

REFINITIV

DELTA REPORT

10-K

UWMC - UWM HOLDINGS CORP

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	5049
CHANGES	353
DELETIONS	3522
ADDITIONS	1174

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2022** **December 31, 2023**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-39189

UWM HOLDINGS CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

585 South Boulevard E.
(Address of Principal Executive Offices)

Pontiac, MI

84-2124167
(I.R.S. Employer Identification No.)

48341
(Zip Code)

(800) 981-8898
Registrant's telephone number, including area code
N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	UWMC	New York Stock Exchange
Warrants, each warrant exercisable for one share of Class A Common Stock	UWMCWS	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No x

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. x

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. o

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒ x

The aggregate market value of the registrant's voting stock held by non-affiliates on **June 30, 2022** **June 30, 2023** was **\$326,829,162**, **\$518,521,489** based on the closing price on the New York Stock Exchange on that date of **\$3.54**, **\$5.60**. (Does not include shares issuable upon exercise of warrants).

As of **February 24, 2023** **February 23, 2024**, the registrant had **93,101,971** **94,507,889** shares of Class A common stock outstanding and 1,502,069,787 shares of Class D common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for use in connection with its **2023** **2024** Annual Meeting of Stockholders, which is to be filed no later than 120 days after **December 31, 2022** **December 31, 2023**, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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GLOSSARY OF TERMS

Terms	Definitions
"Fannie Mae"	The Federal National Mortgage Association is a government-sponsored enterprise that purchases qualifying mortgage loans from mortgage lenders, packages them together, and sells them as a mortgage-backed security to investors on the secondary market.
"FHA"	The Federal Housing Administration is a governmental agency that provides mortgage insurance on loans made by FHA-approved lenders.
"Forward-settling Loan Sale Commitment" or "FLSC" or "TBA"	A forward-settling Loan Sale Commitment (also referred to as a FLSC or a TBA) is a forward derivative that requires a mortgage lender to commit to deliver at a specific future date a mortgage-backed security issued by Fannie Mae, Freddie Mac or guaranteed by Ginnie Mae which is collateralized by an undesignated pool of mortgage loans.
"Freddie Mac"	The Federal Home Loan Mortgage Corporation is a government-sponsored enterprise that purchases qualifying mortgage loans from mortgage lenders, packages them together, and sells them as a mortgage-backed security to investors on the secondary market.
"Ginnie Mae"	Government National Mortgage Association is a government-owned corporation that guarantees mortgage-backed securities that have been guaranteed by a government agency, mainly the Federal Housing Administration and the Veterans Administration.
"GSE"	Government-sponsored enterprises, such as Fannie Mae and Freddie Mac.
"interest rate lock commitment" or "IRLC"	An interest rate lock commitment is a binding agreement by a mortgage lender with a borrower to extend a mortgage loan at a specified interest rate and term within a specified period of time.
"loan officers"	We use the term loan officers to refer to the individual employees of our clients. Each loan officer is licensed, or exempt from licensure, in the state or states in which he or she operates.
"mortgage-backed security" or "MBS"	Mortgage-backed securities, or MBSS, are securities that are secured by a pool of mortgage loans, which does not include the MSRs which are separated from the mortgage loan prior to the mortgage loan being placed in the pool and are therefore not part of the collateral.
"mortgage servicing rights" or "MSRs"	Mortgage servicing rights, or MSRs, are the right to service a mortgage loan for a fee, which rights are separated from the mortgage loan once the mortgage loan is sold in the secondary market.
"To Be Announced market"	The To Be Announced market is a secondary market where FLSCs or TBAs are sold by lenders seeking to hedge the risk that market interest rates may change and lock in a price for the mortgages they are in the process of originating.

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Cautionary Note Regarding Forward-Looking Statements

This report contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These forward-looking statements relate to expectations for future financial performance, business strategies or expectations for our business. Specifically, forward-looking statements in this report include statements relating to:

- the future our financial performance of our business; and operational performance;
- our future growth, including our loan originations and position in the industry compared to our peers;
- our client-based business strategies, strategic initiatives, technological developments and product pipeline;
- expectations regarding the impact and timing of discontinuation of LIBOR on our warehouse and other facilities;
 - the impact of interest rate risk risks on our business;
- our ability to renew our sale and repurchase and other financing agreements, and the impacts of counterparty risks on our business;
- our mitigation of credit risks and the impacts of defaults on our business, as well as our risk mitigation strategies;
- our accounting policies and recent amendments to the FASB rules regulations; regulations, and the impacts to our agreements and financial results;
- macroeconomic conditions that may affect our business and the mortgage industry in general;
- political and geopolitical conditions that may affect our business and the mortgage industry in general;
- our utilization of our warehouse facilities, MSR Facility, facilities, and Revolving Credit Facility, including outstanding borrowings through 2023; Facility;
- the impact of litigation on our financial position;
- the sufficiency of our insurance coverage;
- our repurchase and indemnification obligations; and
- other statements preceded by, followed by or that include the words "may," "can," "should," "will," "estimate," "plan," "project," "forecast," "intend," "expect," "anticipate," "believe," "seek," "target" or similar expressions.

These forward-looking statements involve estimates and assumptions which may be affected by risks and uncertainties in the Company's our business, as well as other external factors, which could cause future results to materially differ from those expressed or implied in any forward-looking statement including the following risks:

- our dependence on macroeconomic and U.S. residential real estate market conditions, including changes in U.S. monetary policies that affect interest rates;
 - the impact of inflation and other macroeconomic conditions on housing pricing, demand for mortgages and the ability of borrowers to qualify for and afford mortgages;
 - our reliance on our warehouse and other short-term financing facilities to fund mortgage loans and otherwise operate our business, leveraging of assets under these facilities and the risk of a decrease in the value of the collateral underlying certain of our facilities causing an unanticipated margin call or curtailment, as well as changes in banking regulations and capital requirements which may impact the availability of warehouse financing or otherwise affect liquidity in the residential mortgage industry;
 - our ability to sell loans in the secondary market, including to government sponsored enterprises, and to securitize our loans into mortgage-backed securities through the GSEs and Ginnie Mae;
 - our dependence on the GSEs and the risk of changes to these entities and their roles, including, as a result of GSE reform, termination of conservatorship or efforts to increase the capital levels of the GSEs;
 - changes in the GSEs', FHA, USDA and VA guidelines or GSE and Ginnie Mae guarantees;
 - our dependence on licensed residential mortgage officers or entities, including brokers that arrange for funding of mortgage loans, or banks, credit unions or other entities that use their own funds or warehouse facilities to fund mortgage loans, but in any case do not underwrite or otherwise make the credit decision with regard to such mortgage loans to originate mortgage loans;
 - our inability to continue to grow, or to effectively manage the growth of, our loan origination volume;
 - our ability to continue to attract and retain our Independent Mortgage Advisor relationships;
 - the occurrence of a data breach or other failure in our cybersecurity or information security systems;
 - reliance on third-party software and services in our operations;
 - reliance on third-party sub-servicers to service our mortgage loans or our mortgage servicing rights;
 - the occurrence of data breaches or other cybersecurity failures at our third-party sub-servicers or other vendors;
 - intense competition in the mortgage industry;
 - our ability to implement and maintain technological innovations in our operations;
-
- loss of key management;
 - risks relating to SOFR and the volatility of reference rates;
 - our ability to continue to comply with the complex state and federal laws regulations or practices applicable to mortgage loan origination and servicing in general, including maintaining the appropriate state licenses, managing the costs and operational risk associated with material changes to such laws;
 - errors or the ineffectiveness of internal and external models or data we rely on to manage risk and make business decisions;
 - risk of counterparty terminating servicing rights and contracts;
 - the risk that we are or may become subject to legal actions that if decided adversely, could be detrimental to our business; and
 - those risks set forth below described in Item 1A - Risk Factor Summary and the other risks and uncertainties indicated Factors in this report, including Annual Report on Form 10-K, as well as those set forth under described from time to time in our other filings with the section entitled "Risk Factors." SEC.

All forward-looking statements speak only as of the date of this report and should not be relied upon as representing our views as of any subsequent date. We do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

RISK FACTOR SUMMARY

An investment in our securities involves substantial risk. Our ability to execute on our strategy strategies is also is subject to certain risks. The risks described under the heading "Risk Factors" immediately following the Summary summary below may cause us not to realize the full benefits of our competitive strengths or may cause us to be unable to successfully execute all or part of our strategy, strategies. Some of the more significant challenges and risks we face include the following:

- our dependence on macroeconomic and U.S. residential real estate market conditions, including changes in U.S. monetary policies that affect interest rates;
- our reliance on our warehouse and other short-term financing facilities to fund mortgage loans and otherwise operate our business, leveraging of assets under these facilities and the risk of a decrease in the value of the collateral underlying certain of our facilities causing an unanticipated margin call;
- our ability to sell loans in the secondary market, including to government sponsored enterprises, and to securitize our loans into mortgage-backed securities through the GSEs and Ginnie Mae, and our ability to sell MSRs in the bulk MSR secondary market;
- our dependence on the GSEs and the risk of changes to these entities and their roles, including, as a result of GSE reform, termination of conservatorship or efforts to increase the capital levels of the GSEs;
- changes in the GSEs', FHA, USDA and VA guidelines or GSE and Ginnie Mae guarantees;
- our dependence on licensed residential mortgage officers or entities, including brokers that arrange for funding of mortgage loans, or banks, credit unions or other entities that use their own funds or warehouse

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facilities to fund mortgage loans, but in any case do not underwrite or otherwise make the credit decision with regard to such mortgage loans to originate mortgage loans;

- loans, as well as changes in banking regulations and capital requirements which may impact the unique challenges posed to our business by availability of warehouse financing or otherwise affect liquidity in the COVID-19 pandemic and the impact of governmental actions taken in response to the pandemic on our ability to originate mortgages, our servicing operations, our liquidity and our team members; residential mortgage industry;
- the risk that an increase in the value of the MBSS hedging strategies that we sell in forward markets utilize to hedge our pipeline may mitigate against interest rate risks associated with interest rate locks, loans available for sale or otherwise prove to be ineffective or result in an unanticipated margin call; calls that could adversely affect our liquidity or our results of our operations;
- our inability to continue to grow, or to effectively manage the growth of, our loan origination volume;
- our ability to continue to attract and retain our Independent Mortgage Broker relationships;
- the occurrence of a data breach or other failure of our cybersecurity; cybersecurity or information security systems;
- loss of key management;
- reliance on third-party software and services;
- reliance on third-party sub-servicers to service our mortgage loans or our mortgage servicing rights;
- the occurrence of data breaches or other cybersecurity failures at our third-party sub-servicers or other third-party vendors;
- intense competition in the mortgage industry;
- our ability to implement and maintain technological innovation; innovations in our operations;
- the risk that we are or may become subject to legal actions that if decided adversely, could be detrimental to our business;
- our ability to continue to comply with the complex state and federal laws, regulations or practices applicable to mortgage loan origination and servicing in general, including maintaining the appropriate state licenses, managing the costs and operational risk associated with material changes to such laws;
- fines or other penalties associated with the conduct of Independent Mortgage Brokers;
- errors or the ineffectiveness of internal and external models or data we rely on to manage risk and make business decisions;
- loss of or inability to enforce intellectual property rights or contractual rights;
- risk of counterparty terminating servicing rights and contracts; and
- the possibility that we may be adversely affected by other economic, business, and/or competitive factors; and
- the requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members and team members; factors.

PART I

Item 1. Business

Unless otherwise indicated or the context otherwise requires, when used in this Annual Report, the term "UWMC" means UWM Holdings Corporation, "UWM" means United Wholesale Mortgage, LLC and "the Company," "the Company," "we," "our" and "us" refer to UWM Holdings Corporation and our subsidiaries.

Overview

We are the publicly traded indirect parent of United Wholesale Mortgage, LLC ("UWM"). Commencing in the third quarter of 2022, UWM is the largest overall residential mortgage lender as well as the largest purchase lender in the U.S., by closed loan volume, despite originating mortgage loans exclusively through the wholesale channel. For the last eight years, including the year ended December 31, 2022, we have been the largest Wholesale Mortgage Lender in the U.S. by closed loan volume. We originate primarily conforming and government loans across all 50 states and the District of Columbia.

We are focused on propelling the wholesale mortgage broker channel forward. During 2022, as interest rates rose and the mortgage industry experienced a slow-down of refinancings, we continued to make significant strides to provide Independent Mortgage Brokers with a variety of product offerings to address market conditions and bring more awareness to the broker channel overall and the value that this channel provides to consumers. With a culture of continuous innovation of technology, enhanced client experience, and market responsive pricing and profitability enhancements, our main goal has been to ensure the Independent Mortgage Broker community, and therefore UWM, is set up to win.

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Founded in 1986 and headquartered in Pontiac, Michigan, we have built a client-focused, team-oriented culture that strives to bring superior customer service, efficiency and operational stability to our clients, the Independent Mortgage Brokers. UWM completed its business combination with Gores Holdings IV, Inc. ("Gores IV") on January 21, 2021, pursuant to which UWM became an indirect subsidiary of Gores IV. Upon consummation of the business combination, Gores IV changed its name to UWM Holdings Corporation. We began trading on the New York Stock Exchange ("NYSE") on January 22, 2021 under the ticker symbol UWMC.

Strategy

Our principal strategy that has driven our substantial growth over the past years, is our strategic decision to operate solely as a Wholesale Mortgage Lender—thereby avoiding conflict with our partners, the Independent Mortgage Brokers and their direct relationship with borrowers. Unlike "Retail Mortgage Lenders" that both offer mortgage loans directly to individual borrowers and underwrite the mortgage loans, we do not work directly with the borrower during the mortgage loan financing process. We believe that by not competing for the borrower connection and relationship, we are able to generate significantly higher loyalty and satisfaction from our clients (the Independent Mortgage Brokers) who, in turn, armed with our partnership tools are positioned to direct a growing share of the residential mortgage volume nationwide. Our model is focused on the origination business, with a specific focus on purchase loans. Historically, residential purchase mortgage loan origination volume has experienced less volatility in response to interest rate movements than the refinancing mortgage loan origination volume. Consequently, we believe that by focusing on the purchase business we will be better positioned to deliver more consistent volume in increasing and decreasing interest rate environments.

Integral components of our strategy are (1) continuing our leadership position in the growing wholesale channel by investing in technology and partnership tools designed to meet the needs of Independent Mortgage Brokers and their customers, (2) capitalizing on our strategic advantages which include a singular focus on the wholesale channel, that can quickly adapt to market conditions and opportunities, and ample capital and liquidity, (3) employing our six pillars (see below) to drive a unique culture that we believe results in a durable competitive advantage and (4) originating high quality loans, the vast majority of which are backed directly or indirectly by the federal government, to minimize market risks and to maximize opportunity in different macroeconomic environments.

The residential mortgage loan financing process typically involves three stages:

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- *Initiate Borrower Connection.* A broker or other party is approached by a potential borrower for a mortgage loan. This party advises the borrower on loan options, runs the initial credit check, gathers the borrower's information for the loan application and submits the loan application.
- *Underwrite, Close and Fund.* The borrower's loan application is reviewed, the mortgage loan is underwritten, the borrower is approved, the closing is arranged and the loan is funded, collectively referred to as loan origination.
- *Portfolio or Package and Sell mortgage loan Mortgage Loan into Secondary Market Sales.* The loan is either placed into an investment portfolio (in the case of banks and typically only for certain loans tied to shorter term interest rates) or packaged together with other loans and sold as MBS to investors in the secondary market.

We operate exclusively as a Wholesale Mortgage Lender and only originate, underwrite and close mortgage loans arranged by an Independent Mortgage Broker. We believe that by focusing only on the wholesale channel, we can be a true partner to our clients (all of which are Independent Mortgage Brokers). Unlike "Retail Mortgage Lenders" that both offer mortgage loans directly to individual borrowers and underwrite the mortgage loans, we do not work directly with the borrower during the mortgage loan financing process.

Many of our competitors are primarily Retail Mortgage Lenders that also compete **Leader** in the wholesale channel as Wholesale Mortgage Lenders. We believe that by competing in both channels, these competitors have an inherent conflict that makes them a less attractive option for Independent Mortgage Brokers when deciding which lender to work with when originating a mortgage loan. We further believe that this competitive advantage is a major reason that has and will continue to drive market share growth and loan production as the wholesale channel grows.

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Leading in the Growing Wholesale Channel

According to the Nationwide Multistate Licensing System ("NMLS"), as of **September 30, 2022** **June 30, 2023**, there were approximately **386,000** **federally** **376,000** **federally** registered mortgage loan officers in the U.S. Our **exclusive** **exclusive** focus on the wholesale channel has resulted in relationships with over **12,000** **13,000** independent broker businesses throughout the U.S., with over **45,000** **53,000** associated loan officers—of which approximately **33,000** **35,000** have submitted a loan to us during the year 2022. As the wholesale channel continues to grow, especially in a rising interest rate environment, we see a significant opportunity for these mortgage loan officers to join the wholesale channel. **2023.**

Benefits to Borrower

- **Provides Trusted Advisor in Complex Financial Instruments.** Independent Mortgage Brokers serve as advisors to borrowers, leveraging their deep knowledge base of complex financial products to help borrowers make informed decisions. Independent Mortgage Brokers assist prospective borrowers in analyzing their financial situation, assessing his or her credit history and current mortgage and making an informed decision based on their personal circumstances.
- **Maximizes Optionality.** Independent Mortgage Brokers are able to provide borrowers with multiple options on product structure and pricing rather than being rooted in a single platform offering, which we believe empowers borrowers and enhances their borrowing experience. We believe that Independent Mortgage Brokers are able to deliver borrowers access to better rates than their Retail Mortgage Lender counterparts. As a partner to our clients, we continually strive to provide a range of residential loan options, so that our clients can match the needs of their borrowers with our product offerings.

- **Streamlines and Enhances the Experience.** Independent Mortgage Brokers are best positioned to be the single personalized point-of-contact for the loan process and provide borrowers a superior customer service experience.
- **Aligns Interest.** In the wholesale channel, the interests of the Independent Mortgage Broker and the borrower are aligned to achieve the best outcome for the borrower—which increases borrower loyalty to the Independent Mortgage Broker and provides a greater likelihood that the borrower will retain the advisor for future transactions.

Benefits to Independent Mortgage Broker

- **Drives Brand Recognition and Loyalty.** We believe that allowing Independent Mortgage Brokers to “own” the relationship with the borrower drives client brand recognition and loyalty. When borrowers view their Independent Mortgage Brokers as the person who delivered the superior results, rather than just as a conduit to funding, they are more likely to return to that Independent Mortgage Broker for their next residential mortgage loan, whether it is a new purchase or a refinance. Our technology provides Independent Mortgage Brokers with advanced personalized marketing tools to establish and maintain their borrower relationships.
- **Offers Flexibility.** We believe that Independent Mortgage Brokers and their loan officers are better served by the wholesale channel as it provides them the flexibility of matching their borrowers’ needs with the most applicable lender and lender program. A Wholesale Mortgage Lender needs to earn business every day. If the Wholesale Mortgage Lender is not faster, easier and more affordable, it will not be successful in earning that business.
- **Develops and Protects Relationship with Borrower.** Utilizing the wholesale channel with a true Wholesale Mortgage Lender allows Independent Mortgage Brokers to both cultivate new borrower relationships and maintain their relationships with borrowers throughout the mortgage lending process and beyond with less risk of being replaced by the lender in the next new purchase or a refinance. Retail Mortgage Lenders that dabble in the wholesale channel do not afford this protected relationship.
- **Ability to Provide Superior Sophisticated and Personalized Service.** The wholesale channel allows Independent Mortgage Brokers to offer a diverse set of product options and capitalize on the benefits of scale to offer superior service, such as turn times and pull through rates, with the focus on personal service. Our suite of full-service technology platforms positions Independent Mortgage Brokers to effectively compete with banks and other non-bank loan originators by delivering a closely managed end-to-end experience for the borrower from origination through closing.

