

IMS Limited Partnership

IMS Limited Partnership (IMS) is an independently owned Canadian commercial mortgage loan servicer founded in 2009. IMS is an affiliate of IMC Limited Partnership (IMC), a commercial mortgage lender and investment fund manager. The companies are related by common ownership and management. The founding partners and senior management team of both companies have worked together in the Canadian commercial mortgage market since 1997 and are equity partners in each company.

Predominately a captive servicer, servicing assignments are dependent upon the fundraising and loan origination activities of IMC, although IMS also has a small number of third-party servicing clients. IMC has historically originated between \$500 million and \$600 million in commercial real estate (CRE) loans each year, and loans are held by one of IMC's six investment funds or sold to third parties, which may include securitization.

IMC is an experienced securitization issuer, having issued seven transactions under its own shelf since 2011. IMC also originates and IMS retains servicing for government-insured loans in the National Housing Act (NHA) mortgage-backed securities (MBS) program guaranteed by the Canada Mortgage and Housing Corporation (CMHC), as well as high-yield loans, which have some level of transition, and core/core plus loans. High-yield loans and core/core plus loans are held in the company's funds. While securitization activity in Canada has been limited over the past three years, IMC expects to engage in securitization activity if economic conditions improve.

IMS's servicing group of 12 employees was named primary servicer for approximately 280 loans representing \$2.1 billion in outstanding balance as of June 30, 2024, a 5% increase in loan count since YE22 and a concurrent increase of 7% in balance. Of the loans serviced, 92 loans totaling \$587.2 million are held in 10 securitized transactions. The remaining 187 loans totaling \$1.5 billion are held in IMC affiliate funds or by third parties. IMC has been successful in maintaining consistent new loan originations yoy, offsetting maturities and giving IMS a largely stable servicing portfolio. The majority of IMS's servicing portfolio is backed by multifamily and manufactured housing-backed loans (25% and 26%, respectively), followed by retail and self-storage (14% and 11%, respectively), which are found primarily in the securitized portfolio.

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 real estate-owned (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 1-to-5 scale, with '1' being the highest rating. Within each of these rating levels, Fitch further differentiates ratings by plus (+) and minus (-) in addition to the flat rating.

Rating

Commercial Primary Servicer^a CPS2-

^a Last Rating Action: Rating affirmed Feb. 25, 2025.

Rating Outlook

Stable

Applicable Criteria

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

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

Related Research

[Fitch Affirms IMS's Canadian Commercial Primary Servicer Rating \(February 2025\)](#)

Analysts

Timothy Symington
+1 512 813-5651
timothy.symington@fitchratings.com

Adam Fox
+1 212 908-0869
adam.fox@fitchratings.com

Key Rating Drivers

Company/Management: The servicing group is integral to the overall business model of IMC, providing for strong sponsorship support. IMS acts as the primary servicer for each loan originated by IMC, irrespective of the ultimate owner of the loan, and serves as the main point of contact between the lender and borrower. IMC relies on IMS for borrower- and property-level information to help manage and report on its investment funds, and to maintain a long-term relationship with borrowers. In addition to shared office space and technology infrastructure, IMC provides IMS with premises and facility management, finance and administration functions, HR and IT support, as well as compliance oversight.

The president and CEO of IMC and IMS has more than 37 years of real estate banking and capital markets experience in Canada and the U.S. Senior managers of the originations group average 37 years of experience in the industry, while the senior manager of servicing has significant industry experience and has been with IMS/IMC since inception.

Staffing and Training: Although the 12-member primary servicing team is smaller than those of other Fitch-rated servicers, which presents key-person risk, Fitch notes the number of employees is appropriate for the number of loans serviced. This team is also 50% larger yoy, with a net addition of four new members since Fitch's prior review.

The company experienced 40% aggregate turnover among servicing employees for the 12 months ended June 30, 2024, including management turnover of 86%, consisting of one senior management and two middle management departures. All management separations were voluntary and represent the first management turnover in four years. Offsetting departures, the company added eight new team members yoy, including the transfer of a senior manager with 33 years of experience and 15 years of tenure into IMS. Additionally, seven new staff-level additions bring an average of four years of CRE experience to support the servicing portfolio.

Technology: IMS uses Altisource's REALSynergy for primary loan servicing. This system was upgraded to the latest version in 3Q24. REALSynergy supports all primary servicing functions, including cash processing. The company makes effective use of the system for quality control reporting and investor reporting. Servicing data are maintained in a cloud-based environment and are backed up at varying intervals from hourly to monthly. IMS maintains a maximum recovery time of one day for core servicing systems, comparing favorably to highly rated servicers. IMS remains dedicated to maintaining servicing technology, with the intent to update REALSynergy as new versions become available, consistent with previous years.

