



*Insight beyond the rating.*

Date of Release: June 23, 2010

## **DBRS Confirms the Ratings of Merrill Lynch Financial Assets Inc., Series 2004-Canada 12**

**Industry: Sec.--CMBS**

DBRS has today confirmed the ratings of all classes of Merrill Lynch Financial Assets Inc., Commercial Mortgage Pass-Through Certificates, Series 2004-Canada 12 as follows:

- Class A-1 at AAA
- Class A-2 at AAA
- Class B at AAA
- Class C at AA
- Class D-1 at A
- Class D-2 at A
- Class E at BBB (high)
- Class F at BBB (low)
- Class G at BB (high)
- Class H at BB
- Class J at B (high)
- Class K at B
- Class L at B (low)
- Class XP-1 at AAA
- Class XP-2 at AAA
- Class XC-1 at AAA
- Class XC-2 at AAA

DBRS does not rate the CDN \$7.6 million first-loss piece, Class M. All trends are Stable.

The ratings confirmations are reflective of the continued stable financial performance, paydown and subsequent increased credit enhancement. Of the original 76 loans from issuance, 44 loans remain in the pool, all of which are current. There are no loans in special servicing, and five loans, representing approximately 21% of the current pool balance, are on the servicer's watchlist. There is one loan on the DBRS HotList, Commerce Street Industrial, because of significant vacancy issues and its upcoming loan maturity in October 2010. Four loans have fully defeased, representing 9.7% of the current pool balance. Additionally, the transaction benefits from a WADSCR of 1.52x.

Copyright © 2010, DBRS Limited and DBRS, Inc. (collectively, DBRS). All rights reserved. The information upon which DBRS ratings and reports are based is obtained by DBRS from sources believed by DBRS to be accurate and reliable. DBRS does not perform any audit and does not independently verify the accuracy of the information provided to it. DBRS ratings, reports and any other information provided by DBRS are provided "as is" and without representation or warranty of any kind. DBRS hereby disclaims any representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability, fitness for any particular purpose or non-infringement of any of such information. In no event shall DBRS or its directors, officers, employees, independent contractors, agents and representatives (collectively, DBRS Representatives) be liable (1) for any inaccuracy, delay, loss of data, interruption in service, error or omission or for any damages resulting therefrom, or (2) for any direct, indirect, incidental, special, compensatory or consequential damages arising from any use of ratings and rating reports or arising from any error (negligent or otherwise) or other circumstance or contingency within or outside the control of DBRS or any DBRS Representative, in connection with or related to obtaining, collecting, compiling, analyzing, interpreting, communicating, publishing or delivering any such information. Ratings and other opinions issued by DBRS are, and must be construed solely as, statements of opinion and not statements of fact as to credit worthiness or recommendations to purchase, sell or hold any securities. A report providing a DBRS rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. DBRS receives compensation for its rating activities from issuers, insurers, guarantors and/or underwriters of debt securities for assigning ratings and from subscribers to its website. DBRS is not responsible for the content or operation of third party websites accessed through hypertext or other computer links and DBRS shall have no liability to any person or entity for the use of such third party websites. This publication may not be reproduced, retransmitted or distributed in any form without the prior written consent of DBRS.



DBRS conducted an in-depth analysis of the top ten loans of the transaction, in addition to the loans on the servicer's watchlist. Cumulatively, these loans represent approximately 64% of the current pool balance. DBRS has applied cash flow stresses of 10% to 15% across the transaction and based on the increased credit enhancement levels across the transaction compared with the DBRS required credit enhancement levels in our stressed scenario, DBRS has confirmed all ratings.

**Note:**

All figures are in Canadian dollars unless otherwise noted.

The applicable methodologies are CMBS Rating Methodology and CMBS Surveillance, which can be found on our website under Methodologies.

This is a Structured Finance CMBS rating.

