

RATING ACTION COMMENTARY

Fitch Affirms ACORE CAPITAL's Commercial Servicer Ratings

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Fitch Ratings - New York - 29 Sep 2025: Fitch Ratings has affirmed ACORE CAPITAL, LP's (ACORE) commercial special and primary servicer ratings as follows:

--Commercial special servicer rating at 'CSS2-';

--Commercial primary servicer rating at 'CPS3+'.

Both ratings have a Stable Rating Outlook.

RATING ACTIONS

ENTITY / DEBT ⚡		RATING ⚡		PRIOR ⚡
ACORE Capital, LP - CMBS Servicer 2022				
CMBS Primary Servicer	CPS3+ Rating Outlook Stable	Affirmed	CPS3+ Rating Outlook Stable	
CMBS Special Servicer	CSS2- Rating Outlook Stable	Affirmed	CSS2- Rating Outlook Stable	

[VIEW ADDITIONAL RATING DETAILS](#)

KEY RATING DRIVERS

The affirmation of ACORE's primary and special servicer ratings reflects its experienced and tenured management team; demonstrated commitment to technology and process enhancements year over year; focus on non-cashiering servicing functions and high degree of oversight, accompanied by parallel processing of cashiering servicers; increased experience resolving defaulted loans; and proactive surveillance with high-touch loan sponsor engagement to mitigate defaults.

Both ratings also consider the key role of primary and special servicing in supporting ACORE's investment management platform, its dedicated asset management resources, financial condition, and governance infrastructure.

ACORE is an originator and servicer of commercial real estate (CRE) debt investments and a registered investment advisor. The company, founded in 2015, comprises more than 120 employees located across five offices. ACORE acts as a balance sheet lender on behalf of multiple separate account mandates and commingled funds. Since inception, the company has originated over 525 loans secured by transitional CRE assets representing over \$39.0 billion through year-end 2024.

Sixty-five of ACORE's more than 120 employees are allocated to supporting primary and special servicing functions. The primary and special servicing teams consist of shared resources from the asset management and originations groups as well as operational support groups for legal and operations. Given the complexity of loans within ACORE's portfolio, employees perform aspects of both primary and special servicing to varying degrees, based on the status of the loan.

Senior managers average 22 years of industry experience and seven years of tenure, while middle managers average 15 and five years, respectively. Aggregate turnover among primary servicing employees increased to 21% during the 12-months ending December 2024 from 10% the prior year while turnover among special servicing increased to 13% from 12% for the same period. ACORE added six staff and two senior managers during 2024, including the new head of asset management, who has 24 years of industry experience.

Fitch identified nine employees as asset managers who average 13 years of industry experience, four years of tenure, and maintain an assets-to-asset-manager ratio of 3:1.

ACORE's servicing system of record consists of a customized version of Backshop, a third-party asset management system, and M61, a proprietary financial accounting system. M61 provides primary loan servicing accounting, future loan funding spreading, support for

highly complex loans, and supports accounting and reporting functions for the company's various investment funds. Backshop provides asset management and tracking, investor reporting, underwriting and scenario-modeling capabilities for the life of loan management.

The company implemented a borrower file request feature in 2025 through which borrowers can submit quarterly financial statements and rent rolls securely. This new feature allows for greater tracking of documents and transitions the collection of documents from vendors to ACORE. The company also implemented a new data warehouse in 2024 with Microsoft Power BI reporting and analytics support

The governance infrastructure comprises comprehensive policies and procedures, management oversight, and exception reporting to monitor compliance, delegations of authority for key decisions and oversight by multiple compliance-focused committees.

As a balance sheet lender on behalf of multiple funds, the company is not subject to external operational audits and there is less formal compliance oversight of servicing functions outside of the servicing group. However, the senior management team is actively engaged in all aspects of default resolution. The company also has a demonstrated history of periodic policy and procedure reviews with improvement year over year in response to shifts in the servicing portfolio.

ACORE maintains experienced asset managers, robust asset management technology, strong surveillance capabilities, and sufficient policies and procedures around special servicing. The company requires that all assets are formally reviewed by the credit committee quarterly.

During discussions with ACORE's asset management team, Fitch noted the company's business plans were comprehensive, generally timely, and contained an NPV when appropriate. Asset managers were extremely knowledgeable about asset performance, loan sponsors, local markets and disposition strategies.

The company has resolved 24 defaulted CRE loans totaling \$1.6 billion since inception, inclusive of eight loans totaling \$641.0 million during the 12 months ended December 2024, demonstrating increased proficiency.

Primary servicing focuses on non-cashiering activity or activity done in parallel with its cashiering primary servicers, including initial property tax and insurance escrow sizing; loan balance adjustments; note reconciliations for fractional ownership interest; draw request reviews and approvals; loan advancing; consent requests; covenant testing; covenant

waiver analyses and approvals; loan modifications; DSCR and DY analyses; partial and full payoffs; collateral releases; monthly payment collection; remittance; and reporting to ACORE.

The company performs most property inspections, calculates all payoff requests, and performs significant oversight of tax, insurance, and UCC compliance. ACORE is also highly proficient in the servicing and asset management of loans secured by construction and heavy renovation assets.

ACORE's primary servicing portfolio comprised 238 loans totaling \$16.4 billion of unpaid principal balance (UPB) secured by 483 CRE properties as of year-end 2024. The portfolio is diversified by product type and geographic region, with concentrations in office, multifamily and lodging-backed loans, comprising 30%, 23% and 18% of the total servicing portfolio, respectively. The special servicing portfolio increased materially as 16 loans totaling \$1.3 billion and 14 REO assets totaling \$988.5 million were in special servicing as of year-end 2024.

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APPLICABLE CRITERIA

[Criteria for Rating Loan Servicers - Effective from 15 December 2022 to 9 December 2025](#)
(pub. 15 Dec 2022)

[Criteria for Rating North American Commercial Mortgage Servicers](#) (pub. 17 Dec 2024)

ADDITIONAL DISCLOSURES

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ACORE SPECIAL SERVICING, LLC

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