

Torchlight Loan Services, LLC

Torchlight Loan Services, LLC (TLS, or the company) is the special servicing subsidiary of Torchlight Investors, LLC (TI), an investment advisor headquartered in New York City whose core business is the management of commercial real estate (CRE)-related debt investments for institutional investors. TI had \$6.6 billion in funds under management that focus on CRE debt strategies on behalf of more than 80 investor clients as of Sept. 30, 2024.

TI has a long history of fund raising to support CRE mortgage, mezzanine, equity and securitization investments. The company held its final close for debt fund VII in October 2021 with \$2.04 billion in commitments. The company completed its initial closing of an eighth debt fund, raising \$860 million, in December 2022; it has secured a total of \$1.23 billion in commitments. Additionally, TI launched a tactical distressed debt fund in 2H23 and as of its final close in June 2025, has \$140 million in commitments. Asset managers that support TLS are responsible for non-securitized loans and other private investments held in TI funds, which are a combination of mezzanine loans, preferred equity investments, senior mortgages and limited joint-venture equity investments.

TI purchased three single-asset single-borrower (SASB) transactions in 2024 and appointed TLS as a special servicer. The company also purchased one secondary market SASB transaction for a 2019 vintage. Also, during 2024, TLS was assigned as special servicer for two third parties; one new issuance Freddie Mac transaction, and one legacy SASB transaction. As a result of new assignments, TLS's securitized named special servicer portfolio has grown 22% by balance since 2023. As of June 30, 2025, TLS was the named special servicer for 30 securitized transactions comprising 322 loans totaling \$15.4 billion. In addition, asset managers that support TLS are responsible for 52 non-securitized loans held in TI funds totaling \$4.0 billion. Additionally, during 2024, TLS was replaced as special servicer on three multiborrower transactions, and one multiborrower and one SASB transaction were terminated.

The company resolved one loan in 2024, an office property located in Mesa, AZ that was returned to the master servicer. Since inception, TLS has resolved 746 securitized loans totaling \$11.8 billion and five non-securitized loans totaling \$82.7 million.

Servicer Ratings

- Fitch Ratings 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 REO 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 (-), along with the flat rating.

Ratings

Commercial Special Servicer^a CSS2

^a Last Rating Action: Affirmed on April 29, 2025

Rating Outlook

Commercial Special Servicer Stable

Applicable Criteria

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

[Criteria for Rating North American Commercial Mortgage Servicers \(December 2024\)](#)

Related Research

[Fitch Affirms Torchlight's Commercial Special Servicer Rating \(April 2025\)](#)

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Key Rating Drivers

Company/Management: Special servicing functions performed by TLS are critical to supporting the investment portfolio of TI. The company provides asset management and special servicing support for TI's CRE investments, as well as third-party special servicing assignments, which represent 44% of special servicing assignments. TI manages multiple funds that selectively invest in CRE mortgage, mezzanine equity and securitizations.

Staffing and Training: Special servicing is supported by 21 employees, up from 18 employees at Fitch's prior review, four of whom are fully dedicated to TLS. Overall employee turnover declined slightly to 5% in 2024 from 6% in 2023 and 17% in 2022. Consolidated management turnover increased to 7% from none at Fitch's prior review due to one senior manager involuntary departure. There was no turnover among asset managers during the 12 months ended Dec. 31, 2024, in line with the prior year. The 12 members of the senior management team, who support TLS, average 24 years of industry experience and 11 years with the company, while five middle managers average 15 years and eight years, respectively. Two of the senior management team members are fully dedicated to TLS.

Fitch classified three employees as asset managers who are fully dedicated to special servicing. Collectively, asset managers average 14 years of industry experience and eight years of tenure. The ratio of assets to asset managers is 3.1, which is low compared to other Fitch-rated servicers. The company reported that special servicing employees completed 42 hours of training since Fitch's prior review.

Technology: TLS's primary asset management application is a customized version of Backshop, which continues to be enhanced to support asset management and tracking, investor reporting and scenario-modeling. Although Backshop is sufficient to meet TLS's servicing needs, Fitch notes that the company has not substantially upgraded or enhanced the application's functionality, in contrast to other highly rated servicers. Recent enhancements included the automation of the surveillance report and customizable dashboards.

Corporate Governance: Controls include high-level policies and procedures, manager oversight, dual reviews of external reports and a formal special servicing committee for all workout decisions. Internal compliance is shared with TI and focuses on SOX (Sarbanes-Oxley Act) controls, and employees are required to certify compliance with policies and procedures quarterly. Fitch notes TLS's demonstrated history of engaging a third-party auditing firm to perform internal operational audits every two years. The most recent internal audit was undertaken in 2023 and resulted in no findings. The company expects the 2024 internal audit to begin in early 2025.

