCR of 0.90.

The use of HFC structures has increased significantly in recent years, though recent legislative changes are expected to disrupt their application and prevalence. Currently, HFCs face the same issues that previously plagued PFCs prior to reforms passed in 2023, such as jurisdictional conflicts and compliance with affordability requirements. Texas House Bill (HB 21), passed in May 2025, brings sweeping reforms to HFCs that could reveal even more distress across multifamily in the state once the enforcement period begins in early 2027. In addition to more restrictive compliance monitoring and tenant protections, the legislation will discontinue traveling HFCs, a legal loophole that has allowed HFCs to pass through tax exemptions to properties outside their jurisdictions, effectively undercutting tax bases for communities in which an HFC has no stake. The current legal framework under HB 21 will not honor existing traveling HFC structures unless the jurisdiction where the physical property is located approves the agreement. This retroactive nullification of contracts remains heavily contested and continues to face constitutional legal challenges.

The ultimate outcome of the traveling HFC legal battle may exacerbate the already elevated multifamily distress rates observed across properties in Texas. Properties that retain their public ownership structure will still be subject to increased compliance monitoring and enhanced affordability requirements, including a mandate to reinvest 50% of property tax savings toward additional rent reductions for tenants. These reforms could place additional negative pressure on properties already experiencing weak financial and operating conditions. For properties that lose tax exemption benefits, revenue growth will be essential to ensure adequate debt service coverage and refinanceability.

Appendix 1: Conduit Index Tables and Figures

The following figures track the K-LOC Index over time (see Figure 4 and Figure 5). We supplement this data with a trailing 24-month view of indexes for the CMBX 8 through CMBX 18 series in Figure 8.

We also examine the index by property type (see Figure 6 and Figure 7). In Figure 9, we display the property type composition of K-LOCs by vintage.

Figure 4: K-LOC Index - Vintage

	Current K-LOC			K-LOC Index (%)								TTM (%)		MoM (%)	
Vintage	Deals	Loans	Balance ($000s)	YE 23	YE 24	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Min	Max	Δ	Indicator
2010	2	2	136,975	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	-	
2011	11	17	1,071,564	99.71	99.95	99.98	99.98	99.98	99.98	99.99	100.00	99.96	100.00	0.01	
2012	16	25	1,671,722	99.89	99.88	100.00	100.00	100.00	100.00	100.00	100.00	99.87	100.00	-	
2013	36	79	3,933,498	96.40	98.07	98.11	98.12	98.03	98.01	98.02	98.22	97.82	98.22	0.20	
2014	42	159	6,291,244	41.88	96.32	97.12	96.78	97.00	96.91	96.88	97.10	96.78	97.37	0.23	
2015	58	280	8,532,760	26.54	41.63	95.69	95.56	95.75	97.26	97.42	97.39	61.70	97.42	-0.02	
2016	55	473	11,764,853	24.65	31.92	48.85	50.32	52.43	53.72	55.85	59.58	37.45	59.58	6.67	
2017	51	466	12,062,724	25.47	28.37	35.55	35.77	36.42	36.92	37.52	37.50	33.98	37.52	-0.06	
2018	45	393	8,957,621	19.80	24.65	28.22	28.09	28.12	28.28	28.17	29.01	26.39	29.01	2.97	
2019	53	464	10,174,980	14.78	20.76	23.78	24.24	24.27	24.81	25.09	24.98	22.29	25.09	-0.44	
2020	34	183	5,111,543	9.81	13.90	18.48	18.44	19.36	20.05	20.29	20.12	16.19	20.29	-0.81	
2021	31	162	3,604,629	3.47	7.86	10.77	10.77	10.74	11.08	11.40	12.26	9.18	12.26	7.59	
2022	25	152	3,183,699	1.48	7.10	13.09	13.78	14.03	14.34	13.85	13.99	11.10	14.34	0.99	
2023	26	146	3,056,204	1.12	4.09	12.93	15.23	15.96	16.17	15.95	16.23	9.51	16.23	1.74	
2024	33	110	2,105,145	-	1.33	4.13	4.98	5.31	5.91	6.19	6.44	1.96	6.44	4.02	
2025	20	31	531,940	-	-	1.28	1.12	1.11	1.52	1.38	1.75	-	1.75	26.61	
K-LOC Index	**538**	**3,142**	**82,191,100**	**21.07**	**24.99**	**27.05**	**27.00**	**26.71**	**26.86**	**26.72**	**26.94**	**26.41**	**27.32**	**0.83**	

