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

**Westlake Village, CA – May 08, 2022** – 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 15 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 ratings affirmations reflect stable collateral and structure performance in addition to minimal losses since issuance, while upgrades considered increased credit support relative to KBRA’s updated loss expectations and positive performance trends in the underlying pool of loans. Cumulative loss levels in Velocity’s outstanding securitizations ranged from 0.00% to 0.58%, with 9 of 15 VCC outstanding securitizations experiencing no losses since issuance. Also considered in KBRA’s analysis were updated pool loss estimates, property values, deal structures, credit enhancement levels and capital structure behavior under various cash flow stress scenarios, where applicable. The consideration of these factors and the performance of VCC’s securitizations allowed KBRA to determine that 3 of VCC’s outstanding tranches warranted rating upgrades and the ratings on the remaining 196 outstanding tranches were affirmed.

“KBRA’s ratings actions reflect the continuation of de minimis cumulative loss rates in our securitizations, driven by our conservative LTVs and in-house special servicing expertise to avoid losses on nonperforming asset resolutions.” said Jeff Taylor, Executive Vice President of Capital Markets.

### **About Velocity Financial, Inc.**

Based in Westlake Village, California, Velocity is a vertically integrated real estate finance company that primarily 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 18 years. For additional information, please visit the Company's investor relations website at [www.velfinance.com](http://www.velfinance.com).