

Investor 1-4

Mixed-Use

Commercial

Multi-Family



---

1Q24 Results Presentation  
May 2, 2024



# 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, positioning, 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. 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 continued course and severity of COVID-19 variants and subvariants and their direct and indirect impacts (2) general economic conditions and real estate market conditions, such as a possible recession, (3) regulatory and/or legislative changes, (4) our customers' continued interest in loans and doing business with us, (5) market conditions and investor interest in our contemplated securitizations and (6) changes in federal government fiscal and monetary policies and (7) the continued conflict in Ukraine and Israel.

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" previously disclosed in our Form 10-Q filed with the SEC on May 14, 2020, as well as other cautionary statements we make in our current and periodic filings with the SEC. Such filings are available publicly on our Investor Relations web page at [www.velfinance.com](http://www.velfinance.com).



# 1Q24 Highlights

## Earnings

- Net income of \$17.3 million, up 62.0% from \$10.6 million for 1Q23. Diluted EPS of \$0.49, up \$0.18 from \$0.31 per share for 1Q23
- Core net income<sup>(1)</sup> of \$18.2 million, up 60.4% from \$11.4 million for 1Q23. Core diluted EPS<sup>(1)</sup> of \$0.51, up from \$0.33 per share for 1Q23
- NIM of 3.35% up 12bps from 3.23% for 1Q23
- Pretax ROE of 20.8%, an increase from 15.3% for 1Q23

## Production & Loan Portfolio

- 1Q24 loan production of \$378.7 million in UPB, a 7.5% increase from 4Q23 and 74.5% from 1Q23
  - April 2024 loan production totaled \$129.0 million with an 11.0% WAC<sup>(2)</sup>
- Total loan portfolio of \$4.3 billion in UPB, an increase of 19.1% from March 31, 2023
- Nonperforming Loans (NPL) were 10.1% of HFI loans, up slightly from 9.7% as of December 31, 2023, and up from 8.7% as of March 31, 2023
- 1Q24 realized gains of \$1.3 million, or 102.3%, of NPL UPB resolved

## Financing & Capital

- Completed the VCC 2024-1 securitization totaling \$209.9 million of securities issued
- Liquidity<sup>(3)</sup> of \$78.5 million and total available warehouse line capacity was \$523.3 million as of March 31, 2024
- Recourse debt to equity ratio of 1.4x
- Issued \$75.0 million of five-year senior secured notes for the purpose of originating accretive new investments

(1) "Core net income" is a non-GAAP measure which excludes non-recurring, non-operating, and/or unusual activities from GAAP net income.

(2) Weighted Average Coupon.

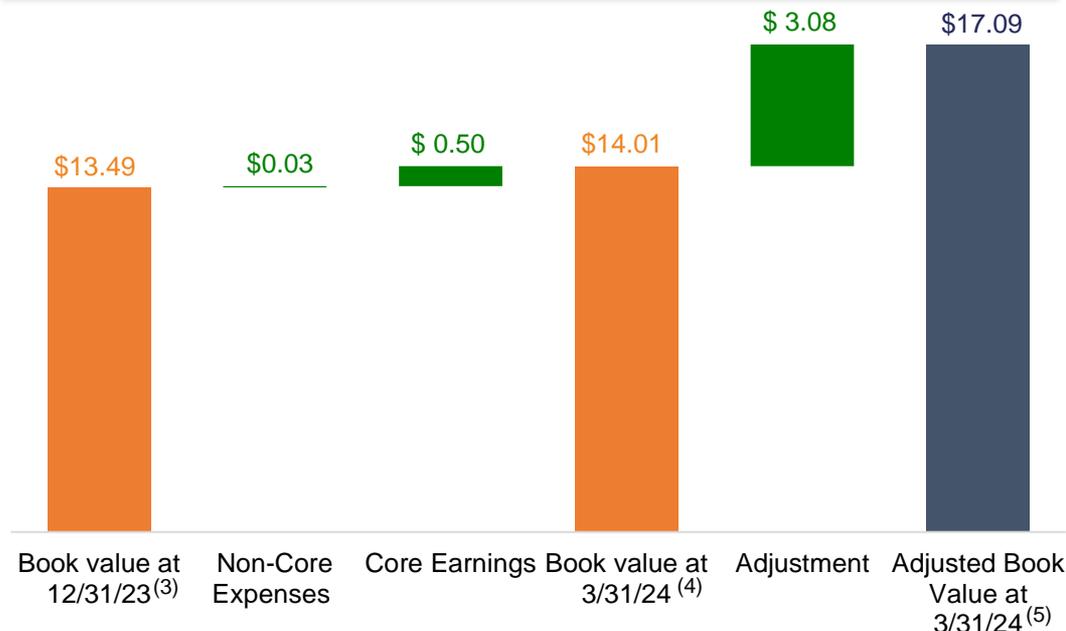
(3) Liquidity includes unrestricted cash and cash equivalents of \$43.7 million and available liquidity in unfinanced loans of \$34.8 million.

# Core Income, Book Value and Adjusted Book Value Per Share

## Core Income<sup>(1)</sup>

GAAP Net Income	\$17,251
Equity award & ESPP costs	\$998
<b>Core Net Income</b>	<b>\$18,249</b>

## Book Value and Adjusted Book Value Per Share<sup>(2)</sup>



- Core net income totaled \$18.2 million in 1Q24, an increase of 60.4% from 1Q23 and reflects a Core pre-tax ROE of 21.9%
- Book value per share as of March 31, 2024, was \$14.01<sup>(4)</sup>, a 3.9% increase from \$13.49<sup>(3)</sup> as of December 31, 2023
- Adjusted book value per share as of March 31, 2024, was \$17.09<sup>(5)</sup> and reflects the net incremental estimated fair value of loans carried at amortized cost and related securitized debt over GAAP book value

<sup>(1)</sup> Core net income" is a non-GAAP measure which excludes non-recurring and/or unusual activities from GAAP net income. 4Q23 non-core adjustments include a California apportionment tax liability reduction, incentive compensation expenses and costs related to the Company's employee stock purchase plan (ESPP)

<sup>(2)</sup> Book value per share is the ratio of total GAAP equity divided by total shares outstanding. Total equity includes non-controlling interest of \$3.51 million as of March 31, 2024, and \$3.43 million as of December 31, 2023. Adjusted book value per share includes the fair value component of the Company's loans and securitizations carried at amortized cost.