Defaulted/Nonperforming Loan Management: Loan workout and REO functions are not segregated, given the small team and limited number of active defaults. Fitch noted the business plans were sufficiently detailed and included alternative resolution strategies with a net present value (NPV) analysis to support ultimate resolution when warranted. Additionally, asset managers were knowledgeable about current asset performance, local markets and disposition strategies, as well as alternative valuations such as BOVs based on recent leasing activity.

Fitch observed that the majority of active specially serviced loans and REO assets had recent valuations within a frequency consistent with industry standards of special servicing. For 2024, TLS modified one loan, and the fee was in line with market fees of 1% of the loan balance or less.

Financial Condition: Fitch does not rate TI. However, Fitch performed a financial assessment of TI and determined that the company's short-term financial viability is sufficient to support the servicing platform.

Conflicts of Interest: Special servicing decisions are made by a committee comprising eight members, three of whom are members of the TI investment committee. All special servicing committee decisions require the unanimous consent of all members.

Company Experience Since

CRE Loan Workout	1998
CRE Servicing	1998

Source: Fitch Ratings, Torchlight Loan Services, LLC

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 runoff in the portfolio
Financial Condition	■ Stable Rating Outlook
Staffing and Training	■ Staffing changed less than 12% +/-
Technology	■ Stable technology platform
Corporate Governance	■ Stable control environment, no material audit findings
Servicing Operations	■ Stable operations, no material changes year over year

Source: Fitch Ratings

Most Recent Management Meeting:

Feb. 19, 2025	New York, NY
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Company Overview

TLS is sponsored by its parent, TI, which was founded in 1995 and is headquartered in New York City, SEC-registered investment advisor specializing in CRE debt finance and investments. The parent company was previously known as ING Clarion Capital, LLC. In July 2010, ING Group NV (ING) sold its minority interest in ING Clarion Capital and its subsidiary, ING Clarion Capital Loan Services, LLC, to the parent company's management and principals. The parent company was renamed TI.

Servicing Portfolio Overview

	Jun. 30, 2025	% Change	Dec. 31, 2024	% Change	Dec. 31, 2023
Special Servicing — Named					
UPB (\$ Mil.)	19,394.7	41	13,790.9	22	11,355.0
No. of Loans	374	33	281	-21	355
Special Servicing — Active^a					
UPB (\$ Mil.)	3,105.9	13	2,756.9	8	2,555.6
No. of Loans	49	17	42	2	41

^aIncluding REO. UPB – Unpaid principal balance.
Source: Torchlight Loan Services, LLC

TLS (including its predecessor, ING Clarion Partners) was formed in 1998. TI's core business continues to be the management of CRE-related debt investments, including first mortgages, mezzanine and preferred equity loans, equity investments and CMBS. The company had approximately \$6.6 billion under management in benchmarked, opportunistic, and long- and short-term CRE debt strategies as of Sept. 30, 2024.

TI has raised and managed eight closed-end debt funds (DFs) since 2003; these have ranged in size from \$280 million to more than \$2.0 billion. TI's first four funds are fully realized and DF V is currently being harvested. DF VI launched in 2017, received capital commitments of approximately \$1.7 billion when it closed in February 2019 and ended its investment period in February 2022. DF VI is a 10-year fund (with two, one-year extensions) structured to accommodate securitized investments with horizontal risk retention rules. TI launched DF VII, with an investment profile similar to that of DF VI, in 2020. DF VII's investment period ended in September 2024, and the fund had raised in excess of \$2.0 billion as of December 2021 and is TI's largest investment fund to date. DF VII has a fund term through 2031. TI launched DF VIII in 2022, aligned with the Debt Fund Series investment mandate. DF VIII had raised \$1.2 billion as of December 2024 and has the ability to invest through March 2027.

Loan originations for the DFs are a combination of mezzanine loans, preferred equity investments, senior mortgages and limited joint-venture equity investments. In some cases, TI may be in more than one position of the capital stack, such as originating a bridge senior mortgage and a preferred equity investment for the same property.

Financial Condition

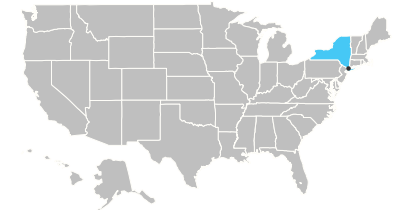
Fitch does not maintain credit ratings on Torchlight. However, Fitch performed a financial assessment of TI and noted that, overall, the company has demonstrated a fairly stable core income stream, sufficient liquidity and a flexible financial profile. Torchlight saw a slight revenue decline in 2024 due to lower interest and other income, but core asset management fees grew year over year. The company also reported continued EBITDA and EBITDA margin growth in 2024, driven by lower compensation and professional fees. The company does not have any debt outstanding, as has been the case for more than five years. TI does not have a revolving credit facility, but has sufficient cash on hand and cash flow to fund working capital needs.

