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Velocity Financial, Inc. Announces New \$175 Million Term Loan Facility and \$200 Million Warehouse Facility

Westlake Village, CA – February 09, 2021 – Velocity Financial, Inc. (NYSE: VEL), (“Velocity” or the “Company”), a leading provider of small balance investor loans, today announced that it has entered into a new \$175 million, 5-year term loan with a syndicate of lenders including funds managed by Blackrock’s U.S. Private Capital group, Oaktree Capital Management, L.P., and UBS O’Connor. The new facility has an initial \$125 million funding as of the closing date, with an additional \$50 million as a delayed draw feature. Proceeds of the new term loan facility will be used to refinance existing debt and originate new loans. In addition, the Company secured a new \$200 million non-mark-to-market warehouse facility with Barclays Bank PLC to finance new originations.

Mark R. Szczepaniak, CFO, stated, “We are excited to partner with an impressive team of lenders that believe in our strategy and support our growth plans. We intend to capitalize on the considerable investment opportunities in today’s market through increased loan production and market share growth to expand our existing portfolio.”

Mr. Szczepaniak continued, “We appreciate the leadership of Jefferies Finance LLC, as Sole Lead Arranger and Sole Bookrunner on the new term loan. The combination of these two new lending facilities is a critical step in further solidifying our financing for platform growth.”

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 15 years.

Forward-Looking Statements

Some of the statements contained in this press release constitute forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to anticipated results, expectations, projections, plans and strategies, 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,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “goal,” or “potential” or the negative of these words and phrases or similar words or phrases that are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans, or intentions.

The forward-looking statements contained in this press release reflect our current views about future events, including our growth plans and our ability to finance our platform. These future events, as well as others, 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 the COVID-19 pandemic, and its direct and indirect impacts, (2) general economic and real estate market conditions, (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.

Additional information relating to these and other factors that could cause future results to differ materially from those expressed or contemplated in any forward-looking statements can be found in the section titled “Risk Factors” 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.