<sup>(3)</sup> Based on 32,395,423 common shares outstanding as of 12/31/23. Excludes 470,413 of unvested shares authorized for incentive compensation

<sup>(4)</sup> Based on 32,574,498 common shares outstanding as of March 31, 2024, Excludes 411,296 of unvested shares authorized for incentive.

<sup>(5)</sup> For additional information Please see Note 18 – Fair Value Measurement in the Company's 10-Q for the period ended March 31, 2024.

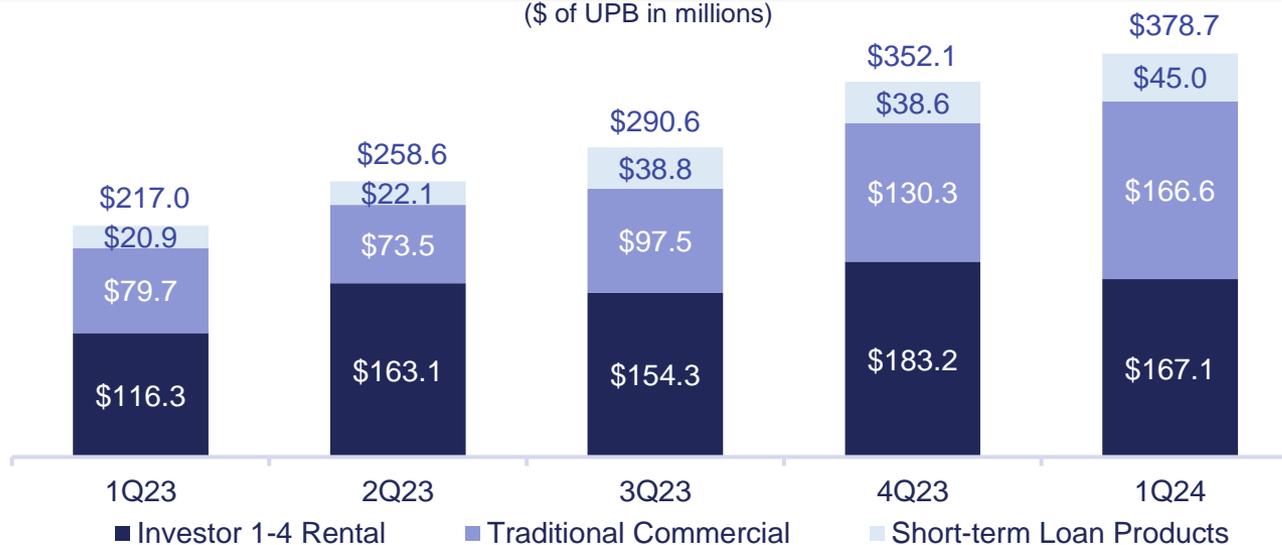
# Loan Production

## Production Volume Continues Strong Growth Trend

- 1Q24 volume growth continued, driven by strong borrower demand and benefitted from continued tight credit conditions with banks
- Loan production in 1Q24 totaled \$378.7 million in UPB, a 7.5% increase from \$352.1 million in UPB for 4Q23 and a 74.5% from \$217.0 million in UPB for 1Q23
- The WAC on 1Q24 HFI loan production was 11.1%, essentially unchanged from 4Q23 and 1Q23

### Loan Production Volume

(\$ of UPB in millions)



WAC	11.1%	11.0%	11.0%	11.2%	11.1%
LTV <sup>(1)</sup>	66.6%	67.7%	65.3%	65.3%	63.8%
Units	589	722	773	883	958
Average loan balance	\$ 368.4	\$ 358.2	\$ 375.9	\$ 398.2	\$ 395.3

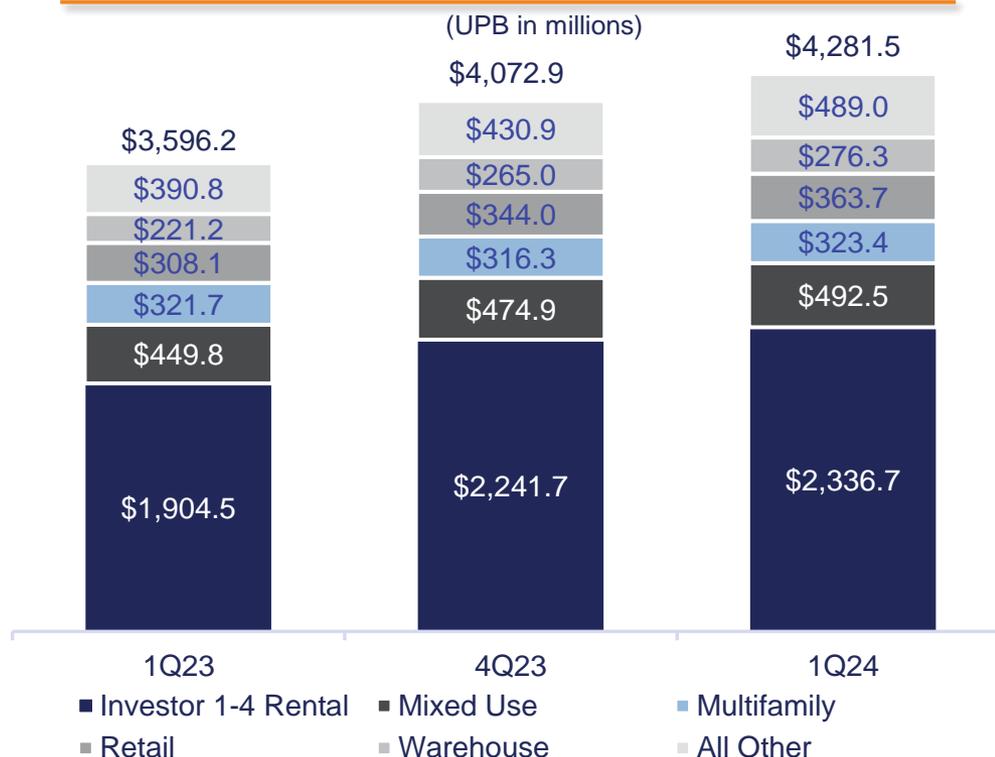
<sup>(1)</sup> Loan To Value

# Loan Portfolio

## Continued Strong Portfolio Growth Trend

- The total loan portfolio was \$4.3 billion in UPB as of March 31, 2024, an increase of 5.1% from \$4.1 billion in UPB as of December 31, 2023, and 19.1% from \$3.6 billion as of March 31, 2023
  - Driven by growth in loans collateralized by Inv. 1-4 Rental and “Other” Commercial properties
  - Loan prepayments totaled \$142.0 million, an increase of 20.9% Q/Q and 64.1% Y/Y
- The WAC<sup>(1)</sup> of the portfolio was 9.07% as of March 31, 2024, an increase from 8.88% as of December 31, 2023, and 8.15% as of March 31, 2023
- The UPB of fair value option (FVO) loans was \$1.6 billion, or 36.9% of total loans, as of March 31, 2024, an increase from \$454 million in UPB, or 12.6% as of March 31, 2023

