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

Westlake Village, CA – June 11, 2024 – Velocity Financial, Inc. (NYSE: VEL), (“Velocity” or the “Company”), a leader in business purpose loans, today announced that Kroll Bond Rating Agency (“KBRA”) has reviewed the ratings on 19 of the outstanding securitizations issued by its wholly-owned subsidiary, Velocity Commercial Capital, LLC (“VCC”) resulting in 271 rating affirmations and three rating upgrades of the underlying tranches. The rating actions occurred in conjunction with completing KBRA’s comprehensive surveillance review.

KBRA’s rating affirmations reflect continued stable collateral and structure performance, as evidenced by increased credit support for the rated classes and minimal losses since issuance. The rating upgrades considered each bond’s increased credit support relative to KBRA’s updated loss expectations and the generally positive performance trends exhibited by the related underlying pool since issuance. Cumulative loss levels in Velocity’s outstanding securitizations ranged from 0.02% to 0.45%, with 14 of 19 VCC outstanding securitizations experiencing no losses since issuance.

“KBRA’s rating actions reflect the continued strong performance of Velocity’s securitizations.” said Jeff Taylor, Executive Vice President of Capital Markets. “Velocity maintains a strong alignment with investors by retaining credit risk in our securitizations. This strategy has been key to the differentiated performance of our securitizations and drives our unwavering attention to producing high-quality loans and maintaining our best-in-class loss mitigation strategies.”

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