Velocity Commercial Capital Securitization Ratings Affirmed by Kroll Bond Rating Agency

(/)

Jun 02 2020

WESTLAKE VILLAGE, Calif.--(BUSINESS WIRE)--Velocity Financial, Inc. (NYSE: VEL), (the "Company," "Velocity," "we" or "our") today announced that Kroll Bond Rating Agency ("KBRA") has affirmed the ratings on the 12 outstanding securitizations issued by its wholly-owned subsidiary, Velocity Commercial Capital, LLC ("VCC"), with a stable outlook for all remaining tranches. The ratings affirmation occurred in conjunction with the completion of KBRA's comprehensive surveillance review.

KBRA's analysis included updated loss expectations which factored higher serious delinquency levels in certain VCC transactions and continued low cumulative loss levels ranging from 0.04% to 0.43%, with 6 of 12 VCC outstanding securitizations experiencing no losses to date. Also considered were historical performance of the collateral and the capital structure, including excess spread, servicing advances and borrower equity trends in the underlying properties.

As part of their ratings determination, KBRA considered multiple loss timing, prepayment and excess spread stress scenarios to assess the sufficiency of credit support in VCC's transactions. The stress scenario results allowed KBRA to determine that VCC's transactions will perform in a manner consistent with the current published ratings.

"KBRA's ratings action confirms the strong historical performance of Velocity's securitizations and our outlook for their performance in the future," said Executive Vice President of Capital Markets, Jeff Taylor. "I am proud of how well our special servicing team has adjusted to the new environment, as we have taken the steps necessary to continue the positive resolution outcomes that drive low lifetime losses in our securitization transactions."

About Velocity Financial, Inc.

Based in Westlake Village, California, Velocity is a vertically integrated real estate finance company that originates and manages investor loans secured by 1-4 unit residential rental and small commercial properties. Velocity originates loans nationwide across an extensive network of independent mortgage brokers it has built and refined over 15 years.

View source version on businesswire.com: https://www.businesswire.com/news/home/20200602005265/en/ (https://www.businesswire.com/news/home/20200602005265/en/)

Investors and Media:

Chris Oltmann

(818) 532-3708

Source: Velocity Financial, Inc.