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Benefits to UWM

- **Access to Extensive Network.** The wholesale channel offers us access to a broad network of Independent Mortgage Brokers, reducing reliance on any one entity or any geographic region.
- **Volume Levels Supports Significant Automation.** Our volume allows for significant investment in automating each step of the residential loan process, which in turn reduces error rates, improves customer service and enhances efficiency.
- **Distribute Fixed Cost Across Wider Network.** Our exclusive focus on the wholesale channel reduces our fixed costs by allowing us to distribute costs across a wider network of clients. We invest in the personnel and technology resources to underwrite, close, fund and sell residential mortgage loans. This results in a minimal fixed cost base for origination and high marginal profitability.
- **Supports Scalability.** We believe that our exclusive focus on the wholesale channel coupled with our efficient and centralized processes, cost structure and technology platform has resulted in a business that is highly scalable with minimal incremental investment.

Capitalizing on our Strategic Advantages

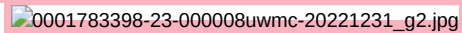
We believe that our exclusive focus on the wholesale channel along with our business model, team members, technologies and competitive position provide us with some significant strategic advantages.

- **Strong Brand Recognition.** Our leading position as a Wholesale Mortgage Lender and ability to deliver superior client service provides us strong brand recognition with Independent Mortgage Brokers. Starting in the third quarter 2022, we were the largest residential mortgage lender in the U.S. For the year ended December 31, 2022, we had approximately 38% market share in the wholesale channel (based on data released by Inside Mortgage Finance (“IMF”)) and 8% share of the overall mortgage market.
- **Operational Excellence.** We believe our exclusive focus on the wholesale channel provides us with a differentiated, client-centric business model that enables us to invest in, and deliver to our clients, a full suite of technology and workflow solutions that allow for industry-leading closing times for our clients. For the year ended December 31, 2022, we originated approximately 348,000 loans, down from approximately 654,000 loans for the year ended December 31, 2021. For the year ended December 31, 2022, our average application to clear to close time was 18 business days, compared to management’s estimate of the industry average of 50 calendar days for 2022. During 2022, we closed an average of 5.9 loans per month per production team member, well above the industry average of 1.7 during the nine months ended September 30, 2022 (based on a Mortgage Bankers Association report). Furthermore, we delivered this speed while receiving an 89% average monthly client Net Promoter Score (“NPS”) for the year ended December 31, 2022, as well as an 86% average monthly client NPS for the past six years.
- **Innovative Technology Platforms.** Leveraging our culture of continuous technological innovation, we have built proprietary technology platforms and exclusively license technology that support our clients and borrowers to provide what we believe to be a best-in-class client experience. We believe that our technology platforms provide us with a competitive advantage, driving client retention and offering the ability to efficiently and quickly achieve closings on loan originations. We offer our clients a complete platform with a highly efficient, external-facing interface that includes required regulatory and compliance mechanisms. We seek to

continuously improve and innovate our technology platforms and have a team of over 1,100 full time team members as of December 31, 2022 committed to our information systems and technologies.

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Employing Our Six Pillars to Drive a Durable Competitive Advantage



We were founded with a simple goal in mind: attract great people, to a great workplace, and give them the tools they need to do great work. Our culture is based on six pillars:

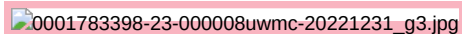
- **People**—our people are the secret to our success. We invest in our team members with continuous and real-time training so they can continue to set the standard. Team members are given a path to succeed and are rewarded for that success.
- **Service**—We pride ourselves on creating a memorable service experience for every partner. Internal service among team members is critical.
- **Relationship driven**—Our long-term reputation is more important than short-term gains. We place a premium on creating lasting relationships with our clients and counterparties, such as our Independent Mortgage Brokers, warehouse banks, vendors, regulators and other agencies.
- **Thumb pointers**—Team members are focused on accountability and personal responsibility. Our team members concentrate on taking ownership, improving and delivering results.
- **Continuous improvement**—We develop and introduce cutting-edge, industry leading technology and information processes.
- **Fun and friendship**—We are a big believer that work can (and should) be fun. It's about finding your passion and purpose—but always leaving time for friendship and camaraderie. UWM is consistently recognized as a great place to work, winning Top Workplaces USA in 2022 along with its 10th year in-a-row of both Best and Brightest Metro Detroit and Best and Brightest National.

These core principles influence everything we do and form the basis of our client-focused culture.

Originating High Quality Loans Backed Directly or Indirectly by the Federal Government to Minimize Risks and to Maximize Opportunity in Different Macroeconomic Environments

An integral component to our strategy is to originate high quality loans throughout the U.S. For the year ended December 31, 2022, our borrowers had a weighted average FICO score of approximately 738 as compared to a weighted average FICO score of 750 for the year ended December 31, 2021. The following charts illustrate our loan originations portfolio by type and FICO score mix for the year ended December 31, 2022:

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Our model is focused on the origination business, with a specific focus on purchase loans. Historically, residential purchase mortgage loan origination volume has experienced less volatility in response to interest rate movements than the refinancing mortgage loan origination volume. Consequently, we believe that by focusing on the purchase business we will be better positioned to deliver more consistent volume in increasing and decreasing interest rate environments. In rising interest rate environments, we believe that our demonstrated reputation for excellent client service and short loan closing times will drive continued purchase mortgage volume, our broad client base will allow us to capitalize on lead generation and our cost structure will allow us to be more competitive on margins.

We currently retain the majority of the mortgage servicing rights ("MSRs") associated with our production, but we have, and intend to continue to opportunistically sell MSRs depending on market conditions. This nimble approach has provided us funding flexibility, and reduced legacy MSR asset exposure. In addition, our wholesale-only business is uniquely positioned to capture a greater share of purchase originations and, we believe, provides a competitive advantage relative to correspondent or various retail origination models.

Our Loan Programs

Over the past 10 years we have developed technologies and processes that allow us to quickly introduce and market new loan programs or to adjust for existing loan programs and to adapt services and offerings to ever-changing markets for home financing. These technologies allow us to quickly and efficiently build guidelines, rules, pricing, and controls into our loan origination platforms and workflows; generate new loan documents, disclosures and program descriptions from our systems; and efficiently distribute internal communications. By having nimble and flexible systems that are controlled internally, we believe we are better positioned to take advantage of market opportunities when they present themselves and change the direction of loan programs when the market dictates.

Conventional agency-conforming mortgage loans

Since 2012, we have been **We focus** primarily **focused** on originating conventional, agency-eligible loans that can be sold to Fannie Mae, Freddie Mac or transferred to Ginnie Mae pools for sale in the secondary market. Our conventional agency-conforming loans meet the general underwriting guidelines established by Fannie Mae and Freddie

Mac. Loans that are written under the FHA program, the VA program or the USDA program are guaranteed by the governmental agencies and then transferred to Ginnie Mae pools for sale in the secondary market. **Substantially all** **The vast majority** of our mortgage loans are underwritten to the "Qualified Mortgage" underwriting standards established **by** **by** the Consumer Financial Protection Bureau ("CFPB"). For the year ended **December 31, 2022** **December 31, 2023**, **94% of** **93% of** loans originated were sold to Fannie Mae or Freddie Mac, or were transferred to Ginnie Mae pools in the secondary market, while the remainder were primarily jumbo loans that are underwritten to the same "Qualified Mortgage" underwriting standards and have a similar risk profile but are sold to third party investors **purely** **primarily** due to loan size.

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The following table summarizes our loan production by loan type for the periods indicated.

(\$ in thousands)	For the year ended December 31,	For the year ended December 31,	For the year ended December 31,
Loan Type	2022	2021	2020
Purchase:			
Conventional	\$ 62,274,030	\$ 63,026,794	\$ 33,717,939
Government	23,773,422	14,833,808	8,619,874
Jumbo and other	4,782,879	9,395,143	583,299
Total purchase	\$ 90,830,331	\$ 87,255,745	\$ 42,921,112
Refinance:			
Conventional	\$ 27,059,252	\$ 120,152,065	\$ 119,807,647
Government	7,834,636	12,034,583	18,921,473
Jumbo and other	1,561,242	7,061,299	897,409
Total refinance	36,455,130	139,247,947	139,626,529
Total Loan Production	\$ 127,285,461	\$ 226,503,692	\$ 182,547,641
Production volume (closest '000)	348,000	654,000	561,000
Average initial loan balance	\$ 365	\$ 346	\$ 325

Our Mortgage Lending Process

We believe that our highly scaled, efficient and centralized mortgage lending processes are key to our success. Utilizing our proprietary system, "Easiest Application System Ever" (EASE™), and our dedicated team members, we focus on client service, and loan quality throughout the entire loan origination, underwriting and closing processes. EASE™ automates the process and, based on the jurisdictional requirements of the client and borrower, automatically generates the necessary documents required by us and by the clients for applications. The entire origination, underwriting and preparation of closing documents takes place in our centralized, paperless work environment where documents and data are entered into EASE™ and are reviewed, processed and analyzed based on a set of pre-determined, rules-based workflows. We focus on speed to close as it is one of the primary metrics for client satisfaction. We believe our closing process is the most efficient in the industry and results in shorter application to clear-to-close times than any of the other major Retail Mortgage Lenders or Wholesale Mortgage Lenders. For **both** the years ended **December 31, 2022** **December 31, 2023** and **December 31, 2021** **December 31, 2022**, we delivered an average of **17** and **18** business days, **respectively**, from loan **application** **application** to clear to close, as compared to management's estimates of the industry averages of **50** **41** and **46** **calendar** **calendar** days, respectively. **During 2023, we closed an average of 6.3 loans per month per production team member. Furthermore, we delivered this speed while receiving an 88% average monthly client Net Promoter Score ("NPS") for the year ended December 31, 2023, as well as an 87% average monthly client NPS for the past seven years.**

Loan closing speeds are also positively impacted for clients who select our innovative Title Review and Closing ("TRAC") program, which provides an efficient alternative to utilizing a traditional lender title policy. By leveraging in-house title counsel to review title related documents and issue attorney title opinion letters ("ATOL(s)"). UWM is able to streamline the title review process and facilitate a faster and easier experience for the borrower.

Our rules-based mortgage loan origination system, or LOS allows multiple teams to work on the same loan at the same time, to track and be alerted to missing or incomplete items, to flag items in order to alert other team members of possible deficiencies and to have visibility into the history, status and progress of loans in process. We use advanced technologies and workflow systems to assist **all** underwriting and operations team members in prioritizing which loans require their immediate attention and to monitor each team's progress so workload-balancing decisions can be made among the operation teams in real time and avoid bottlenecks.

Underwriting

Our underwriting process is one of our key strategic advantages as our extensive training program and technology platforms allow us to produce a portfolio of high-quality loans, with an industry-leading time from application to clear to close and maintain the superior level of client service that allows us to attract and retain our clients. All mortgage loans that we originate are underwritten in-house by our underwriting team. We invest significant time and resources in our underwriters through our robust training process to help them and us succeed. We believe that our intensive training program is an integral component of our scalability as we are able to materially increase our underwriting resources, at a consistent quality, with less labor constraints and complications than our competitors.

Our clients, the Independent Mortgage Brokers, have the initial communication with a potential borrower and they receive from the borrower the relevant financial and property information to run a credit check and obtain a pre-approval through one of the automated underwriting systems. Once a pre-approval has been received, an Independent Mortgage Broker is able to seamlessly import the borrower's information and documentation into our EASE™ LOS without the need for extra data entry. One of our **senior** underwriters then reviews the file and, based on the loan product and the financial and other information provided, makes an underwriting decision. If the mortgage loan is approved, our system generates a "conditions to

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close" list based on the specifics of the borrower, the property and the loan product and a **junior** **an** underwriter **who** generally takes ownership of the file ensuring that each of these conditions is met prior to granting a "clear-to-close."

We utilize technology and automated processes throughout the underwriting process, to provide our underwriters "guard rails" and allow us to efficiently and effectively underwrite loans while mitigating risk. For example, if a loan product requires an 80% loan-to-value or a family gift is providing a portion of a deposit, our systems are programmed to automatically populate the appropriate conditions and not permit the loan to move on to the next step in the underwriting process until the appropriate documents are uploaded into the system. We also recently launched BOLT, which allows mortgage brokers to obtain initial underwriting approval for qualified borrowers in as little as 15 minutes, which we believe will enable brokers to close loans faster.

In 2023, we launched PA+ which is a service that offers an additional level of loan processing support for our clients when needed. When an Independent Mortgage Broker or their loan processor uses PA+, a dedicated UWM Loan closings

Coordinator will work with them and their borrower to help order, review, and send UWM UCloser™, our document closing tool, allows clients to facilitate and easily control documents as part of the closing process, including document generation, title company interaction and the timing of closing. In addition, we structure our closing process such that all conditions are satisfied prior to the generation of closing documents and therefore are able to provide clients and borrowers automatic funding for all closings. Once a title agent uploads the executed documents into UCloser™, the funds are automatically wired to the appropriate parties. loan underwriting process. We believe that eliminating the hours PA+ will help our clients scale their businesses during periods of waiting in a title office leads to more satisfied borrowers and repeat business for us and our clients. increased volume.

We believe we have achieved industry leading close times through the use of proprietary technology and process innovations such as DocHub, UCloser and BOLT (described in the "Advanced technologies and systems" section below). Additionally, in 2021, we recognized that one of the pain points in timely closings were the delays in obtaining appraisals. Consequently, we launched UWM Appraisal Direct. Appraisal Direct provides mortgage brokers a streamlined, transparent process for the scheduling, execution and delivery of an appraisal that they can easily track, which we believe will deliver faster appraisals to offer a better experience and relieve a key pain point in the mortgage industry.

Loan closing speeds are also positively impacted for clients who select our innovative Title Review and Closing ("TRAC") program, which provides an alternative to utilizing a traditional lender title policy. By leveraging in-house title counsel to review title related documents and issue attorney title opinion letters ("ATOL(s)") UWM is able to streamline the title review process and facilitate a faster and easier experience for the borrower.

Capital Markets and Secondary Marketing

Our capital markets team is dedicated to maximizing loan sale profitability while at the same time minimizing operational, interest rate and market risks. This team manages the interest rate risk for the business and is responsible for interest rate lock management policies and procedures, hedging the pipeline, managing warehouse facilities and associated facility utilization and managing risk and sales of mortgage servicing rights on the balance sheet. rights. We aggregate our loan production into pools that are (i) sold to Fannie Mae or Freddie Mac or securitized through the issuance of Fannie Mae or Freddie Mac bonds, (ii) transferred into Ginnie Mae pools and securitized by us into government-insured mortgage-backed securities, or (iii) sold outright or securitized to investors in the secondary mortgage market. Our primary access to the secondary market comes from pooling and selling eligible loans that we originate through Fannie Mae, Freddie Mac, and Ginnie Mae's securitization programs. The goal of the capital markets team is to protect margin at origination, and to maximize execution at sale. We believe that our technologies, automated workflow and experienced capital markets team allow us to quickly aggregate and sell the pools of loans in order to make efficient use of our capital and warehouse facilities. Our focus on agency deliverable originations and speed to sale reduces our exposure to market volatility, liquidity risk and credit risk.

When we have identified a pool of mortgage loans to sell to the agencies, non-governmental entities, other investors, or through our private label securitization transactions, we typically repurchase such loans from our warehouse lender and sell the pool of mortgage loans into the secondary market, but generally retain the mortgage servicing rights, or MSRs, associated with those loans. To the extent we generate non-agency loans, these loans are typically sold under an incentive-based servicing structure which permits us to retain servicing and control the borrower experience. We retain MSRs for a period of time depending on business and liquidity considerations. When we sell MSRs, we typically sell them in the bulk MSR secondary market.

Repurchase and indemnification risks

Although we do not retain credit risk on the loans we sell into the secondary market, we (i) have repurchase and indemnification obligations to purchasers of mortgage loans for breaches under our loan sale agreements and (ii) are

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contractually obligated, in certain circumstances, to refund to the purchasers certain premiums paid to us on the sale if the mortgagor prepays the loan within a specified period of time.

Loan sale agreements, including Fannie Mae and Freddie Mac master agreements, require us to make certain representations and warranties related to, among other things, the quality of the loans, underwriting of the loans in conformity with the applicable agency, FHA or VA guidelines, and origination in compliance with applicable federal, state and local laws and regulations. Generally, liability only arises if there is a breach of the representations and warranties in a material respect based on standards set forth under the terms of the related loan sale agreement. While some of the representations and warranties in our loan sale agreements may extend over the life of the loan, most of our historical repurchase activity has involved loans which defaulted within the first few years after origination. We attempt to limit the risk of repurchase and indemnification by structuring our operations to ensure that we originate high-quality mortgages that are compliant with the representations and warranties given in the loan sale agreements.

Infrastructure, Systems and Technologies

Advanced technologies and systems

We are a technology driven company that continuously seeks to innovate and provide superior systems to our clients, with over 1,100 1,400 (as of December 31, 2023) highly trained team members dedicated to our technology and information systems located in our Pontiac, Michigan headquarters as of December 31, 2022, headquarters.

We focus on automating and providing sophisticated tools for loan origination functions, but also with respect to automating the infrastructure that supports those core operations, such as training, capital markets, human resources and facilities functions. Our integrated technology platforms create an automated, scalable, standardized and controlled end-to-end loan origination process that incorporates government/agency guidelines and loan program requirements into rules-based workflows, to ensure loans progress to closing only as conditions, guidelines and requirements are met and required information is provided and verified, and accounts for variations in state laws, loan programs and property type, among other variables.

Our client facing systems are generally proprietary (other than Blink+™), developed in-house and were built to be scalable and readily modified, which allows us to quickly introduce enhanced features and to change loan program guidelines in response to market, industry and regulatory changes without excessive complex programming or dependency on outside entities. Our client facing systems are as follows:

- **Boost** – Our exclusive platform which provides independent mortgage brokers with streamlined access to purchase tailored leads, stay in touch with past clients, connect with real estate agents and opt into live call transfers.
- **BOLT** – Allows mortgage brokers to obtain initial underwriting approval for qualified borrowers in as little as 15 minutes, which we believe will enable enables brokers to close loans faster. We also believe that BOLT will unlock underwriter capacity and ultimately drive down our cost-per-loan.
- **DocHub™** – Our custom-built document management system that allows team members to control the way they view, interact with, and deliver the documents required to close and fund loans. The program allows us to scale business without increasing costs associated with document storage, and processes can be designed in conjunction with the document management system for maximum efficiency.
- **Blink+™** – A client facing point of sale (POS) system white-labeled for our clients. Blink+™ allows clients to access our products and pricing, automated underwriting system and fee templates. This solution syncs loan application data, including fees, with our EASE™ program, and replaces a client's costly existing system free of charge while encouraging lead conversion. Blink+™ integrates with Brand 360™ to convert leads into applications.
- **InTouch Mobile App** – A mobile app that allows our clients to handle virtually every aspect of the lending process, from underwriting through clear-to-close, without need for a desktop computer.
- **Brand 360™** – Our all-encompassing marketing platform supports our clients' growth and brand building capabilities. It provides useful communications tools to help our clients stay connected to borrowers and monitors home equity, new home listings, and rates to provide relevant market updates to ensure clients stay connected with potential new or repeat borrowers.

