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Velocity Financial Announces the Dismissal of Class Action Lawsuit

Westlake Village, CA – January 28, 2021 – Velocity Financial, Inc. (NYSE: VEL), (“Velocity” or the “Company”), a leading provider of small balance investor loans, today announced that a motion to dismiss the class action lawsuit brought against the Company, its Directors at the time of the Company’s IPO, its former controlling shareholder, and its IPO underwriters was granted by the judge presiding over the case (the “Dismissal Order”).

Chris Farrar, President and CEO stated, “We are very pleased that the judge in the case agreed the lawsuit was without merit and granted our request for dismissal. Velocity takes its disclosure obligations seriously and will continue to be transparent with investors.”

As previously disclosed in the Company’s SEC filings, the Company, certain of its directors at the time of the IPO, its former controlling shareholder and its IPO underwriters were named as defendants in a securities class action lawsuit filed in the United States District Court for the Central District of California, captioned *Edward A. Berg v. Velocity Financial, Inc. et al.*, Civil Action No. 2:20-cv-06780-RGK-PLA (filed on July 29, 2020). The Dismissal Order was entered on January 25, 2021.

The Company and its directors were represented in this matter by the law firm of Simpson Thacher & Bartlett LLP.

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.