## Loan Portfolio by Property Type



Loan to Value	68.12%	67.78%	67.57%
Loan Count	9,147	10,477	11,013
WAC <sup>(1)</sup>	8.15%	8.88%	9.07%
Average Loan Balance <sup>(2)</sup>	\$393.2	\$388.7	\$388.8
FVO %	12.62%	31.14%	36.81%

<sup>(1)</sup> Weighted Average Coupon

<sup>(2)</sup> \$ in thousands.

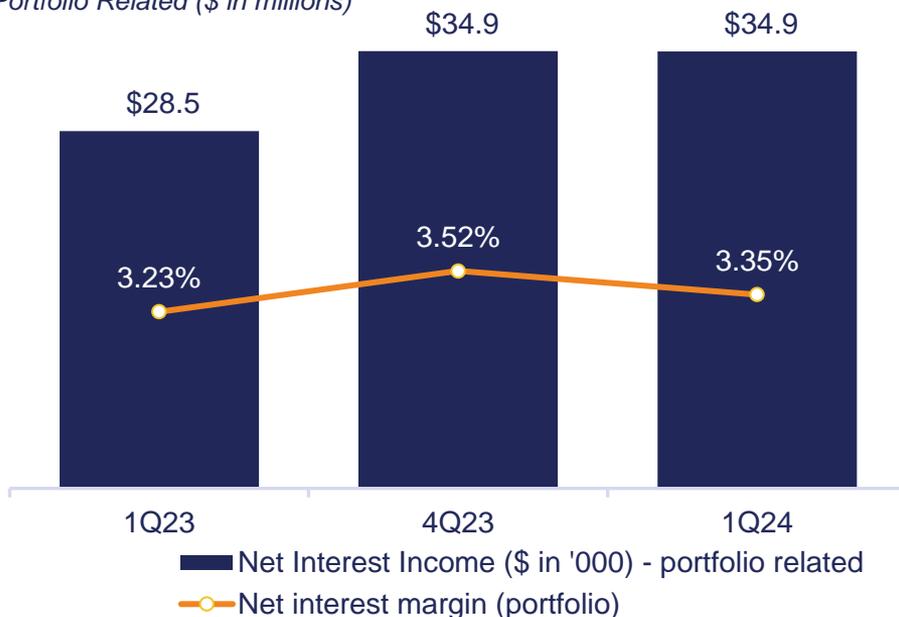
# Net Interest Margin

## Higher Loan Coupons and Favorable NPL Resolutions Drive Y/Y Portfolio NIM Expansion

- Portfolio NIM<sup>(1)</sup> in 1Q24 was 3.35%, an increase of 12 bps from 3.23% for 1Q23, and a decrease of 17 bps from 3.52% for 4Q23
  - The Y/Y increase is mainly due to the WAC<sup>(2)</sup> on loan portfolio increasing more than the cost of debt. The Q/Q decrease was mainly driven by the timing of NPL interest received.
- Portfolio Yield: Increased 1 bps from 4Q23 and up 71 bps from 1Q23, driven by a 93 bps increase in weighted average loan coupons from 1Q23
- Cost of Funds: Increased 18 bps from 4Q23 and 60 bps from 1Q23, primarily driven by the higher base rates for warehouse financing and recent securitizations

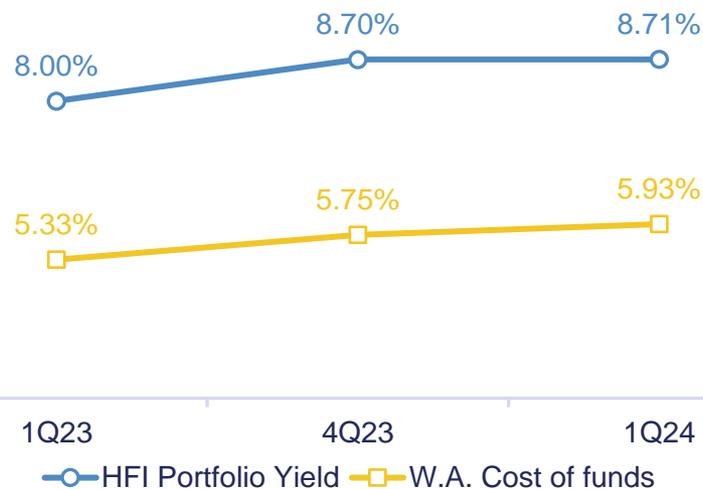
### Portfolio Net Interest Income & NIM<sup>(1)</sup>

Portfolio Related (\$ in millions)



### Portfolio Yield and Cost of Funds

Portfolio Related



<sup>(1)</sup> Net Interest Income and Net Interest Margin related to the loan portfolio only; excludes corporate debt.

<sup>(2)</sup> Weighted Average Coupon.

