

# Shellpoint Mortgage Servicing Residential Mortgage Primary, Special Servicer Rankings Affirmed; Ranking Outlooks Stable

January 25, 2022

## Overview

- We affirmed our overall ABOVE AVERAGE rankings on Shellpoint Mortgage Servicing as a residential mortgage primary and special servicer.
- Shellpoint Mortgage Servicing (a division of Newrez LLC) is a nonbank mortgage servicer based in Greenville, SC. In aggregate, it services approximately 1.68 million loans with a \$316.3 billion in UPB as of Sept. 30, 2021.
- The ranking outlook is stable for each ranking.

DALLAS (S&P Global Ratings) Jan. 25, 2022--S&P Global Ratings today affirmed its ABOVE AVERAGE rankings on Shellpoint Mortgage Servicing (SMS) as a residential mortgage primary and special servicer. The ranking outlook is stable for each ranking.

Our rankings reflect SMS':

- Well-experienced senior leadership team, while middle management exhibit lower experience averages compared to peers.
- Continued commitment to its range of recruiting strategies, sound new-hire training program and focus on staff development.
- Solid internal control framework with multiple lines of defense that include independent oversight and testing as well as dedicated quality assurance monitoring within some business units.
- Effective technology to support its performing and special servicing operations.
- Advanced functionality provided by its loss mitigation systems that include rules-controlled workflows and the capability to provide self-service loan modification determinations.
- Continued focus on special servicing strategies to engage borrowers and resolve non-performing loans.
- Servicing performance metrics that are generally competitive with peers that we monitor.

Since our prior review (see "Servicer Evaluation: Shellpoint Mortgage Servicing," published April 1,

### SERVICER ANALYST

**Jason Riche**  
Dallas  
+ 1 (214) 468 3495  
jason.riche  
@spglobal.com

### SECONDARY CONTACT

**Steven L Frie**  
New York  
+ 1 (212) 438 2458  
steven.frie  
@spglobal.com

### ANALYTICAL MANAGER, SERVICER EVALUATIONS

**Robert J Radziul**  
New York  
+ 1 (212) 438 1051  
robert.radziul  
@spglobal.com

2020), the following changes and/or developments have occurred:

- Following the COVID-19 pandemic, SMS transitioned to a remote work environment and developed a work from home optimization playbook to maximize productivity.
- SMS implemented enhancements to its interactive voice response system and borrower website to add functionality such as enabling borrowers to request or extend a COVID-19 forbearance plan and make the applicable system updates.
- It made enhancements to its recruiting program such as establishing a new internship program and implementing assessments to evaluate new-hire candidates' suitability for the role.
- It enhanced its systems to automatically import complaints from the borrower website into the complaint tracking database.
- It added an additional senior leader to the customer service area, increased customer service staff, and added a vendor to handle certain calls during times of peak volume.
- It enhanced its call center infrastructure with a new telephony system and a new customer relationship management system to improve agent efficiency.
- It implemented virtual hold technology to manage service levels during periods of high call volume.
- It expanded its website functionality to present borrowers with a loan modification offer in real-time in cases where documentation is not required.
- It transitioned the handling of property tax related calls to its tax vendor.

The ranking outlook is stable for each ranking. The stable outlooks reflect our base-case expectation that SMS will continue to perform as an effective primary and special servicer. Our last review of SMS noted the significant growth in the servicing portfolio and the investments to support its significantly larger servicing portfolio, notably in staffing and technology. Its experienced senior leadership team continues to invest strategically in infrastructure and develop default strategies, with a focus on automation and the borrower experience. It largely maintained its servicing performance metrics during that time, and we expect that to continue. We also expect SMS to maintain its strategies and capabilities to effectively service its special servicing portfolio.

The financial position is SUFFICIENT.

## **Related Research**

- Consumer Finance Companies Ratings Affirmed Under Revised Criteria, Dec. 13, 2021
- Select Servicer List, Oct. 13, 2021
- Servicer Evaluation Spotlight Report: Environmental, Social, And Governance Factors Have Consistently Powered Our Servicer Evaluation Rankings, Nov. 16, 2020
- Servicer Evaluation: Shellpoint Mortgage Servicing, April 1, 2020
- Analytical Approach: Global Servicer Evaluations Rankings, Jan. 7, 2019

This release does not constitute a rating action.

Copyright © 2022 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.standardandpoors.com](http://www.standardandpoors.com) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.