Source: KBRA Credit Profile (KCP)

Figure 5: K-LOC Index - CMBX

	Current K-LOC			K-LOC Index (%)								TTM (%)		MoM (%)	
Series	Deals	Loans	Balance ($000s)	YE 23	YE 24	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Min	Max	Δ	Indicator
CMBX 6	15	23	1,588,179	99.88	99.87	100.00	100.00	100.00	100.00	100.00	100.00	99.86	100.00	-	
CMBX 7	20	45	1,797,936	95.60	98.29	98.33	98.63	98.48	98.45	98.46	98.46	98.13	98.63	0.00	
CMBX 8	22	95	3,982,727	37.61	95.38	96.88	96.41	96.81	96.73	96.67	97.02	96.25	97.02	0.36	
CMBX 9	25	118	3,908,725	29.80	41.84	94.84	94.68	94.68	97.89	97.83	97.81	50.79	97.89	-0.02	
CMBX 10	25	268	6,467,090	24.89	32.42	47.56	48.05	49.25	50.13	52.28	55.80	36.67	55.80	6.73	
CMBX 11	25	215	5,542,371	22.21	25.82	32.25	32.17	33.14	33.58	33.89	33.74	31.23	33.89	-0.44	
CMBX 12	25	225	4,884,046	20.61	24.89	27.48	27.25	26.84	26.87	26.93	27.08	25.81	27.48	0.56	
CMBX 13	25	220	4,422,203	12.54	18.18	22.35	22.42	22.30	22.51	22.79	22.61	20.15	22.79	-0.78	
CMBX 14	25	146	3,339,640	9.60	14.73	16.93	17.00	17.95	18.51	18.77	18.53	15.84	18.77	-1.30	
CMBX 15	25	140	2,757,634	3.65	8.50	11.90	11.91	11.80	12.22	12.74	13.26	10.31	13.26	4.09	
CMBX 16	25	165	3,100,653	1.17	7.89	13.30	13.86	14.14	14.43	14.10	14.44	11.94	14.44	2.39	
CMBX 17	25	156	2,915,244	-	7.54	13.95	14.98	15.63	15.82	15.39	15.41	11.63	15.82	0.10	
CMBX 18	22	86	1,799,697	-	-	5.33	6.44	6.68	7.61	7.73	8.11	2.74	8.11	4.86	
CMBX Index	**320**	**1,928**	**46,990,477**	**19.35**	**23.53**	**25.40**	**24.03**	**23.62**	**23.85**	**23.64**	**23.77**	**23.44**	**25.40**	**0.52**	

Source: KBRA Credit Profile (KCP)