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- **UClose™** – Our tool that allows clients to facilitate and easily control the closing process, notably timing, document generation, and title company interaction and the autonomous nature of the tool promotes more timely and efficient closings.
- **EASE™** – Our "Easiest Application System Ever" is our primary LOS that allows clients to interact with us and to select products, lock rates and run the Automated Underwriting System (AUS).
- **UWM Portal** – A bi-directional Application Programming Interface that allows Independent Mortgage Brokers to seamlessly link their LOS platform to UWM's EASE system, further streamlining the loan underwriting and origination process.

Our Blink+™ (POS) system was developed by a third party and has been white-labeled for our clients and integrated into our technology suite to provide Independent Mortgage Brokers a direct online method for communicating with us the information required for residential loan applications. We pay the Blink+™ developer per unit transaction fees, subject to a minimum monthly fee. Pursuant to our agreement with the Blink+™ developer, the developer has agreed to not make its online platform available to other

wholesale lenders for a term that extends until November 2023 (or November 2024, to the extent that we have closed at least 25,000 loans using the platform during 2023), subject to a de minimis exception that includes our prior written consent for new participants.

In addition, we have internally developed enterprise level systems that:

- provide automated work queue prioritization, operational visibility and relevant metrics which allow us to readily detect and address bottlenecks and inefficiencies in the loan origination process,
- use custom electronic interfaces with vendors and transaction partners, which allow us to quickly obtain and import data into our systems in a form which does not require re-keying of information; and
- deliver desktop computer based training to efficiently and effectively train clients and internal operations teams on new programs and changes in guidelines.

We also maintain an enterprise data/metrics warehouse which provides our team with the ability to interface with statistical, analytical and reporting tools that provides senior management with visibility into key performance indicators in real time.

Data security & safeguards

The Gramm-Leach-Bliley Act ("GLBA") and other state and federal laws require that financial institutions take measures to safeguard the security and confidentiality of the personal financial information of their clients. Some states have passed laws to further protect client information, including laws that regulate the use of Social Security numbers as identifiers, require notifications to clients if the security of their personal information has been breached and/or require us to encrypt personal information when it is transmitted electronically. We employ various in-house and third-party technologies, and network administration policies, that are designed to:

- protect our computer network and network-accessible resources from unauthorized access;
- protect information stored on our computer network from losses, viruses, external threats and data corruption;
- protect the privacy of information on our computer network and with respect to transfers of information to and from our computer network; and
- protect our computer network and system availability from malicious attacks.

In light of constantly changing threats and vulnerabilities, no computer network can be said to be impervious from attack. However, we believe that the technologies and the information security program that we have adopted are appropriate to the size, complexity and scope of services we provide, as well as the nature of the information that we handle. Our network and information security team members are dedicated to monitoring security systems, evaluating the effectiveness of technologies against known risks and adjusting systems accordingly. In addition, we have outside firms specializing in network security perform periodic penetration testing and periodic internal audits of various information security functions. We also perform periodic audits of our systems for identity and access management.

Loan Servicing

In addition to loan origination, we derive revenue from MSRs related to our loan originations. After a loan is originated, loan servicers manage payments, delinquencies, and other administrative functions of mortgages for third party investors. Servicers derive contractual revenue from servicing fees, generally based on the UPB of the loans in their servicing portfolio as well as other ancillary income. The net present value of these expected future cash flows is represented on the balance sheet as

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MSRs. MSR valuations have traditionally increased with increased interest rates because higher long term rates lead to decreased prepayments, thereby extending the average life of the asset and increasing related expected cash flows. Conversely, decreases in long term interest rates generally result in a decrease in the value of the MSR portfolio due to the expectation of higher prepayments. As such, MSR cash flows and fair value provide a natural hedge to originations, as origination volumes tend to decline in rising interest rate environments and increase in declining interest rate environments.

We currently retain the majority of the MSRs for a period of time associated with our production, but we have, and intend to continue to opportunistically sell MSRs depending on business and liquidity considerations. We believe that this approach has provided us funding flexibility, and reduced legacy MSR asset exposure. When we sell MSRs, we typically sell them in the bulk MSR secondary market. We utilize two sub-servicers to service the loans for which we have retained servicing rights, one of which is a bank and one is a non-bank lender. By diversifying the type of sub-servicer, as well as splitting the MSR portfolio between two well recognized and capitalized sub-servicers, we believe it mitigates against certain risks inherent in the servicing business (whether done internally or outsourced to a sub-servicer). Our team of approximately 40 in-house servicing oversight professionals team is responsible for monitoring our sub-servicers. We have a robust sub-servicer oversight program. Their goal is to ensure a high level of borrower satisfaction and to support the relationships between those borrowers and our clients. Our in-house servicing team performs daily, monthly and quarterly testing to determine performance metrics and ensure agency and regulatory compliance and provides regular updates to our executive leadership team. We contractually obligate our sub-servicers to maintain appropriate licenses where required, maintain their approved servicer status with the applicable agencies and adhere to the applicable agency, investor or credit owner servicing guidelines and requirements in their servicing of mortgage loans for us.

Our servicing, quality control, internal audit, vendor relations, and legal and compliance teams perform various reviews of our servicing oversight program and operations. Our servicing team addresses any deficiencies with sub-servicers to ensure corrective action and controls are implemented.

As of December 31, 2022, our servicing portfolio consisted of 967,050 loans with an aggregate UPB of approximately \$312.5 billion, a weighted average service fee of 0.2862% and weighted average note rate of 3.64%. As of December 31, 2021, our servicing portfolio consisted of 1,017,027 loans with an aggregate UPB of approximately \$319.8 billion, a weighted average service fee of 0.2624% and a weighted average note rate of 2.94%.

We have experienced delinquency rates in our servicing portfolio that are lower than the industry average, with the percentage of UPB of mortgage loans that are 60 or more days delinquent in payments (referred to as the "60+ delinquency rate") of approximately 0.85% and 0.81% as of December 31, 2022 and 2021, respectively, compared to the industry average of 2.04% and 3.38%, based on data released by the Mortgage Bankers Association. We attribute this to both our commitment to high quality originations and our focus on client service within the servicing portfolio.

Advance obligations

As a servicer, we are obligated to service the loans according to the applicable agency, investor or credit owner guidelines and law. These obligations may require that we advance certain funds to securitization trusts and to others in the event that the borrowers are delinquent on their monthly mortgage payments. When a borrower remains delinquent, we may be required to advance principal and interest payments to the securitization trusts on the scheduled remittance date. We may also be required to advance taxes, insurance payments, legal fees, and maintenance and preservation costs with respect to property that is subject to foreclosure proceedings. These advances create a receivable due to us from the securitization trusts and/or borrower, and we recover these funds from the securitization trusts, from the borrower or from the proceeds of the sale of property in foreclosure. We had receivables of \$135.4 million \$148.7 million and \$135.1 million \$135.4 million as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, respectively, which are due to us from the securitization trusts and/or borrowers.

Competition

Competition in the residential mortgage loan origination market is intense. Institutions offering to make residential mortgage loans, regardless of the channel, include regional and community banks, thrifts, credit unions, mortgage banks, mortgage brokers, brokerage firms, insurance companies, and other financial institutions.

Some of our competitors may have more name recognition and greater financial and other resources than we have (including access to capital). Other competitors, such as lenders who originate mortgage loans using their own funds, or direct retail mortgage lenders, who market directly to homeowners, may have more operational flexibility in approving loans, may have advantages in soliciting home loans from their clients or have access to capital through deposits at lower costs than our warehouse facilities. Additionally, we arguably operate at a competitive disadvantage in some respects to U.S. federal banks and thrifts and their subsidiaries because they enjoy federal preemption and, as a result, conduct their business under relatively uniform U.S. federal rules and standards and are generally not subject to the laws of the states in which they do business (including state

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"predatory" predatory lending" laws). Unlike our federally chartered competitors, we are generally subject to all state and local laws applicable to lenders in each jurisdiction in which we originate and service loans. To compete effectively, we must have a very high level of operational, technological and managerial expertise, as well as access to capital at a competitive cost.

Competition for mortgage loan originations takes place on various levels, including brand awareness, marketing, convenience, pricing, and range of products offered. We have increased our share of the residential mortgage market over time due to a client-centric, disciplined, centralized approach to origination. In the face of significant changes in the mortgage market, we have maintained our commitment to high credit quality loans. Our focus on technology and process improvements creates a more efficient origination system for both us and our clients. This has been rewarded with strong client service scores, via our net promoter scores, which we believe is a significant competitive advantage.

Government Regulations Affecting Loan Originations and Servicing

We operate in a heavily regulated industry that is highly focused on consumer protection. Our business is subject to extensive oversight and regulation by federal, state and local governmental authorities. Both the scope of the laws and regulations and the intensity of the supervision to which we are subject have increased in recent years, initially in response to the financial crisis, and more recently in light of other factors such as technological and market changes. We expect to continue to face regulatory scrutiny as a participant in the mortgage sector.

Our loan origination and loan servicing operations are primarily regulated at the state level by state financial services authorities and administrative agencies, and at the federal level by the CFPB. The CFPB has federal regulatory, supervisory and enforcement authority over the residential mortgage loan origination and servicing industry, including residential mortgage lenders and servicers, such as UWM. Specifically, the CFPB has rulemaking authority with respect to the federal consumer financial services laws applicable to mortgage lenders and servicers. These laws include (i) the Truth-in-Lending Act (TILA), (ii) the Homeowners Protection Act (HPA), (iii) the Real Estate Settlement Procedures Act (RESPA), (iv) the Home Mortgage Disclosure Act (HMDA) and Regulation C, and (v) the Fair Debt Collections Practices Act (FDCPA). The CFPB's enforcement jurisdiction is broad, and it has the ability to initiate or refer investigations and enforcement actions against mortgage lenders and servicers for violations of applicable consumer financial services laws, including, but not limited to, the Dodd-Frank Act's prohibitions on unfair, deceptive or abusive acts and practices. In addition, the CFPB shares jurisdiction with the FTC with respect to (i) the Equal Credit Opportunity Act (ECOA) and Regulation B issued by the CFPB pursuant to ECOA, (ii) the Fair Housing Act (FHA) and (iii) the GLBA.

As part of its enforcement authority, the CFPB can order, among other things, rescission or reformation of contracts, the refund of moneys or the return of real property, restitution, disgorgement or compensation for unjust enrichment, the payment of damages or other monetary relief, public notifications regarding violations, remediation of practices, external compliance monitoring and civil money penalties. Since its inception in 2011, the CFPB has exercised its enforcement jurisdiction aggressively with respect to mortgage industry participants, initiating investigations, entering into consent orders with significant monetary and injunctive relief, and initiating litigation. Often these matters have involved differing theories and interpretations of long-existing laws without first issuing industry guidance or rules. In addition, the CFPB shares jurisdiction with the FTC with respect to (i) the Equal Credit Opportunity Act (ECOA) and Regulation B issued by the CFPB pursuant to ECOA, (ii) the Fair Housing Act (FHA) and (iii) the GLBA.

We are also subject to the laws, regulations and rules of the 50 states in which we operate. These laws, regulations and rules may differ by state and sometimes differ from federal standards, and are sometimes vague and subject to differing interpretations – all of which exposes us to legal and compliance risks.

In addition to the CFPB, we are subject to a variety of regulatory and contractual obligations imposed by credit owners, insurers and guarantors of the mortgages we originate and service including, but not limited to, Fannie Mae, Freddie Mac, Ginnie Mae, FHFA, FHA, VA and USDA. We periodically receive requests from federal, state, and local agencies for records, documents, and information relating to the policies, procedures and practices of our loan servicing, origination and collection activities. The agencies as well as GSEs and Ginnie Mae, and various investors and lenders also subject us to periodic reviews and audits and examinations. We are also subject to the Bank Secrecy Act (BSA) and related regulations including the Office of Foreign Assets Control (OFAC) and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act.

As noted above, we are also subject to the laws, regulations and rules of the fifty states in which we operate. These laws, regulations and rules may differ by state and sometimes differ from federal standards, are sometimes vague and subject to differing interpretations – all of which exposes us to legal and compliance risks. For example, many states have adopted regulations that prohibit various forms of “predatory” lending and place obligations on lenders to substantiate that a borrower will derive a tangible benefit from the proposed home financing transaction and/or have the ability to repay the loan. These laws have required most lenders to devote considerable resources to building and maintaining automated systems to perform loan-by-loan analysis of points, fees and other factors set forth in the laws, which often vary depending on the location of the mortgaged property.

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Our clients, the Independent Mortgage Brokers, are also subject to extensive regulation at the state level by state licensing authorities and administrative agencies. In certain circumstances, we can be held potentially liable for the acts and practices of our clients for violations of various federal and state consumer protection and other laws and regulations, including but not limited to (i) RESPA and Regulation X, (ii) the Federal Trade Commission Act (FTC Act), the FTC Credit Practices Rules and the FTC Telemarketing Sales Rule, each of which prohibit unfair or deceptive acts or practices and certain related practices; and (iii) the Telephone Consumer Protection Act (TCPA), which restricts telephone solicitations and the use of certain automatic telephone equipment. As a part of our enterprise risk management approach, we monitor our clients' compliance with applicable laws and regulations.

The federal and state laws, rules and regulations to which we or our clients are subject affect nearly all aspects of our lending and servicing operations as well as those of our clients and partners. Given the extensive, complex and sometimes vague nature and scope of the laws, rules and regulations applicable to us, our clients and our partners and the judicial and administrative decisions and other actions interpreting them, we are subject to significant legal and compliance risks that could arise merely from inadvertent errors and omissions that we may not be able to eliminate entirely from our operations and activities or from the inadvertent errors of clients or partners that we may not be able to control for or address proactively. Consequently, we devote substantial resources to regulatory compliance while ensuring that we meet the needs and collaborate across expectations of our legal, operations, underwriting and IT teams to maintain our compliance management systems. However, we believe that the complexity of governmental regulations and the cost of compliance is a competitive advantage insofar as it imposes barriers to entry, limiting market participants to those whose volume supports such costs. Laws, rules and regulations that affect participants in the residential mortgage lending process, such as Independent Mortgage Brokers, also afford us an opportunity to leverage our technology platform to develop processes that are faster, easier and more affordable for such participants and ultimately for consumers.

Cyclicality and Seasonality

The demand for loan originations is affected by consumer demand for home loans and the market for buying, selling, financing or re-financing residential real estate, which is primarily driven by interest rates and employment levels. Interest rates and employment levels are, in turn, affected by the national economy, regional trends, property valuations, and socio-economic trends, and by state and federal regulations and programs which may encourage or discourage certain real estate trends.

Human Capital Management

We are more than just a mortgage company, we are a team of focused professionals making dreams come true for hopeful homebuyers across the country. We have created a culture that celebrates team spirit and an environment where work-life balance is more than lip-service.

Team Members

Our team members are the secret to our success, and we believe our team is only as strong as we make it. As of December 31, 2022, we had approximately 6,000 team members, substantially all of whom are based in our corporate campus in Pontiac, Michigan. We celebrate our team members and all of their

accomplishments through various events throughout the year. From our annual company-wide family fair with thousands of smiling faces to afternoon dance parties, we believe that it is important to focus on the health and happiness of our team members and their families.

We provide a combination of health and retirement benefits to our eligible team members, including but not limited to coverage for medical care, vision, dental, life insurance, disability, 401(k) and paid time off. Our campus also offers team members easy ways to manage their health and welfare with a full-size indoor basketball court, an outdoor sand volleyball court, a large, state-of-the-art fitness center with a variety of fitness classes, a game room, featuring arcade games and table tennis, a primary care doctor's office, physical therapy studio, chiropractor and a full-time massage therapist.

We believe this commitment to our team members is why we have been recognized again in 2022 2023 by numerous organizations for being a top employer and a great place to work. In a 2022 2023 employee engagement survey, 95.28% 96% of team members responded that they felt they belonged at UWM from a diversity and inclusion standpoint.

Diversity and Inclusion

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We strive to foster a culture of diversity and inclusion so all team members feel respected and no team member feels discriminated against. Our diverse, inclusive culture was built to promote positive attitudes, strong work ethics and individual authenticity. We believe a diverse workforce fosters innovation and cultivates an environment of unique perspectives. As of December 31, 2022 December 31, 2023, approximately 42% 44% of our team members were female and 31% 36% of our team members that choose to identify their ethnicity identified as ethnically diverse.

Engagement and Opportunities

Continuous improvement is a primary focus of our strategic plan and one of our core pillars. We believe personal and professional growth accelerates careers while promoting productivity and innovation. We heavily invest in the development of each team member. We have approximately 200 400 training team members dedicated to providing our new hires and existing team members with the trainings and resources necessary to pursue their career paths and ensure compliance with our policies. In 2022, 2023, approximately 1.6 million total 1.2 million training hours were delivered to team members. We are dedicated to increasing team member engagement by strategically aligning talent within UWM. As a result, we promoted approximately 1,300 1,400 team members during 2022, 2023.

Community Outreach

We recognize that our team members are part of the greater community in which they live and work and we are committed to giving back and making a positive impact on these communities around us and supporting our team members in their efforts to do the same. We believe in providing our team members the opportunity to do a lot of good and support the causes they care about. Team members receive paid-time off that they can use to specifically volunteer. We and our team members partner with charities such as Adopt-A-Family, Breast Cancer Awareness and the American Red Cross, and sponsor local backpack, bike and coat drives to provide opportunities to give back. Our unique Pay It Forward program allows everyone the chance to earn points that direct where our Company charity dollars are spent — ensuring that even small gestures can be turned into generous contributions, and the opportunity to choose where our charitable dollars go.

Available Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and amendments to those reports filed with or furnished to the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act are available free of charge through the investor relations section of our website at www.uwm.com as soon as reasonably practicable after electronically filing such material with the SEC. The SEC maintains an internet site that contains reports, proxy and information statements and other information regarding our filings at www.sec.gov. The above references to our website and the SEC's website do not constitute incorporation by reference of the information contained on those websites and should not be considered part of this Annual Report.

Item 1A. Risk Factors

You should carefully review and consider the following risk factors and the other information contained in this Annual Report, including the financial statements and notes to the financial statements included herein. The following risk factors apply to our business and operations. The occurrence of one or more of the events or circumstances described in these risk factors, alone or in combination with other events or circumstances, may have an adverse effect on our business, cash flows, financial condition and results of operations. You should also carefully consider the following risk factors in addition to the other information included in this Annual Report, including matters addressed in the section entitled "Cautionary Note Regarding Forward-Looking Statements; Risk Factor Summary." We may face additional risks and uncertainties that are not presently known to us, or that we currently deem immaterial, which may also impair our business or financial condition.

Risks Related to Our Business

Our loan origination and servicing revenues are highly dependent on macroeconomic and U.S. residential real estate market conditions.

Our success depends largely on the health of the U.S. residential real estate industry, which is seasonal, cyclical, and affected by changes in general economic conditions beyond our control. Economic factors such as increased interest rates, slow economic growth or inflationary conditions, the pace of home price appreciation or the lack of it,

changes in household debt levels, and increased unemployment, stagnant or declining wages or decreased purchasing power due to inflation affect our borrowers' income and thus their ability and willingness to make loan payments.

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National or global events affect all such macroeconomic conditions. Weak or a significant deterioration in economic conditions reduce the amount of disposable income consumers have, which in turn reduces consumer spending and the willingness of qualified potential borrowers to take out loans. **It is uncertain what impact the recent American Rescue Plan, other actions that the new Biden administration may adopt or steps that may be implemented by the Treasury Department may have on the macroeconomic conditions of the U.S.** Furthermore, several state and local governments in the U.S. are experiencing, and may continue to experience, budgetary strain. One or more states or significant local governments could default on their debt or seek relief from their debt under the U.S. bankruptcy code or by agreement with their creditors. Any or all of the circumstances described above may lead to further volatility in or disruption of the credit markets at any time and could adversely affect our financial condition. Such economic factors typically affect buyers' demand for new homes or their willingness or ability to refinance their current mortgages which could adversely affect the wholesale loan origination market and our financial condition or results of operations.