Loan Administration: IMS began servicing commercial mortgages in 2009 and securitized loans in 2011. The company services loans secured by a wide range of properties across Canada. The company's total portfolio is predominately comprised of multifamily (25% by loan count), retail (14%), manufactured housing (26%) and self-storage (11%) properties. IMS also has experience with shorter term, high-yield loans given the focus of IMC funds. IMS maintains a well-controlled primary servicing platform with no instances of reporting restatements, errors or tax penalties and no lapsed Personal Property Security Act (PPSA) requirements in the past 60 months.

IMS demonstrates strong asset management capabilities given the nature of the company's servicing role, where the vast majority of credit decisions and borrower relationships are maintained internally. The company acts as a traditional primary servicer and also on behalf of an affiliate controlling class holder for securitized loans in five transactions, while nonsecuritized loans are retained mainly in affiliate-managed funds.

Corporate Governance: IMS's internal control infrastructure consists of policies and procedures, quality control oversight within the servicing team and a corporate compliance function. IMS does not maintain an internal audit group, which is common among similarly sized servicers. The company's high-level primary servicing policies and procedures are updated annually and provide an overview of tasks to be performed. Detailed step-by-step desktop instructions and illustrations of related systems and drives supplement the manuals.

Financial Condition: Fitch does not publicly rate IMS. However, Fitch's Financial Institutions group reviewed the company and deemed its short-term financial position as adequate to support its servicing platform. The review noted IMS's success, in tandem with IMC, in the Canadian securitized space, a solid business model, a lack of debt and strong support from its parent.

Company Experience Since:

CRE Servicing	2009
Securitized Servicing	2011

Source: Fitch Ratings, IMS

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	■	Outlook/Trend
Staffing	▼	Elevated management turnover
Technology	■	Stable technology platform
Internal Controls	■	Stable control environment; no material audit findings
Servicing Operations	■	Stable operations; no material changes year over year

Most Recent Management Meeting:

Nov. 13, 2024 Toronto, ON

Source: Fitch Ratings

Company Overview

IMS is an independently owned, Canadian commercial mortgage loan servicer founded in 2009. It is affiliated with IMC, a commercial mortgage lender and investment fund manager. IMS and IMC are related by common ownership and management. The founding partners and senior management team of both IMS and IMC have worked together in the Canadian commercial mortgage and securitized market since 1997, at Merrill Lynch, and are equity partners in each company.

Servicing Portfolio Overview

	6/30/24	% Change	12/31/23	% Change	12/31/22
Total Servicing					
UPB (\$ Mil.)	2,063.0	5	1,964.5	2	1,930.0
No. of Loans	279	5	266	0	265

UPB – Unpaid principal balance
Source: Fitch Ratings, IMS

IMC had more than \$1.3 billion in assets under management (AUM) as of June 30, 2024, consistent with Fitch's prior review, including six investment funds totaling \$493 million of AUM. These funds have a mix of institutional and high net worth investors and average lifespans that range from three to seven years. IMC's latest high-yield debt fund was raised in 2021, with approximately \$175 million in capital commitments. Commercial mortgages are retained in IMC-managed investment funds, sold to third-party investors or included in securitized transactions. The funds contain reinvestment periods; as such, a longer duration fund could hold more loans on a cumulative basis than its total AUM over time.

IMC has originated \$6.1 billion of commercial mortgage loans since 2011 and historically targets between \$500 million and \$600 million annually, not including senior portions of loans that IMC typically syndicates to third parties. Loan originations increased in 2024 and were expected to close at around \$900 million, up from \$550 million and \$562 million, respectively, in 2023 and 2022. The company recently created a CMHC loan originations team that is expected to continue to drive elevated CMHC originations in subsequent years.

IMC became an approved lender for NHA-MBS loans and IMS became an approved servicer for loans in NHA-MBS transactions in 2021. To date, IMC has originated 13 NHA-MBS loans totaling \$70.1 million. NHA-MBS loans supplement IMC's fund-based lending offerings to provide borrowers with alternative loan structures. Given recent capital-raising initiatives for high-yield loans and core/core plus loans and IMC's participation in government-insured loans in the NHA-MBS program guaranteed by CMHC, loan origination activity is expected to remain consistent. High-yield loans have some levels of transition, and core/core plus loans and CMHC-insured loans are expected to be complementary, providing permanent takeout financing.

IMC is a securitized issuer, having issued seven transactions under its own shelf, Institutional Mortgage Securities Canada Inc. (IMSCI), between 2011 and 2016. For IMSCI transactions, IMC retains the controlling pieces in the funds but does not assign IMS as special servicer, instead preferring to engage third parties, while also contributing loans to seven securitized transactions issued by the Royal Bank of Canada under the REAL-T shelf.