Figure 6: K-LOC Index - Vintage Property Type Allocation

Vintage	YE 24 (%)					YE 25 (%)					May 26 (%)					YoY Indicator				
	RT	OF	LO	MF	OT	RT	OF	LO	MF	OT	RT	OF	LO	MF	OT	RT	OF	LO	MF	OT
2010	100.00	-	-	-	-	100.00	-	-	-	-	100.00	-	-	-	-	▬	▬	▬	▬	▬
2011	98.69	-	0.64	0.63	-	99.31	-	-	0.67	-	99.24	-	-	0.76	-	↑	▬	↓	↑	▬
2012	63.80	15.89	6.96	0.33	12.91	60.44	17.58	7.55	0.38	14.04	61.85	19.22	1.95	0.45	16.53	↓	↑	↑	↑	↑
2013	44.43	36.34	2.86	1.39	13.05	48.99	35.47	2.99	0.28	10.38	53.39	29.19	3.38	0.28	11.97	↑	↓	↑	↓	↓
2014	24.21	52.04	5.52	1.91	12.64	22.10	56.34	4.12	1.28	13.29	19.64	58.78	3.86	1.42	13.40	↓	↑	↓	↓	↑
2015	10.32	18.35	5.74	1.79	5.43	23.14	48.14	8.41	2.71	13.28	23.77	52.74	7.68	2.42	10.78	↑	↑	↑	↑	↑
2016	8.82	14.17	3.98	1.11	3.84	14.57	21.62	5.31	1.35	5.99	17.10	26.98	6.39	1.59	7.52	↑	↑	↑	↑	↑
2017	3.62	15.53	4.34	0.63	4.26	3.97	20.37	5.90	0.73	4.58	4.16	21.66	5.79	0.80	5.09	↑	↑	↑	↑	↑
2018	3.25	11.67	4.31	1.21	4.22	3.68	12.90	5.27	1.46	4.91	4.50	12.99	5.38	1.54	4.59	↑	↑	↑	↑	↑
2019	2.57	10.89	2.22	1.97	3.11	2.77	12.53	2.94	1.74	3.81	2.90	12.99	3.13	1.87	4.10	↑	↑	↑	↓	↑
2020	0.91	6.87	0.48	2.79	2.85	0.99	10.59	0.17	2.64	4.10	0.94	12.06	0.21	2.61	4.30	↑	↑	↓	↓	↑
2021	1.10	3.87	0.24	0.65	2.01	1.59	5.24	0.21	1.54	2.19	1.27	6.93	0.26	1.54	2.26	↑	↑	↓	↑	↑
2022	0.66	2.16	0.59	2.48	1.21	0.87	5.97	1.29	3.46	1.51	0.92	6.16	1.46	3.43	2.02	↑	↑	↑	↑	↑
2023	0.40	0.24	0.49	1.82	1.13	0.76	2.52	1.88	3.31	4.45	1.07	3.69	2.18	3.76	5.53	↑	↑	↑	↑	↑
2024	0.14	-	0.05	0.78	0.37	0.17	0.46	0.17	2.61	0.72	0.57	0.76	0.47	3.71	0.94	↑	↑	↑	↑	↑
2025	-	-	-	-	-	-	0.04	0.25	0.80	0.20	0.14	0.13	0.26	1.06	0.16	▬	↑	↑	↑	↑
K-LOC Index	**5.84**	**11.33**	**2.68**	**1.50**	**3.65**	**5.65**	**12.69**	**2.78**	**1.87**	**4.06**	**5.33**	**12.78**	**2.71**	**2.06**	**4.06**	↓	↑	↑	↑	↑

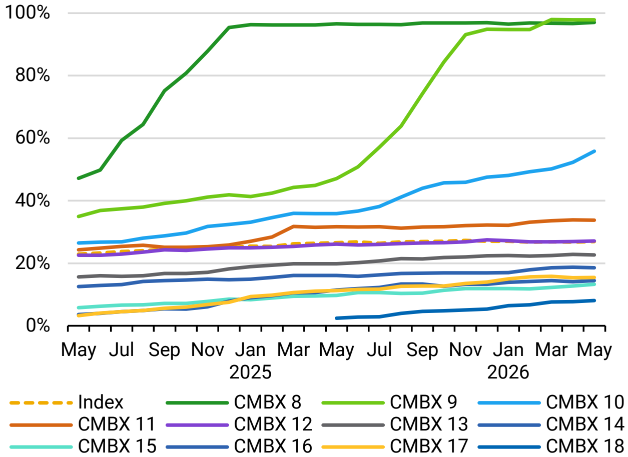
Sources: KBRA Credit Profile (KCP), Trepp

