

CHICAGO--( [BUSINESS WIRE](#) )--Fitch Ratings has assigned the following ratings and Rating Outlooks to the JPMorgan Commercial Mortgage Finance Corp. Commercial Mortgage Pass Through Certificates, JPMCC 2013-INN:

--\$287,700,000 class A 'AAAsf'; Outlook Stable;

--\$488,750,000\* class X-CP 'BBsf'; Outlook Stable;

--\$575,000,000\* class X-EXT 'BBsf'; Outlook Stable;

--\$83,600,000 class B 'AA-sf'; Outlook Stable;

--\$63,400,000 class C 'A-sf'; Outlook Stable;

--\$66,300,000 class D 'BBB-sf'; Outlook Stable;

--\$74,000,000 class E 'BBsf'; Outlook Stable.

\*Notional and interest only.

The certificates in this transaction represent the beneficial interest in a trust that holds a \$575 million mortgage loan secured by 51 hotel properties with a total of 6,844 keys located in 16 states across the U.S. The loan is sponsored by a joint venture between Cerberus Capital Management, L.P. and Chatham Lodging Trust.

## KEY RATING DRIVERS

**Moderate Trust Leverage:** Fitch's stressed DSCR and loan to value ratio (LTV) for the trust component of the debt are 1.37x and 77.9%, respectively.

**Single-Borrower Hotel Concentration:** The transaction is primarily secured by 51 extended stay, limited service, and full service hotel properties. Hotel performance is considered to be more volatile due to the lodging sector's operating nature.

**Portfolio Performance:** After experiencing two years of year-over-year revenue per available room (RevPAR) declines, the portfolio's year-over-year RevPAR performance turned positive beginning in 2010. Subsequently, portfolio RevPAR grew 5.1% in 2011 and 10% in 2012. Overall, the portfolio's TTM (as of July 2013) RevPAR performance is approximately 5.3% above its previous peak performance in 2007.

**Diversity:** The portfolio exhibits significant geographic diversity across 32 markets in 16 states. The largest state exposure is California with 10 hotels representing 37.3% by allocated loan amount. No single hotel contributes more than 6.8% of net cash flow (NCF). The portfolio is comprised of eight different franchise flags, with the Marriott extended stay brand (Residence Inn) being the majority, serving as the flag for 68.8% (by loan balance) of the total portfolio.

**Asset Quality and Age:** The 51 properties comprising the portfolio have an average age of 25 years (built from 1963 - 2006) and have generally been renovated most recently between 2007 and 2012. The portfolio demonstrates little performance differentiation based on property age. The portfolio's assets are well maintained, with \$141.8 million (\$20,716 per key) of capital improvements spent from 2007 - 2012. In addition, \$96.6 million (\$14,113 per key) in capital improvements are budgeted through 2018.

## RATING SENSITIVITIES

Fitch found that the pool could withstand a 77.2% decline in value and an

approximately 63% decrease in the most recent actual cash flow prior to experiencing \$1 of loss to the 'AAAsf' rated class.

Fitch evaluated the sensitivity of the ratings of class A (rated 'AAAsf' by Fitch) and found that a 17% decline in Fitch NCF would result in a one category downgrade, while a 46% decline would result in a downgrade to below investment grade. The Rating Sensitivity section in the presale report includes a detailed explanation of additional stresses and sensitivities.

A detailed description of Fitch's rating analysis including key rating drivers, stresses, rating sensitivity, analysis, model, criteria application and data adequacy is available in Fitch's presale report dated Sept. 26, 2013.

Additional information is available at '[www.fitchratings.com](http://www.fitchratings.com)'.

Applicable Criteria and Related Research:

--'Global Structured Finance Rating Criteria' (May 2013);

--'Criteria for Analyzing Large Loans in U.S. Commercial Mortgage Transactions (September 2013);

--'Criteria for Special-Purpose Vehicles in Structured Finance Transactions' (May 2013);

--'Counterparty Criteria for Structured Finance Transactions and Covered Bonds (May 2013);

--U.S. Commercial Mortgage Servicer Rating Criteria, (February 2011);

--U.S. Fixed-Rate Multiborrower CMBS Surveillance and Re-REMIC Criteria (December 2012).

Additional Disclosure

Solicitation Status

[http://www.fitchratings.com/gws/en/disclosure/solicitation?pr\\_id=787945](http://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=787945)

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