Issuer	Debt Rated	Rating Action	Rating	Trend	Latest Event
Merrill Lynch Financial Assets Inc., Series 2004-Canada 12	Commercial Mortgage Pass-Through Certificates, Series 2004-Canada 12, Class A-1	Confirmed	AAA	Stb	Jun 23, 2010
Merrill Lynch Financial Assets Inc., Series 2004-Canada 12	Commercial Mortgage Pass-Through Certificates, Series 2004-Canada 12, Class A-2	Confirmed	AAA	Stb	Jun 23, 2010
Merrill Lynch Financial Assets Inc., Series 2004-Canada 12	Commercial Mortgage Pass-Through Certificates, Series 2004-Canada 12, Class B	Confirmed	AAA	Stb	Jun 23, 2010
Merrill Lynch Financial Assets Inc., Series 2004-Canada 12	Commercial Mortgage Pass-Through Certificates, Series 2004-Canada 12, Class XC-1	Confirmed	AAA	Stb	Jun 23, 2010

Copyright © 2010, DBRS Limited and DBRS, Inc. (collectively, DBRS). All rights reserved. The information upon which DBRS ratings and reports are based is obtained by DBRS from sources believed by DBRS to be accurate and reliable. DBRS does not perform any audit and does not independently verify the accuracy of the information provided to it. DBRS ratings, reports and any other information provided by DBRS are provided "as is" and without representation or warranty of any kind. DBRS hereby disclaims any representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability, fitness for any particular purpose or non-infringement of any of such information. In no event shall DBRS or its directors, officers, employees, independent contractors, agents and representatives (collectively, DBRS Representatives) be liable (1) for any inaccuracy, delay, loss of data, interruption in service, error or omission or for any damages resulting therefrom, or (2) for any direct, indirect, incidental, special, compensatory or consequential damages arising from any use of ratings and rating reports or arising from any error (negligent or otherwise) or other circumstance or contingency within or outside the control of DBRS or any DBRS Representative, in connection with or related to obtaining, collecting, compiling, analyzing, interpreting, communicating, publishing or delivering any such information. Ratings and other opinions issued by DBRS are, and must be construed solely as, statements of opinion and not statements of fact as to credit worthiness or recommendations to purchase, sell or hold any securities. A report providing a DBRS rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. DBRS receives compensation for its rating activities from issuers, insurers, guarantors and/or underwriters of debt securities for assigning ratings and from subscribers to its website. DBRS is not responsible for the content or operation of third party websites accessed through hypertext or other computer links and DBRS shall have no liability to any person or entity for the use of such third party websites. This publication may not be reproduced, retransmitted or distributed in any form without the prior written consent of DBRS.



Issuer	Debt Rated	Rating Action	Rating	Trend	Latest Event
Merrill Lynch Financial Assets Inc., Series 2004-Canada 12	Commercial Mortgage Pass-Through Certificates, Series 2004-Canada 12, Class XC-2	Confirmed	AAA	Stb	Jun 23, 2010
Merrill Lynch Financial Assets Inc., Series 2004-Canada 12	Commercial Mortgage Pass-Through Certificates, Series 2004-Canada 12, Class XP-1	Confirmed	AAA	Stb	Jun 23, 2010
Merrill Lynch Financial Assets Inc., Series 2004-Canada 12	Commercial Mortgage Pass-Through Certificates, Series 2004-Canada 12, Class XP-2	Confirmed	AAA	Stb	Jun 23, 2010
Merrill Lynch Financial Assets Inc., Series 2004-Canada 12	Commercial Mortgage Pass-Through Certificates, Series 2004-Canada 12, Class C	Confirmed	AA	Stb	Jun 23, 2010
Merrill Lynch Financial Assets Inc., Series 2004-Canada 12	Commercial Mortgage Pass-Through Certificates, Series 2004-Canada 12, Class D-1	Confirmed	A	Stb	Jun 23, 2010
Merrill Lynch Financial Assets Inc., Series 2004-Canada 12	Commercial Mortgage Pass-Through Certificates, Series 2004-Canada 12, Class D-2	Confirmed	A	Stb	Jun 23, 2010
Merrill Lynch Financial Assets Inc., Series 2004-Canada 12	Commercial Mortgage Pass-Through Certificates, Series 2004-Canada 12, Class E	Confirmed	BBB (high)	Stb	Jun 23, 2010
Merrill Lynch Financial Assets Inc., Series 2004-Canada 12	Commercial Mortgage Pass-Through Certificates, Series 2004-Canada 12, Class F	Confirmed	BBB (low)	Stb	Jun 23, 2010