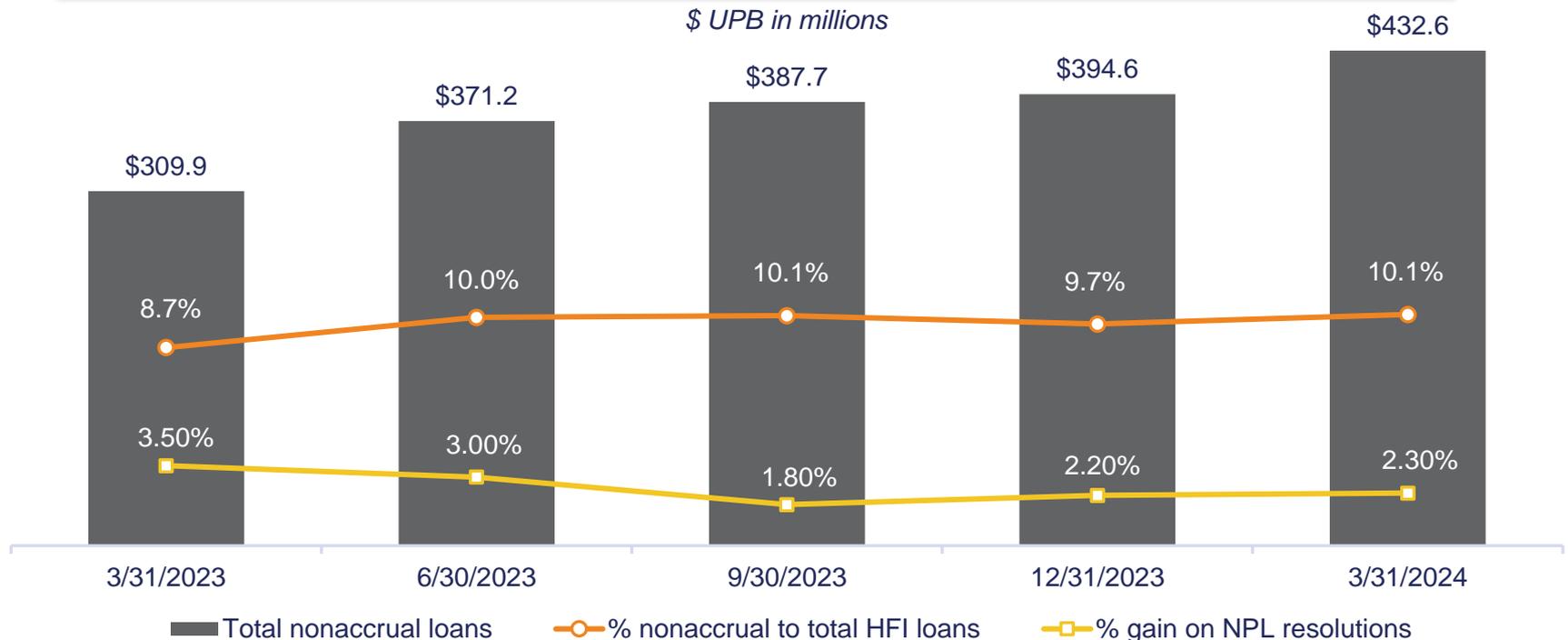


# Loan Investment Portfolio Performance

## NPL Performance and Resolution Gain In-line With Recent Trends

- Nonperforming loans (NPL) as a percentage of total HFI loans was 10.1% as of March 31, 2024, an increase from 9.7% as of December 31, 2023, and 8.7% as of March 31, 2023
  - Driven by loans transitioning to foreclosure
- Gains on NPL resolutions in 1Q24 of 2.3%, consistent with 2.2% for 4Q23 and a decrease from 3.5% for 1Q23

### Nonperforming Loans<sup>(1)</sup>



<sup>(1)</sup> For additional detail, please see page 17 in the Appendix of this presentation.

# 1Q24 Asset Resolution Activity

## NPL Loan Resolutions UPB and Gains

### Resolution Activity

RESOLUTION ACTIVITIES						
LONG-TERM LOANS						
RESOLUTION ACTIVITY	FIRST QUARTER 2024		FOURTH QUARTER 2023		FIRST QUARTER 2023	
	UPB \$	Gain / (Loss) \$	UPB \$	Gain / (Loss) \$	UPB \$	Gain / (Loss) \$
<i>(\$ in thousands)</i>						
Paid in full	\$ 16,563	\$ 798	\$ 22,342	\$ 826	\$ 11,274	\$ 632
Paid current	27,494	164	36,026	206	18,477	233
REO sold (a)	3,888	224	1,588	140	570	137
<b>Total resolutions</b>	<b>\$ 47,945</b>	<b>\$ 1,186</b>	<b>\$ 59,956</b>	<b>\$ 1,172</b>	<b>\$ 30,321</b>	<b>\$ 1,002</b>
Resolutions as a % of nonperforming UPB		102.5%		102.0%		103.3%
SHORT-TERM AND FORBEARANCE LOANS						
RESOLUTION ACTIVITY	FIRST QUARTER 2024		FOURTH QUARTER 2023		FIRST QUARTER 2023	
	UPB \$	Gain / (Loss) \$	UPB \$	Gain / (Loss) \$	UPB \$	Gain / (Loss) \$
<i>(\$ in thousands)</i>						
Paid in full	\$ 2,496	\$ -	\$ 2,770	\$ 37	\$ 5,560	\$ 348
Paid current	2,927	25	7,560	13	1,633	9
REO sold	1,161	62	604	316	1,209	(21)
<b>Total resolutions</b>	<b>\$ 6,584</b>	<b>\$ 87</b>	<b>\$ 10,934</b>	<b>\$ 366</b>	<b>\$ 8,402</b>	<b>\$ 336</b>
Resolutions as a % of nonperforming UPB		101.3%		103.3%		104.0%
<b>Grand total resolutions</b>	<b>\$ 54,529</b>	<b>\$ 1,274</b>	<b>\$ 70,890</b>	<b>\$ 1,538</b>	<b>\$ 38,723</b>	<b>\$ 1,338</b>
Grand total resolutions as a % of nonperforming UPB		102.3%		102.2%		103.5%

- 1Q24 NPL resolutions totaled 54.5 million in UPB, realizing 102.3% of UPB resolved compared to \$70.9 million in UPB, and realization of 102.2% of UPB resolved for 4Q23 and \$38.7 million in UPB and realization of 103.5% of UPB resolved for 1Q23
- 1Q24 NPL resolutions represented 13.8% of nonperforming loan UPB as of December 31, 2023
- The UPB of loan resolutions in 1Q24 was in-line the recent five-quarter resolution average of \$55.9 million in UPB