Figure 7: K-LOC Index - CMBX Property Type Allocation

Series	YE 24 (%)					YE 25 (%)					May 26 (%)					YoY Indicator				
	RT	OF	LO	MF	OT	RT	OF	LO	MF	OT	RT	OF	LO	MF	OT	RT	OF	LO	MF	OT
CMBX 6	61.74	16.95	7.42	-	13.77	59.08	18.37	7.89	-	14.66	60.32	20.23	2.05	-	17.40	↓	↑	↑	▬	↑
CMBX 7	48.68	35.72	4.56	0.51	8.82	49.51	37.49	4.74	0.63	5.96	57.29	28.38	5.26	0.62	6.91	↑	↑	↑	↑	↓
CMBX 8	21.26	53.96	4.92	0.52	14.71	17.51	59.61	4.07	0.45	15.23	14.97	63.40	3.61	0.46	14.58	↓	↑	↓	↓	↑
CMBX 9	10.19	18.42	6.27	1.50	5.47	26.00	48.93	8.93	1.20	9.78	26.01	54.02	8.68	0.86	8.23	↑	↑	↑	↓	↑
CMBX 10	8.90	14.15	3.84	1.06	4.46	13.79	22.29	5.06	1.10	5.31	15.48	26.86	5.49	1.33	6.64	↑	↑	↑	↑	↑
CMBX 11	3.31	13.40	4.29	0.71	4.10	3.86	17.48	5.63	0.73	4.56	4.39	18.38	5.63	0.83	4.50	↑	↑	↑	↑	↑
CMBX 12	3.31	11.17	3.89	1.13	5.39	3.35	12.46	4.24	1.30	6.14	3.36	12.29	4.26	1.42	5.75	↑	↑	↑	↑	↑
CMBX 13	2.66	9.82	1.33	1.17	3.21	2.81	12.25	2.41	1.14	3.75	2.85	12.35	2.46	1.11	3.83	↑	↑	↑	↓	↑
CMBX 14	1.35	7.51	0.34	2.53	3.01	1.35	9.03	0.25	2.37	3.93	1.32	10.69	0.43	2.01	4.08	↓	↑	↓	↓	↑
CMBX 15	1.22	4.65	0.33	0.56	1.74	1.73	5.80	0.34	1.41	2.63	1.45	7.26	0.40	1.33	2.82	↑	↑	↑	↑	↑
CMBX 16	0.93	2.52	0.79	2.07	1.57	1.43	5.80	1.39	2.76	1.92	1.40	6.25	1.49	2.53	2.76	↑	↑	↑	↑	↑
CMBX 17	0.61	1.65	0.92	2.87	1.48	0.96	4.55	1.85	3.70	2.89	1.21	5.08	2.32	3.21	3.58	↑	↑	↑	↑	↑
CMBX 18	-	-	-	-	-	0.05	0.56	0.19	3.84	0.69	0.52	1.00	0.62	4.92	1.04	↑	↑	↑	↑	↑
CMBX Index	**5.18**	**10.65**	**2.43**	**1.45**	**3.81**	**4.93**	**12.00**	**2.49**	**2.01**	**3.98**	**4.33**	**11.31**	**2.29**	**2.05**	**3.78**	↓	↑	↑	↑	↑

Sources: KBRA Credit Profile (KCP), Trepp

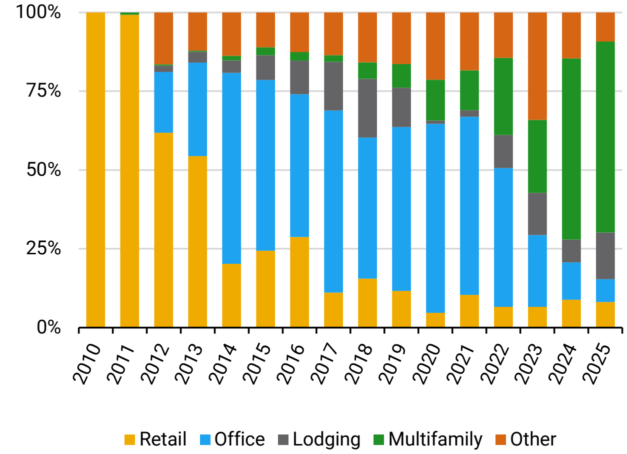
Figure 8: K-LOC Index Versus Individual CMBX K-LOC Indexes



Sources: KBRA Credit Profile (KCP), Trepp

The CMBX 12 series index closely tracks the benchmark rate with older series expressing higher levels of distress. As transactions season, the respective CMBX K-LOC Index tends to increase, particularly as performing loans reach maturity and are paid off, leaving a higher concentration of nonperforming loans (see Figure 5 and Figure 8).