Employees

As of December 2024, the special servicing team consisted of 21 professionals, up from 18 the prior year. Four employees, including two senior-level asset managers, one of whom is the head of special servicing, one middle manager and one staff-level employee, are fully dedicated to

Fitch noted that at 3:1 TLS's asset-to-asset manager ratio is low compared to that of other Fitch-rated special servicers. The company's three asset managers average 14 years of industry experience and eight years of tenure.

Office Locations



Primary Office: New York City

TI has a demonstrated history of successful fund raising and will continue to use investment funds as a source of capital. The company completed its initial closing of an eighth debt fund raising (\$860 million) in December 2022. Since then, DF VIII has secured a total of \$1.23 billion in commitments. The firm's two most recent funds are active and potential TI fund investments in securitized transactions, as well as loan originations that are expected to grow the named special servicing portfolio.

special servicing. The remaining 16 are employed by TI but split their time between TI and TLS; they include the senior manager responsible for TLS, who is also responsible for TI fund asset management. The shared functions include areas such as corporate finance, originations, fund asset management, portfolio management, chief compliance officer (CCO) and CEO, CIO, COO as well as senior officers of TI who serve on the TLS credit committee.

Employee Statistics

	2024				2023			
	No. of Employees	Avg. Years Industry Experience	Avg. Years Tenure	% Turnover	No. of Employees	Avg. Years Industry Experience	Avg. Years Tenure	% Turnover
Special Servicing								
Senior Management	12	24	11	10	9	24	12	0
Middle Management	5	15	8	0	2	15	13	0
Servicing Staff	4	8	4	0	7	10	4	14
Total	21	—	—	5	18	—	—	6

Source: Torchlight Loan Services, LLC

Overall employee turnover was low in 2024, at 5%, slightly below 6% in 2023. Consolidated management turnover increased to 7% during the 12 months ended Dec. 31, 2024, up from none at Fitch's last review due to the involuntary departure of the senior manager who was focused on business development. In 2024 TLS replaced the departure with a senior manager with 28 years of industry experience who will focus on business development with third-party clients and distressed debt balance sheet workouts. There was no asset manager turnover during the 12 months ended Dec. 31, 2024, consistent with the prior year.

The 12 members of the senior management team, two of whom are fully dedicated to TLS, average 24 years of industry experience and 11 years with the company, while five middle managers average 15 years and eight years, respectively. Of the special servicing staff, one is fully dedicated and three are shared resources, with team members averaging eight years of industry experience and four years with the company.

Fitch classified two senior managers and one staff employee as asset managers who are fully dedicated to special servicing and collectively average 14 years of industry experience and eight years of tenure. As of December 2024, the ratio of specially serviced assets to asset managers was 3:1, which is lower than that of other Fitch-rated commercial special servicers.

Training

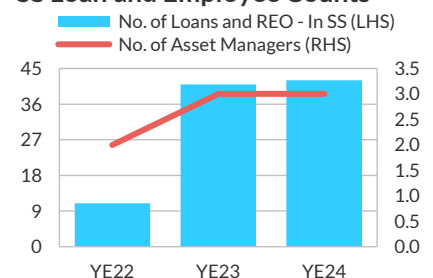
Management's goal is for employees to receive an average of 40 hours of training annually through a formal training program, including external instructor-led training and lunch-and-learn sessions. One senior vice president of special servicing is the designated training coordinator and is responsible for working with the head of special servicing to identify potential topics and coordinate external trainers with the help of a special servicing associate on the team. Training needs are evaluated based on the level of staff experience and individual strengths and weaknesses. TLS reimburses continuing education expenses for CFA and CPA designations, as well as professional educational programs.

TLS reported that special servicing employees completed 42 hours of training, below 50 hours of training in 2023 and in line with 42 hours in 2022. Employee training is tracked by the operations department using spreadsheets. Recent training topics included: various office market updates, ESG, reps and warranties, loan structuring issues, the Corporate Transparency Act, receiverships, securitization process PSA agreements, the foreclosure process, lender liability, litigation avoidance and discovery.

In September 2024 the company added a senior manager to the special servicing team whose focus is on business development for third-party special servicing and balance sheet distressed workouts. Given the potential for distress in the office market, the team is focused on expanding third-party servicing and expects to hire at least one more asset manager and an analyst in the second half of 2025.

Fitch notes that only four TLS employees (20%) are fully dedicated to special servicing; this is down from five the prior year. The remaining employees are TI employees who spend between 10% and 80% of their time supporting special servicing.

