



Investors and Media:
Chris Oltmann
(818) 532-3708

Velocity Commercial Capital Securitization Ratings Upgraded and Affirmed by Kroll Bond Rating Agency

Westlake Village, CA – May 12, 2021 – Velocity Financial, Inc. (NYSE: VEL), (“Velocity” or the “Company”), a leading provider of small balance investor loans, today announced that Kroll Bond Rating Agency (“KBRA”) has upgraded and affirmed the ratings on the 12 outstanding securitizations issued by its wholly-owned subsidiary, Velocity Commercial Capital, LLC (“VCC”). The rating actions 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 0.05% to 0.43%, with 7 of 12 VCC outstanding securitizations experiencing no losses since issuance. Also considered were historical performance of the collateral and the capital structure, including excess spread, servicing advances, borrower equity trends in the underlying properties, and the continually evolving impacts of the COVID-19 pandemic. The consideration of these factors and the performance of VCC’s securitizations allowed KBRA to determine that 16 of VCC’s outstanding tranches warranted rating upgrades and the ratings on the remaining 105 outstanding tranches warranted affirmations.

“KBRA’s rating actions once again confirm the strong historical performance of Velocity’s securitizations driven by our disciplined underwriting and ability to avoid losses through our deep expertise in resolving nonperforming assets,” said Executive Vice President of Capital Markets, Jeff Taylor.

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 16 years. For additional information, please visit the Company’s investor relations website at www.velfinance.com.