

1 February 2018

Moody's Clarifies its Approach to Certain US and Canada CMBS RAC¹ Requests²

Moody's Investors Service is providing clarification regarding its approach to certain US and Canada CMBS RAC requests. It is Moody's practice to decline to provide RACs in connection with the following types of requests in US and Canada CMBS transactions:

- Defeasance of any loan, unless either (a) such loan or a *pari-passu* portion comprises 10% or more of the outstanding pool balance of any Moody's-rated securitization, or (b) such loan (including any related *pari-passu* debt) has an outstanding loan balance of \$50 million or more in any Moody's-rated securitization;
- Loans in special servicing at the time of the RAC request, unless subordination of the mortgage lien is requested;
- Retroactive RAC requests;
- RAC requests that are not required in either the Pooling and Servicing Agreement or the applicable loan documents;
- Permitted transfer loan assumptions for any loan, unless either (a) such loan or a *pari passu* portion comprises 5% or more of the outstanding pool balance of any Moody's-rated securitization, or (b) such loan (including any related *pari-passu* debt) has an outstanding loan balance of \$25 million or more in any Moody's-rated securitization;
- Property management transfers to non-affiliated third-party property managers for conduit/fusion loans.

While Moody's will decline to consider these RAC requests, Moody's expects to receive notification of events as required in PSA or other transaction documents. Please direct RAC related notifications for US and Canada CMBS transactions to the following email address: cmbssurveillance@moodys.com.

For all RAC requests other than those described above, a representative from Moody's Commercial Group will initiate contact with the party requesting the RAC to discuss the appropriate process for the request.

¹ See Rating Agency Condition in the "[Moody's Rating Symbols & Definitions](#)"

² The clarification set forth below in no way supersedes Moody's Special Comment titled "[Moody's Clarifies Policy for the Issuance of RACs](#)"