SS Loan and Employee Counts



Note: SS - Special servicing. REO - Real estate owned.
Source: Torchlight Loan Services

TLS's primary training method for employees is on the job, pairing asset managers and analysts with team leaders. While this may be an effective method for TLS's open space work environment, it is not reflected in formal training hours.

Operational Infrastructure

Outsourcing

TLS does not outsource core special servicing functions. However, the company has historically supplemented its staffing needs through the use of consultants. Three CRE-focused staffing companies provide personnel to TLS as needed. There were no consultants supporting special servicing during 2024, although TI has additional consultants to supplement staff.

The company, through its parent company, has a longstanding relationship with an IT vendor for IT administration and support.

Vendor Management

TLS maintains a formal vendor engagement procedure and ongoing compliance monitoring. New vendors require approval from the TI controller subsequent to provision of appropriate documentation and a risk assessment that evaluates the vendor's access to and use of confidential information. TI also independently verifies the information submitted by vendors, as well as their business standing and ability to perform functions by jurisdiction.

The heads of special servicing and asset management must approve all special servicing vendor assignments and actively provide feedback on past performance. Vendor assignments are tracked in the company's special servicing application, which produces customized reports to analyze trends in vendor performance and exposure.

TLS maintains ongoing relationships with an insurance consultant for corporate and collateral insurance matters, as well as a real estate tax appeal vendor. In conjunction with special servicing and asset management duties, TLS may engage legal counsel, appraisers, property vendors, brokers and environmental consultants.

Torchlight's financial control team maintains a vendor risk assessment matrix to evaluate the amount of risk each vendor poses to the operations of the company. Vendors are evaluated based upon their access to critical data, how they access data, their criticality to Torchlight's operations and the availability of marketplace alternatives. All vendors are assessed and assigned a risk rating upon onboarding. Additionally, Torchlight goes through an annual vendor risk management process whereby the risk rating of all vendors is reviewed and ascertained. Medium risk vendors are asked to complete an annual questionnaire and high-risk vendors are asked to undergo an information security due diligence assessment conducted by a third-party cybersecurity firm. In certain circumstances, medium- and high-risk vendors may opt to provide the firm with an information security whitepaper or a SOC Report.

Technology

TLS utilizes a customized version of Backshop (version 9.0) as its primary asset management application, which has been enhanced by TLS and the vendor to support asset management and tracking, investor reporting and scenario-modeling capabilities, in addition to the application's commercial loan underwriting features. The application is also used by other Fitch-rated special servicers for special servicing asset management and surveillance.

Backshop is populated with CREFC IRP (CRE Finance Council – Investor Reporting Package) data fields from various trustees for all transactions in which TLS is the named special servicer. Data are updated monthly based on trustee reports, as TLS does not currently receive data feeds from CMBS master servicers. Backshop's reporting functions provide TLS with internal controls around workout milestones, including recording formal approvals, as well as CREFC IRP (version 8.0) and ad-hoc reporting. Backshop also contains pooling and servicing agreement (PSA) requirements, deadlines and documentation for TLS transactions to support some systematic internal controls for monitoring deliverables, e.g. inspections and appraisals.

In addition to Backshop, TLS employees use Microsoft Office products, Argus for advanced modeling, SAP Concur for expense and vendor management, and CoStar to aid in analysis and

Fitch notes that although Backshop is sufficient to meet TLS's servicing needs, the company has not substantially upgraded or enhanced the application's functionality, in contrast to other servicers rated highly by Fitch. However, TLS expects Backshop's acquisition of Situs' asset management system, Closer, to include updates to the user interface, streamline workflows and introduce new features, such as the integration of Excel into its financial modeling tools in 2025.

workouts. Ad-hoc reporting is available from both TI's data warehouse and a separate Backshop data warehouse on Microsoft Azure.

Technology enhancements during 2024 included the automation of the surveillance report and addition of customizable dashboards. Although Backshop is sufficient to meet TLS's servicing needs, Fitch notes that, the company has not substantially upgraded or enhanced the application's functionality, in contrast to other highly rated servicers. However, TLS expects Backshop's acquisition of Situs' asset management system, Closer, in August 2024 to include updates to the user interface, streamline workflows and introduce new features, such as the integration of Excel into its financial modeling tools. Planned technology enhancements in 2025 include the firmwide deployment of laptops for all employees, integration of Excel for financial modeling and NPV calculations in Backshop.

Network and desktop support is provided by a third-party contractor who provides 24-hour desktop support, as well as a part-time on-site engineer. Support for Backshop is continuously available by phone and email from the vendor, as well as from a select group of TLS employees with the most experience.

Cybersecurity

TLS, through its IT vendor, maintains cybersecurity policies and procedures, and has engaged separate vendors to perform weekly external vulnerability testing and annual internal vulnerability testing as well as penetration testing. All cybersecurity vendors report to TI's COO and IT/office manager. The company reported no cybersecurity incidents during 2024 and continues to increase employee training and testing.

