

Ranking Assigned As AVERAGE On LPM Outsourcing As A Primary Servicer Of Commercial Finance In The U.K.

Servicer Analysts:

Beverley Dunne, London (44) 20-7176-3957; beverley_dunne@standardandpoors.com
Thomas Lawrence, London (44) 20-7176-3503; thomas_lawrence@standardandpoors.com

OVERVIEW

- We have assigned our AVERAGE ranking on LPM Outsourcing as a primary servicer of commercial leases, loans, receivables and discount deals in the U.K.
- The outlook is positive.

LONDON (Standard & Poor's) Jan. 12, 2011--Standard & Poor's Ratings Services has assigned its AVERAGE ranking on LPM Outsourcing (LPMO) as a primary servicer of commercial leases, loans, receivables and discount deals in the U.K.

The AVERAGE ranking reflects the following, in our view:

- The experience and tenure of management and staff is high.
- There is a strong audit and control culture, including acquiring ISO 9001:2008 accreditation in 2010.
- Additional parental support is provided by Five Arrows Leasing Group and NM Rothschild & Sons Ltd.
- LPMO is very client and customer service focused, in our opinion.
- There is some key client dependency, which LPMO hopes to reduce by acquiring new business.
- Some of the functions are still manual and proposed developments will increase automation, which will reduce the risk of error and improve efficiency if the portfolio increases.

OUTLOOK

The outlook is positive.

MANAGEMENT AND ORGANIZATION

We have assigned an ABOVE AVERAGE subranking for management and organization on LPMO, for the primary servicing of commercial leases, loans, receivables and discount deals in the U.K.

LOAN ADMINISTRATION

We have assigned an AVERAGE subranking for loan administration on LPMO, for primary servicing of commercial leases, loans, receivables and discount deals in the U.K.

FINANCIAL POSITION

We consider LPMO's financial position to be SUFFICIENT to sustain its servicing operations for the next 12-18 months. This opinion does not take the place of a senior debt or counterparty credit rating.

RELATED CRITERIA AND RESEARCH

- Standard & Poor's Revises Criteria Methodology For Servicer Risk Assessment, May 28, 2009
- Servicer Evaluation Ranking Criteria: U.S., Sept. 21, 2004
- Select Servicer List, published monthly
- Structured Finance Sector Report Card: European Loan Servicers, published half-yearly

Related articles are available on RatingsDirect. Criteria, presales, servicer evaluations, and ratings information can also be found on Standard & Poor's Web site at www.standardandpoors.com. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow (7) 495-783-4011.

Additional Contact:

Structured Finance Europe; StructuredFinanceEurope@standardandpoors.com

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