velocity Financial, Inc.

Transaction and Operational Update

April 06, 2020

Forward-looking statements

Some of the statements contained in this presentation may constitute forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, projections, plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases that are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans, or intentions.

The forward-looking statements contained in this presentation reflect our current views about future events and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances that may cause actual results to differ significantly from those expressed or contemplated in any forward-looking statement.

While forward-looking statements reflect our good faith projections, assumptions and expectations, they are not guarantees of future results. Furthermore, we disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, new information, data or methods, future events or other changes, except as required by applicable law. Factors that could cause our results to differ materially include, but are not limited to: (1) the course and severity of the COVID-19 pandemic, and its direct and indirect impacts (2) general economic conditions and real estate market conditions, (3) regulatory and/or legislative changes, (4) our ability to retain and attract loan originators and other professionals, and (5) changes in federal government fiscal and monetary policies.

For a further discussion of these and other factors that could cause future results to differ materially from those expressed or contemplated in any forward-looking statements, see the section titled "Risk Factors" the Company previously disclosed in its prospectus filed with the SEC on January 17, 2020, as such risk factors may be updated from time to time in the Company's periodic filings with the SEC as well as the factors described under the heading "Forward-Looking Statements" in the Company's Report on Form 8-K dated April 6, 2020. Such filings are available publicly on our Investor Relations web page at www.velfinance.com.

Operational Response to Coronavirus Market Dislocation

Action Undertaken to Preserve Capital and Minimize Risk for Employees and Stakeholders

- Reached an agreement with existing owners, Snow Phipps and TOBI to invest $45 million to purchase new convertible preferred stock and warrants
- Entered into amended warehouse repurchase agreements that include a more flexible and stabilized financing solution for newly originated loans,
  - Terms include immediate aggregate payments of $20.0 million to reduce obligations under the warehouse repurchase agreements and payments of at least $3.0 million per month from the cash flow of the underlying financed loans and/or corporate cash each month from May through August 3rd, 2020(1)
- Considering the benefits of originating commercial mortgage loans along with opportunistically acquiring commercial mortgage loans that comply with our credit guidelines
- Velocity's entire workforce has seamlessly transitioned to work-from-home status to ensure the safety of our employees and their families
- Redeployment of some loan production/operation staff to Velocity's internal special servicing operations to address expected increases in delinquencies and loss mitigation efforts .

(1) Additional terms of the amended warehouse repurchase agreements include a 25 basis point increase in the interest rate under each warehouse repurchase facility and the Company must maintain unrestricted cash and cash equivalents of at least $7.5 million.

1Q20 Update

Book Value and EPS

- Shareholders' equity of approximately $250 million at March 31, 2020, compared to Members' equity of approximately $152 million at December 31, 2019
- Large in-place loan portfolio is expected to continue to generating significant earnings through the current economic crisis
- No forced sales of assets or significant impairments to book value as of 3/31

Liquidity and Financing

- Capital infusion and agreements with warehouse repurchase lenders significantly enhances the strength of the company's balance sheet and liquidity profile
- $411 million in UPB of recently originated loans financed on warehouse repurchase lines, with outstanding advances of $295 million[(1)]
- Positive cash flow from $1.9 Billion portfolio of held for investment loans
  - Primarily fixed rate loans financed with fixed rate long-term debt, resulting in a locked-in spread

Initiatives and Outlook

- Delinquency in our loan portfolio forecasted to increase; implementing strategies to address this challenge
  - Including redeployment of loan production/operations staff our internal special servicing operations, enhanced portfolio monitoring and expanded borrower outreach
- Expecting significant opportunities to acquire loans that meet our credit guidelines and investment criteria

[(1)] As of April 3, 2020

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