Copyright © 2010, DBRS Limited and DBRS, Inc. (collectively, DBRS). All rights reserved. The information upon which DBRS ratings and reports are based is obtained by DBRS from sources believed by DBRS to be accurate and reliable. DBRS does not perform any audit and does not independently verify the accuracy of the information provided to it. DBRS ratings, reports and any other information provided by DBRS are provided "as is" and without representation or warranty of any kind. DBRS hereby disclaims any representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability, fitness for any particular purpose or non-infringement of any of such information. In no event shall DBRS or its directors, officers, employees, independent contractors, agents and representatives (collectively, DBRS Representatives) be liable (1) for any inaccuracy, delay, loss of data, interruption in service, error or omission or for any damages resulting therefrom, or (2) for any direct, indirect, incidental, special, compensatory or consequential damages arising from any use of ratings and rating reports or arising from any error (negligent or otherwise) or other circumstance or contingency within or outside the control of DBRS or any DBRS Representative, in connection with or related to obtaining, collecting, compiling, analyzing, interpreting, communicating, publishing or delivering any such information. Ratings and other opinions issued by DBRS are, and must be construed solely as, statements of opinion and not statements of fact as to credit worthiness or recommendations to purchase, sell or hold any securities. A report providing a DBRS rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. DBRS receives compensation for its rating activities from issuers, insurers, guarantors and/or underwriters of debt securities for assigning ratings and from subscribers to its website. DBRS is not responsible for the content or operation of third party websites accessed through hypertext or other computer links and DBRS shall have no liability to any person or entity for the use of such third party websites. This publication may not be reproduced, retransmitted or distributed in any form without the prior written consent of DBRS.



Issuer	Debt Rated	Rating Action	Rating	Trend	Latest Event
Merrill Lynch Financial Assets Inc., Series 2004-Canada 12	Commercial Mortgage Pass-Through Certificates, Series 2004-Canada 12, Class G	Confirmed	BB (high)	Stb	Jun 23, 2010
Merrill Lynch Financial Assets Inc., Series 2004-Canada 12	Commercial Mortgage Pass-Through Certificates, Series 2004-Canada 12, Class H	Confirmed	BB	Stb	Jun 23, 2010
Merrill Lynch Financial Assets Inc., Series 2004-Canada 12	Commercial Mortgage Pass-Through Certificates, Series 2004-Canada 12, Class J	Confirmed	B (high)	Stb	Jun 23, 2010
Merrill Lynch Financial Assets Inc., Series 2004-Canada 12	Commercial Mortgage Pass-Through Certificates, Series 2004-Canada 12, Class K	Confirmed	B	Stb	Jun 23, 2010
Merrill Lynch Financial Assets Inc., Series 2004-Canada 12	Commercial Mortgage Pass-Through Certificates, Series 2004-Canada 12, Class L	Confirmed	B (low)	Stb	Jun 23, 2010

The full report providing additional analytical detail is available by clicking on the link below or by contacting us at [info@dbrs.com](mailto:info@dbrs.com).

