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Velocity Financial Announces Closing of \$265 Million Securitization; Sixteenth Securitization Since 2011

Westlake Village, CA – May 17, 2021 – Velocity Financial, Inc. (NYSE: VEL), ("Velocity" or the "Company"), a leading provider of small balance investor loans, today announced that it has closed its first securitization transaction of 2021, in aggregate \$265 million of Mortgage-Backed Certificates, series 2021-1 (the "Certificates") backed by a portfolio of loans recently originated through Velocity's operating platform. The sold Certificates will be issued in seven classes and were priced with a weighted average fixed rate of 1.735%.

The Certificates were rated by KBRA (Kroll Bond Rating Agency) and DBRS Morningstar; the ratings are as follows:

Ratings			
Class	Balance	KBRA Rating (sf)	DBRS Morningstar (sf)
A	\$190,460,000	AAA	AAA
M1	\$24,072,000	AA	AA
M2	\$9,655,000	A	A
M3	\$5,026,000	BBB	BBB
M4	\$7,010,000	BB	BB
M5	\$4,101,000	B	B
M6	\$10,977,000	Not Rated	Not Rated
M7	\$13,226,698	Not Rated	Not Rated
Initial Balance	\$264,527,698		

"I am pleased with the strong market reception of our first securitization in 2021, which reflects Velocity's extensive track record of performance," said Executive Vice President of Capital Markets, Jeff Taylor. "The outstanding history of Velocity's existing securitizations has resulted in our ability to reduce funding costs and access the capital

needed to grow the business successfully. Broad investor demand tightened spreads for the entire capital stack and lowered our weighted average coupon by over 1% as compared to our pre-COVID 2020-1 transaction. As with our other securitizations, we will continue our practice of retaining at least 5% of our deals, which creates a strong alignment of interests with investors."

The Certificates are not registered under the Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. The Certificates may only be offered and sold in the United States in accordance with Rule 144A under the Securities Act. This press release does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the Certificates in any jurisdiction in which such offer, solicitation or sale would be unlawful under the laws of such jurisdiction.

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.