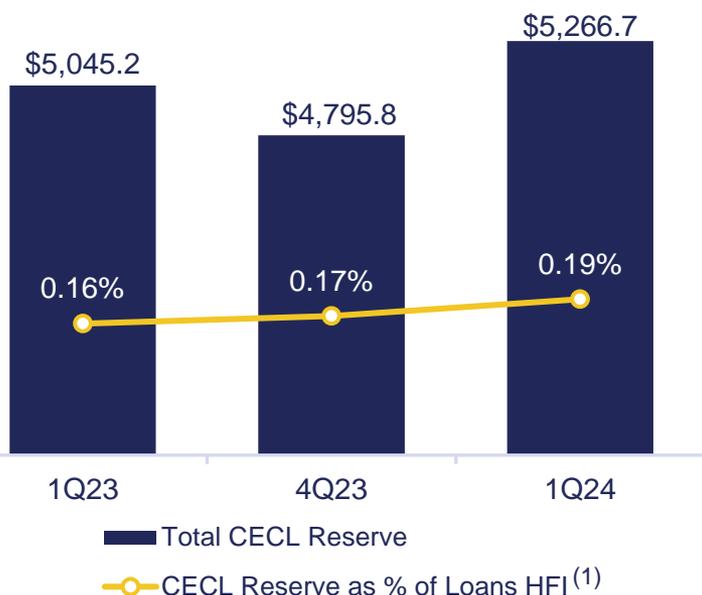
# CECL Reserve and Charge-Offs

## Reserve Growth Q/Q from Increased Reserve on Individually-Assessed Loans

- The reserve balance was \$5.3 million as of March 31, 2024, a 10.4% increase from \$4.8 million as of December 31, 2023, and a 4.4% increase from \$5.0 million as of March 31, 2023
- Velocity's 0.19% CECL reserve rate on the eligible (non-"FVO") HFI portfolio increased compared to the recent five quarter average rate of 0.17%
- Net charge-off and REO valuation activity for 1Q24 resulted in a loss of \$780 thousand, compared to a loss of \$302 thousand for 4Q23, primarily driven by unrealized valuation losses on REO properties

### Loan Loss Reserve

At period end, \$ in thousands



### Charge-offs, Gain (Loss) on REO

(\$ in thousands)	Quarter Ended	
	3/31/2024	12/31/2023
Average nonperforming loans for the period <sup>(2)</sup>	\$ 321,442	\$ 332,971
Charge-offs	(504)	(744)
Charge-offs / Average nonperforming loans for the period <sup>(2)</sup>	0.63%	0.89%
Gain on transfer of REO	1,160	1,403
Gain on sale of REO	286	456
REO valuations, net	(1,722)	(1,417)
<b>Total gain/(loss) on Charge-offs &amp; REO</b>	<b>\$ (780)</b>	<b>\$ (302)</b>

<sup>(1)</sup> Amortized cost

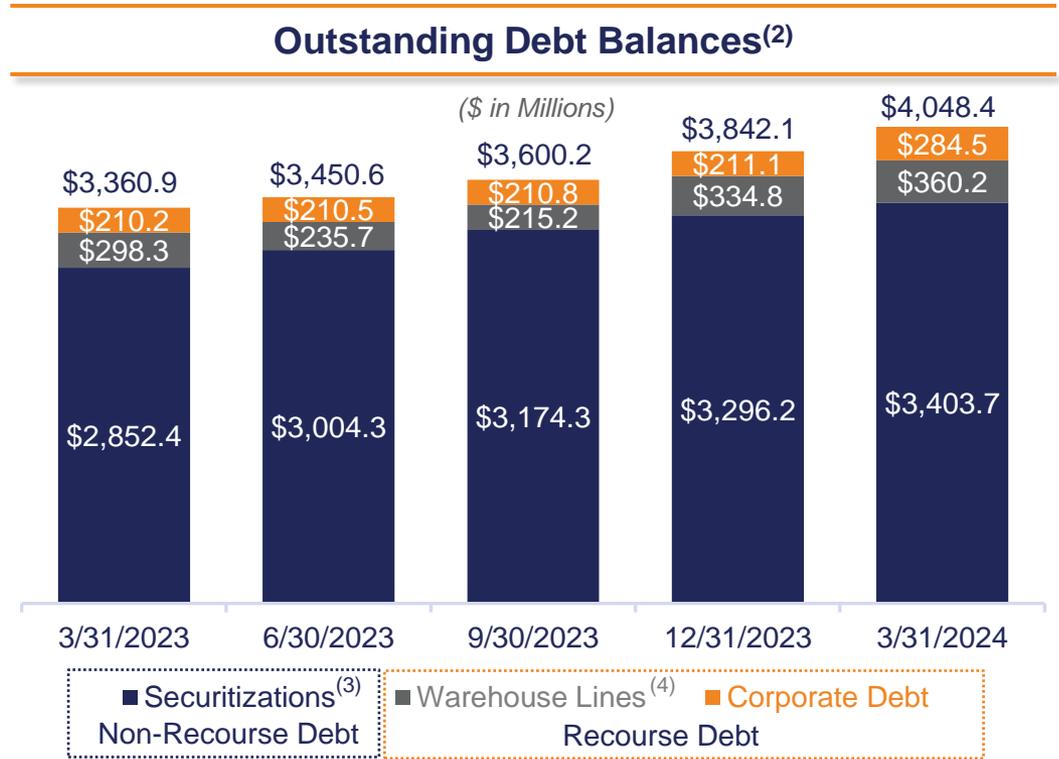
<sup>(2)</sup> Reflects the monthly average of nonperforming loans held for investment, excluding FVO loans, during the period.



# Durable Funding and Liquidity Strategy

## One Securitization in 1Q24<sup>(1)</sup>; New Corporate Debt Issuance to Drive Investment Growth

- Cash reserves and unfinanced collateral of \$78.5 million as of March 31, 2024
- Available warehouse line capacity of \$523.3 million as of March 31, 2024
- Recourse debt to equity was 1.4x as of March 31, 2024, relatively flat to 1.3x as of March 31, 2023
- Outstanding debt was \$4.05 billion as of March 31, 2024, a net increase of \$206.4 million from December 31, 2023, driven by the issuance of the VCC 2024-1 securitization in non-recourse debt and \$75.0 million in senior secured notes



Debt / Equity	8.6X	8.5X	8.1X	8.8X	8.9X
Recourse Debt / Equity	1.3X	1.1X	1.1X	1.2X	1.4X
Securitizations Issued	1	1	2	1	1
Max. Warehouse Line Capacity	\$832	\$813	\$810	\$891	\$885

<sup>(1)</sup> Through March 31, 2024.

<sup>(2)</sup> Debt balances are net of issuance costs and discounts as reported in the consolidated balance sheet.

<sup>(3)</sup> Represents the remaining balance of securitization outstanding net of issuance costs, discounts and fair value marks as of period end.

<sup>(4)</sup> As of March 31, 2024, six of seven warehouse lines have non-mark-to-market features and staggered maturities.