The nonsecuritized segment of the servicing portfolio has grown the most in recent years as IMC has focused on shorter term, high-yield loans, which have some level of transition, as well as core/core plus loans. Nonsecuritized servicing represents the largest portion of the servicing portfolio as it includes loans within IMC funds, which are typically short-term, high-yield loans for transitional properties. As of June 30, 2024, the nonsecuritized portfolio had grown 23% by loan count since 2022, while securitized servicing declined 24% over the same period, consistent with runoff and limited issuance of Canadian CMBS securitizations.

IMS is headquartered in Toronto, Ontario, where all servicing functions are performed. In addition to shared office space and technology infrastructure, IMC provides IMS with premises and facility management, finance and administrative functions, as well as compliance oversight.

Office Locations

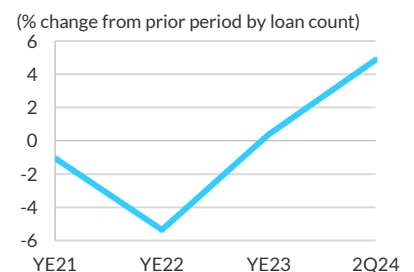


Primary Office: Toronto, ON

IMC's loan originations increased in 2024 and were expected to close at around \$900 million, up from \$550 million and \$562 million, respectively, in 2023 and 2022. The company recently created a CMHC loan originations team consisting of two team members averaging seven years of industry experience. This team is expected to continue to drive new loan originations.

Servicing Portfolio

Primary



Source: IMS Limited Partnership

Originations continue to focus on high-yield loans, increasing IMS's experience with high-touch, complex loans. High-yield loans in the company's portfolio have more frequent reporting requirements and have larger balances than securitized loans.

Financial Condition

Fitch does not publicly rate IMS. However, Fitch's Financial Institutions group reviewed the company and deemed its short-term financial position as adequate to support its servicing platform. The review noted IMS's success, in tandem with IMC, in the Canadian securitized space, a solid business model, a lack of debt and strong support from its parent.

Staffing and Training

IMS's primary servicing group consists of 12 employees, up from eight as of Fitch's prior review, led by two senior managers, each with over 37 years of industry experience and one having been with IMS since its inception. Supporting the senior managers is one middle manager with six years of industry experience and tenure. The management team supports a staff of nine, averaging four years of CRE experience and one year of IMS tenure. This translates to a ratio of one manager for every three staff-level employees. Within the servicing team, only four members are fully dedicated to servicing functions, while the remainder are 10%–50% dedicated to servicing functions with shared responsibility for underwriting, fund management, closing and CMHC origination functions.

The servicing group experienced a material increase in turnover during the 12 months ended June 30, 2024. Aggregate turnover rose to 40% with management turnover at 86%, up materially from zero turnover the prior year. This increase reflects the retirement of a senior servicing manager and two middle managers and one staff-level departure, all of which were voluntary. Prior to these departures, IMS had not experienced management turnover since 2000.

The retiring senior team member was replaced internally through the transfer of a senior manager with 33 years of CRE experience and 15 years of tenure. The servicer notes that largely organic factors drove the unusually high turnover within the group, and expectations are that turnover will revert to a normal pattern. IMS has historically had a stable employee base with minimal turnover, with only 10 departures during the 10 years ended in 2023, consistent with normal low attrition. Offsetting departures and adding additional staff depth, the company added eight new team members during the 12 months ended June 30, 2024, including both senior manager transfers and seven new staff-level additions, bringing four years of industry experience to support the servicing team.

While there is key-person risk due to the size of the servicing group, the company's staffing is appropriate relative to the size of the servicing portfolio. Servicing employees perform all functions and are cross-trained in all areas of loan servicing, providing greater depth of knowledge than larger servicers, where staff tend to be dedicated to specific functions.

Employee Statistics

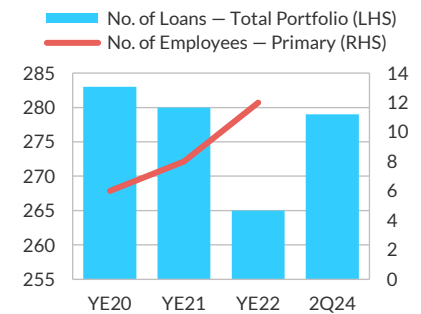
	2024				2023			
	No. of Employees	Average Years Industry Experience	Average Years Tenure	% Turnover	No. of Employees	Average Years Industry Experience	Average Years Tenure	% Turnover
Primary Servicing								
Senior Management	2	37	15	50	2	39	15	0
Middle Management	1	6	6	133	2	8	6	0
Servicing Staff	9	4	1	15	4	3	2	0
Total	12	—	—	40	8	—	—	0

Source: Fitch Ratings, IMS

IMC and IMS senior management take a proactive approach to staffing needs, meeting at least monthly to review the servicing portfolio relative to expected payoffs and new loan originations. Additionally, IMC has two employees with servicing backgrounds who can be transferred to IMS, if necessary. Fitch also notes that Toronto is a highly competitive commercial mortgage servicing market and has a sufficient pool of experienced servicing personnel from which to draw.