Any uncertainty or deterioration in market conditions that leads to a decrease in loan originations will likely result in lower revenue on loans sold into the secondary market. Lower loan origination volumes generally place downward pressure on margins, thus compounding the effect of the deteriorating market conditions. Moreover, any deterioration in market conditions that leads to an increase in loan delinquencies will result in higher expenses for loans we **service for the GSEs and Ginnie Mae, service.** The increased cost to service loans could decrease the estimated value of our MSRs. In addition, an increase in delinquencies lowers the interest income we receive on cash held in collection and other accounts and may increase our obligation to advance certain principal, interest, tax and insurance obligations owed by the delinquent mortgage loan borrower. While increased delinquencies generate higher ancillary revenues, including late fees, these fees are likely not sufficient to offset the increased cost of servicing the loans. An increase in delinquencies could therefore be detrimental to our business. Recently, financial markets have experienced significant volatility. There may be a significant increase in the rate and number of mortgage payment delinquencies, and house sales, home prices and multifamily fundamentals may be adversely affected, which could lead to a material adverse decrease of our mortgage origination activities.

Any of the circumstances described above, alone or in combination, could lead to volatility in or disruption of the credit markets at any time and have a detrimental effect on our business. **For additional information on macroeconomic and U.S. residential real estate market conditions, please consider the matters addressed in the section below entitled "—The COVID-19 pandemic and the actions taken by local, state and federal governments have and are expected to continue to adversely affect the national economy and the macroeconomic environment which could adversely affect our current operations and our ability to continue to grow."**

Our financial performance is directly affected by, and subject to substantial volatility from changes in prevailing interest rates.

Our financial performance is directly affected by, and subject to substantial volatility from changes in prevailing interest rates. During **2022, 2023,** in order to address **rising historically high** inflation, the Federal Reserve **began continued to aggressively raise the Federal Funds rate.** Mortgage interest rates. As a result, mortgage interests rates have significantly increased which has significantly adversely affected the volume of refinancings and new mortgage **originations. Rising interest rates and inflation will likely decrease the demand for new mortgage originations and refinancings and increase increased competition for borrowers. This has and is expected to continue to adversely pressure our margins origination volumes, especially our refinance volume.**

With regard to the portion of our business that is centered on refinancing existing mortgages, generally, Generally, the refinance market experiences more significant fluctuations than the purchase market as a result of interest rate changes. **As With higher interest rates, rise, refinancing has and is expected to continue to generally become a smaller portion of the market activity declines** as fewer consumers are interested in refinancing their mortgages. **With regard to our purchase mortgage loan business, higher Rising interest rates may have also reduce decreased demand for purchase mortgages as new mortgage originations** because existing homebuyers are hesitant to move and give up their **current low interest rate loan and while the higher cost of home ownership becomes more expensive, adversely impacts move-up or new homebuyers.** This decreased demand has and **is expected to may continue to adversely affect our revenues or and margins, and** require us to increase marketing expenditures in an attempt to increase or maintain our volume of **mortgages, originations.**

Changes in interest rates are also a key driver of the performance of our servicing portfolio, particularly because our portfolio includes MSRs, the values of which are highly sensitive to changes in interest rates. Historically, the value of MSRs has increased when interest rates rise as higher interest rates lead to decreased prepayment rates and **higher float earnings, and** has decreased when interest rates decline as lower interest rates lead to increased prepayment **rates, rates and lower float earnings.** In addition, increased prepayment rates may lead to increased asset decay and a decrease in servicing fees. As a result, decreases in interest rates could have a detrimental effect on our **business, business and results of operations due to decreases in MSR values.**

Borrowings under some of our finance and warehouse facilities are at variable rates of interest based on short term rate indexes, whereas our mortgage loans that serve as collateral for such facilities are generally based on long-term interest rates, which also exposes us to interest rate risk. If short term interest rates increase, our debt service obligations on certain of our

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variable-rate indebtedness will increase and if long-term rates do not increase in kind, **(i.e., the yield curve flattens or inverts)** our net income and cash flows, including cash available for servicing our indebtedness, could correspondingly decrease.

We have also issued \$2.0 billion in principal amount of senior unsecured notes which mature in 2025, 2027, and 2029. Currently, the coupon on each of these senior unsecured notes is lower than prevailing market interest rates. When each note matures, there is a risk that the notes will need to be refinanced at higher interest rates, or that we will have to use other sources of liquidity to repay these notes, either of which could have an adverse effect on our business or results of operations.

Our business is highly dependent on Fannie Mae and Freddie Mac and certain U.S. government agencies, and any changes in these entities or their current roles could be detrimental to our business.

We primarily originate loans eligible for sale to Fannie Mae and Freddie Mac, and government insured or guaranteed loans, such as the FHA, the Veteran Affairs ("VA") and the U.S. Department of Agriculture ("USDA") loans eligible for Ginnie Mae securities issuance.

In 2008, the Federal Housing Finance Agency ("FHFA") placed Fannie Mae and Freddie Mac into conservatorship and, as their conservator, controls and directs their operations. There is significant uncertainty regarding the future of the GSEs, including with respect to how long they will continue to be in existence, the extent of their roles in the market and what forms they will have, and whether they will be government agencies, government-sponsored agencies or private for-profit entities. Since they have been placed into conservatorship, many legislative and administrative plans for GSE reform have been put forth, but all have been met with resistance from various constituencies.

The extent and timing of any regulatory reform regarding the GSEs and the U.S. housing finance market, as well as any effect they may have on our business operations and financial results, are uncertain. It is not yet possible to determine whether such proposals will be enacted and, if so, when they will be enacted, what form any final legislation or policies might take or how proposals, legislation or policies may impact the MBS market and our business. Our inability to make the necessary adjustments to respond to these changing market conditions or loss of our approved seller/servicer status with the GSEs could have a material adverse effect on our mortgage origination operations and our mortgage servicing operations. If those agencies cease to exist, wind down, or otherwise significantly change their business operations or if we lose approvals with those agencies or our relationships with those agencies is otherwise adversely affected, we would need to seek alternative secondary market participants to acquire our mortgage loans at a volume sufficient to sustain our business. If such participants are not available or **not** available on reasonably comparable economic terms, the above changes could have a material effect on our ability to profitably sell loans we originate that are securitized through Fannie Mae, Freddie Mac or Ginnie Mae.

Changes in the GSEs, FHA, VA, and USDA guidelines or GSE and Ginnie Mae guarantees could adversely affect our business.

We are required to follow specific guidelines and eligibility standards that impact the way we service and originate GSE and U.S. government agency loans, including guidelines and standards with respect to:

- credit standards for mortgage loans;
- our staffing levels and other servicing practices;
- the servicing and ancillary fees that we may charge;
- our modification standards and procedures;
- the amount of reimbursable and non-reimbursable advances that we may make; and
- the types of loan products that are eligible for sale or securitization.

These guidelines provide the GSEs and other government agencies with the ability to provide monetary incentives for loan servicers that perform well and to assess penalties for those that do not. At the direction of the FHFA, Fannie Mae and Freddie Mac have aligned their guidelines for servicing delinquent mortgages, which could result in monetary incentives for servicers that perform well and to assess compensatory penalties against servicers in connection with the failure to meet specified timelines relating to delinquent loans and foreclosure proceedings, and other breaches of servicing obligations. We generally cannot negotiate these terms with the agencies and they are subject to change at any time without our specific consent. A significant change in these guidelines, that decreases the fees we charge or requires us to expend additional resources to provide mortgage services, could decrease our revenues or increase our costs.

In addition, changes in the nature or extent of the guarantees provided by Fannie Mae, Freddie Mac, Ginnie Mae, the USDA or the VA, or the insurance provided by the FHA, or coverage provided by private mortgage insurers, could also have broad adverse market implications. Any future increases in guarantee fees or changes to their structure or increases in the premiums borrowers are required to pay to the FHA or private mortgage insurers for insurance or to the VA or the USDA for

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guarantees could increase mortgage origination costs. These industry changes could negatively affect demand for our mortgage services and consequently our origination volume, which could be detrimental to our business.

To the extent that mortgage loans originated and sold by us do not comply with GSE, FHA or VA guidelines, we are required to repurchase or substitute mortgage loans or indemnify for losses related to our mortgage loans.

A significant majority of our mortgage loans are conforming loans sold to GSEs such as Fannie Mae and Freddie Mac or insured by FHA or VA and sold into GNMA securities. In connection with such sales and insuring, we make representations and warranties to the GSE, FHA or VA that the mortgage loans conform to their respective standards. These standards include, among other items, compliance with origination guidelines and compliance with applicable federal, state and local laws and regulations, underwriting **in conformity with the applicable agency, FHA or VA guidelines**, appraisals, insurance and legal documents. In **2021**, addition, we **launched** are contractually obligated, **in certain circumstances, to refund to the purchasers certain premiums paid to us on the sale if the mortgagor prepays the loan within a new program, UWM Appraisal Direct, in which we directly engage with appraisers rather than utilizing an appraisal management company. While we believe that this new program meets all specified period of the GSE guidelines, there is a risk that the GSEs could decide that our implementation of this new process did not meet their standards. time.**

If a mortgage loan does not comply with the representations and warranties that we made with respect to it at the time of our sale or insuring, we are required to repurchase the loan, replace it with a substitute loan and/or indemnify the applicable agency for losses. In the case of repurchases, we typically repurchase such loan and resell it into a non-conforming market at a discount to the repurchase price. As of **December 31, 2022** **December 31, 2023**, we had accrued a **\$60.5 million** **\$62.9 million** reserve for repurchase and

indemnification obligations. Actual repurchase and indemnification obligations could materially exceed the reserves recorded in our consolidated financial statements, statements. Any significant repurchases, substitutions, indemnifications or premium recapture could be detrimental to our business, business and financial condition.

Our business is dependent on our ability to maintain and expand our relationships with our clients, the Independent Mortgage Brokers.

Our clients are the Independent Mortgage Brokers who refer us mortgage loans to originate. Consequently, our results of operations are dependent, in large part, on our ability to maintain and expand our relationships with Independent Mortgage Brokers. If we are unable to attract Independent Mortgage Brokers to join our network and to provide a level of service such that our clients remain with the network or refer a greater number of their mortgage loans to us, our ability to originate loans will be significantly impaired. The willingness of Independent Mortgage Brokers to originate mortgage loans with us is dependent on (i) the rates that we are able to offer our clients' borrowers for mortgage loans, (2) (ii) our customer service, and (3) (iii) compensation. In determining with whom to partner, Independent Mortgage Brokers are also focused on the technological services and platforms we can provide so that the Independent Mortgage Brokers can best attract and serve consumers. In early 2021, we adopted our "All-In" policy of requiring that Independent Mortgage Brokers that generate mortgage loans with us not generate business with certain other market participants. To the extent that a material number of our Independent Mortgage Brokers are unwilling to commit to such requirement, it could reduce the volume of mortgage loans that we are able to originate which could adversely affect our results of operations. In addition, the policy, which has generated significant publicity and a legal proceeding, proceedings, could adversely affect our reputation or affect our ability to attract new Independent Mortgage Brokers. If our clients are dissatisfied with our services or platform or technological capabilities, or they cannot offer prospective borrowers competitive rates, we could lose a number of clients which would have a negative impact on our business, operating results and financial condition.

All of our mortgage loans are initiated by third parties, which exposes us to business, competitive and underwriting risks.

As a Wholesale Mortgage Lender, we market and originate mortgage loans exclusively through independent third-parties, comprised of Independent Mortgage Brokers. While we believe using Independent Mortgage Brokers best serves mortgage consumers, our reliance on third parties presents risks and challenges, including the following:

- Our business depends in large part on the marketing efforts of our clients and on our ability to offer loan products and services that meet the requirements of our clients and their borrowers. However, loan officers are not obligated to sell or promote our products and many sell or promote competitors' loan products in addition to our products. Some of our competitors have higher financial strength ratings, offer a larger variety of products, and/or offer higher incentives than we do. Therefore, we may not be able to continue to attract and retain clients to originate loans for us. The failure or inability of our clients to successfully market our mortgage products could, in turn, have a material adverse impact on our business, financial condition and results of operations.
- Because of our focus exclusively on the wholesale channel, communication Communication with prospective borrowers is primarily made through loan officers employed by third parties. Consequently, we rely on our clients and their loan officers to

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provide us accurate information on behalf of borrowers, including financial statements and other financial information, for us to use in deciding whether to approve loans. If any of this information is intentionally or negligently misrepresented and such misrepresentation is not detected prior to loan funding, the fair value of the loan may be significantly lower than expected. Whether a misrepresentation is made by the borrower, the loan officer or one of our team members, we generally bear the risk of loss associated with the misrepresentation. Our controls and processes may not have detected or may not detect all misrepresented information in our loan originations. Likewise, our clients may also lack sufficient controls and processes. Any such misrepresented information could have a material adverse effect on our business and results of operations.

- Because borrowers rely on their loan officer through the entire mortgage process, and some borrowers do not differentiate between their loan officer (or the employer of the loan officer) and their mortgage lender, therefore (i) developing brand recognition can be challenging and requires us to coordinate with our clients and (ii) poor customer service, customer complaints or negative word-of-mouth or publicity resulting from the performance of our clients could severely diminish consumer confidence in and use of our services. To maintain good customer relations, we must ensure that our clients provide prompt, accurate and differentiated customer service. Effective customer service requires significant personnel expense and investment in developing programs and technology infrastructure to help our clients carry out their functions. These expenses, if not managed properly, could significantly impact our profitability. Failure to properly manage our clients could compromise our ability to handle customer complaints effectively. If we do not handle borrower complaints effectively, our reputation and brand may suffer and we may lose our borrowers' confidence which could have a material adverse impact on our results of operations and profitability.
- Growth in our market share is principally dependent on growth in the market share controlled by the wholesale channel. Independent Mortgage Brokers controlled 20.3% of mortgage loan originations in the U.S. as of December 31, 2022, while direct-to-consumer activity represented 79.7% of the loan originations in the U.S. as of that date (based on data released by IMF). Consequently, more competitors have focused on "direct-to-the-consumer" distribution models that market digital ease and technological efficiencies. Continued channel. Continued advancements or the perception of efficiency in "direct-to-the-consumer" distribution models may impact the overall market share controlled by our clients and make it more difficult for us to grow, or require us to establish relationships with more clients.

The conduct of the Independent Mortgage Brokers through whom we originate mortgage loans could subject us to fines or other penalties.

We depend exclusively on Independent Mortgage Brokers for our loan originations. These clients are subject to parallel and separate legal obligations. While these laws may not explicitly hold the originating lenders responsible for the legal violations of such entities, U.S. federal and state agencies increasingly have sought to impose such liability. For example, the U.S. Department of Justice ("DOJ"), through its use of a disparate impact theory under the Fair Housing Act, has held home loan lenders responsible for the pricing practices of third parties, alleging that the lender is directly responsible for the total fees and charges paid by the borrower even if the lender neither dictated what the third party could charge nor kept the money for its own account. See ["—Regulatory agencies and consumer advocacy groups are becoming more aggressive in asserting claims that the practices of lenders and loan servicers violate anti-discrimination laws."](#) Similarly, there have been a number of actions brought by the DOJ and other federal and state agencies under ECOA that allege that lenders have engaged in "redlining" by engaging in acts or practices directed at discouraging potential loan applicants from seeking financing and even though we do not market directly to consumers, the failure or inability of our clients and their loan officers to attract certain classes of borrowers could result in a disparate impact on protected classes." actions being brought against us. In addition, under the TILA-RESPA Integrated Disclosure ("TRID") rule, we may be held responsible for improper disclosures made to borrowers by our clients. While we seek to use technology, such as our LOS, to monitor whether these clients and their loan officers are complying with their obligations, our ability to enforce such compliance is extremely limited. Consequently, we may be subject to claims for fines or other penalties based upon the conduct of our clients and their loan officers with whom we do business, which could have a material effect on our operating results and financial condition.

The mortgage industry can be very cyclical, with loan origination volumes varying materially based on macroeconomic conditions. If we are unable to effectively manage our team members during periods of volatility, it could adversely affect our current business operations and our growth.

The mortgage industry can be very cyclical, with loan origination volumes varying materially based on macroeconomic conditions. For example, in response to significant increases in interest rates, our loan origination volume in 2022 decreased by 44% and our number of team members decreased by 25% as compared to the prior year end. However, during 2021, our loan origination volume increased by 24% while our number of team members increased by 7%, as compared to the prior year end. Our ability to effectively manage significant increases and decreases in loan origination volume will depend on our ability to hire, integrate, train and retain highly-qualified personnel for all areas of our organization during these periods of changing volume. Any talent acquisition and retention challenges or mismanagement of our personnel needs in these

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situations could reduce our operating efficiency, increase our costs of operations and harm our overall financial condition. As the pool of qualified candidates has continued to be limited and there continues to be significant competition for talent, we may face challenges to hire in hiring and retain retaining highly qualified personnel in changing environments. Additionally, we invest heavily in training our team members, which increases their value to competitors who may seek to recruit them. If we do not effectively manage our pool of team members in times of volatility, it could disrupt our business operations and have a negative impact on our long-term growth.

The COVID-19 pandemic and the actions taken by local, state and federal governments have and are expected to continue to adversely affect the national economy and the macroeconomic environment which could adversely affect our current operations and our ability to continue to grow.

The COVID-19 pandemic has had, and continues to have, a significant impact on the national economy and the communities in which we operate. While the pandemic's effect on the macroeconomic environment has yet to be fully determined and could continue for months or years, we expect that the pandemic and governmental programs created as a response to the pandemic will affect the core aspects of our business and the business of our clients, including the origination of mortgages, our servicing operations, our liquidity and our team members. Such effects, if they continue for a prolonged period, may have a material adverse effect on our business and results of operations. These effects may be exacerbated should there be another wave of infections or if the pandemic otherwise intensifies.

Moreover, the FHFA establishes certain liquidity requirements for agency and Ginnie Mae loan servicers that are generally tied to the unpaid principal balance of loans serviced by such loan servicer for Fannie Mae, Freddie Mac, Ginnie Mae, FHA and VA. To the extent that the percentage of seriously delinquent loans ("SDQ"), i.e., loans that are 90 days or more delinquent, exceeds defined thresholds, the liquidity requirements for loan servicers could increase materially. Exceeding such SDQ thresholds would result in substantially higher liquidity requirements, which could materially impact our results of operations and financial condition.

In addition, our business could be disrupted if we are unable to operate due to changing governmental restrictions such as travel bans and quarantines placed on our team members, other measures that ensure the protection of our team members' health, measures aimed at maintaining our information technology infrastructure, or if an outbreak occurs in our headquarters that prevents us from operating.

As a result of the COVID-19 pandemic, many of the major purchasers in the bulk MSR secondary market experienced liquidity constraints; consequently, the liquidity of the bulk MSR market has been, and may continue to be, adversely affected. This market disruption may adversely affect our ability to sell MSRs and the pricing that we are able to achieve, which in turn could adversely affect our liquidity and reduce our margins. If we are unable to access sources of capital or liquidity as a result of the impact of the COVID-19 pandemic on the financial markets, our ability to maintain or grow our business could be limited.

We may not be able to detect or prevent cyberattacks and other data and security breaches, which could adversely affect our business and subject us to liability to third parties.

We are dependent on information technology networks and systems, particularly for our loan origination systems and other technology-driven platforms, designed to provide best-in-class service and experience for clients and to ensure adherence to regulatory compliance, operational governance, training and security. In the ordinary course of our business, we receive, process, retain and transmit proprietary information and sensitive or confidential data, including the public and non-public personal information of our team members, clients and loan applicants. Despite devoting significant time and resources to ensure the integrity of our information technology systems, we have not always been able to, and may not be able to in the future, anticipate or implement effective preventive measures against all security breaches or unauthorized access of our information technology systems or the information technology systems of third-party vendors that receive, process, retain and transmit electronic information on our behalf.