# Outlook for Velocity's Key Business Drivers

## *Improving Outlook for Markets and Growth*

### MARKET

- Property values remain well-supported
- Limited supply/inventory continues to result in value appreciation
- Low LTVs and in-house asset management focus drive expectation for gains on NPL resolution to continue

### CREDIT

- U.S. economic outlook is mixed, but cautious regarding “soft-landing”.
- Geopolitical risks have increased significantly from already heightened risks.
- NPL levels remain manageable

### CAPITAL

- Next long-term loan securitization targeted for June 2024
- Securitization market tone continues to strengthen

### EARNINGS

- Stable NIM, healthy securitization market and new originations drive strong earnings growth
- Pursue opportunities to further diversify product offerings and revenue streams



# Appendix

---



# Velocity Financial, Inc. Balance Sheet

	Quarter Ended				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
	Unaudited	Audited	Unaudited	Unaudited	Unaudited
<i>(In thousands)</i>					
<b>Assets</b>					
Cash and cash equivalents	\$ 34,829	\$ 40,566	\$ 29,393	\$ 33,987	\$ 39,397
Restricted cash	24,216	21,361	17,703	16,786	16,636
Loans held for sale, at fair value	-	17,590	19,536	-	18,081
Loans held for investment, at fair value	1,649,540	1,306,072	951,990	705,330	450,732
Loans held for investment	2,727,518	2,828,123	2,945,840	3,057,940	3,169,280
Total loans, net	4,377,058	4,151,785	3,917,366	3,763,270	3,638,093
Accrued interest receivables	29,374	27,028	24,756	22,602	20,931
Receivables due from servicers	87,523	85,077	70,139	63,896	64,133
Other receivables	2,113	8,763	236	1,306	2,188
Real estate owned, net	46,280	44,268	29,299	20,388	21,778
Property and equipment, net	2,013	2,785	2,861	3,023	3,209
Deferred tax asset	1,580	2,339	705	1,878	2,543
Mortgage Servicing Rights, at fair value	9,022	8,578	9,786	9,445	9,143
Derivative assets	1,967	-	1,261	-	-
Goodwill	6,775	6,775	6,775	6,775	6,775
Other assets	5,468	5,248	7,028	7,789	12,268
<b>Total Assets</b>	<b>\$ 4,628,218</b>	<b>\$ 4,404,573</b>	<b>\$ 4,117,308</b>	<b>\$ 3,951,145</b>	<b>\$ 3,837,094</b>
<b>Liabilities and members' equity</b>					
Accounts payable and accrued expenses	\$ 123,988	\$ 121,969	\$ 97,869	\$ 95,344	\$ 84,976
Secured financing, net	283,813	211,083	210,774	210,464	210,155
Securitized debt, net	2,329,906	2,418,811	2,504,334	2,622,547	2,657,469
Securitized debt, at fair value	1,073,843	877,417	669,139	381,799	194,941
Warehouse & repurchase facilities	360,216	334,755	215,176	235,749	298,313
Derivative liability	-	3,665	-	-	-
Total Liabilities	4,171,766	3,967,700	3,697,292	3,545,903	3,445,854
<b>Stockholders' Equity</b>					
Stockholders' equity	452,941	433,444	416,398	401,707	387,624
Noncontrolling interest in subsidiary	3,511	3,429	3,618	3,535	3,616
Total equity	456,452	436,873	420,016	405,242	391,240
<b>Total Liabilities and members' equity</b>	<b>\$ 4,628,218</b>	<b>\$ 4,404,573</b>	<b>\$ 4,117,308</b>	<b>\$ 3,951,145</b>	<b>\$ 3,837,094</b>
Book value per share	\$ 14.01	\$ 13.49	\$ 13.00	\$ 12.57	\$ 12.18
Shares outstanding	32,574 <sup>(1)</sup>	32,395 <sup>(2)</sup>	32,314 <sup>(3)</sup>	32,239 <sup>(4)</sup>	32,112 <sup>(5)</sup>

<sup>(1)</sup> Based on 32,574,498 common shares outstanding as of March 31, 2024, and excludes unvested shares of common stock authorized for incentive compensation totaling 411,296.

<sup>(2)</sup> Based on 32,395,423 common shares outstanding as of December 31, 2023, and excludes unvested shares of common stock authorized for incentive compensation totaling 470,413.

<sup>(3)</sup> Based on 32,313,744 common shares outstanding as of September 30, 2023, and excludes unvested shares of common stock authorized for incentive compensation totaling 589,634.

<sup>(4)</sup> Based on 32,238,715 common shares outstanding as of June 30, 2023, and excludes unvested shares of common stock authorized for incentive compensation totaling 502,913.

<sup>(5)</sup> Based on 32,111,906 common shares outstanding as of March 31, 2023, and excludes unvested shares of common stock authorized for incentive compensation totaling 490,526.



# Velocity Financial, Inc. Income Statement (Quarters)

(\$ in thousands)	Quarter Ended				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>Revenues</b>					
Interest income	\$ 90,529	\$ 86,269	\$ 79,088	\$ 74,897	\$ 70,521
Interest expense - portfolio related	55,675	51,405	47,583	45,451	42,029
Net interest income - portfolio related	34,854	34,864	31,505	29,446	28,492
Interest expense - corporate debt	5,380	4,140	4,138	4,139	4,139
Net interest income	29,473	30,724	27,367	25,307	24,353
Provision for loan losses	1,002	828	154	298	636
Net interest income after provision for loan losses	28,472	29,897	27,213	25,009	23,717
<b>Other operating income</b>					
Gain on disposition of loans	1,699	1,482	3,606	1,237	1,913
Unrealized gain (loss) on fair value loans	18,925	39,367	(1,284)	2,413	7,354
Unrealized gain (loss) on fair value securitized debt	(2,318)	(24,085)	9,692	5,560	(170)
Unrealized gain/(loss) on mortgage servicing rights	444	(1,208)	341	302	(95)
Origination income	4,986	3,981	3,323	2,735	2,411
Bank interest income	1,631	1,716	1,342	1,188	948
Other income (expense)	408	418	340	601	481
Total other operating income	25,775	21,670	17,360	14,036	12,842
Net revenue	54,247	51,567	44,573	39,046	36,560
<b>Operating expenses</b>					
Compensation and employee benefits	15,357	15,143	12,523	10,670	10,008
Origination expenses	646	173	273	123	(50)
Securizations expenses	2,874	2,709	4,930	2,699	2,584
Rent and occupancy	498	551	472	458	446
Loan servicing	4,824	4,636	4,901	4,267	3,828
Professional fees	2,115	1,733	854	1,056	955
Real estate owned, net	2,455	2,068	1,239	1,018	1,829
Other operating expenses	2,242	2,248	2,142	1,931	2,202
Total operating expenses	31,011	29,260	27,334	22,222	21,802
Income before income taxes	23,236	22,307	17,239	16,824	14,757
Income tax expense	5,903	5,141	5,070	4,602	4,021
Net income	17,333	17,166	12,169	12,222	10,736
Net income attributable to noncontrolling interest	82	(189)	83	39	87
Net income attributable to Velocity Financial, Inc.	17,251	17,355	12,086	12,183	10,649
Less undistributed earnings attributable to participating securi	217	225	183	185	160
<b>Net earnings attributable to common shareholders</b>	<b>\$ 17,034</b>	<b>\$ 17,130</b>	<b>\$ 11,903</b>	<b>\$ 11,998</b>	<b>\$ 10,489</b>
<b>Basic earnings (loss) per share</b>	<b>\$ 0.52</b>	<b>\$ 0.53</b>	<b>\$ 0.37</b>	<b>\$ 0.37</b>	<b>\$ 0.33</b>
<b>Diluted earnings (loss) per common share</b>	<b>\$ 0.49</b>	<b>\$ 0.50</b>	<b>\$ 0.35</b>	<b>\$ 0.36</b>	<b>\$ 0.31</b>
Basic weighted average common shares outstanding	32,541	32,326	32,275	32,122	32,098
Diluted weighted average common shares outstanding	35,439	34,991	34,731	34,140	34,052