Figure 9: Vintage K-LOC Composition by Property Type (May 2026)



Source: KBRA Credit Profile (KCP)

Earlier vintage transactions have a higher concentration of retail K-LOCs, while later vintages have greater exposure to office and multifamily K-LOCs (see Figure 9). Across vintages studied in this report, 47.46% of K-LOCs by UPB are collateralized by office, followed by retail (19.79%), lodging (10.04%), and multifamily (7.64%).

Appendix 2: MSA Index Tables and Figures

We examine K-LOC balance by MSA to quantify credit behavior across various markets. An MSA is defined by a geographic boundary associated with a large, urbanized core or population nucleus, including adjacent regions with a high degree of social and economic integration. For CMBS properties in a given MSA, we divide the balance of all K-LOCs by total principal balance, based on allocated loan amount (ALA), to calculate the index.

We have generated K-LOC Indexes for the 20 largest MSAs by total conduit principal balance. The represented metros constitute nearly two-thirds of all conduit debt in the KCP coverage universe. We also feature property type allocations (see Figure 10) and stratify delinquency rates (see Figure 11) by MSA to provide additional insight into the performance of individual markets.

Additionally, we follow the 20 MSA Indexes across the trailing 36 months ended May 2026 (see Figure 12). For each MSA, the index is tracked against the MSA-specific CMBS conduit delinquency rate as well as specially serviced and master SWL rates.

Figure 10: MSA Index and Property Type Allocation as of May 2026

MSA		K-LOC Balance ($000s)	MSA Index Property Type Allocation (%)					MSA Index (%)
			RT	OF	LO	MF	OT	
1	New York City	19,475,593	3.30	14.67	0.93	2.40	7.73	29.04
2	Los Angeles	4,337,724	3.04	12.58	2.81	1.14	3.44	23.00
3	Washington, D.C.	3,425,114	4.55	21.56	0.91	0.49	4.37	31.88
4	Chicago	4,584,250	6.94	25.46	2.64	2.25	6.19	43.47
5	San Francisco	3,626,331	1.09	23.52	2.74	6.67	5.49	39.52
6	Houston	2,196,249	2.37	12.60	2.80	6.64	1.91	26.33
7	Philadelphia	1,969,976	2.92	15.99	1.39	3.34	2.32	25.96
8	Miami	1,157,633	4.70	6.71	2.79	0.22	1.36	15.78
9	Dallas-Fort Worth	1,389,920	1.29	11.66	2.48	3.64	1.45	20.52
10	San Jose	1,885,924	-	25.52	2.73	-	0.66	28.90
11	Seattle	2,265,371	0.69	24.72	7.98	0.85	1.50	35.76
12	Las Vegas	365,411	2.61	2.36	-	0.45	0.76	6.18
13	Detroit	1,190,473	1.26	14.46	3.05	1.65	1.14	21.56
14	Boston	647,255	4.15	6.42	1.40	-	0.16	12.12
15	Atlanta	1,159,185	3.11	13.54	3.34	0.85	0.91	21.76
16	Phoenix	650,863	0.26	9.63	3.66	-	0.95	14.50
17	Inland Empire	581,029	6.23	3.04	3.20	2.52	0.42	15.41
18	San Diego	228,928	0.71	3.36	2.12	-	0.71	6.91
19	Charlotte	835,393	6.21	19.89	2.87	0.12	4.09	33.17
20	Denver	1,168,289	7.03	36.20	2.59	-	4.13	49.96