Cybersecurity risks for lenders have significantly increased in recent years, in part, because of the proliferation of new technologies, the use of the internet and telecommunications technologies to conduct financial transactions, and the increased sophistication and activities of computer hackers, organized crime, terrorists, and other

external parties, including foreign state actors. **Additionally, the evolution and increased adoption and widespread availability of new artificial intelligence technologies may increase our cybersecurity risks.** We, our clients, borrowers and loan applicants, regulators and other third parties have been subject to, and are likely to continue to be the target of, cyberattacks and other security breaches. Security breaches,

cyberattacks such as computer viruses, malicious or destructive code, phishing attacks, denial of service or information, acts of vandalism, natural disasters, fire, power loss, telecommunication failures, team member misconduct, human error and developments in computer intrusion capabilities

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could result in a compromise or breach of the technology that we or our third-party vendors use to collect, process, retain, transmit and protect the personal information and transaction data of our team members, clients, borrowers and loan applicants. Similar events outside of our control can also affect the demands we and our vendors may make to respond to any security breaches or similar disruptive events. **For example, one of our sub-servicers, Mr. Cooper, determined that there was unauthorized access to certain of its systems between October 30, 2023 and November 1, 2023 which resulted in an unauthorized party obtaining files containing personal information of virtually all of the borrowers in their systems, including those whose loans were originated or serviced by us.**

We invest in industry-standard security technology designed to protect our data and business processes against risk of a data security breach and cyberattack. Our data security management program includes identity, trust, vulnerability and threat management business processes as well as the adoption of standard data protection policies. We measure our data security effectiveness through industry-accepted methods and remediate significant findings. The technology and other controls and processes designed to secure our team member, client, borrower and loan applicant information and to prevent, detect and remedy any unauthorized access to that information were designed to obtain reasonable, but not absolute, assurance that such information is secure and that any unauthorized access is identified and addressed appropriately. Such controls have not always **prevented or** detected, and may in the future fail to prevent or detect, unauthorized access to our team member, client, borrower and loan applicant information.

The techniques used to obtain unauthorized, improper or illegal access to our systems and those of our third-party vendors, our data, our team members', clients', borrowers' and loan applicants' data or to disable, degrade or sabotage service are constantly evolving, and have become increasingly complex and sophisticated. Furthermore, such techniques change frequently and are often not recognized or detected until after they have been launched. Therefore, we may be unable to anticipate these techniques and may not become aware of such a security breach in a timely manner, which could exacerbate any damage we experience. Security attacks can originate from a wide variety of sources, including third parties such as computer hackers, persons involved with organized crime or associated with external service providers, or foreign state or foreign state-supported actors. Those parties may also attempt to fraudulently induce team members, clients, borrowers and loan applicants or other users of our systems to disclose sensitive information in order to gain access to our data or that of our team members, clients, borrowers and loan applicants. Our failure to detect or prevent a cyberattack or other data or security breach could adversely affect our business.

The occurrence of any of the foregoing events could subject us to increased costs, litigation, disputes, damages, and other liabilities. In addition, the foregoing events could result in violations of applicable privacy and other laws. If this information is inappropriately accessed and used by a third party or a team member for illegal purposes, such as identity theft, we may be responsible to the affected individuals for any losses they may have incurred as a result of such misappropriation. In such an instance, we may also be subject to regulatory action, investigation or liability to a governmental authority for fines or penalties associated with a lapse in the integrity and security of our team members', clients', borrowers' and loan applicants' information. We may be required to expend significant capital and other resources to protect against and remedy any potential or existing security breaches and their consequences. In addition, our remediation efforts may not be successful and we may not have adequate insurance to cover these losses. Furthermore, any publicized security problems affecting our businesses and/or those of such third parties may negatively impact the market perception of our products and discourage clients or borrowers from doing business with us.

Technology disruptions or failures, including a failure in our operational or security systems or infrastructure, or those of third parties with whom we do business, could disrupt our business, cause legal or reputational harm and adversely impact our results of operations and financial condition.

We are dependent on the secure, efficient, and uninterrupted operation of our technology infrastructure, including computer systems, related software applications and data centers, as well as those of certain third parties and affiliates. Our websites and computer/telecommunication networks must accommodate a high volume of traffic and deliver frequently updated information, the accuracy and timeliness of which is critical to our business. Our technology must be able to facilitate a loan application experience that equals or exceeds the experience provided by our competitors. We have or may in the future experience service disruptions and failures caused by system or software failure, fire, power loss, telecommunications failures, team member misconduct, human error, computer hackers, computer viruses and disabling devices, malicious or destructive code, denial of service or information, as well as natural disasters, health pandemics and other similar events and our disaster recovery planning may not be sufficient for all situations. The implementation of technology changes and upgrades to maintain current and integrate new technology systems may also cause service interruptions. Any such disruption could interrupt or delay our ability to provide services to our clients and could also impair the ability of third parties to provide critical services to our business.

Additionally, the technology and other controls and processes we have created to help us identify misrepresented information in our loan origination operations were designed to obtain reasonable, not absolute, assurance that such information is identified and addressed appropriately. Accordingly, such controls may not have detected, and may fail in the future to detect, all misrepresented information in our loan origination operations. If our operations are disrupted or otherwise negatively

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affected by a technology disruption or failure, this could result in client dissatisfaction and damage to our reputation and brand, and have a material impact on our business.

Loss of our key management could result in a material adverse effect on our business.

Our future success depends to a significant extent on the continued services of our senior management, including Mat Ishbia, our President and Chief Executive Officer. The experience of our senior management is a valuable asset to us and would be difficult to replace. The loss of the services of our **Chairman**, President and Chief Executive Officer or other members of senior management could disrupt and have a detrimental effect on our business.

Our products rely on software and services from third-party vendors and if any of these services became unavailable or unreliable, it could adversely affect the quality and timeliness of our mortgage origination process.

In addition to our proprietary software, we license third-party software and depend on services from various third parties for use in our products. For example, we rely on third-party vendors for our online mortgage application services, to generate the documents required for closing the **document, mortgage**, to generate flood certifications, **to confirm employment**, and to **confirm employment, facilitate appraisal services for borrowers**. While there are other providers of these services in the market, any loss of the right to use any of the software or services could result in decreased functionality of our products until equivalent technology is either developed by us or, if available from another provider, is identified, obtained and integrated, which could adversely affect our reputation and our future financial condition and results of operations.

Furthermore, we remain responsible for ensuring our loans are originated in compliance with applicable laws. Despite our efforts to monitor such compliance, any errors or failures of such third-party vendors or their software to perform in the manner intended could result in loan defects potentially requiring repurchase. In addition, any errors or defects in or failures of the other software or services we rely on, whether maintained by us or by third parties, could result in errors or defects in our products or cause our products to fail, which could adversely affect our business and be costly to correct. Many of our third-party vendors attempt to impose limitations on their liability for such errors, defects or failures, and if enforceable, we may have additional liability to our clients, borrowers or other third parties that could harm our reputation and increase our operating costs. Any failure to do so could adversely affect our ability to deliver effective products to our clients, borrowers and loan applicants and adversely affect our business.

We rely on third party sub-servicers who service all the mortgage loans on which we hold MSRs, and our financial performance may be adversely affected by their inability to adequately perform their servicing functions.

We contract with third party sub-servicers for the servicing of the portion of the mortgage loans in our portfolio for which we retain MSRs. Although we use third-party servicers, we, as master servicer, retain primary responsibility to ensure these loans are serviced in accordance with the contractual and regulatory requirements.

Therefore, the failure of our sub-servicers to adequately perform their servicing obligations may subject us to liability for their improper acts or omissions and adversely affect our financial performance. Specifically, we may be adversely affected:

- if our sub-servicers breach their servicing obligations or are unable to perform their servicing obligations properly, which may subject us to damages or termination of the servicing rights, and cause us to lose loan servicing income and/or require us to indemnify an investor or securitization trustee against losses as a result of any such breach or failure;
- by regulatory actions taken against any of our sub-servicers, which may adversely affect their licensing and, as a result, their ability to perform their servicing obligations under GSE and U.S. government agency loans which require such licensing;
- by a default by any of our sub-servicers under their debt agreements, which may impact their access to capital to be able to perform their obligations;
- if any of our sub-servicers were to face adverse actions from the GSEs or **Ginnie Mae** and are terminated as servicer under their agreements with the **GSEs; GSEs or Ginnie Mae;**
- if our sub-servicers fail to meet their obligations due to economic or other circumstances that are difficult to anticipate, including as a result of the impact of **the COVID-19 pandemic; pandemics, epidemics, disease outbreaks and other public health crises ;**

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- if as a result of poor performance by our sub-servicers, we experience greater than expected delinquencies and foreclosures on the mortgage loans being serviced, which could lead to liability from third party claims or adversely affect our ability to access the capital and secondary markets for our loan funding requirements;
- **if any of our sub-servicers were the target of a cyberattack or other security breach, resulting in the unauthorized release, misuse, loss or destruction of information related to our current or former borrowers, or material disruption of our or our clients network access or business operations;**
- if any of our sub-servicers become subject to bankruptcy proceedings; or
- if one or more of our sub-servicers terminate their agreement with us.

We rely on two nationally-recognized sub-servicers to service all of our mortgage loans for which we have retained MSRs. This sub-servicer counterparty concentration subjects us to a potentially greater impact if any of the risks described above were to occur, and any delay in transferring servicing to a new sub-servicer could further adversely affect servicing performance and cause financial losses. Any of these risks could adversely affect our results of operations, including our loan servicing income and the cash flow generated by our MSR portfolio. Any of these risks may be further exacerbated to the extent we materially increase our MSR portfolio in the future.

We are required to make servicing advances that can be subject to delays in recovery or may not be recoverable in certain circumstances and could have a material adverse effect on our cash flows, business and financial condition.

During any period in which one of our borrowers is not making payments on a loan we service, we are required under most of our servicing agreements to advance our own funds to meet some combination of contractual principal and interest remittance requirements, pay property taxes and insurance premiums, legal expenses and other protective advances. We also advance funds to maintain, repair and market real estate properties. In certain situations, our contractual obligations may require us to make certain advances for which we may not be reimbursed. In addition, in the event a loan serviced by us defaults or becomes delinquent, or the mortgagee is allowed to enter into a forbearance, the repayment of advances may be delayed, which may adversely affect our liquidity. Any significant increase in required servicing advances or delinquent loan repurchases, could have an adverse impact on our cash flows, even if they are reimbursable.

With delinquent VA guaranteed loans, the VA guarantee may not make us whole on losses or advances we may have made on the loan. In addition, for certain loans sold to Ginnie Mae, we, as the servicer, have the unilateral right to repurchase any individual loan in a Ginnie Mae securitization pool if that loan meets defined criteria, including being delinquent for longer than 90 days. Once we have the unilateral right to repurchase the delinquent loan, we have effectively regained control over the loan and we must recognize the loan on our balance sheet and recognize a corresponding financial liability. Any significant increase in seriously delinquent Ginnie Mae loans could have an adverse impact on our balance sheet, as well as our **borrowing financial** covenants that are based on balance sheet ratios.

Servicers of mortgage loans are often times contractually bound to advance monthly payments to investors, insurers and taxing authorities regardless of whether the borrower actually makes those payments. While Fannie Mae and Freddie Mac issued guidance limiting the number of payments a servicer must advance in the case of a forbearance, we expect that a borrower who has experienced a loss of employment or a reduction of income may not repay the forborne payments at the end of the forbearance period. **Additionally, pursuant to the amended rules announced by the CFPB on June 28, 2021, we are now subject to new requirements on our ability to collect servicing related fees, such as late fees, and initiating foreclosure proceedings. The new rules implemented by the CFPB create additional procedures which servicers must follow, and the costs and administrative burden associated with complying with these regulations may have a material adverse effect on our cash flows, business, and financial condition. Even though delinquencies generate higher ancillary revenues, including late fees, it is unlikely that we will be able to collect such ancillary fees for delinquencies relating to the COVID-19 pandemic as the federal and state legislation and regulations as well as administrative enforcement response to the COVID-19 pandemic continue to evolve.** Approximately **0.65%** **1.15%** of our serviced loans **are** **were 60+ days delinquent** and **0.18%** **were** in forbearance as of **December 31, 2022** **December 31, 2023**.

Much like what has occurred in response to the COVID-19 pandemic, government **Government** intervention also occurs periodically as a result of natural disasters or other events that cause widespread borrower harm. Similar challenges and risks to servicers, including us, will likely occur when such events transpire in the future.

We face intense competition that could adversely affect our business.

Competition in the mortgage lending space is **intense**, **intense and could become even more competitive as a result of economic, legislative, regulatory, and technological changes**. In addition, the mortgage business has experienced substantial consolidation. As we depend solely on third parties to deliver us mortgage loans, we may be at a competitive disadvantage to financial institutions or direct-to-consumer mortgage lenders that market to, and have a direct relationship with, the borrower. In addition, some of our competitors may have greater financial and other resources than we have (including access to capital) and may have locked in low borrowing costs which will provide a competitive advantage in a rising interest rate environment. **Other of our Our other** competitors, such as financial institutions who originate mortgage loans using their own funds, may have more

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flexibility in holding loans. Additionally, we **arguably** operate at a competitive disadvantage to U.S. federal banks and thrifts and their subsidiaries because they enjoy federal preemption and, as a result, conduct their business under relatively uniform U.S. federal rules and standards and are generally not subject to the laws of the states in which they do business (including state "predatory lending" laws). Unlike our federally chartered competitors, we are generally subject to all state and local laws applicable to lenders in each jurisdiction in which we originate and service loans. To compete effectively, we must have a very high level of operational, technological and managerial expertise, as well as access to capital at a competitive cost.

Competition in our industry can take many forms, including the variety of loan programs being made available, interest rates and fees charged for a loan, convenience in obtaining a loan, client service levels, the amount and term of a loan, as well as access to marketing and distribution channels, including Independent Mortgage Brokers that generate mortgage loan applications. Claims of collusion and other anti-competitive conduct have also become more common, and many financial institutions and lenders have been the subject of legal claims by regulatory agencies and consumers. For example, on March 4, 2021, we announced a new policy that we would no longer enter into new transactions with Independent Mortgage Brokers who also sold mortgage loans to **two** certain market participants, but still allowed these Independent Mortgage Brokers to engage with any of the more than 70 other mortgage loan originators or lenders. If our policy or any other actions were found to be anti-competitive or non-compliant with state or federal antitrust laws or other regulations it could result in state or federal governmental actions or private civil claims, including class actions, **in addition to the pending Okavage action discussed in Item 3 of this Annual Report on Form 10-K**, being brought against us. Such litigation would cause us to incur costs, fines and legal expenses in connection with these matters, regardless of any eventual ruling in our favor, and could also harm the reputation of our brand, any of which could have a material adverse effect on our business, financial condition or results of operations.

The success and growth of our business will depend upon our ability to be a leader in technological innovation in our industry.

We operate in an industry experiencing rapid technological change and frequent product introductions. In order to succeed, we must lead our peers in designing, innovating and introducing new technology and product offerings. The process of developing new technologies and products is complex, and if we are unable to successfully innovate and continue to deliver a superior client experience, the demand for our products and services may decrease, we may lose market share and our growth and operations may be harmed.

The origination process is increasingly dependent on technology, and our business relies on our continued ability to process loan applications over the internet, accept electronic signatures, provide instant process status updates and other client- and loan applicant-expected conveniences. Our proprietary and exclusively licensed technology is integrated into all steps of the loan origination process, from the original submission, to the underwriting to the closing. Our dedication to incorporating technological advancements into our loan origination and servicing platforms requires significant financial and personnel resources. For example, we have, and will continue to, **expend invest** significant capital **expenditures resources** on **developing, maintaining and improving** our proprietary technology platforms. **Maintaining and improving this technology will require significant capital expenditures.**

To the extent we are dependent on any particular technology or technological solution, we may be harmed if such technology or technological solution (1) becomes non-compliant with existing industry standards, (2) fails to meet or exceed the capabilities of our competitors' equivalent technologies or technological solutions, (3) becomes increasingly expensive to service, retain and update, (4) becomes subject to third-party claims of intellectual property infringement, misappropriation or other violation, or (5) malfunctions or functions in a way we did not anticipate or that results in loan defects potentially requiring repurchase. **Additionally, new technologies and technological solutions are continually being released.** As such, it is difficult to predict the problems we may encounter in improving our websites' and other technologies' functionality. **If we are unable to successfully develop or adopt new technology as critical systems and applications become dated or obsolete and better options become available, or to respond to technological developments and changing client and borrower needs in a cost-effective manner, we may experience disruptions in our operations, lose market share or incur substantial costs.**

We could be adversely affected if we do not adequately obtain, maintain, protect and enforce our intellectual property and proprietary rights and may encounter disputes from time to time relating to our use of the intellectual property of third parties.

Our proprietary technology platforms and other proprietary rights are important to our success and our competitive position. We rely on intellectual property to protect our proprietary rights. Despite these measures, third parties may attempt to disclose, obtain, copy or use intellectual property rights owned or licensed by us and these measures may not prevent misappropriation, infringement, reverse engineering or other violation of intellectual property or proprietary rights owned or licensed by us. Furthermore, confidentiality procedures and contractual provisions can be difficult to enforce and, even if successfully enforced, may not be entirely effective. In addition, we cannot guarantee that we have entered into confidentiality agreements with all team members, partners, independent contractors or consultants that have or may have had access to our trade secrets and other proprietary information. Any issued or registered intellectual property rights owned by or licensed to us may be challenged, invalidated, held unenforceable or circumvented in litigation or other proceedings, and such intellectual

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property rights may be lost or no longer provide us meaningful competitive advantages. Third parties may also independently develop products, services and technology similar to or duplicative of our products and services.

Our success and ability to compete also depends in part on our ability to operate without infringing, misappropriating or otherwise violating the intellectual property or proprietary rights of third parties. We may encounter disputes from time to time concerning intellectual property rights of others, including our competitors, and we may not prevail in these disputes. Third parties may raise claims against us alleging an infringement, misappropriation or other violation of their intellectual property rights, including trademarks, copyrights, patents, trade secrets or other intellectual property or proprietary rights. An assertion of an intellectual property infringement, misappropriation or other violation claim against us could result in adverse judgments, settlement on unfavorable terms or cause us to spend significant amounts to defend the claim, even if we ultimately prevail and we may have to pay significant money damages, lose significant revenues, **suffer harm to our reputation**, be prohibited from using the relevant systems, processes, technologies or other intellectual property, cease offering certain products or services, or incur significant license, royalty or technology development expenses.

Fraud could result in significant financial losses and harm to our reputation.

We use automated underwriting engines from Fannie Mae and Freddie Mac to assist us in determining if a loan applicant is creditworthy, as well as other proprietary and third-party tools and safeguards to detect and prevent fraud. We are unable, however, to prevent every instance of fraud that may be engaged in by our clients, borrowers or team members, and any seller, real estate broker, notary, settlement agent, appraiser, title agent, or third-party originator that misrepresents facts about a loan, including the information contained in the loan application, property valuation, title information and employment and income stated on the loan application. If any of this information was intentionally or negligently misrepresented and such misrepresentation was not detected prior to the acquisition or closing of the loan, the value of the loan could be significantly lower than expected, resulting in a loan being approved in circumstances where it would not have been, had we been provided with accurate data. A loan subject to a material misrepresentation is typically unsalable **to the GSEs** or subject to repurchase if it is sold before detection of the misrepresentation. In addition, the persons and entities making a misrepresentation are often difficult to locate and it is often difficult to collect from them any monetary losses we have suffered.

