

Fitch Affirms Nissin Servicer's CMBS and ABS Servicer Ratings

Fitch Ratings-Tokyo/London/Sydney-28 December 2005: Fitch Ratings has today affirmed the commercial mortgage special servicer rating and the asset-backed special servicer rating of Nissin Servicer Co., Ltd. ("Nissin") at 'CSS3+(JPN)' and 'ABSS2-(JPN)' (ABSS2 minus(JPN)) respectively.

These ratings reflect Nissin's seasoned management and collection staff, various forms of support from its parent company Nissin Co., Ltd., increase in departments and staff to cope with rapidly growing business volumes as well as expansion of its funding sources.

At the same time, the ratings take into account concerns like the delay in designing and implementing systemised training programmes in line with the increase in staff, although Fitch notes that apart from orientation training, regular training has been implemented in collection sections. The relatively high turnover of staff is also a source for concern, a fact that is partially offset by Nissin's senior and middle management being stable and well seasoned as well as Nissin's success in recruiting experienced staff.

Fitch also notes that increasing market risks and operational pressures due to a sharp rise in business volumes have led Nissin to adopt strict provision rules and establish a new department for loan set up. Meanwhile, market trends towards longer collection periods and higher cost of purchased loans assets have been addressed somewhat by the company's efforts to enhance due diligence and collection capability through the hiring of experienced staff.

Fitch will continuously monitor the servicer's effort to manage market risks and operational pressures as the servicer's business volume has dramatically enlarged, particularly in the tougher and changing market environment.

Nissin is a 75%-owned subsidiary of Nissin Co., Ltd., a major financial company in Japan and, as a Japanese servicer, was uniquely listed on the MOTHERS (Market of the High-growth and Emerging Stocks) of the Tokyo Stock Exchange in September 2004. Nissin was established in July 2001 and licensed by the Ministry of Justice in October of the same year to handle both unsecured and secured loans. Cumulatively since its inception through to March 2005, Nissin has serviced more than 23,000 loans with an aggregate unpaid principal balance ("UPB") of approximately JPY1,787 billion.

Fitch rates commercial mortgage primary servicers ("CPS"), master servicers ("CMS"), and special servicers ("CSS") in Japan on a scale of one through five, with one being the highest rating. Additionally, Fitch may attach a plus (+) or minus (-) sign to the rating, indicating the relative position within each rating category. "JPN" appears in the Japanese ratings to reflect their relevance in Japan's legal, economic and social context. For more details, please refer to the report titled 'Japanese Commercial Mortgage Servicer Rating Criteria', dated 11 March 2003 available on the agency's web sites, www.fitchratings.com in English and www.fitchratings.co.jp in Japanese.

The updated report on Nissin both in English and Japanese will be available shortly on the websites, or through Fitch Market Services at +1-800-853-4824 in New York or Fitch's Tokyo office at +81-3-3288-2628 in Japan

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