TI engages a third-party vendor to perform reviews of its cybersecurity environment and performs weekly external vulnerability testing and annual internal vulnerability testing. TLS utilizes its vendor's security information and event management (SIEM) platform, which detects, analyzes and responds to cybersecurity incidents. The SIEM platform also includes monitoring of the dark web to ensure that corporate credentials are not compromised.

The last review was performed in September 2024, and no material issues were identified. Monthly, TLS meets with its vendors to review any vulnerabilities, and ECI patches all servers and workstations on a monthly basis. Antivirus and malware are continuously updated. Additionally, TLS also implemented quarterly phishing testing with its cybersecurity vendor. Results of the test are discussed with the COO and any deficiencies are brought to the attention of the CCO.

Disaster Recovery/Business Continuity Plan

TLS, through TI, maintains disaster recovery and business continuity processes that are tested on an ad-hoc basis throughout the year and twice annually. The disaster recovery process is also outsourced to the company's third-party IT vendor, which hosts TI's data and applications at both a primary data center in New Jersey and a recovery site in California. Disaster recovery testing is performed about once every six months; the most recent test occurred in April and November 2024 with successful results and no material exceptions with the next test scheduled for April 2025. Backshop's most recent disaster recovery test was in March 2024 and, likewise, yielded successful results with no material findings.

Support provided by ECI for management of the disaster recovery process includes monitoring and maintaining both data replication and the associated IT hardware and applications at the disaster recovery data center. Data are backed up through replication technology that regularly copies all data from the primary data center to the disaster recovery site; as a result, the maximum possible data loss time in the event of a disaster is 30 minutes or less. Should a disaster event occur, TLS employees have access to systems through remote access, which has a stated recovery goal of four hours to six hours.

TLS does not maintain employee backup or hot site locations if its primary office is inaccessible; instead, it relies on a work-from-home strategy dependent on power and internet availability. TLS also has a private agreement with a third-party servicer to host up to five employees at its Atlanta office in the event the New York City office is inaccessible.

Corporate Governance

TLS's internal control environment features high-level policies and procedures, manager oversight, dual reviews of external reports and a formal special servicing committee for all workout decisions. Internal compliance is shared with TI and focused on SOX controls, and employees are required to certify compliance with policies and procedures quarterly.

While the company does not maintain dedicated audit resources, TLS engages a third-party auditing firm to perform operational audits every two years; the most recent audit was completed in 2023, reviewing operations during 2022, with no findings. The next audit is expected to cover 2024 and be completed in early 2025.

Policies and Procedures

The special servicing manual is reviewed annually, with changes or updates made as necessary. The heads of special servicing and financial controls are responsible for changes and updates that the head of asset management, COO and CCO review and approve prior to implementation. The policies and procedures manual is distributed to employees via the company's intranet. All new employees receive training (they are required to review the manual), and important updates are distributed by email as necessary. Employees are required to attest their compliance with TLS policies and procedures in addition to gift and entertainment, conflict of interest and political contribution policies.

Fitch reviewed the 2024 version of TLS's policies and procedures manual, which provides an overview of special servicing — including the analysis of loan, property and sponsor attributes, as well as strategies and rationales for evaluating potential resolution methods. TLS completed its annual review of policies and procedures in July 2023, and there were no material changes. Recent policies and procedures updates were limited to the update of the signatory matrix at the end of 2023 and incorporated for 2024. At the time of Fitch's review, TLS was going through their annual review of policies and procedures to reflect the additions to their servicing credit committee and other necessary revisions.

In addition to policies and procedures, TLS maintains supplemental checklists that have been incorporated within its asset management functions, outlining key steps for loan transfers, changes in special servicer, loan modifications, foreclosures and deed-in-lieu. The checklists, also reviewed by Fitch, outline basic procedures to be performed in a step-by-step format and specifically identify approved templates for borrower correspondence, business plans and internal resources.

Compliance and Controls

TLS addresses quality control and compliance through its policies and procedures, automated ticklers within Backshop for key milestones, monthly compliance reporting and multiple levels of review for items such as remittance reports and business plans.

Ongoing workout progress is reviewed weekly by the heads of special servicing and asset management during team meetings in which asset managers update their business plans and projections for resolution. The group heads also review all external commentary and approve all major decisions prior to the company's credit committee.

Additionally, the heads of special servicing and financial control are responsible for servicing compliance through monthly exception reporting that utilizes the company's data warehouse and Backshop, as well as reviewing all remittance reports prior to issuance. Monthly compliance reports are generated and reviewed to confirm servicing requirements are met, including key servicing agreement deadlines and timely appraisals, REO budgets, and insurance and site inspections, among other key deliverables.