While the primary servicing group is smaller among Fitch-rated primary servicers, IMS makes good use of technology and cross-training to create efficiencies. IMS is supported by IMC employees who provide finance and administrative functions, HR and IT support, as well as compliance oversight. IMS continues to demonstrate its ability to manage headcount, adding eight employees over the past 12 months to address portfolio demands and turnover.

Loan and Employee Counts



Source: IMS Limited Partnership

IMS experienced 86% management turnover subsequent to the prior review, consisting of one voluntary senior management departure (the retirement of a senior servicing manager) and two voluntary middle management departures, up from zero management turnover in the preceding 48 months. The retiring senior team member was replaced by an internally transferred senior manager who brings 33 years of CRE experience and 15 years of tenure with IMC.

Training

The senior vice president (SVP) of loan servicing, the group chief compliance officer (CCO) and the group CEO assess, coordinate and review all training. Training is provided one-on-one given the small staff size, as well as through hands-on compliance monitoring and feedback. IMS sets training goals and objectives to ensure servicing staff are able to perform all servicing functions and provide backup for day-to-day functioning. An ongoing training program focused on company policies and procedures takes place at least annually and is supplemented through biweekly meetings with management.

New hires are trained in all aspects of servicing, including use of the REALSynergy servicing software, and are provided with system and internal process manuals, including policies and procedures. Transactions performed by new hires during their training periods are subject to review by senior servicing staff, before they receive authorization to perform transactions independently.

Servicing training is held through a combination of one-on-one and group training provided by IMS and IMC staff, in addition to group training provided by third-party advisors such as law firms, which also assist in identifying ongoing training requirements. Average annual training of employees includes four hours of servicing-related training, four to six hours of mortgage lending training and 10 to 15 hours of one-on-one coaching, including anti-money laundering and fraud training, cybersecurity training, client suitability training and general CRE-related topics.

Operational Infrastructure

Outsourcing

IMS does not outsource any core primary servicing functions. Instead, it retains the requisite servicing capabilities in-house to perform the limited functions outsourced. The company uses IMC to perform annual property site inspections and, also on a limited basis, it outsources site inspections to third parties.

Vendor Management

IMS does not maintain a dedicated vendor management group given the limited number of vendor engagements. Senior managers are responsible for monitoring the various vendors used by IMS, providing feedback to IMC and IMS's senior management team.

Technology

Having been upgraded in July 2024, IMS's primary loan servicing system is REALSynergy version 24.1.1.104 by Altisource. REALSynergy provides biannual updates to the system and the company maintains the servicing system on a Microsoft SQL 2017 server. The most recent REALSynergy update included information security updates, along with general bug fixes and performance improvements, consistent with previous updates.

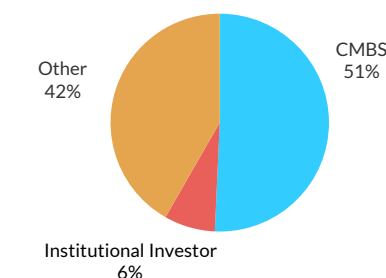
REALSynergy supports all loan administration functions, such as cash processing, bank account reconciliations, disbursements, lockbox payment processing and automatic debits. The system also handles investor remittance reporting, escrow administration analyses, scheduled tax and insurance payments and property inspections tracking. Fitch notes that the system has similar functionality compared to more widely used primary servicing systems, as REALSynergy is capable of spreading financial statements in the CRE Finance Council (CREFC) operating statement analysis report (OSAR) format and performing net operating income (NOI) adjustment worksheet (NOIWS) calculations. IMS also spreads financial information in an Excel underwriting template as a secondary check to confirm REALSynergy calculations and verify inputs.

The REALSynergy servicing system has preconfigured standard industry reports such as the CREFC Investor Reporting Package (IRP), which can be exported to Excel. REALSynergy also has a built-in, ad hoc reporting tool that allows the servicing group to create custom reports for detailed portfolio data not captured in any of the canned reports. These reports can be scheduled and are available to all system users. IMS uses REALSynergy to produce daily automatic CMHC reports that are automatically uploaded to TAO's (a structured finance software solutions vendor) MortgageHUB reporting system, which issuers use for loans in NHA-MBS.

IMS teams further leverage REALSynergy for quality control via management reporting and for creating tasks in the system. For example, the collection of financial statements and reporting

IMS stated that average annual employee training includes four hours of servicing-related training, four to six hours of mortgage lending training and 10 to 15 hours of one-on-one coaching. IMS also conducts weekly team meetings to review all activity across the servicing portfolio and provide individual training and coaching.