High profile fraudulent activity also could negatively impact our brand and reputation, which could impact our business. In addition, significant increases in fraudulent activity could lead to regulatory intervention, which could increase our costs and **also** negatively impact our business.

Our counterparties may terminate our servicing rights, which could have a material adverse effect on our revenues.

The majority of the mortgage loans we service are serviced on behalf of Fannie Mae, Freddie Mac and Ginnie Mae. These entities establish the base service fee to compensate us for servicing loans as well as the assessment of fines and penalties that may be imposed upon us for failing to meet servicing standards.

As is standard in the industry, under the terms of our master servicing agreements with the GSEs, the GSEs have the right to terminate us as servicer of the loans we service on their behalf at any time and **also** have the right to cause us to sell the MSRs to a third party. In addition, failure to comply with servicing standards could result in termination of our agreements with the GSEs with little or no notice and without any compensation. If any of Fannie Mae, Freddie Mac or Ginnie Mae were to terminate us as a servicer, or increase our costs related to such servicing by way of additional fees, fines or penalties, such changes could have a material adverse effect on the revenue we derive from servicing activity, as well as the value of the related MSRs. These agreements, and other servicing agreements under which we service mortgage loans for non-GSE loan purchasers, also require that we service in accordance with GSE servicing guidelines and contain financial covenants. If we were to have our servicing rights terminated on a material portion of our servicing portfolio, this could adversely affect our business.

If we cannot maintain our corporate culture, we could lose the innovation, collaboration and focus on the mission that contributes to our business.

We believe that a critical component of our success is our corporate culture and our deep commitment to our mission. We believe this mission-based culture fosters innovation, encourages teamwork and cultivates creativity. Our mission defines our business philosophy as well as the emphasis that it places on our clients, our people and our culture and is consistently reinforced to and by our team members. As we have significantly increased our team members it may be harder to maintain our corporate culture. If we are unable to preserve our culture, this could negatively impact our future success, including our ability

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to attract and retain team members, encourage innovation and teamwork, and effectively focus on and pursue our mission and corporate objectives.

Substantially all of our operations are housed on one campus, and if the facilities are damaged or rendered inoperable by natural or man-made disasters, our business may be negatively impacted.

Substantially all of our operations are housed on one campus in Pontiac, Michigan. Our campus could be harmed or rendered inoperable by natural or man-made disasters, including earthquakes, fires, power shortages, telecommunications failures, water shortages, floods, extreme weather conditions, **medical** epidemics, and other natural or man-made disasters, pandemics, **epidemics**, or other business interruptions. If due to such disaster a significant portion of our team members must work remotely for an extended period of time, our business may be negatively impacted. See **“—If we cannot maintain our corporate culture, we could lose the innovation, collaboration and focus on the mission that contribute to our business.”** In addition, it could be costly and time-consuming to repair or replace our campus.

In certain circumstances, Holdings LLC will be required to make distributions to us and SFS Corp. and the distributions that Holdings LLC will be required to make may be substantial and in excess of our tax liabilities and obligations under the tax receivable agreement. To the extent we do not distribute such excess cash, SFS Corp. would benefit from any value attributable to such cash balances as a result of their ownership of Class B common stock (or Class A common stock, as applicable) following an exchange of Holdings LLC Common Units and the stapled shares of Common Stock.

Holdings LLC is treated as a partnership for U.S. federal income tax purposes and, as such, will not be subject to any entity-level U.S. federal income tax. Instead, taxable income will be allocated to us and SFS Corp., as holders of membership interests in Holdings LLC (the “Holdings LLC Common Units”). Accordingly, we will incur income taxes on our allocable share of any net taxable income of Holdings LLC. Under the Holdings LLC Second Amended & Restated Limited Liability Company Agreement (the “Holdings LLC A&R Company Agreement”), Holdings LLC will generally be required from time to time to make **pro rata** distributions in cash to its equityholders, SFS Corp. and us, in amounts sufficient to cover the taxes on their allocable share of the taxable income of Holdings LLC, **LLC, which may not be pro-rata based on equity holdings due to different tax rates.** As a result of (i) potential non pro rata allocations of net taxable income allocable to us and SFS Corp., (ii) the lower tax rate applicable to corporations as compared to individuals and (iii) the favorable tax benefits that we anticipate receiving from (a) the exchange of Holdings LLC Common Units from SFS Corp. and (b) payments under the tax receivable agreement, we expect that these tax distributions will be in amounts that exceed our tax liabilities and obligations to make payments under the tax receivable agreement. Our Board of Directors will determine the appropriate uses for any excess cash so accumulated, which may include, among other uses, **any potential special dividends stock buybacks, or** the payment obligations under the tax receivable **agreement and the payment of other expenses. We agreement. However, we** will have no obligation to distribute such cash (or other available cash other than any declared dividend) to our stockholders. **If we do not distribute such excess cash, then SFS Corp. would benefit from any value attributable to such cash balances following an exchange of Holdings LLC Common Units and the stapled shares of Common Stock into share of Class A Common Stock.** No adjustments to the exchange ratio for Holdings LLC Common Units and the stapled shares of Common Stock will be made as a result of (x) any cash distribution by Holdings LLC or (y) any cash that we retain and do not distribute to our stockholders, and in any event the ratio will remain one-to-one.

We are required to pay SFS Corp. for certain tax benefits we may claim, and the amounts we may pay could be significant.

We entered into a tax receivable agreement with SFS Corp. that provides for the payment by us to SFS Corp. (or its transferees or other assignees) of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that we actually realize as a result of (i) certain increases in tax basis resulting from exchanges of Holdings LLC Common Units; (ii) imputed interest deemed to be paid by us as a result of payments we make under the tax receivable agreement; (iii) certain increases in tax basis resulting from payments we make under the tax receivable agreement; and (iv) disproportionate allocations (if any) of tax benefits to us which arise from, among other things, the sale of certain assets such as MSRs as a result of section 704(c) of the Internal Revenue Code of 1986 (the “Code”) (the tax attributes in clauses “(i)” through “(iv)” collectively referred to as the “Covered Tax Attributes”). The tax receivable agreement will make certain simplifying assumptions regarding the determination of the cash savings that we realize or are deemed to realize from the

Covered Tax Attributes, which may result in payments pursuant to the tax receivable agreement in excess of those that would result if such assumptions were not made.

The actual tax benefit, as well as the amount and timing of any payments under the tax receivable agreement, will vary depending upon a number of factors, including, among others, the timing of exchanges by or purchases from SFS Corp., the price of our Class A common stock at the time of the exchanges or purchases, the extent to which such exchanges are taxable, the amount and timing of the taxable income we generate in the future and the tax rate then applicable, and the portion of our payments under the tax receivable agreement constituting imputed interest.

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Future payments under the tax receivable agreement could be substantial. The payments under the tax receivable agreement are not conditioned upon SFS Corp.’s continued ownership of us.

We are not required to make a payment of the 85% applicable tax savings to SFS Corp. unless and until at least one of the payment conditions has been satisfied (the "Payment Conditions"). One condition is a requirement that we have received a tax opinion that provides that the applicable assets of Holdings LLC giving rise to the payment are "more likely than not" amortizable (the "Indemnifiable Condition"). If we determine that none of the Payment Conditions have been satisfied with respect to all or a portion of such applicable tax savings, we will pay such applicable tax savings (or portion thereof) at the time we reasonably determine a Payment Condition has been satisfied.

If we make a payment and the applicable tax savings are subsequently disallowed, we may deposit future payments due under the tax receivable agreement in an escrow account up to an amount necessary to cover 85% of the estimated additional taxes due by us as a result of the disallowance until such time as there has been a conclusive determination as to the validity of the disallowance. Upon a conclusive determination of the validity of the disallowance, we may recover from the escrow account any excess payments paid to SFS Corp. (or its transferees or assignees), and to the extent the amounts in the escrow account are insufficient, we may net any additional excess payments paid to SFS Corp. (or its transferees or assignees) against future payments that would otherwise be made under the tax receivable agreement. In addition, if we make a payment pursuant to the satisfaction of the Indemnifiable Condition and the applicable tax savings are subsequently disallowed, SFS Corp. will be required to indemnify us for 85% of the taxes and any additional losses attributable to the disallowance. At our election, SFS Corp. may satisfy all or a portion of this indemnity by transferring Holdings LLC Common Units held by it. There is no guarantee that SFS Corp. will hold Holdings LLC Common Units with a value sufficient to satisfy this indemnity or that the escrow account will hold sufficient funds to cover the cost of any disallowed tax savings. We could make payments to SFS Corp. under the tax receivable agreement that are greater than our actual cash tax savings and may not be able to recoup those payments, which could negatively impact our liquidity.

In addition, the tax receivable agreement will provide provides that in the case of a change in control of UWMC or a material breach of our obligations under the tax receivable agreement, we will be required to make a payment to SFS Corp. in an amount equal to the present value of future payments under the tax receivable agreement (calculated using a discount rate equal to the lesser of 6.50% or LIBOR plus 100 basis points, which may differ from our, or a potential acquirer's, then-current cost of capital) under as provided in the tax receivable agreement, agreement), which payment would be based on certain assumptions, including those relating to our future taxable income. For additional discussion of LIBOR, see "—Risks Related to our Financing—We are exposed to risk relating to the transition from LIBOR and the volatility of LIBOR or any replacement reference rate, which can result in higher than market interest rates and may have a detrimental effect on our business." In these situations, our obligations under the tax receivable agreement could have a substantial negative impact on our, or a potential acquirer's, liquidity and could have the effect of delaying, deferring, modifying or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. These provisions of the tax receivable agreement may result in situations where SFS Corp. has interests that differ from or are in addition to those of our other stockholders. In addition, we could be required to make payments under the tax receivable agreement that are substantial, significantly in advance of any potential actual realization of such further tax benefits, and in excess of our, or a potential acquirer's, actual cash savings in income tax.

Decisions we make in the course of running our business, such as with respect to mergers, asset sales, other forms of business combinations or other changes in control, may influence the timing and amount of payments made under the tax receivable agreement. For example, the earlier disposition of assets following an exchange or purchase of Holdings LLC Common Units (along with the stapled shares of Class D common stock or Class C common stock) may accelerate payments under the tax receivable agreement and increase the present value of such payments, and the disposition of assets before such an exchange or purchase may increase the tax liability of SFS Corp. (or its direct or indirect owners) without giving rise to any rights to receive payments under the tax receivable agreement. Such effects may result in differences or conflicts of interest between the interests of SFS Corp. and the interests of other stockholders.

Finally, because we are a holding company with no operations of our own, our ability to make payments under the tax receivable agreement is dependent on the ability of our subsidiaries to make distributions to us. Our debt agreements restrict the ability of our subsidiaries to make distributions to us, which could affect our ability to make payments under the tax receivable agreement. To the extent that we are unable to make payments under the tax receivable agreement as a result of restrictions in our debt agreements, such payments will be deferred and will accrue interest until paid, which could negatively impact our results of operations and could also affect our liquidity in periods in which such payments are made.

Pandemics, epidemics, disease outbreaks and other public health crises have disrupted our business and operations, and future public health crises could materially adversely impact our business, financial condition, liquidity and results of operations.

Pandemics, epidemics or disease outbreaks in the U.S. or globally, such as the COVID-19 pandemic, have previously disrupted, and may in the future disrupt, our business, which could materially affect our results of operations, financial condition, liquidity and future expectations. In addition, our business could be disrupted if we are unable to operate due to changing governmental restrictions such as travel bans and quarantines placed on our team members, other measures that ensure the protection of our team members' health, measures aimed at maintaining our information technology infrastructure, or if an outbreak occurs in our headquarters that prevents us from operating. Any new public health crisis could have a material impact on our business, financial condition and results of operations going forward.

Risks Related to our Financing

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We rely on our warehouse facilities, structured as repurchase agreements, to finance our loan originations. These instruments are short-term and subject us to various risks different from other types of credit facilities.

We fund a vast majority of the mortgage loans we originate through borrowings under our short-term warehouse facilities and funds generated by our operations. Our ability to fund our loan originations may be impacted by our ability to secure further such borrowings on acceptable acceptable terms. Our warehouse facilities typically renew annually, although as of December 31, 2022 December 31, 2023, three one of our facilities (\$4.0 3.0 billion in available credit) had a two year renewal term. However, as As of December 31, 2022 December 31, 2023, all but \$401.0 million \$750.0 million of our warehouse facilities were uncommitted and can be term terminateinated d by the applicable lender at any time. Our warehouse facilities are generally structured in the form of repurchase agreements. We currently leverage and, to the extent available, intend to continue to leverage the

mortgage loans we originate with borrowings under these repurchase agreements. When we enter into repurchase agreements, we sell mortgage loans to other lenders, which are the repurchase agreement counterparties, and receive cash from these lenders. These lenders are obligated to resell the same assets back to us at the end of the term of the transaction, which typically ranges from 30 to 90 days, but **which** may have terms of up to 364 days or longer. These repurchase agreements subject us to various risks:

- **The warehouse facilities subject us to counterparty risk. The amount of cash that we receive from a lender when we initially sell the mortgage loans to that lender is less than the fair value of those loans (this difference is referred to as the "haircut"). If the lender defaults on its obligation to resell the loans back to us, we could incur a loss on the transaction equal to the amount of the haircut (assuming that there was no change in the fair value of the loans, which the lenders are generally permitted to revalue to reflect current market conditions).**
- **We incur losses on a repurchase transaction if the value of the underlying loans has declined as of the end of the transaction term (including as a result of a lender counterparty revaluing the loans), as we would have to repurchase the loans for their initial value but would receive loans worth less than that amount if the loans have not been effectively hedged.**
- If we default on one of our obligations under a repurchase transaction, the lender will be able to terminate the transaction and cease entering into any other repurchase transactions with us. Our repurchase agreements also typically contain cross default provisions, so that if a default occurs under any one agreement, the lenders under our other agreements could also declare a default. If a default occurs under any of our repurchase agreements and the lenders terminate one or more of our repurchase agreements, we may need to enter into replacement agreements with different lenders.
- If the market value of the loans pledged or sold by us under a repurchase agreement borrowing to a counterparty lender declines, the lender may initiate a margin call and require us to either post additional collateral to cover such decrease or repay a portion of the outstanding borrowing. We may not have the funds available to do so, and we may be required to liquidate assets at a disadvantageous time to avoid a default, which could cause us to incur further losses and limit our ability to leverage our assets. If we are unable to satisfy a margin call, our counterparty may accelerate repayment of our indebtedness, increase interest rates, liquidate the collateral (which may result in significant losses to it) or terminate our ability to borrow. Such a situation would likely result in a rapid deterioration of our financial condition and possibly necessitate a filing for bankruptcy protection. A rapidly rising interest rate environment may increase the likelihood of additional margin calls that could adversely impact our liquidity.
- **The warehouse facilities subject us to counterparty risk. The amount of cash that we receive from a lender when we initially sell the mortgage loans to that lender is less than the fair value of those loans (this difference is referred to as the "haircut"). If the lender defaults on its obligation to resell the loans back to us, we could incur a loss on the transaction equal to the amount of the haircut (assuming that there was no change in the fair value of the loans, which the lenders are generally permitted to revalue to reflect current market conditions).**
- **We incur losses on a repurchase transaction if the value of the underlying loans has declined as of the end of the transaction term (including as a result of a lender counterparty revaluing the loans), as we would have to repurchase the loans for their initial value but would receive loans worth less than that amount if the loans have not been effectively hedged.**

Our warehouse lenders also may revise their eligibility requirements for the types of assets they are willing to finance or the terms of such financings, based on, among other factors, the regulatory environment and their management of perceived risk, particularly with respect to assignee liability. Moreover, the amount of financing we receive under our warehouse facilities will be directly related to the lenders' valuation of our assets that cover the outstanding borrowings.

Our use of this short-term financing exposes us to the risk that our lenders may respond to market conditions by making it more difficult for us to renew or replace on a continuous basis our maturing short-term warehouse facility borrowings. If we are not able to renew our then existing warehouse facilities or arrange for new financing on terms acceptable to us, or if we default on our covenants or are otherwise unable to access funds under this type of financing, we may have to curtail our loan origination activities and/or dispose of assets.

We depend on our ability to sell loans in the secondary market to a limited number of investors and to the GSEs, and to securitize our loans into MBS. If our ability to sell or securitize mortgage loans is impaired, we may not be able to originate mortgage loans, and if the GSEs and Ginnie Mae become less competitive, it could affect our volume and margins.

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Substantially all of our loan originations are sold into the secondary market. We securitize loans into MBS through Fannie Mae, Freddie Mac and Ginnie Mae. Loans originated outside of the guidelines of Fannie Mae, Freddie Mac, and the FHA, USDA, or VA (for loans securitized with Ginnie Mae), such as jumbo loans **and home equity lines of credit (HELOCs)** are sold individually or in bulk to private investors, through mortgage conduits and through our own private label securitizations into MBS. GSE-eligible products are also sold through private label securitization transactions, in certain situations, such as when the GSE's limit the volume of certain products they will purchase.

The gain recognized from producing and subsequent sales in the secondary market represents a significant portion of our revenues and net earnings. A decrease in the prices paid to us upon sale of our loans could be detrimental to our business, as we are dependent on the cash generated from such sales to fund our future loan closings and repay borrowings under our warehouse facilities. If it is not possible or economical for us to complete the sale or securitization of certain of our mortgage loans, we may lack liquidity to continue to fund such loans and our revenues and margins on new loan originations could be materially and negatively impacted.

The severity of the impact would be most significant to the extent we were unable to sell conforming home loans to the GSEs or securitize such loans pursuant to the GSEs and government agency-sponsored programs. We also derive other material financial benefits from these relationships, including the assumption of credit risk on securitized loans in

exchange for our payment of guarantee fees and the ability to avoid certain loan inventory finance costs through streamlined loan funding and sale procedures, which benefits we would lose if we were unable to complete the sale or securitization of our loans.

We sell those loans that we originate that are non-GSE products, such as jumbo mortgage loans and HELOCs, or for which the GSEs may have imposed limitations, directly to either private investors or into the market through private label securitizations. These non-GSE sales typically take longer to execute which can increase the amount of time that a mortgage loan is on our books, which exposes us to additional market risk and increased liquidity requirements. Furthermore, the availability and pricing of these alternative distribution markets can fluctuate materially and external macroeconomic factors could result in reduced demand or pricing for our non-GSE products. For example, in March 2020 at the beginning of the COVID-19 pandemic many private and non-GSE investors significantly reduced their demand, as a result we had certain non-GSE products in our portfolio longer than anticipated and were unable to continue to originate jumbo loans due to liquidity constraints. If such a market shift were to occur again, we may need to change adjust our business model to accommodate such shifts and our origination volume, margins and liquidity would likely be adversely affected.

The value of our MSR's can fluctuate significantly and these changes in value, or inaccuracies in the estimates of their value, could adversely affect our financial condition, condition and liquidity.

The value of our MSR's is based on the cash flows projected to result from the right to service of the related mortgage loans and continually fluctuates due to a number of factors, factors, such as prepayment speeds, costs to service the loan and other market conditions. The primary factor driving the value of MSR's is interest rates, which impact the likelihood of loan prepayments through refinancing, refinancing and estimated float earnings on custodial deposits. In periods periods of rising interest rates, the fair value of the MSR's generally increases as prepayment expectations decrease, consequently extending the average estimated life of the MSR's, and estimated float earnings increase, resulting in expected increases in cash flows. In a declining interest rate environment, the fair value of MSR's generally decreases as prepayment expectations increase consequently truncating the average estimated life of the MSR's, and estimated float earnings decrease, resulting in expected decreases in cash flows. Other market conditions also affect the number of loans that are refinanced and thus no longer result in cash flows, and the number of

loans that become delinquent. Available borrowings, as well as mandatory curtailments, under our MSR financing facilities are based on the fair value of the underlying collateral. Accordingly, decreases in MSR values could decrease the available borrowing capacity under these facilities, or require mandatory repayments of outstanding borrowings on these facilities, which could adversely affect our financial condition and liquidity.