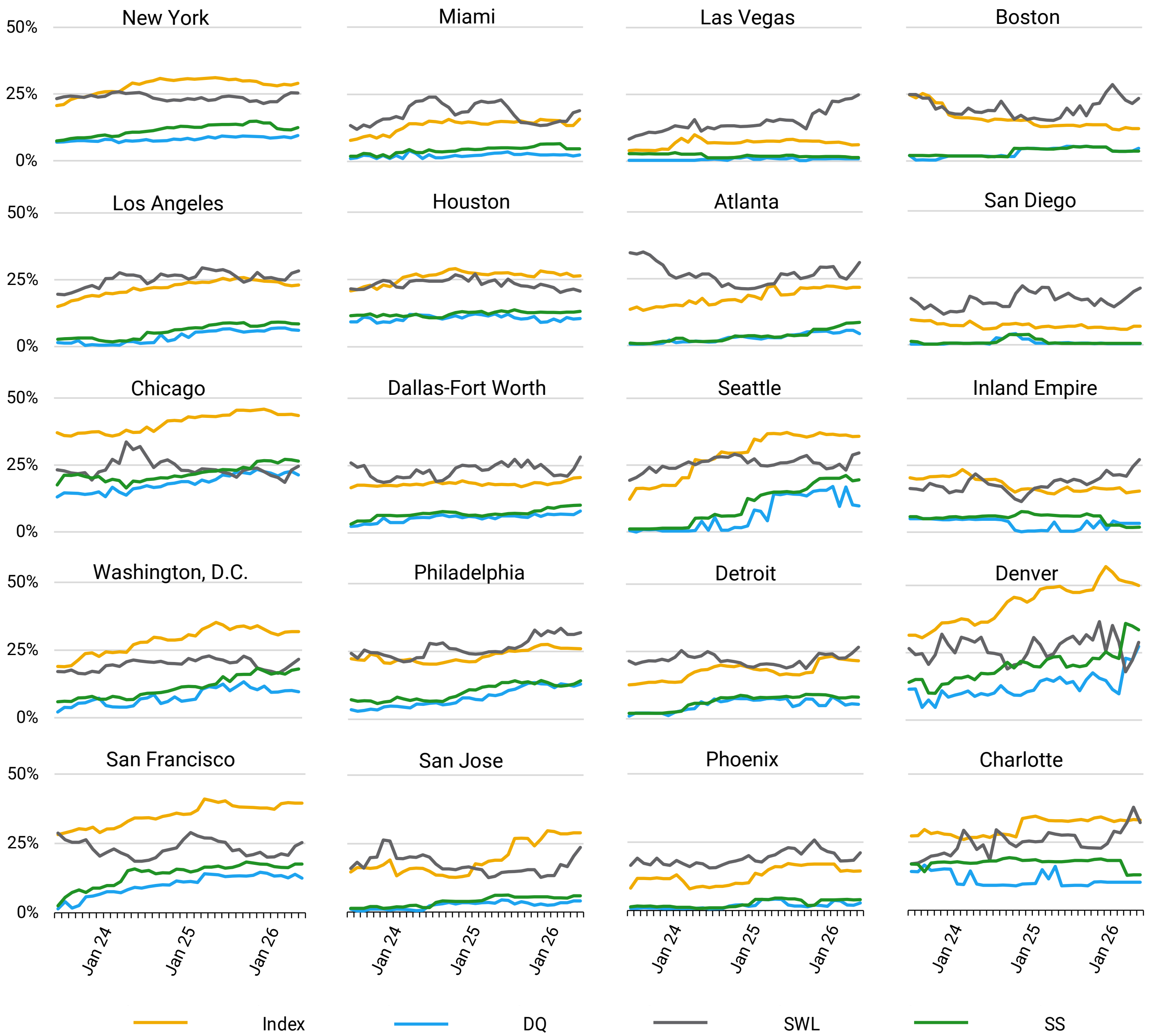
Note 1: The MSA Index gradient reflects distance from the K-LOC Index; darker green being lower and darker red being higher.
Note 2: The 20 largest MSAs are listed in descending order based on total conduit principal balance.
Sources: KBRA Credit Profile (KCP), Trepp