Primary Servicing Product Type (As of June 30, 2024)



Source: IMS Limited Partnership

IMS remains dedicated to maintaining servicing technology, with the intent to update REALSynergy as new versions become available, consistent with previous years. The most recent update to REALSynergy, concluded in 3Q24, included information security updates, along with general bug fixes and performance improvements, consistent with previous updates.

Fitch notes that IMS is unique in maintaining one central system for all of its servicing infrastructure, including loan administration, investor remittance reporting, quality control and financial spreading. Appropriate for the servicer's portfolio, Fitch views the streamlined processing and data consolidation within a single system as a positive.

timelines is tracked via reports from the system, monthly maturity reports are used to identify maturing loans and initiate borrower contact, PPSA expiration dates are monitored via quarterly reports, insurance policy expirations are monitored via a monthly report, and deferred maintenance issues and any follow-up actions are tracked in the system.

The company engages third parties for IT oversight and day-to-day IT support (including IT support for REALSynergy). A third party also provides system security maintenance and network monitoring to assess vulnerabilities.

Cybersecurity

IMC and IMS employ a third-party, IT-managed service provider to maintain system security and monitor the network. The service provider continuously searches for network vulnerabilities and conducts penetration tests; no security breaches have been identified within the past 24 months. Additionally, IMS stores information on different virtual drives with access limited by role and centrally authorized by the managed service provider. The vendor also administers user profiles and passwords and provides regular reports to the COO and office manager.

Disaster Recovery/Business Continuity Plan

IMS maintains a business continuity plan that enables IMS staff to work remotely, as well as at a hot site location near the main office that can accommodate all servicing staff. The datacenter at IMS's office maintains an unlimited power supply independent of the building's power and a new server can be operational at the hot site within 24 hours if a disruption occurs.

Servicing data are maintained onsite at the IMS office and backed up hourly to the cloud, resulting in a maximum possible data loss of one hour; monthly backups are stored at a hot site nearby. IMS maintains a maximum recovery time of one day for core servicing systems, which compares favorably to highly rated servicers. The company's disaster recovery plan was most recently tested in May 2024, with successful results and no material concerns noted.

Corporate Governance

IMS's internal control environment is predicated on policies and procedures and manager oversight. Consistent with Fitch-rated primary servicers with similar portfolio and staff sizes, the company does not maintain dedicated quality control or internal audit groups. The combined IMC and IMS companies maintain a compliance team whose responsibilities include the establishment, operation and regular review of the group, including servicing, policies and procedures to ensure group compliance with regulatory requirements. The compliance team includes the CEO, CCO and controller of IMC, as well as the IMS senior manager of servicing.

While IMS does not currently follow the three-lines-of-defense risk methodology of multiple levels of independent review, the company makes appropriate use of segregation of duties and automated system controls for the current portfolio of less than 300 loans, as evidenced by no material external audit findings.

Policies and Procedures

IMS's policies and procedures manuals are reviewed at least annually. The senior manager of loan servicing and the CCO identify and propose updates to senior management, obtaining expert advice from external counsel as needed. The CEO provides final approval. Fitch notes that servicing policies were most recently reviewed and approved in September 2024 and resulted in no material changes. Annual reviews and updates to policies and procedures are a key feature of maintaining an effective governance structure and are common among highly rated servicers.

Fitch reviewed the group's policies and procedures and found them to be thorough in scope and generally detailed, with some topics lighter than others. The manuals provide a comprehensive overview of servicing procedures, supplemented by detailed step-by-step instructions and illustrations of related systems and drives. IMS maintains sections dedicated to specific topics related to securitization, as well as special servicing asset management functions. The company also maintains separate desktop procedures for using REALSynergy that were created internally.

IMS provides employees with formal policies and procedures training annually during the first quarter and requires that they confirm review and compliance with them, including the company's conflict of interest policy. Additional updates and training are provided at bimonthly

Fitch notes that the servicer's policies and procedures are comprehensive and detailed. Policies and procedures were most recently reviewed and approved in February 2024, resulting in no material changes. Annual reviews and updates to policies and procedures are a key feature of maintaining an effective governance structure and are common among highly rated servicers.

team meetings. All employees can access the published policies and procedures on the company's shared network drive.

Compliance and Controls

Compliance with servicing agreements begins with the review of documents at the time of securitization for securitized loans or at closing for third-party and affiliate loans, along with the entry of all requirements into REALSynergy by the servicing manager as tasks and/or calendar entries. In addition to using the servicing system for quality control, the company uses Excel spreadsheets to facilitate secondary quality control reviews of timelines for key servicing tasks and calculations performed in REALSynergy. IMS does not maintain a dedicated quality control function. Quality control is performed through daily multiple levels of review of each servicing function, in addition to the servicing group's multiple reconciliations of actions performed, somewhat mitigating the lack of a dedicated function.