A substantial portion of our assets are measured at fair value, and if our estimates with respect to the determination of the fair value of those assets prove to be incorrect, we may be required to write down the value of such assets, which could adversely affect our earnings, financial condition and liquidity.

We measure the fair value of our mortgage loans, derivatives and MSR's on a recurring basis. Fair value determinations require many estimates and assumptions made by our management, especially to the extent there are not active markets for identical assets. For example, we generally estimate the fair value of loans based on quoted market prices for securities backed by similar types of loans. If quoted market prices are not available, fair value is estimated based on other relevant factors, including dealer price quotations and prices available for similar instruments, to approximate the amounts that would be received from a third party. In addition, the fair value of interest rate lock commitments, or IRLCs, are measured based upon the difference between the current fair value of similar loans (as determined generally for mortgages at fair value) and the price at which we have committed to originate the loans, subject to the pull-through factor. Further, MSR's do not trade in an active market with readily observable prices and, therefore, their fair value is determined using a valuation model that calculates the present value of estimated net future cash flows, using estimates of prepayment speeds, discount rate, cost to service, float earnings, contractual servicing fee income and ancillary income, and late fees. If our estimates of fair value prove to be incorrect, we may be required to write down the value of such assets, which could adversely affect our financial condition and results of operations.

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Our outstanding Warrants are accounted for as liabilities and the changes in value of our outstanding Warrants could have an adverse effect on our financial results and thus may have an adverse effect on the market price of our securities.

As described in this Annual Report, we We account for our outstanding Warrants as liabilities at fair value on the our balance sheet. The Warrants are subject to remeasurement at each balance sheet date and any change in fair value is recognized as a component of earnings in each period for which our earnings are reported. We will continue to adjust the liability for changes in fair value until the earlier of exercise or expiration of the Warrants. The volatility introduced by changes in fair value on earnings may have an adverse effect on our quarterly and annual financial results.

Our hedging strategies may not be successful in mitigating our risks associated with changes in interest rates.

Our profitability is directly affected by changes in interest rates. The market value of closed mortgage loans and interest rate locks generally change along with interest rates. The value of such assets these instruments moves opposite of interest rate changes. For example, as interest rates rise, the value of these existing mortgage assets financial instruments falls.

We employ various economic hedging strategies to mitigate the interest rate and the anticipated loan financing probability or "pull-through risk" inherent in such mortgage assets. Our use of these hedge instruments may expose us to counterparty risk as they are not traded on regulated exchanges or guaranteed by an exchange or our clearinghouse and, consequently, there may not be the same level of protections with respect to margin requirements and positions and other requirements designed to protect both us and our counterparties. Furthermore, the enforceability of agreements underlying hedging transactions may depend on compliance with applicable statutory, commodity and other regulatory requirements and, depending on the domicile of the counterparty, applicable international requirements. Consequently, if a counterparty fails to perform under a derivative agreement we could incur a significant loss.

Our hedge instruments are accounted for as free-standing derivatives and are included on our consolidated balance sheet at fair value. Our operating results could be negatively affected because the losses on the hedge instruments we enter into may not be offset by a change in the fair value of the related asset or liability.

Our hedging strategies also require us to provide cash margin to our hedging counterparties from time to time. The Financial Industry Regulatory Authority (FINRA) requires us to provide daily cash margin to (or receive daily cash margin from, depending on the daily value of related instrument) our hedging counterparties **from time to time, in excess of certain thresholds**. The collection of daily margins between us and our hedging counterparties could, under certain market conditions, adversely affect our short-term liquidity and cash-on-hand. Additionally, our hedge instruments may expose us to counterparty risk—the possibility that a loss may occur from the failure of another party to perform in accordance with the terms of the contract, which loss exceeds the value of existing collateral, if any.

Our hedging activities in the future may include entering into interest rate swaps, caps and floors, options to purchase these items, purchasing or selling U.S. Treasury securities, and/or other tools and strategies. These hedging decisions will be determined in light of the facts and circumstances existing at the time and may differ from our current hedging strategy. These hedging strategies may be less effective than our current hedging strategies in mitigating the risks described above, which could be detrimental to our business and financial condition.

Our rights under our repurchase agreements may be subject to the effects of bankruptcy laws in the event of the bankruptcy or insolvency of us or our lenders under the repurchase agreements, which may allow our lenders to repudiate our repurchase agreements.

In the event of insolvency or bankruptcy, repurchase agreements normally qualify for special treatment under the U.S. bankruptcy code, the effect of which, among other things, would be to allow the lender under the applicable repurchase agreement to avoid the automatic stay provisions of the U.S. bankruptcy code and to foreclose on the collateral agreement without delay. In the event of the insolvency or bankruptcy of a lender during the term of a repurchase agreement, the lender may be permitted, under applicable insolvency laws, to repudiate the contract, and our claim against the lender for damages may be treated simply as an unsecured creditor. In addition, if the lender is a broker or dealer subject to the Securities Investor Protection Act of 1970, or an insured depository institution subject to the Federal Deposit Insurance Act, our ability to exercise our rights to recover our securities under a repurchase agreement or to be compensated for any damages resulting from the lender's insolvency may be further limited by those statutes. These claims would be subject to significant delay and, if and when received, may be substantially less than the damages we actually incur.

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Our financing arrangements contain, and the government agencies impose, certain financial and restrictive covenants that limit our ability to operate our business and a default under such agreements or requirements could have a material adverse effect on our business, liquidity, financial condition, cash flows and results of operations.

Our warehouse facilities contain, and our other current or future debt agreements **contain or** may contain, covenants imposing operating and financial restrictions on our business, including requirements to maintain a certain minimum tangible net worth, minimum liquidity, maximum total debt or liabilities to net worth ratio, profitability requirements, litigation judgment thresholds, and other customary debt covenants. We are also subject to minimum financial eligibility requirements established by the FHA, VA, **USDA, HUD, GSEs, and** **Ginnie Mae, and certain state regulators**, including net worth, capital ratio **and/ and/or** liquidity criteria in order to set a minimum level of capital needed to adequately absorb potential losses and a **minimum minimum** amount of liquidity needed to service such agency mortgage loans and MBS and cover the associated financial obligations and **risks, and these risks. The** minimum liquidity requirements **will be increased in 2023 and 2024 upon the effectiveness of new rules adopted by** the GSEs and **Ginnie Mae. Mae were** **changed effective in 2023, increasing such requirements, and** **Ginnie Mae implemented a new minimum risk-based capital ratio requirement which becomes effective as of December 31, 2024.** In addition, the indentures governing our 2025 Senior Notes, 2029 Senior Notes, and 2027 Senior Notes contain covenants imposing operating and financial restrictions on our business. As a result, we may not be able to leverage our assets as fully as we would choose, which could reduce our return on equity, and could significantly impede us from growing our business and place us at a competitive disadvantage in relation to federally chartered banks and certain other financial institutions.

A breach of the covenants under our warehouse facilities, Senior Notes, or other debt agreements can result in an event of default under these facilities and as such allow the lenders to pursue certain remedies. In addition, each of these facilities includes cross default or cross acceleration provisions that could result in most, if not all, facilities terminating if an event of default or acceleration of maturity occurs under any facility. To the extent that the minimum financial requirements imposed by the agencies are not met, the agencies may suspend or terminate our agency approvals or agreements, which could cause us to cross default under our warehouse facilities arrangements, could have an adversely effect on our ability to access these markets and could have a material adverse effect on our liquidity and future growth.

In addition, the covenants and restrictions in our warehouse facilities, indentures governing our Senior Notes, and other debt agreements may restrict our ability to, among other things:

- make certain investments;
- declare or pay dividends on capital stock;
- redeem or purchase capital stock and certain debt obligations;
- incur liens;
- enter into transactions with affiliates;
- enter into certain agreements restricting our subsidiaries' ability to pay dividends;

- incur indebtedness; and
- consolidate, merge, make acquisitions and sell assets.

These restrictions may interfere with our ability to obtain financings or to engage in other business activities, which could have a material adverse effect on our business, liquidity, financial condition, cash flows and results of operations. In addition, if we are unable to meet or maintain the necessary covenant requirements or satisfy, or obtain waivers for, the continuing covenants, we may lose the ability to borrow under all of our financing facilities, which could be detrimental to our business.

Risks Related to our Regulatory Environment

We operate in a heavily regulated industry, and our mortgage loan origination and servicing activities expose us to risks of noncompliance with an increasing and inconsistent body of complex laws and regulations at the U.S. federal, state and local levels.

Due to the heavily regulated nature of the mortgage industry, we and our clients are required to comply with a wide array of U.S. federal, state and local laws, rules and regulations that concern, among other things, the manner in which we conduct our loan origination and servicing businesses and the fees that we may charge, and the collection, use, retention, protection, disclosure, transfer and other processing of personal information by us and our clients. Governmental authorities and various U.S. federal and state agencies have broad oversight and supervisory authority over our business.

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Because we originate mortgage loans and provide servicing activities nationwide, we must be licensed in all relevant jurisdictions that require licensure and comply with each such jurisdiction's respective laws and regulations, as well as with judicial and administrative decisions applicable to us. Such licensing requirements also generally require the submission of information regarding any person who has 10% or more of the combined voting power of our outstanding equity interests. In addition, we and our clients are currently subject to a variety of, and may in the future become subject to additional U.S. federal, state and local laws that are continuously evolving and developing, including, but not limited to, laws on advertising, as well as privacy laws, including the Telephone Consumer Protection Act ("TCPA"), the Gramm-Leach-Bliley Act ("GLBA"), the CAN-SPAM Act, and a growing number of state privacy laws including, most notably, the California Consumer Privacy Act ("CCPA" ("CCPA")), and the California Privacy Rights Act ("CPRA" ("CPRA")), the Virginia Consumer Data Protection Act and the Colorado Privacy Act. We expect more states to enact legislation similar to the CCPA and CPRA, which provide consumers with privacy rights such as the right to request deletion of their data, the right to receive data on record for them and the right to know what categories of data (generally) are maintained about them, and increases the privacy and security obligations of entities handling certain personal information of such consumers. These regulations directly impact our business and require ongoing compliance, monitoring and internal and external audits as they continue to evolve, and may result in ever-increasing public scrutiny and escalating levels of enforcement and sanctions. Subsequent changes to data protection and privacy laws could also impact how we process personal information, and therefore limit the effectiveness of our products or services or our ability to operate or expand our business, including limiting strategic partnerships that may involve the sharing of personal information. Additionally, the interpretation of such data protection and privacy laws is rapidly evolving, making implementation and enforcement, and thus compliance requirements, ambiguous, uncertain, and potentially inconsistent. Although we make reasonable efforts to comply with all applicable data protection laws and regulations, our interpretations and such measures may have been or may prove to be insufficient or incorrect.

We and our clients must also comply with a number of federal, state and local consumer financial services, laws and regulations including, among others, the Truth in Lending Act ("TILA"), the Real Estate Settlement Procedures Act ("RESPA"), the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Fair Housing Act, the TCPA, the GLBA, the Servicemembers Civil Relief Act, the Homeowners Protection Act, the Home Mortgage Disclosure Act, the SAFE Act, the Federal Trade Commission Act, the TRID rules, the Dodd-Frank Act, the Appraisal Independence Rule, the Bank Secrecy Act, U.S. federal and state laws prohibiting unfair, deceptive, or abusive acts or practices, and state foreclosure laws. These laws and regulations apply to loan origination, home appraisal, marketing, use of credit reports, safeguarding of non-public, personally identifiable information about borrowers, foreclosure and claims handling, investment of and interest payments on escrow balances and escrow payment features, and mandate certain disclosures and notices to borrowers. The Appraisal Independence Rule requires that there be a separation of duties to ensure no conflicts of interest. In As part of our strategy to provide our clients innovative solutions to bottlenecks in the mortgage loan pipeline, in 2021, we launched a new program, UWM Appraisal Direct, in which we directly engage appraisers rather than utilizing an appraisal management company. company, and in 2022, we launched TRAC, which provides an alternative to the traditional title and closing process by removing the need for a lender title policy. While we believe that this new program meets these programs meet all of the regulatory and legal requirements, there is a risk that a regulatory agency could decide that our program does programs do not meet all of the regulatory and legal requirements, or that the new process these programs will not be accepted by other market participants, could expose us to additional liability. liability, or subject us to repurchase obligations.

In particular, various

Various federal, state and local laws have been enacted that are designed to discourage predatory lending and servicing practices. The Home Ownership and Equity Protection Act of 1994 ("HOEPA") prohibits inclusion of certain provisions in residential loans that have mortgage rates or origination costs in excess of prescribed levels and requires that borrowers be given certain disclosures prior to origination. Some states have enacted, or may enact, similar laws or regulations, which in some cases impose restrictions and requirements greater than those in HOEPA. In addition, under the anti-predatory lending laws of some states, the origination of certain residential loans, including loans that are not classified as "high cost" loans under applicable law, must satisfy a net tangible benefits test with respect to the related borrower. This test may be highly subjective and open to interpretation. As a result, a court may determine that a residential loan, for example, does not meet the test even if the related originator reasonably believed that the test was satisfied. Our failure to comply with these laws, or the failure of residential loan originators or servicers to comply with these laws, to the extent any of their residential loans are or become part of our mortgage-related assets, could subject us, as an originator or a servicer, as applicable, or, in the case of acquired loans, as an assignee or purchaser, to monetary penalties and could result in the borrowers rescinding the affected loans. Lawsuits have been brought in various states making claims against originators, servicers, assignees and purchasers of high cost loans for violations of state law. Named defendants in these cases have included numerous participants within the secondary mortgage market. If our loans are found to have been originated in violation of predatory or abusive lending laws, we could be subject to lawsuits or governmental actions, or could be fined or incur losses.

Both the scope of the laws, rules and regulations and the intensity of the regulatory oversight to which our business is subject continue to increase over time. Regulatory enforcement and fines have also **increased become more significant** across the financial services sector. We expect that our business and that of our clients will remain subject to extensive regulation and supervision. These regulatory changes could result in an increase in our regulatory compliance burden and associated costs and place restrictions on our origination and servicing operations. Our failure to comply with applicable U.S. federal, state and local consumer protection and data privacy laws could lead to:

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- loss of our licenses and approvals to engage in our servicing and lending businesses;
- damage to our reputation in the industry;
- governmental investigations and enforcement actions;
- administrative fines and penalties and litigation;
- civil and criminal liability, including class action lawsuits;
- increased costs of doing business;
- diminished ability to sell loans that we originate or purchase, requirements to sell such loans at a discount compared to other loans or repurchase or address indemnification claims from purchasers of such loans, including the GSEs;
- reduced payments by borrowers;
- modification of the original terms of mortgage loans;
- permanent forgiveness of debt;
- delays in the foreclosure process;
- increased servicing advances;
- inability to raise capital; and
- inability to execute on our business strategy, including our growth plans.

As these U.S. federal, state and local laws evolve, it may be more difficult for us to identify these developments comprehensively, to interpret changes accurately and to train our team members effectively with respect to these laws and regulations. These difficulties potentially increase our exposure to the risks of noncompliance with these laws and regulations, which could be detrimental to our business. In addition, our failure to comply with these laws, regulations and rules may result in reduced payments by borrowers, modification of the original terms of loans, permanent forgiveness of debt, delays in the foreclosure process, increased servicing advances, litigation, enforcement actions, and repurchase and indemnification obligations. A failure to adequately supervise our clients, service providers and vendors, including outside foreclosure counsel, may also have these negative results.

The laws and regulations applicable to us are subject to administrative or judicial interpretation, but some of these laws and regulations have been enacted only recently and may not yet have been interpreted or may be interpreted infrequently. Ambiguities in applicable laws and regulations may leave uncertainty with respect to permitted or restricted conduct and may make compliance with laws, and risk assessment decisions with respect to compliance with laws difficult and uncertain. In addition, ambiguities make it difficult, in certain circumstances, to determine if, and how, compliance violations may be cured. The adoption by industry participants of different interpretations of these statutes and regulations has added uncertainty and complexity to compliance. If we are deemed to have violated applicable statutes or regulations, it could result in regulatory investigations, state or federal governmental actions or private civil claims, including class actions, being brought against us. Such litigation would cause us to incur costs, fines and legal expenses in connection with these matters, regardless of any eventual ruling in our favor, and could also harm the reputation of our brand, any of which could have a material adverse effect on our business, financial condition or results of operations.

To resolve issues raised in examinations or other governmental actions, we may be required to take various corrective actions, including changing certain business practices, making refunds or taking other actions that could be financially or competitively detrimental to us. We expect to continue to incur costs to comply with governmental regulations. In addition, certain legislative actions and judicial decisions can give rise to the initiation of lawsuits against us for activities we conducted in the past. Furthermore, provisions in our mortgage loan documentation, including but not limited to the mortgage and promissory notes we use in loan originations, could be construed as unenforceable by a court. We have been, and expect to continue to be, subject to regulatory enforcement actions and private causes of action from time to time with respect to our compliance with applicable laws and regulations.

The **recent** influx of **new** laws, regulations, and other directives adopted in response to the **recent** COVID-19 pandemic exemplifies the ever-changing and increasingly complex regulatory landscape we operate in. **While some regulatory reactions to COVID-19 relaxed certain compliance obligations, the** **The** forbearance requirements imposed on mortgages servicers in the **recently passed** CARES Act added new regulatory responsibilities. The GSEs and the FHFA, Ginnie Mae, the U.S. Department

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of Housing and Urban Development ("HUD"), various investors and others **have also** issued guidance relating to COVID-19. **Future regulatory scrutiny and enforcement resulting from COVID-19 is unknown.**

Although we have compliance management systems and procedures to comply with these legal and regulatory requirements, we cannot assure you that more restrictive laws and regulations will not be adopted in the future, or that governmental bodies or courts will not interpret existing laws or regulations in a more restrictive manner, which could render our current business practices non-compliant or which could make compliance more difficult or expensive. Any of these, or other, changes in laws or regulations could have a detrimental effect on our business.

The CFPB continues to be active in its monitoring of the loan origination and servicing sectors, and its recently issued rules and heightened examination and enforcement scrutiny increase our regulatory compliance burden and associated costs.

We are subject to the regulatory, supervisory and enforcement authority of the CFPB, which has oversight of federal and state non-depository lending and servicing institutions, including residential mortgage originators and loan servicers. **With the change in Presidential Administrations and, in turn, CFPB leadership, the CFPB is heightening its examination and enforcement scrutiny of the consumer finance, including mortgage, industry.** The CFPB has rulemaking **and enforcement** authority with respect to most of the federal consumer protection laws applicable to mortgage lenders and servicers, including TILA and RESPA and the FDCA. The CFPB has issued a number of regulations under the Dodd-Frank Act relating to loan origination and servicing activities, including ability-to-repay, "Qualified Mortgage" standards and other origination standards and practices as well as guidance addressing relationships with brokers, communication with borrowers, secondary market transactions, servicing requirements that address, among other things, periodic billing statements, certain notices and acknowledgments, prompt crediting of borrowers' accounts for payments received, additional notice, review and timing requirements with respect to delinquent borrowers, loss mitigation, prompt investigation of complaints by borrowers, and lender-placed insurance notices. These regulations and guidance may adversely impact our ability or the cost to develop new products which respond to market conditions, subject us to additional requirements under the ECOA, for example with respect to valuations, including appraisals and automated valuation models, may subject us to additional rules and potential liability arising from our role as an originator, lender or loan servicer and potentially increase our lender liability, vendor management risk or other risks.