The company uses a delegation of authority process whereby only vice presidents or higher ranking executives may sign contracts or engage third-party services on behalf of the trusts they represent. The company also views the use of delegations of authority and the requirement of dual signatories to request funding for REO assets as effective internal controls to monitor REO assets and advancing. TLS maintains expense and payment protocols structured around three control criteria for expenses and segregated approvals between business lines and financial controls based on dollar amounts.

Fitch determined that TLS's policies and procedures manual, along with its supplemental checklists, is detailed enough to effectively to carry out asset management functions.

TLS does not maintain dedicated internal compliance resources independent of servicing to monitor operational compliance. The heads of special servicing and financial controls are responsible for monthly monitoring of compliance, using exception reports for key deliverables. These reports are effective controls for monitoring servicing requirements.

The company itself does not have an internal compliance function dedicated to servicing given the limited number of active specially serviced loans. However, TI, as an SEC-registered investment advisor, has an internal compliance function staffed by the CCO and a compliance analyst. While focused primarily on SOX controls, the compliance group monitors conflicts of interest and disclosures of nonpublic information for TLS.

Internal Audit

TLS outsources internal audit functions to a third-party firm that performs internal audit reviews every two years. The company began outsourcing internal audits in 2016, and in 2018, it engaged Baker Tilly to perform the audits based on the firm's experience and familiarity with the platform as TI's financial statement auditor.

The most recent audit reviewed by Fitch covered operations during 2022 with the internal audit report from Baker Tilly issued in August 2023. The audit's scope included cash collection and administration, accounts payable and advances, special servicing administration, Backshop system workflow, and investor and master servicer reporting processes. The audit tested more than 52 controls and there were no findings. At the time of Fitch's visit, the company expected to commence the internal audit for 2024 in 2Q25 with no changes to the audit's scope.

External Audit

Cohn Reznick LLP performed the 2024 Regulation AB audit of TLS, consistent with the prior year. The company received an audit letter dated Feb. 21, 2025, which found the company to be in compliance with the minimum servicing standards as of Dec. 31, 2024, evidenced by management's attestation. TLS was not required to undergo a Uniform Single Attestation Program (USAP) audit.

Special Servicing

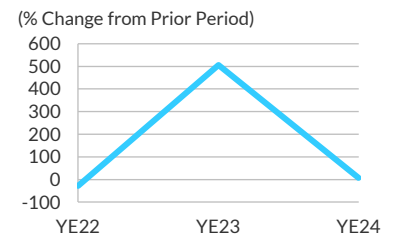
Special Servicing Portfolio

As of June 30, 2025, TLS was the named special servicer for 30 securitized multiborrower and SASB transactions, comprising 322 loans totaling \$15.4 billion. Of the securitized special servicing portfolio, the company was actively working out 41 securitized loans representing \$2.8 billion in outstanding balance and managing eight REO assets representing \$253.1 million in unpaid principal balance. Asset managers that support TLS are responsible for 52 non-securitized loans held in TI funds totaling \$4.0 billion; all of which are performing.

Special Servicing Portfolio Overview

	Jun. 30, 2025	% Change	Dec. 31, 2024	% Change	Dec. 31, 2023
Securitized					
No. of Transactions — Special Servicer	30	67	18	-5	19
UPB — Special Servicer (\$ Mil.)	15,418.1	54	9,980.2	22	8,187.4
No. of Loans — Named Special Servicer	322	38	234	-25	311
UPB — Actively Special Servicer (Non-REO) (\$ Mil.)	2,852.8	14	2,503.8	8	2,315.7
No. of Loans — Actively Special Servicer (Non-REO)	41	21	34	6	32
UPB — REO Assets (\$ Mil.)	253.1	0	253.1	6	239.9
No. of REO Assets	8	0	8	-11	9
Non-securitized					
UPB — Named Special Servicer (\$ Mil.)	3,976.6	4	3,810.7	20	3,168.0
No. of Loans — Named Special Servicer	52	11	47	7	44
UPB — Actively Special Servicing (Non-REO) (\$ Mil.)	—	—	—	—	—
No. of Loans — Actively Special Servicing (Non-REO)	—	—	—	—	—

Special Servicing Portfolio by Balance

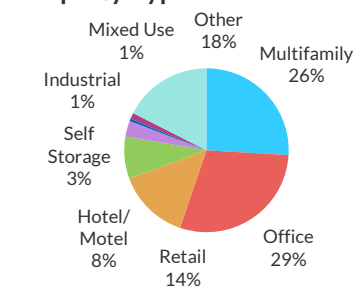


Note: Special servicing includes loans actively in special servicing (including REO).
Source: Torchlight Loan Services

TLS's servicing portfolio as of June 2025 is comprised of 30 transactions, which includes 19 SASB and 11 multiborrower CMBS deals. The company's multiborrower transactions were issued between 2004 and 2025, while the SASB transactions were issued between 2016 and 2025.