Figure 11: Delinquencies by MSA as of May 2026

MSA		Delinquent (%)							SWL (%)	SS (%)	MSA Index (%)
		30	60	90	MNP	FCL	REO	Total			
1	New York City	0.45	0.09	1.25	2.24	3.54	1.88	9.45	25.38	12.44	29.04
2	Los Angeles	0.13	0.41	0.67	3.86	0.95	0.09	6.11	28.29	8.49	23.00
3	Washington, D.C.	0.15	-	0.82	4.05	3.67	0.92	9.62	21.59	18.03	31.88
4	Chicago	0.48	0.44	2.83	3.17	9.82	4.54	21.28	24.49	26.46	43.47
5	San Francisco	0.16	-	1.20	2.50	4.44	4.21	12.52	25.34	17.62	39.52
6	Houston	0.50	0.14	3.40	1.45	0.94	4.07	10.50	20.64	13.15	26.33
7	Philadelphia	0.04	0.98	0.93	3.35	4.88	2.73	12.91	31.95	14.15	25.96
8	Miami	-	-	-	0.38	0.80	1.30	2.48	18.91	4.76	15.78
9	Dallas-Fort Worth	0.30	0.79	-	2.13	1.35	3.54	8.12	28.17	10.24	20.52
10	San Jose	-	-	-	2.00	0.28	1.84	4.12	23.63	5.93	28.90
11	Seattle	-	-	2.69	0.73	1.87	4.50	9.78	29.58	19.50	35.76
12	Las Vegas	-	-	-	-	-	0.95	0.95	24.84	1.41	6.18
13	Detroit	-	-	1.18	2.38	1.10	0.72	5.38	26.54	8.01	21.56
14	Boston	-	-	-	1.76	-	3.00	4.76	23.44	3.63	12.12
15	Atlanta	0.45	-	1.40	0.06	1.36	1.17	4.44	31.06	8.67	21.76
16	Phoenix	0.82	-	-	0.39	1.61	-	2.83	21.11	4.00	14.50
17	Inland Empire	-	-	-	-	3.31	0.02	3.34	27.18	1.90	15.41
18	San Diego	-	-	-	-	0.40	-	0.40	21.14	0.51	6.91
19	Charlotte	-	-	1.13	5.84	-	3.38	10.35	32.19	13.05	33.17
20	Denver	4.57	-	3.40	7.50	10.68	1.20	27.34	28.84	33.55	49.96

Note: The 20 largest MSAs are listed in descending order based on total conduit principal balance.
Sources: KBRA Credit Profile (KCP), Trepp

Figure 12: MSA Indexes, Delinquency, Special Servicing, and Master Servicer Watchlist Rates



Note: The data presented is reflective of the trailing 36 months ended May 2026.
Sources: KBRA Credit Profile (KCP), Trepp

Appendix 3: Delinquency, Special Servicing, Servicer Watchlist Rates

The K-LOC Index is generally higher than delinquency and special servicing rates, and serves as a more meaningful gauge of default risk relative to the SWL, which may include false positives with regard to true credit concerns.

Figure 13: Vintage Delinquencies as of May 2026

	Delinquent (%)									
Vintage	**30**	**60**	**90**	**MNP**	**FCL**	**REO**	**Total**	**SWL (%)**	**SS (%)**	**Index (%)**
2010	-	-	-	-	-	-	-	100.00	-	100.00
2011	-	-	-	8.10	-	33.79	41.89	34.08	65.36	100.00
2012	5.65	-	-	14.58	13.95	8.37	42.55	30.58	75.30	100.00
2013	-	-	-	20.70	12.00	8.83	41.53	39.31	50.57	98.22
2014	0.72	-	5.50	23.89	5.73	23.34	59.20	17.73	72.15	97.10
2015	0.23	-	1.62	18.78	21.46	10.83	52.92	16.09	77.47	97.39
2016	0.13	0.23	0.52	11.46	3.88	4.77	20.99	56.11	30.09	59.58
2017	0.10	0.09	1.14	0.60	3.00	2.31	7.24	30.42	12.33	37.50
2018	0.71	0.41	1.55	0.90	3.98	2.11	9.65	26.79	13.73	29.01
2019	0.22	0.16	1.55	1.00	1.23	1.27	5.43	30.22	7.35	24.98
2020	0.42	-	1.17	0.15	2.55	0.44	4.73	25.53	5.49	20.12
2021	0.09	0.11	0.42	0.17	1.23	0.23	2.26	21.96	3.00	12.26
2022	0.66	-	0.39	-	1.33	0.38	2.74	23.06	4.46	13.99
2023	1.29	0.08	1.29	-	2.33	0.14	5.13	28.29	6.02	16.23
2024	0.31	0.29	1.08	-	0.54	0.03	2.25	24.89	2.20	6.44
2025	0.56	0.15	0.25	-	-	-	0.96	11.56	0.73	1.75
CMBS	**0.43**	**0.15**	**1.07**	**2.48**	**2.74**	**2.12**	**8.99**	**26.80**	**12.44**	**26.94**