# HFI Portfolio Delinquency Trends

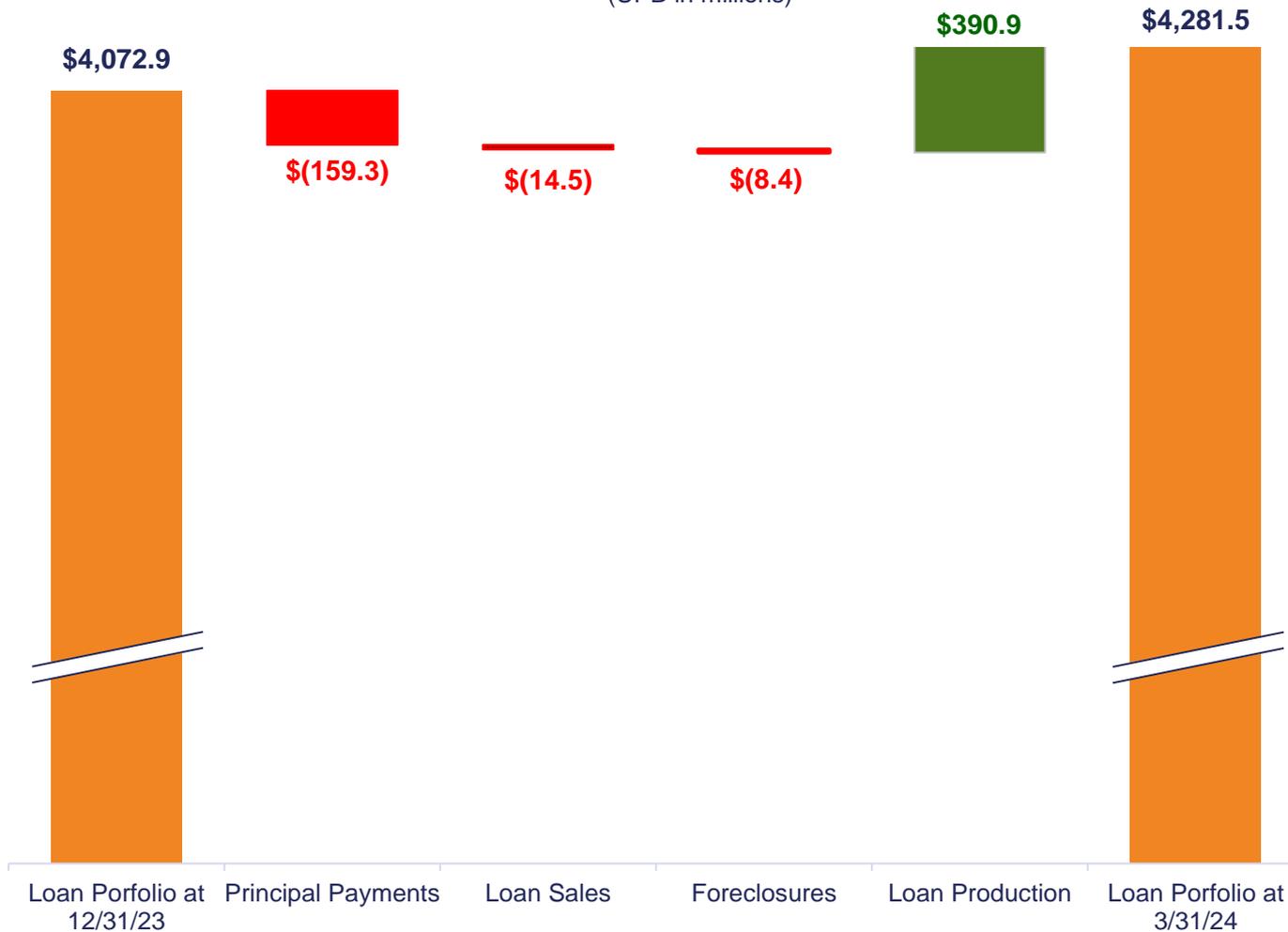
(\$ in thousands)

	March 31, 2023		June 30, 2023		September 30, 2023		December 31, 2023		March 31, 2024	
	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Performing/Accruing:</b>										
Current	\$ 3,049,110	85.2%	\$ 3,114,091	83.7%	\$ 3,188,015	82.6%	\$ 3,354,197	82.7%	\$ 3,517,715	82.2%
30-59 days past due	141,253	3.9%	164,586	4.4%	197,242	5.1%	231,590	5.7%	239,493	5.6%
60-89 days past due	78,491	2.2%	69,994	1.9%	84,797	2.2%	75,587	1.9%	91,765	2.1%
90+ days past due	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
<b>Total performing loans HFI</b>	<b>3,268,854</b>	<b>91.3%</b>	<b>3,348,671</b>	<b>90.0%</b>	<b>3,470,054</b>	<b>89.9%</b>	<b>3,661,374</b>	<b>90.3%</b>	<b>3,848,973</b>	<b>89.9%</b>
<b>Nonperforming/Nonaccrual:</b>										
<90 days past due	23,544	0.7%	23,125	0.6%	17,969	0.5%	17,746	0.4%	20,473	0.5%
90+ days past due	40,947	1.1%	39,536	1.1%	36,426	0.9%	24,398	0.6%	27,919	0.7%
Bankruptcy	15,132	0.4%	20,256	0.5%	19,323	0.5%	35,993	0.9%	45,471	1.1%
In foreclosure	230,314	6.4%	288,237	7.7%	314,007	8.1%	316,425	7.8%	338,697	7.9%
<b>Total nonperforming loans HFI</b>	<b>309,937</b>	<b>8.7%</b>	<b>371,154</b>	<b>10.0%</b>	<b>387,725</b>	<b>10.1%</b>	<b>394,562</b>	<b>9.7%</b>	<b>432,560</b>	<b>10.1%</b>
<b>Total loans held for investment</b>	<b>\$ 3,578,791</b>	<b>100%</b>	<b>\$ 3,719,825</b>	<b>100%</b>	<b>\$ 3,857,779</b>	<b>100%</b>	<b>\$ 4,055,936</b>	<b>100%</b>	<b>\$ 4,281,533</b>	<b>100%</b>