Chase Purdom  
 Financial Analyst - CMBS  
 +1 312 332 9441  
[cpurdom@dbrs.com](mailto:cpurdom@dbrs.com)

Dan Kastilahn  
 Assistant Vice President - CMBS  
 +1 312 332 9444  
[dkastilahn@dbrs.com](mailto:dkastilahn@dbrs.com)

Erin Stafford  
 Senior Vice President - CMBS

Copyright © 2010, DBRS Limited and DBRS, Inc. (collectively, DBRS). All rights reserved. The information upon which DBRS ratings and reports are based is obtained by DBRS from sources believed by DBRS to be accurate and reliable. DBRS does not perform any audit and does not independently verify the accuracy of the information provided to it. DBRS ratings, reports and any other information provided by DBRS are provided "as is" and without representation or warranty of any kind. DBRS hereby disclaims any representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability, fitness for any particular purpose or non-infringement of any of such information. In no event shall DBRS or its directors, officers, employees, independent contractors, agents and representatives (collectively, DBRS Representatives) be liable (1) for any inaccuracy, delay, loss of data, interruption in service, error or omission or for any damages resulting therefrom, or (2) for any direct, indirect, incidental, special, compensatory or consequential damages arising from any use of ratings and rating reports or arising from any error (negligent or otherwise) or other circumstance or contingency within or outside the control of DBRS or any DBRS Representative, in connection with or related to obtaining, collecting, compiling, analyzing, interpreting, communicating, publishing or delivering any such information. Ratings and other opinions issued by DBRS are, and must be construed solely as, statements of opinion and not statements of fact as to credit worthiness or recommendations to purchase, sell or hold any securities. A report providing a DBRS rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. DBRS receives compensation for its rating activities from issuers, insurers, guarantors and/or underwriters of debt securities for assigning ratings and from subscribers to its website. DBRS is not responsible for the content or operation of third party websites accessed through hypertext or other computer links and DBRS shall have no liability to any person or entity for the use of such third party websites. This publication may not be reproduced, retransmitted or distributed in any form without the prior written consent of DBRS.



+1 312 332 3291  
estafford@dbrs.com

**ALL DBRS RATINGS ARE SUBJECT TO DISCLAIMERS AND CERTAIN LIMITATIONS. PLEASE READ THESE [DISCLAIMERS AND LIMITATIONS](#). ADDITIONAL INFORMATION REGARDING DBRS RATINGS, INCLUDING DEFINITIONS, POLICIES AND METHODOLOGIES, ARE AVAILABLE ON [WWW.DBRS.COM](http://WWW.DBRS.COM).**

Copyright © 2010, DBRS Limited and DBRS, Inc. (collectively, DBRS). All rights reserved. The information upon which DBRS ratings and reports are based is obtained by DBRS from sources believed by DBRS to be accurate and reliable. DBRS does not perform any audit and does not independently verify the accuracy of the information provided to it. DBRS ratings, reports and any other information provided by DBRS are provided "as is" and without representation or warranty of any kind. DBRS hereby disclaims any representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability, fitness for any particular purpose or non-infringement of any of such information. In no event shall DBRS or its directors, officers, employees, independent contractors, agents and representatives (collectively, DBRS Representatives) be liable (1) for any inaccuracy, delay, loss of data, interruption in service, error or omission or for any damages resulting therefrom, or (2) for any direct, indirect, incidental, special, compensatory or consequential damages arising from any use of ratings and rating reports or arising from any error (negligent or otherwise) or other circumstance or contingency within or outside the control of DBRS or any DBRS Representative, in connection with or related to obtaining, collecting, compiling, analyzing, interpreting, communicating, publishing or delivering any such information. Ratings and other opinions issued by DBRS are, and must be construed solely as, statements of opinion and not statements of fact as to credit worthiness or recommendations to purchase, sell or hold any securities. A report providing a DBRS rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. DBRS receives compensation for its rating activities from issuers, insurers, guarantors and/or underwriters of debt securities for assigning ratings and from subscribers to its website. DBRS is not responsible for the content or operation of third party websites accessed through hypertext or other computer links and DBRS shall have no liability to any person or entity for the use of such third party websites. This publication may not be reproduced, retransmitted or distributed in any form without the prior written consent of DBRS.