Compliance with regulatory requirements is managed jointly by a single compliance team that oversees the IMC and IMS group of companies. The senior manager of loan servicing ensures compliance with and reporting to relevant regulators, and IMC's controller directs IMS's finance activities, including financial reporting to regulators. Both positions report to IMC's CCO regarding compliance matters. The compliance team includes the CEO, CCO, SVP of loan servicing and controller, who meet monthly to review adherence and any changes to regulatory requirements.

Internal Audit

IMS does not maintain an internal audit group, which is common among companies of comparable size. The company relies upon management oversight of adherence to policies and procedures and servicing agreements.

External Audit

PricewaterhouseCoopers LLP undertakes a limited Uniform Single Attestation Program (USAP)-specified procedures review of IMS; while this review uses USAP minimum servicing standards as a guideline, it is not an audit and makes no determination about the company's compliance with minimum servicing standards. Fitch reviewed the most recent letter, dated March 21, 2024, and did not identify any material issues. IMS was not required to undergo a Regulation AB (RegAB) audit. IMS is also subject to desktop reviews undertaken by securitized master servicers.

Additionally, IMS is subject to various audits by regulators, including:

- Financial Services Regulatory Authority of Ontario (FSRA);
- Real Estate Council of Alberta (RECA);
- Manitoba Securities Commission; and
- BC Financial Services Authority (BCFSA).

Full scope audits of IMS are performed annually by PricewaterhouseCoopers (for the partners) and FSRA. IMS reports that all audits have resulted in positive and unqualified opinions. Unlike other Fitch-rated Canadian primary servicers, IMS does not undergo Service Organization Control 1 (SOC-1) audits or the Canadian Standard on Assurance Engagements (CSAE) audit, known as Reporting on Controls at a Service Organization (CSAE 3416). Fitch notes that these audits include extensive coverage of operational controls.

The lack of an internal audit department is common among similarly sized firms. IMS tests compliance with policies and procedures and servicing agreements through management oversight and various external audits undertaken by regulators. However, Fitch notes that, unlike other Fitch-rated Canadian primary servicers with larger servicing portfolios, IMS does not currently receive SOC-1 or CSAE 3416 audits, which independently test a company's operational controls.

Primary Servicing

As of June 30, 2024, IMS was named primary servicer for approximately 280 loans representing \$2.1 billion in outstanding balance. Of the loans serviced, 92 loans totaling \$587.2 million are securitized in 10 securitized transactions. The remaining 187 loans totaling \$1.5 billion are held in IMC affiliate funds or by third parties. IMS services a wide range of properties across Canada, with the company's portfolio made up predominately of manufactured housing (26%), multifamily (25% by loan count), retail (14%) and self-storage (11%) properties. Additionally, IMS has experience with shorter term, high-yield loans given the focus of IMC funds.

Primary Servicing Portfolio Overview

	6/30/24	% Change	12/31/23	% Change	12/31/22
Securitized					
No. of Transactions — Primary Servicer	10	-17	12	-8	13
UPB — Primary Servicing (\$ Mil.)	587.2	-13	672.1	-13	775.1
No. of Loans — Primary Servicing	92	-7	99	-12	113
Nonsecuritized					
UPB (\$ Mil.)	1,475.8	14	1,292.4	12	1,154.9
No. of Loans	187	12	167	10	152

UPB – Unpaid principal balance
Source: Fitch Ratings, IMS

Loan/Portfolio Onboarding

Loan setup is a manual process and generally takes up to four days, depending on the complexity of the loan and receipt of all documents. Information such as interest rates, payment terms and borrower and investor details are manually entered into the servicing system, which may take up to two days. An internal loan boarding checklist is followed to ensure all significant information is input in REALSynergy. While the system has the ability to perform bulk uploads, IMS has not made use of this feature given the nature of its portfolio and lack of need. REALSynergy generates a summary report of data entered during loan setup, which the servicing manager reviews to verify accuracy against information in the loan documents; the quality control review may take up to two days after loan boarding but occurs prior to any payment collections.

Loan document covenants and triggers are identified and tracked via REALSynergy's task manager and date trigger functions. Date-sensitive items such as interest rate adjustments are set up with triggers and any document covenants that require follow-up are set as tasks. Tasks are assigned to a user in the system, and a task manager window in the system displays any upcoming tasks. Reports for both functions are generated on a monthly and weekly basis by the servicing manager.

Accounting and Cash Management

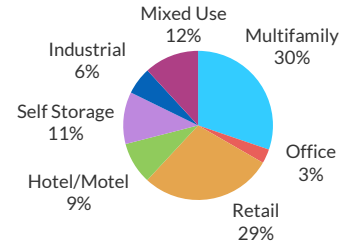
IMS monitors monthly payments via REALSynergy, as well as outside the servicing system using Excel summaries of all payments and remittances due for each portfolio and investor to identify any inconsistencies with the servicing system. IMS posts manual loan payments prior to the automated ACH deposit, and a reconciled shadow remittance report is created to ensure accuracy. Once the reports have been reconciled, investor remittances are posted one business day prior to the remittance date in REALSynergy to generate an investor EFT file and post-dated wires. Two senior managers are required to approve the payments.