Sources: KBRA Credit Profile (KCP), Trepp

Figure 14: CMBX Delinquencies as of May 2026

	Delinquent (%)									
Series	**30**	**60**	**90**	**MNP**	**FCL**	**REO**	**Total**	**SWL (%)**	**SS (%)**	**Index (%)**
CMBX 6	5.95	-	-	15.34	14.68	8.33	44.31	27.40	78.79	100.00
CMBX 7	-	-	-	25.24	11.91	8.98	46.13	34.69	53.40	98.46
CMBX 8	1.14	-	8.68	19.24	5.63	23.96	58.65	16.89	74.95	97.02
CMBX 9	-	-	-	20.10	23.04	12.81	55.95	10.80	84.89	97.81
CMBX 10	0.22	0.39	0.64	5.67	2.46	5.06	14.44	64.78	21.48	55.80
CMBX 11	0.10	0.17	1.16	0.57	2.99	1.86	6.85	31.37	9.81	33.74
CMBX 12	0.61	0.46	1.38	0.94	3.01	1.12	7.53	27.27	10.74	27.08
CMBX 13	0.20	0.01	0.85	0.63	1.33	0.82	3.84	29.17	5.80	22.61
CMBX 14	0.12	-	1.60	0.04	1.47	0.30	3.53	25.76	4.63	18.53
CMBX 15	0.13	0.16	0.86	0.24	1.40	0.39	3.18	22.50	3.80	13.26
CMBX 16	0.68	-	0.26	0.08	1.99	0.47	3.48	22.10	4.90	14.44
CMBX 17	0.89	-	0.49	-	2.38	0.55	4.30	28.10	6.33	15.41
CMBX 18	0.39	0.19	1.49	-	0.71	0.04	2.81	27.15	2.46	8.11
CMBX	**0.47**	**0.14**	**1.03**	**1.73**	**2.41**	**1.72**	**7.49**	**27.01**	**10.35**	**23.77**

Sources: KBRA Credit Profile (KCP), Trepp

About the Index and Our Methodology

The K-LOC designation serves as KBRA's primary metric used to identify loans that are in default or at heightened risk of default based on KBRA Credit Profile's (KCP) proprietary research and analysis. KCP is a division of KBRA Analytics.

For any given cohort, the index is the quotient of its aggregate K-LOC balance and the cohort's defeasance-adjusted UPB. As it includes loans at risk of default, it is a useful, forward-looking credit barometer. The K-LOC designation is determined by our team of analysts, who perform in-depth monthly analysis on individual transactions and the underlying loan collateral. For the purposes of this report, we focus exclusively on conduit CMBS and exclude legacy transactions issued in 2008 and earlier.

All our calculations, figures, and graphics present defeasance-adjusted data that excludes fully and partially defeased loans. In our figures, empty fields "-" contain values equal to zero.

Want more? In-depth research and analysis at the transaction level, including collateral valuations and loss projections, are available within our KCP reports, which are published monthly for every deal in our coverage universe and are available at kcp.kbra.com.

The KCP platform is a subscription-based surveillance service that covers about 1,400 commercial real estate (CRE) securitizations with an aggregate balance of nearly $900 billion. For each deal, monthly reports are posted to our website that contain color and commentary for CMBS transactions and their underlying loan collateral. Unlike other sources of valuation and loss data, which primarily rely on models, the service is supported by a dedicated team of analysts, who can more readily appreciate the non-homogeneous nature of CRE, loan, and transaction structures, as well as imperfect servicer information.

Recent KCP Publications

- KCP Special Report: Saks Global Exits Chapter 11
- KCP Insights: A Hawkish Hold: June FOMC Signals Policy Patience
- KBRA Credit Profile (KCP) Loss Lookback: May 2026
- CREFC June Conference 2026: Day 3 Recap
- CREFC June Conference 2026: Day 2 Recap
- CREFC June Conference 2026: Day 1 Recap
- KCP Payoff Report: May 2026

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- KBRA Credit Profile (KCP) K-LOC Index: April 2026
- KBRA Credit Profile (KCP) K-LOC Index: March 2026
- KBRA Credit Profile (KCP) K-LOC Index: February 2026