Fitch recognizes TLS's established practice of hiring a third-party auditing firm to conduct internal operational audits biennially. The latest internal audit took place in 2022, with no findings reported. The 2024 internal audit is scheduled for 2Q25.

Named Securitized Servicing Property Type



Torchlight Loan Services, LLC

Special Servicing Portfolio Overview

	Jun. 30, 2025	% Change	Dec. 31, 2024	% Change	Dec. 31, 2023
UPB – REO Assets (\$ Mil.)	—		—		—
No. of REO Assets	—		—		—

UPB – Unpaid principal balance
Source: Torchlight Loan Services, LLC

TLS's securitized special servicing portfolio as of YE 2024 includes seven multiborrower conduit transactions and 11 SASB transactions. Approximately 44% of TLS's YE 2024 special servicing portfolio comprises third-party servicing assignments on behalf of eight investors by transaction count. A secondary market investment by TI added one 2019 vintage, and it purchased control positions of three 2024 vintage SASB transactions to the portfolio in 2024. The company resolved one loan in 2024 secured by an office property located in Mesa, AZ, which resulted in being returned to the master servicer. As of June 2025, TLS's securitized special servicing portfolio includes 11 multiborrower conduit transactions and 19 SASB transactions. Approximately 70% of TLS's special servicing portfolio as of June 2025 comprises third-party servicing assignments on behalf of 15 investors by transaction count. Additionally, since Fitch's review, the company purchased two SASB and one multiborrower conduit HRRs, which represents the most securitized CMBS investments by TI.

Loan Administration

TLS is proactive in its surveillance practices via regular communication with master servicers for securitized transactions in which it is the named special servicer. TLS utilizes Backshop to monitor loan performance. The application gives TLS access to CREFC reporting data from master servicers and trustees, which are updated monthly. The head of special servicing and a special servicing associate use monthly CREFC reports to monitor delinquencies and underperforming loans, and may request additional information from master servicers.

Additionally, the special servicing team maintains a proprietary legacy database of TI bond positions created during investment underwriting, from which the major tenant, location and rent exposure are assessed. The company cross-references this database with major company announcements and news items (such as bankruptcies, mergers and major disasters), and shares this information with the special servicing group.

Defaulted/Nonperforming Loan Management

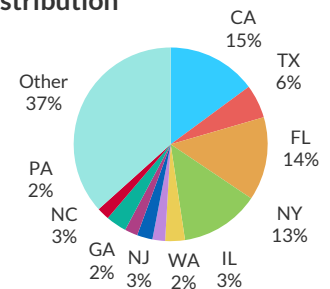
Upon notification of a servicing transfer event, the relevant loan documents and historical information are requested from the master servicer under supervision of the head of special servicing. The loan documents and original underwriting information are reviewed by the asset manager and legal counsel to obtain a clear understanding of the loan structure, existing lender protections and the economic conditions present, both currently and at the time of origination.

Within 90 days of the loan's transfer to special servicing, TLS creates a business plan, obtains an updated appraisal and secures at least one broker opinion of value. The company does the same within 90 days of the conversion of a loan to REO status. Asset managers work with legal counsel and other third-party vendors to develop a resolution strategy, requiring approval from the team leader and special servicing committee. Asset status reports are created and distributed per guidelines in the PSA, and monthly remittance reports provide updates.

All special servicing functions, including the creation of asset status reports and business plans, consent tracking, cash flow modeling, contract management, and disposition strategy development and analysis, take place in Backshop.

For market research, the company uses third-party data providers (REIS, CoStar and Trepp), local market contacts and proprietary data to identify other defaulted loans in the same submarket or by the same borrower to determine a strategy. The asset manager is also responsible for obtaining or performing a physical property inspection, generally within 30 days. In addition to using various data sources and publications in conducting its market research for newly transferred loans, the special servicing team identifies local brokers from which to obtain broker opinions of value.

Named Securitized Geographic Distribution



Source: Torchlight Loan Services, LLC

TLS's special servicing committee is an additional internal control around the workout process, as each workout is subject to approval from the relevant members of the eight-member committee. The special servicing committee comprises four members of the TI senior management team, the head of special servicing, the head of asset management, the senior vice president and the vice president at TLS whose approval is required for business plans, significant lease approvals, foreclosure filings, discounted payoffs, loan modifications and assumptions, foreclosure bid strategies, capital and PIP expenditures, and REO business plans and liquidations.

