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

**Westlake Village, CA – June 13, 2023** – Velocity Financial, Inc. (NYSE: VEL), (“Velocity” or the “Company”), a leader in business purpose loans, today announced that Kroll Bond Rating Agency (“KBRA”) has upgraded and affirmed the ratings on the 16 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, evidenced by increased credit support for the rated classes, in addition to minimal losses since issuance. Rating upgrades considered increased credit support relative to KBRA’s updated loss expectations and generally positive performance trends in the underlying pool of loans since issuance. Cumulative loss levels in Velocity’s outstanding securitizations ranged from 0.00% to 0.43%, with 10 of 16 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 39 of VCC’s outstanding tranches warranted rating upgrades and the ratings on the remaining 182 outstanding tranches were affirmed.

“KBRA’s ratings actions reflect improved credit support in our deals and continued strong collateral performance of our loans. Velocity retains the credit risk from its securitizations on balance sheet, which creates a strong alignment with investors that we produce only high-quality loans and maintain our best-in-class loss mitigation strategies.” 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 19 years. For additional information, please visit the Company's investor relations website at [www.velfinance.com](http://www.velfinance.com).