

CHICAGO--([BUSINESS WIRE](#))--Fitch Ratings has affirmed one class of Nomura Asset Securitization Corporation's (ASC-1997-D4) commercial mortgage pass-through certificates series 1997-D4. A detailed list of rating actions follows at the end of this press release.

KEY RATING DRIVERS

The affirmation is due to sufficient credit enhancement of the Fitch rated class after liquidation of the remaining specially serviced loan. There are two loans remaining out of the original 121 loans one of which (11.3%) is in special servicing.

As of the February 2014 distribution date, the pool's aggregate principal balance has been reduced by 96.8% to \$45.1 million from \$1.4 billion at issuance. Interest shortfalls are currently affecting classes B-5 through B-7H.

The largest loan in the pool is the K-Mart Distribution Center Portfolio (88.7% of the pool), which is secured by two industrial properties totaling 2.8 million square feet, located in Brighton, CO and Greensboro, NC. The properties are fully occupied by K-Mart and serve as regional distribution hubs for the retailer. Performance of the loan remains stable despite the distressed credit rating of the tenant.

The specially serviced loan is a 175,679 sf retail shopping center (11.3%) in Lincoln Park, MI, a suburb of Detroit. The asset suffers from occupancy issues due to the vacancy of several anchor tenants. As of December 2013, the property was 47% occupied. According to Reis' January 2014 report, the South Detroit/Downriver submarket of Detroit has a vacancy rate of 25.6%. In addition to being located in a weak market, the property has an irregular configuration which contributes to leasing challenges. Fitch anticipates significant losses upon disposition of the asset.

RATING SENSITIVITY

Credit enhancement has improved since issuance, and presently the transaction can withstand losses of up to 92.5% of the collateral prior to the Fitch rated class being affected. Based on sufficient credit support from the subordinate non-rated classes, the rating of the 'A' rated class is expected to remain stable. Although credit enhancement remains high relative to the rating category, upgrades have been limited due to the uncertainty in resolution of the specially serviced asset and the distressed credit rating of the single tenant in the largest loan in the pool.

Fitch affirms the following class:

--\$3.4 million class B-3 at 'Asf', Outlook Stable.

Classes A-1A, A-CS1, A-1B, A-1C, A-1D, A-1E, A-2, A-3, A-4, A-5, A-6, A-7, A-8, B-1 and B-2 have paid in full. Fitch does not rate the class B-4, B-5, B-6, B-7 and B-7H certificates. Fitch previously withdrew the rating on the interest-only class PS-1 certificates.

Additional information on Fitch's criteria for analyzing U.S. CMBS transactions is available in the Dec. 11, 2013 report, 'U.S. Fixed-Rate Multiborrower CMBS Surveillance and Re-REMIC Criteria', which is available at www.fitchratings.com under the following headers:

Structured Finance >> CMBS >> Criteria Reports

Additional information is available at www.fitchratings.com.

Applicable Criteria and Related Research:--'Global Structured Finance Rating Criteria' (May 24, 2013);--'U.S. Fixed-Rate Multiborrower CMBS Surveillance and Re-REMIC Criteria' (Dec. 11, 2013).

Applicable Criteria and Related Research: U.S. Fixed-Rate Multiborrower CMBS
Surveillance and Re-REMIC Criteria http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=724961
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