Each month, IMS reconciles accounts within 15 calendar days of the close of each accounting or reporting period. Each account reconciliation details exceptions and explanations and is generally resolved within 90 days. IMS does not currently have a procedure in place to monitor bank credit ratings, as the company only engages TD Canada Trust (the personal and small business banking affiliate of TD Bank, N.A., rated AA-/F1+ by Fitch) to hold trust funds.

IMS is currently monitoring one LOC. Applicable details of LOCs are entered into REALSynergy and a task is entered for 30 days prior to the maturity date. A copy of the LOC is placed in the file, while the original is forwarded to the custodian for retention, if applicable. Servicing will

Securitized Servicing Property Type

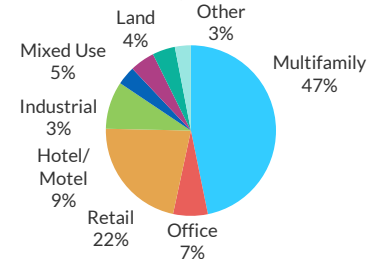
(As of June 30, 2024)



Source: IMS Limited Partnership

Nonsecuritized Servicing Property Type

(As of June 30, 2024)



Source: IMS Limited Partnership

Similar to rated peers in Canada, new loan setup is a manual process. IMS maintains control through the use of a checklist and a system-generated summary report reviewed by the servicing manager. The company lacks some of the exception reporting to help validate new loan data found at highly rated primary servicers; however, IMS performs a dual review of loan data.

% Payment Collections via

ACH	100
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Source: Fitch Ratings, IMS

IMS currently does not service any loans that have cash management agreements such as springing lockboxes, a common theme among Canadian primary servicers. The percentage of loans set up on a pre-authorized debit is higher than that of typical Fitch-rated servicers in the U.S.

follow up with the borrower or issuing bank to obtain a renewal, if necessary, or to verify an extension of the expiration date for LOCs with an automatic renewal provision.

Reporting

Remittances are completed through a multiple-person authorization prior to disbursement. REALSynergy is used to generate investor remittance reports, while accuracy is checked through offline Excel reconciliations. Monthly remittance reports are provided to master servicers and investors one business day before funds are remitted.

Escrow Administration

Tax information and remittance schedules for new loans are set up in REALSynergy and detailed reports for escrowed loans are run on a monthly basis, identifying tax payment due dates for the following month. The reports are sorted by due date and identify loans requiring remittances and amounts payable. The servicing team reviews REALSynergy to ensure payments are correctly scheduled and checks the escrow balance for each loan to ensure sufficient funds are available to make the payment to the taxing authority. Escrow analyses for loans whose taxes IMS is responsible for paying are completed annually once the final tax bill is received and reviewed by the servicing manager.

IMS attempts to obtain copies of tax bills and evidence that taxes have been paid on non-escrowed loans. REALSynergy is used to identify upcoming tax payment due dates, as well as loans whose tax payments were due the previous month and whether proof of payment was received. If the proof of payment is outstanding, a letter will be forwarded to the borrower requesting that proof of payment be forwarded. IMS will also request information from the municipality if proof of payment has not been received within the timeline established in the loan documents.

IMS does not have any loans escrowed for insurance. At closing, insurance coverage is reviewed by a third-party consultant to determine the adequacy of coverage. Renewal of insurance coverage is monitored via a monthly insurance expiration report maintained in REALSynergy identifying upcoming expiration dates and any insurance that has expired. Any inconsistencies or issues will be raised with the borrower and a revised certificate will be requested.

The servicing group sets up reserve accounts in the system, verifies account balances and enters requirements for disbursement for each reserve account in the task manager feature in REALSynergy. IMS runs monthly system-generated reports to track deadlines for compliance with capital improvement plans and required replacement items.

All requests for a release of funds from the reserve account are reviewed by servicing, including required documentation from the borrower to ensure conditions for disbursement have been met. If necessary, a site inspection will be arranged. Authorization for the disbursement of funds from the reserve account is requested from the servicing manager and the disbursement is processed on the servicing system with signoff from the servicing manager and another senior manager.

IMS maintains relevant PPSA details on REALSynergy and monitors expiration dates. IMS recently began running monthly reports in addition to quarterly reports to identify any PPSAs expiring within the next 30 days. For expiring PPSAs, servicing arranges the renewal, occasionally through the legal counsel that prepared the original loan documents.

Asset Administration

Each month, IMS generates a delinquency report from REALSynergy to identify outstanding payments. If a payment via automatic debit is not received due to insufficient funds, IMS immediately contacts the borrower to ascertain the borrower's intention. Servicing will monitor the loan until it is remedied and/or to ensure appropriate action is taken according to the applicable PSA or servicing agreement.

