MORNINGSTAR Credit

FEATURE FOCUS

CMBS Conduit Credit Model

A loan-level credit risk engine built on a framework derived from Morningstar DBRS methodologies.

Morningstar Credit provides a unified, loan-level credit risk engine that brings quantitative transparency to CMBS analysis. The model produces consistent, defensible outputs that help market participants understand which loans drive pool outcomes.

What the Conduit Credit Model Delivers

Our Conduit Credit Model delivers a standardized, quantitative assessment of loan-level and pool-level credit risk, including:

- **Expected loss (EL)**
- **Scaled probability of default (PoD)**
- **Loss given default (LGD)**
- **Loan loss contributions**
- **Pool loss vectors**

These outputs align with the same framework used in the Morningstar DBRS rating process.

Benefits for Issuers

General support for pool construction.

- Evaluate loan-level downside before agency selection
- Determine which loans drive required credit support
- Evaluate pool structures with transparent, reproducible Expected Loss outputs
- Prepare for rating agency, investor, and syndication conversations

The model provides faster, clearer visibility into pool quality and structural needs.

Benefits for Investors

A more precise approach to risk assessment.

- Identify loans that disproportionately contribute to downside
- Strengthen internal credit memos and committee decisions
- Improve positioning with defensible, consistent metrics

Our model shows investors where risk truly resides.

ABOUT MORNINGSTAR CREDIT

Built on ratings-agency quality data and models, Morningstar Credit empowers credit market decision-makers with advanced analytics across CMBS, CLOs, corporate credit, and bank performance. With decades of historical performance data and flexible delivery designed for modern workflows, our platform brings speed, accuracy, and clarity to securitized and institutional markets. Morningstar Credit solutions are trusted by global banks, asset managers, insurance companies, government entities and capital markets firms. Visit **credit.morningstar.com** for more information.