# Loan Portfolio Rollforward

## Total Loan Portfolio UPB Rollforward

(UPB in millions)



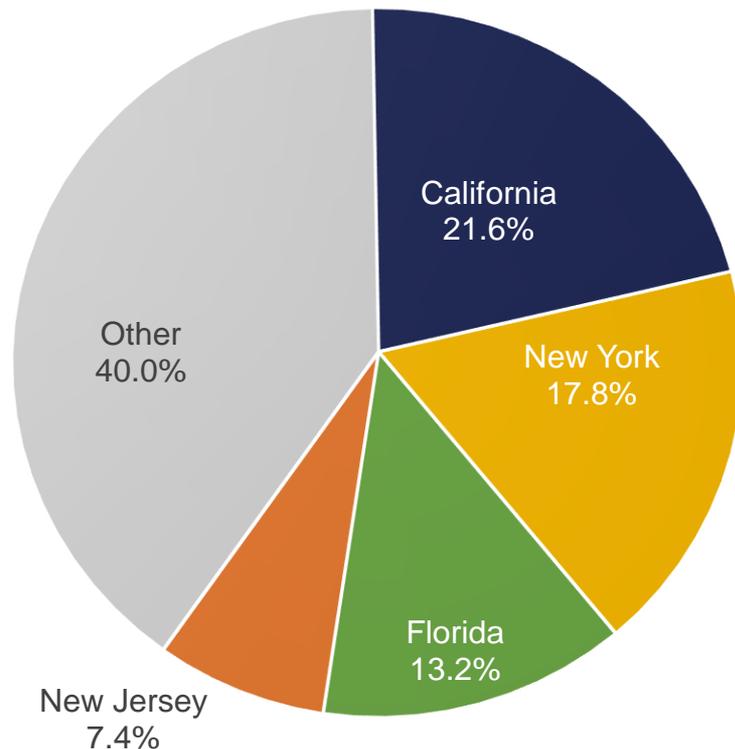
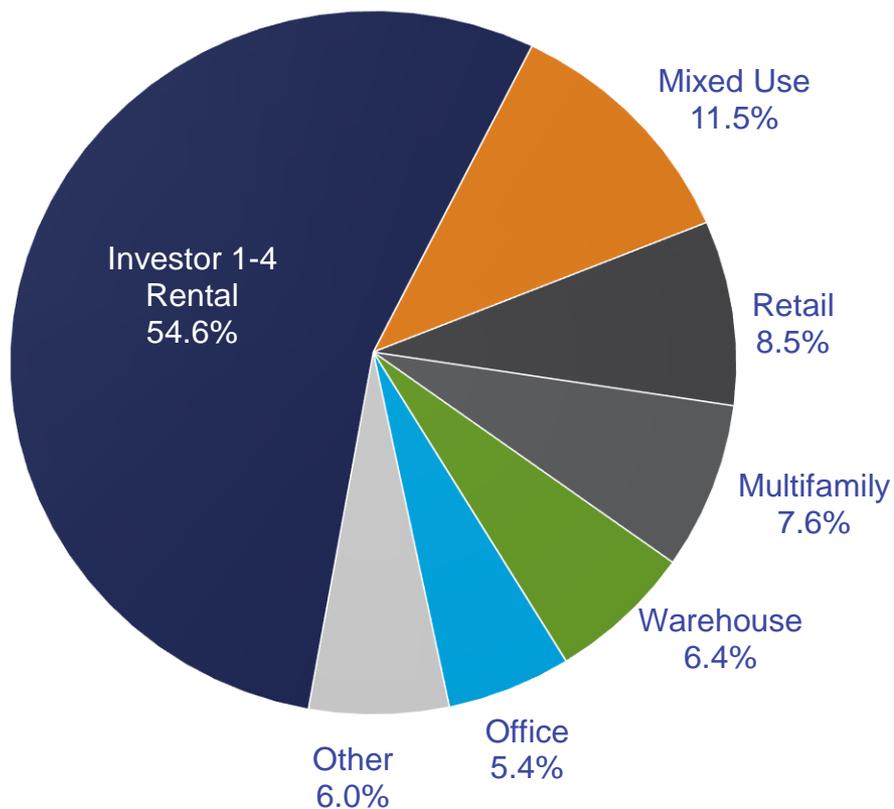


# HFI Loan Portfolio

Portfolio by Property Type

Portfolio by State

(100% = \$4.28 billion UPB)<sup>(1)</sup>



<sup>(1)</sup> As of March 31, 2024

# Adjusted Financial Metric Reconciliation:

## Adjusted Financial Metric Reconciliation to GAAP Net Income

Core Net Income	Quarter Ended				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
<b>Net Income</b>	\$ 17,251	\$ 17,355	\$ 12,086	\$ 12,183	\$ 10,649
Tax liability reduction	-	(1,866)	-	-	-
Equity award & ESPP costs	998	673	832	745	728
<b>Core Net Income</b>	<b>\$ 18,249</b>	<b>\$ 16,161</b>	<b>\$ 12,918</b>	<b>\$ 12,928</b>	<b>\$ 11,376</b>
Diluted weighted average common shares outstanding	35,439	34,991	34,731	34,140	34,052
<b>Core diluted earnings per share</b>	<b>\$ 0.51</b>	<b>\$ 0.46</b>	<b>\$ 0.37</b>	<b>\$ 0.38</b>	<b>\$ 0.33</b>