Instead of formal credit committee meetings, TLS utilizes Backshop for credit committee review and approval of all major decisions. Committee members are able to access the business plans/memos electronically and can cast their vote for approval or denial directly on Backshop. When a simple majority of five out of eight approvals are received, a wait-time of 48 hours begins before final approval is issued to provide committee members who have yet to review/approve more time for discussion. If any committee member votes to deny a recommendation, it is immediately rejected and withdrawn. Questions and commentary are usually conducted via email and captured in Backshop. For more complicated assets, or contentious litigation, live committee meetings will be called to discuss the circumstances around the asset. Several committee members attend weekly portfolio meetings with the asset managers and provide feedback. In addition, committee members are frequently contacted for input as negotiations are occurring, rather than just at the time of approval.

REO Management

When a property is placed into receivership or a foreclosure is completed, the asset manager oversees property-level operations and develops the ultimate resolution strategy. The asset manager works with the property manager to develop a budget and with other third-party service providers to develop a business plan to maximize NPV at resolution. Budgets, which must be approved annually by senior management, include operating expenses and capex necessary to operate and maintain the property for sale. The asset manager monitors budget variances monthly as part of the funding request process.

TLS's policies and procedures generally require updated business plans for REO assets to be presented to the special servicing committee within 90 days of foreclosure, although the company notes that complex assets may take longer than 90 days. Approved REO business plans are reviewed no less frequently than annually by the special servicing committee, or more frequently if there is a significant change in strategy, occupancy or pending liquidation.

Torchlight utilizes a property manager oversight program for REO assets. The program consists of a third-party audit firm engaged by TLS, on behalf of the trust, with the ultimate goal of auditing 15%–20% of eligible firms annually. The scope of the audits includes rental income reporting and collection verification, reviews of expense processing and cash account reconciliations, a common area accounting review, a review of third-party contractors and a compliance review of the property management agreement.

Governance and Conflicts of Interest

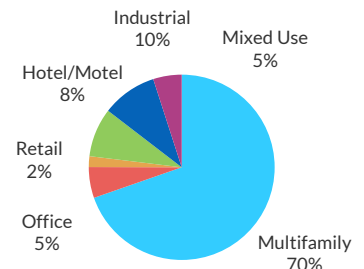
Managing Conflicts of Interest

Potential conflicts of interest in special servicing can arise in 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.

While the company performs third-party special servicing for investment managers and private equity firms that hold non-securitized B notes, as well as hedge funds that hold controlling class bonds, approximately half of TLS's named special servicing assignments by transaction count are on behalf of its parent. Fitch notes as a potential conflict of interest that half the members of the eight-member TLS special servicing credit committee are employees of TI. The committee, whose members average approximately 23 years of CRE experience, comprises four senior employees of TI and four employees of TLS. Additionally, decisions made by the special servicing committee require the unanimous consent of all members.

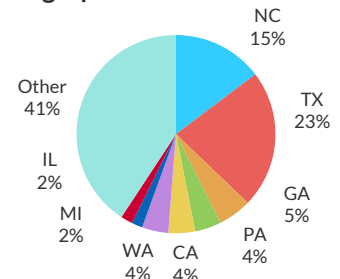
Torchlight manages potential conflicts of interest on two levels: first, through its policies and procedures, which require that all major special servicing decisions be made by the special servicing committee (although TI employees represent one half of the committee); and second,

Named Non-Securitized Servicing Property Type



Source: Torchlight Loan Services, LLC

Named Non-Securitized Geographic Distribution



Source: Torchlight Loan Services, LLC

Members of TLS's special servicing credit committee include: the co-chief investment officer of TI, the head of asset management of TI, the co-head of portfolio management, the partner of deal structuring, the partner of portfolio management, the head of special servicing and a senior vice president and vice president in special servicing.

Fitch noted potential conflicts of interest between TLS and TI. Although these are partially mitigated through established policies and procedures, the two firms closely share office space and employees. Additionally, TI employees make up half of the members on TLS's special servicing credit committee.

through TLS and TI compliance and code of ethics policies, which employees are required to certify they comply with annually. Notwithstanding shared employees and office space between TLS and TI, the policies address the disclosure of confidential information and potential conflicts of interest that may arise in the normal course of business.

Fitch reviewed a sample of business plans for five specially serviced loans. Fitch found that the plans were sufficient, generally reflected background on the loan's default, property information, sponsor and market information, the consideration of alternative resolution strategies, with an NPV analysis where applicable to support the ultimate workout strategy when warranted, in addition to recent valuations for most within a frequency consistent with industry standards of special servicing.

For 2024, TLS modified one loan and the fee was in line with market fees of 1% of the loan balance or less.

Affiliated Companies

Neither TLS nor TI currently has affiliate companies that would provide real estate management or CRE property brokerage services. TI or affiliate entities may provide CRE financing options for maturing loans or loans being worked out by TLS.

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