At the beginning of each calendar year, servicing generates a report from REALSynergy identifying the financial reporting timelines for all loans. IMS prepares and sends out end-of-year information request letters to borrowers and monitors via REALSynergy information request and due dates and the receipt of financial information. It also analyzes due dates and completion dates. A secondary tracking log is created outside the system.

IMS has not had any instances of reporting restatements or errors in the past 60 months, indicative of strong quality controls and operational proficiency within the servicer.

% Portfolio Escrowed for

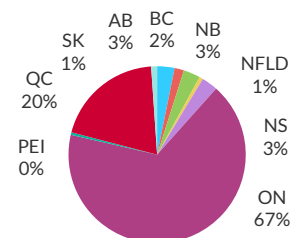
Taxes	5
Insurance	0

Source: Fitch Ratings, IMS

No loans are escrowed for insurance, a common theme in the Canadian commercial mortgage market. There have been no tax penalties within the past 48 months. Additionally, there were no lapsed PPSA requirements within the past 60 months.

Securitized Geographic Distribution

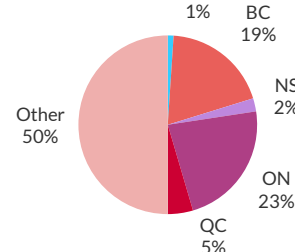
(As of June 30, 2024)



Source: IMS Limited Partnership

Nonsecuritized Geographic Distribution

(As of June 30, 2024)



Source: IMS Limited Partnership

Once the requested financial information is received, servicing analyzes it in an OSAR underwriting Excel template, which in turn is reviewed by the servicing manager or an underwriting manager for accuracy. Financial statements are analyzed to determine whether the property is performing within established guidelines; inconsistencies are questioned and clarifications are sought, and properties with variances are reviewed in conjunction with the annual inspection. The data are then input in the system and reporting is generated. The goal for turnaround from receipt of financials to OSAR is 30 days. IMS also analyzes rent rolls outside the system in Excel and imports the top three tenants in REALSynergy.

Watchlists are created manually for all securitized portfolios using the CREFC format and guidelines. The servicing manager reviews and updates watchlists monthly, requesting occupancy, leasing and financial updates from borrowers when necessary. If a loan is identified as meeting watchlist guidelines, it will be added and flagged in the servicing system.

A monthly maturity report is generated through REALSynergy to identify maturing loans. Conversations with borrowers begin approximately six months before maturity and formal letters are sent to borrowers three months prior to maturity. Servicing contacts the borrower monthly or until refinancing arrangements have been communicated. One month prior to the maturity date, servicing will contact the borrower to determine the status of the refinancing and the estimated closing date, at which time a mortgage discharge statement is provided.

The frequency of site inspections depends on the loan documents and governing servicing agreements, but property inspections for securitized loans are typically required annually. Property inspections for third-party investor loans may have different requirements or no requirements at all. Inspection frequency is set in REALSynergy at loan boarding. Each calendar year, servicing generates a report for inspections due in the coming year; inspections are monitored as tasks in the system.

IMC's fund management group reviews all completed site inspection reports. Any issues identified are assessed for potential inclusion on the watchlist and, if included, the borrower and/or property manager are contacted to determine a plan of action. If the situation warrants, the master servicer and/or special servicer will be contacted and another inspection may be scheduled.

For borrower consents, loan documents are reviewed based on the level of consent required for the request type. The borrower will be contacted for any required financial, leasing or agreement information, and a case memo will be drafted with a recommendation that is reviewed internally and then submitted to the master servicer or investor for nonsecuritized loans for approval. The target for completing consent requests is within 30 days of receipt.

Borrower Relationship Management

Monthly billing statements are generally not prepared, although they will be prepared for adjustable-rate mortgage loans upon borrower request. Billing statements are generated through REALSynergy and itemize the interest rate for the payment, amounts due, the due date and any remittance instructions. In addition, borrowers are provided notice when there is a material change to the loan rate and advance notice prior to rate changes.

When a payoff request is received for prepayment prior to maturity, servicing will review the prepayment details in the system and the loan documents for repayment rights under the loan. Prepayment rights will be communicated to the borrower and, if required, a mortgage discharge statement will be drafted and reviewed by the senior manager of loan servicing. IMS states that the turnaround time for this process is generally within two business days. The turnaround time for the release and discharge of documents is within five business days of payout, and any account corrections are processed within two business days.

Unique among Canadian commercial mortgage servicers, all site inspections are completed in-house by IMC employees. No site inspections have been outsourced to third-party contractors within the past 24 months.

IMS does not currently use REALSynergy's Web Loan View tool. This tool gives investors and borrowers access to their commercial loan information in the system over a secure website.

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