For example, the CFPB has iteratively adopted rules over the course of several years regarding mortgage servicing practices that has required us to make modifications and enhancements to our mortgage servicing processes and systems. In 2021, the CFPB issued a final rule amending RESPA Regulation X to provide additional protections relating to loss mitigation and foreclosures to mortgage borrowers impacted by the COVID-19 pandemic as well as a supervisory bulletin 2021-02 warning that companies "unable to adequately manage loss mitigation can expect the Bureau to take enforcement or supervisory action to address violations under Regulation X, CFPA, or other authorities." The intersection of the CFPB's mortgage servicing rules and COVID-19 continues to evolve and poses new challenges to the servicing industry.

Beyond these mortgage-specific initiatives, the CFPB is generally increasing its scrutiny of fee-based business models and so-called "junk fees," fair lending and servicing, and potential misuse of consumer data – all of which could subject players in the mortgage industry to additional rules or supervisory or enforcement scrutiny.

Pursuant to its supervisory authority, the CFPB has conducted routine examinations of our business and will conduct future examinations. The CFPB's examinations have increased, and will likely continue to increase, our administrative and compliance costs. They could also greatly influence the availability and cost of residential mortgage credit and increase servicing costs and risks. These increased costs of compliance, the effect of CFPB rules on the lending and loan servicing industries, and any failure in our ability, or our clients' ability, to comply with new rules could be detrimental to our business.

The CFPB also issued guidelines on sending examiners to banks and other institutions that service and/or originate mortgages to assess whether consumers' interests are protected. The CFPB has conducted routine examinations of our business and will conduct future examinations.

The CFPB has broad enforcement powers, and continues to use them aggressively to police mortgage lenders and servicers as well as other players in the mortgage ecosystem. Our failure to comply with the federal consumer protection laws, rules and regulations to which we are subject, whether actual or alleged, could expose us to investigations, enforcement actions or potential litigation liabilities.

In addition, the occurrence of one or more of the foregoing events or a determination by any court or regulatory agency that our policies and procedures do not comply with applicable law could impact our business operations. For example, if the violation is related to our servicing operations it could lead to a transfer of our servicing responsibilities, increased delinquencies on mortgage loans we service or any combination of these events. Such a determination could also require us to

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modify our servicing standards. The expense of complying with new or modified servicing standards may be substantial. Any such changes or revisions may have a material impact on our servicing operations, which could be detrimental to our business.

We are required to hold various agency approvals in order to conduct our business and there is no assurance that we will be able to obtain or maintain those agency approvals or that changes in agency guidelines will not materially and adversely affect our business, financial condition, liquidity and results of operations.

We are required to hold certain agency approvals in order to sell mortgage loans to GSEs and service such mortgage loans on their behalf. Our failure to satisfy the various requirements necessary to obtain and maintain such agency approvals over time would restrict our direct business activities and could materially and adversely impact our business, financial condition, liquidity and results of operations.

We are also required to follow specific guidelines that impact the way that we originate and service such agency loans. A significant change in these guidelines that has the effect of decreasing the fees we charge or requiring us to expend additional resources in providing mortgage services could decrease our revenues or increase our costs, which would also adversely affect our business, financial condition, liquidity and results of operations.

In addition, the FHFA has directed the GSEs to align their guidelines for servicing delinquent mortgages and assess compensatory penalties against servicers in connection with the failure to meet specified timelines relating to delinquent loans and foreclosure proceedings, and other breaches of servicing obligations. Our failure to operate efficiently and effectively within the prevailing regulatory framework and in accordance with the applicable origination and servicing guidelines and/or the loss of our seller/servicer license approval or approved issuer status with the agencies could result in our failure to benefit from available monetary incentives and/or expose us to monetary penalties and curtailments, all of which could materially and adversely affect our business, financial condition, liquidity and results of operations.

The executive, legislative and regulatory reaction to COVID-19, including the passage of the CARES Act, poses evolving compliance obligations on our business, and we may experience unfavorable changes in or failure to comply with existing or future regulations and laws adopted in response to COVID-19.

Due to the unprecedented pause of major sectors of the U.S. economy from COVID-19, numerous states and the federal government adopted measures requiring mortgage servicers to work with consumers negatively impacted by COVID-19. The CARES Act imposes several new compliance obligations on our mortgage servicing activities, including, but not limited to mandatory forbearance offerings, altered credit reporting obligations, and moratoriums on foreclosure actions and late fee assessments. Many states have taken similar measures to provide mortgage payment and other relief to consumers, which create additional complexity around our mortgage servicing compliance activities.

With the urgency to help consumers, the expedient passage of the CARES Act increases the likelihood of unintended consequences from the legislation. For example, certain provisions of the CARES Act are subject to interpretation given the existing ambiguities in the legislation, which creates class action and other litigation risk.

Although much of the executive, legislative and regulatory actions stemming from COVID-19 are servicing-centric, regulators are adjusting compliance obligations impacting our mortgage origination activities. Many states have adopted temporary measures allowing for otherwise prohibited remote mortgage loan origination activities. While these temporary measures allow us to continue to do business remotely, they impose notice, procedural, and other compliance obligations on our origination activity. As jurisdictions begin to roll back COVID-19 related measures, inconsistencies in the modification of regulations could also impose notice, procedural, and other compliance obligations on our origination activity.

Federal, state, and local executive, legislative and regulatory responses to COVID-19 are still evolving, not consistent in scope or application, and subject to change without advance notice. Such efforts may impose additional compliance obligations, which may negatively impact our mortgage origination and servicing business. Any additional legal or regulatory responses to COVID-19 may unfavorably restrict our business, our established business practices, and otherwise raise our compliance costs.

The state regulatory agencies, GSEs and others continue to be active in their supervision of the loan origination and servicing sectors and the results of these examinations may be detrimental to our business.

State attorneys general, state licensing regulators, and state and local consumer financial protection offices have authority to examine us and/or investigate consumer complaints and to commence investigations and other formal and informal proceedings regarding our operations and activities. In addition, the GSEs and the FHFA, Ginnie Mae, the FTC, HUD, various

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investors, non-agency securitization trustees and others subject us to periodic reviews and audits. A determination of our failure to comply with applicable law could lead to enforcement action, administrative fines and penalties, or other administrative action.

If we do not obtain and maintain the appropriate state licenses, we will not be allowed to originate or service loans in some states, which would adversely affect our operations.

Our operations are subject to regulation, supervision and licensing under various federal, state and local statutes, ordinances and regulations. In most states in which we operate, a regulatory agency regulates and enforces laws relating to mortgage lenders and mortgage loan servicing companies such as us. In most states, we are subject to periodic examination by state regulatory authorities. Some states in which we operate require special licensing or provide extensive regulation of our business.

As part of licensing requirements, we are typically required to designate individual licensees of record. We cannot ensure that we are, and will always remain, in full compliance with all state licensing laws and regulations, and we may be subject to fines or penalties, including license revocation, for any non-compliance. If we lose a license or are otherwise found to be in violation of a law or regulation, our business operations in that state may be suspended until we obtain the license or otherwise remedy the compliance issue.

We may not be able to maintain all requisite licenses and permits, and the failure to satisfy those and other regulatory requirements could restrict our ability to originate, purchase, sell or service loans. In addition, our failure to satisfy any such requirements relating to servicing of loans could result in a default under our servicing agreements and have a material adverse effect on our operations. Those states that currently do not provide extensive regulation of our business may later choose to do so, and if such states so act, we may not be able to obtain or maintain all requisite licenses and permits. The failure to satisfy those and other regulatory requirements could limit our ability to originate, purchase, sell or service loans in a certain state, or could result in a default under our financing and servicing agreements and have a material adverse effect on our operations. Furthermore, the adoption of additional, or the revision of existing, rules and regulations could have a detrimental effect on our business.

If new laws and regulations lengthen foreclosure times or introduce new regulatory requirements regarding foreclosure procedures, our operating costs could increase and we could be subject to regulatory action.

When a mortgage loan we service is in foreclosure, we are generally required to continue to advance delinquent principal and interest to the securitization trust and to make advances for delinquent taxes and insurance and foreclosure costs and the upkeep of vacant property in foreclosure to the extent that we determine that such amounts are recoverable. These servicing advances are generally recovered when the delinquency is resolved. Regulatory actions that lengthen the foreclosure process will increase the amount

of servicing advances that we are required to make, lengthen the time it takes for us to be reimbursed for such advances and increase the costs incurred during the foreclosure process.

The CARES Act paused all foreclosures from March 18, 2020 until May 17, 2020. Many state governors issued orders, directives, guidance or recommendations halting foreclosure activity including evictions. As noted above, in 2021, the CFPB finalized amendments to RESPA, Regulation X and issued guidance focused on supporting the housing market's smooth and orderly transition to post-pandemic operation and implementing a bar on certain new foreclosure filings until December 31, 2021. These regulatory actions and similar responses to the COVID-19 pandemic that may be passed taken in the future could increase our operating costs and negatively impact our liquidity, as they may extend the period for which we are required to make advances for delinquent principal and interest, taxes and insurance, and could delay our ability to seek reimbursement from the investor to recoup some or all of the advances.

Increased regulatory scrutiny and new laws and procedures could cause us to adopt additional compliance measures and incur additional compliance costs in connection with our foreclosure processes. We may incur legal and other costs responding to regulatory inquiries or any allegation that we improperly foreclosed on a borrower. We could also suffer reputational damage and could be fined or otherwise penalized if we are found to have breached regulatory requirements.

Our servicing policies and procedures are subject to examination by our regulators, and the results of these examinations may be detrimental to our business.

As a loan servicer, we are examined for compliance with U.S. federal, state and local laws, rules and guidelines by numerous regulatory agencies. It is possible that any of these regulators will inquire about our servicing practices, policies or

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procedures and require us to revise them in the future. The occurrence of one or more of the foregoing events or a determination by any court or regulatory agency that our servicing policies and procedures do not comply with applicable law could lead to penalties and fines, changes to our servicing practices and standards, transfer of our servicing responsibilities, increased delinquencies on mortgage loans we service or any combination of these events, events, which could adversely affect our business, financial condition or results of operations.

Regulatory agencies and consumer advocacy groups are becoming more aggressive in asserting claims that the practices of lenders and loan servicers violate anti-discrimination laws.

Antidiscrimination statutes, such as the FHA and the ECOA, prohibit creditors from discriminating against loan applicants and borrowers based on certain characteristics, such as race, ethnicity, sex, religion and national origin. States have analogous anti-discrimination laws that extend protections beyond the protected classes under federal law, extending protections, for example, to gender identity. Various federal regulatory agencies and departments, including the DOJ and CFPB, take the position that these laws apply not only to intentional discrimination, but also to neutral practices that have a disparate impact on a group that shares a characteristic that a creditor may not consider in making credit decisions (i.e., creditor or servicing practices that have a disproportionate negative effect on a protected class of individuals).

These regulatory agencies, as well as consumer advocacy groups and plaintiffs' attorneys, are focusing greater attention on "disparate impact" claims. The U.S. Supreme Court has confirmed that the "disparate impact" theory applies to cases brought under the FHA, while emphasizing that a causal relationship must be shown between a specific policy of the defendant and a discriminatory result that is not justified by a legitimate, non-discriminatory business objective of the defendant. Although it is still unclear whether disparate impact theory applies under the ECOA, regulatory agencies and private plaintiffs can be expected to continue to apply it to both the FHA and the ECOA in the context of home loan lending and servicing. Application of disparate impact theory to our activities exposes us to significant administrative burdens and risks potential liability for noncompliance.

Furthermore, many industry observers believe that the "ability to repay" rule issued by the CFPB, will have the unintended consequence of having a disparate impact on protected classes. Specifically, it is possible that lenders that make only qualified mortgages may be exposed to discrimination claims under a disparate impact theory.

Beyond exposure to potential fair lending or servicing claims under disparate impact theory, lenders face increasing regulatory, enforcement and litigation risk under the FHA and ECOA from claims of "redlining" and "reverse redlining." Redlining is the practice of denying a creditworthy applicant a loan for housing in a certain neighborhood even though the applicant may be otherwise qualified. Reverse redlining is targeting an applicant in a certain neighborhood for a higher cost products or services. Enforcement actions have also been brought against lenders who have been accused of discouraging prospective loan applicants from seeking financing. In late 2021, the DOJ launched a "combating redlining initiative" and partnership with other federal and state agencies, including the CFPB, to police these practices, making clear they are a high priority across the financial services regulatory ecosystem.

The Biden Administration, in June 2021, also formed an interagency task force to address concerns around improper bias in home appraisals. The CFPB, HUD and FHFA all have been clear that policing such bias and working to develop new guidance for industry as to how it can reduce human discretion in the home appraisal and valuation process are key agency priorities in 2022, 2023. Such efforts could result in a change in our appraisal practices or expose us to liability under the FHA or ECOA.

In addition to reputational harm, violations of the ECOA and the FHA can result in actual damages, punitive damages, injunctive or equitable relief, attorneys' fees and civil money penalties.

From time to time, we are subject to various legal actions that if decided adversely, could be detrimental to our business.

From time to time, we are named as a defendant in legal proceedings alleging improper lending, servicing or marketing practices, abusive loan terms and fees, disclosure violations, quiet title actions, improper foreclosure practices, violations of consumer protection, securities or other laws, breach of contract and other related matters. In addition, we

have grown our a large number of team members materially in recent years and have increased our profile in the community and nationally. As a result, the number of lawsuits against us regarding alleged violation of employment laws, including wage and hour, and other employment issues, has and may continue to increase. In recent years there has been an increase in the number of collective and class actions with respect to employment matters against employers generally. Coupled with the expansion of social media platforms and similar devices that allow individuals access to a broad audience, these claims, whether or not they have merit, could result in reputational risk, negative publicity, out-of-pockets out-of-pocket costs and distraction distractions to our management team.

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We are subject to various consumer protection regulatory regimes which expose us to liability directly from consumers.

We operate in an industry that is highly sensitive to consumer protection, and we and our clients are subject to numerous local, state and federal laws that are continuously changing. Remediation for non-compliance with these laws can be costly and significant fines may be incurred. We are routinely involved in consumer complaints, regulatory actions and legal proceedings in the ordinary course of our business and may become subject to class action suits alleging non-compliance with these laws. If we were to become involved in a lengthy litigation, we could incur substantial costs and our resources and the attention of management could be diverted from our business. We are also routinely involved in state regulatory audits and examinations, and occasionally involved in other governmental proceedings arising in connection with our respective businesses. Negative public opinion can result from our actual or alleged conduct in any number of activities. Negative public opinion can also result from actions taken by government regulators and community organizations in response to our activities, from consumer complaints, including in the CFPB complaints database, and from media coverage, whether accurate or not. Any of these types of matters could cause us to incur costs, loss of business, fines and legal expenses, regardless of any eventual ruling in our favor, and could also harm the reputation of our brand, any of which could have a material adverse effect on our business, financial condition or results of operations.

Accounting rules for certain of our transactions are highly complex and involve significant judgment and assumptions. Changes in accounting interpretations or assumptions could impact our financial statements.

Accounting rules for mortgage loan sales and securitizations, valuations of financial instruments and MSRs, investment consolidations, income taxes and other aspects of our operations are highly complex and involve significant judgment and assumptions. These complexities could lead to a delay in preparation of financial information and the delivery of this information to our stockholders and also increase the risk of errors and restatements, as well as the cost of compliance. Our inability to timely prepare our financial statements in the future would likely be considered a breach of our financial covenants and adversely affect our share price significantly. Changes in accounting interpretations or assumptions as well as accounting rule misinterpretations could result in differences in our financial results or otherwise have a material adverse effect on our business, financial condition, liquidity and results of operations.

Risks Associated with Our Corporate Structure and Common Stock

We are controlled by SFS Corp., whose interests may conflict with our interests and the interests of other stockholders.

SFS Corp. holds all of our issued and outstanding Class D common stock, which has ten votes per share, and controls approximately 79% of the combined voting power of our Common Stock (our Class A common stock, Class B common stock, Class C common stock and Class D common stock collectively, the "Common Stock") (based on the Voting Limitation). Without the Voting Limitation, SFS Corp. would have 99% of the combined voting power of our capital stock. As long as SFS Corp. owns at least 10% of the outstanding Common Stock, SFS Corp. will have the ability to determine all corporate actions requiring stockholder approval, including the election and removal of directors and the size of our Board, any amendment to our certificate of incorporation or bylaws, or the approval of any merger or other significant corporate transaction, including a sale of substantially all of our assets. This could have the effect of delaying or preventing a change in control or otherwise discouraging a potential acquirer from attempting to obtain control of us, which could cause the market price of our Class A common stock to decline or prevent stockholders from realizing a premium over the market price for our Class A common stock. SFS Corp.'s interests may conflict with our interests as a company or the interests of our other stockholders.

Resales of the outstanding shares of Class A common stock or shares issuable upon Holdings LLC Unit Exchanges, exercise of Warrants or in connection with the Earn-Out could depress the market price of our Class A common stock or result in dilution.

As of February 24, 2023 February 23, 2024, there were 93,101,971 94,507,889 shares of our Class A common stock outstanding. In addition, (1) 1,502,069,787 shares of Class A common stock (or approximately 1,592,831,471 shares of Class A common stock if the full amount of the Earn-Out Shares is earned) may be issued to SFS Corp. or its transferees or assignees in connection with future Holdings LLC Unit Exchanges and (2) 15,874,987 shares may be issued upon exercise of our outstanding Warrants with a strike price of \$11.50 per share. Currently, all of the shares of Class A common stock outstanding are freely tradable. In addition, we have the obligation to register for resale, at any time, all of the Shares of Class A Common Stock issuable to SFS Corp. upon Holdings LLC Unit Exchanges, of which 500 million shares have been currently registered. Shares of Class A common stock issuable upon the exercise of our Warrants or in connection with the Earn-Out or upon Holdings LLC Unit Exchanges may result in dilution to the then existing holders of our Class A common stock and increase the number of shares eligible for resale in the public market. Such sales of shares of Class A common stock or the perception that such sales may occur could depress the market price of our Class A common stock.

As a "controlled company" within the meaning of NYSE listing rules, we qualify for exemptions from certain corporate governance requirements. We have the opportunity to elect any of the exemptions afforded a controlled company.

Because SFS Corp. controls more than a majority of our total voting power, we are a "controlled company" within the meaning of NYSE listing rules. Under NYSE rules, a company of which more than 50% of the voting power is held by another person or group of persons acting together is a "controlled company" and may elect not to comply with the

following NYSE rules regarding corporate governance:

- the requirement that a majority of our Board of directors consist of independent directors;

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- the requirement that compensation of our executive officers be determined by a majority of the independent directors of the Board or a compensation committee comprised solely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the requirement that director nominees be selected, or recommended for the Board's selection, either by a majority of the independent directors of the Board or a nominating committee comprised solely of independent directors with a written charter addressing the committee's purpose and responsibilities.

Three of our **nine ten** directors are independent directors and our Board has an independent audit committee. However, our Board does not have a majority of independent directors, or a compensation committee comprised of solely independent directors or a nominating committee. Rather, actions with respect to executive compensation will be taken by the **compensation committee Compensation Committee** on which Mr. Mat Ishbia sits, and compensation decisions with respect to Mr. Ishbia's compensation will be taken by a special subcommittee, and director nominations will be made by our full Board. Our Board has determined that **Stacey Coopes**, Kelly Czubak, **Isiah Thomas** and Robert Verdun are "independent directors," as defined in the NYSE listing rules and applicable SEC rules.

We may experience volatility in the trading price of our shares due to fluctuations in our quarterly operating results or other factors.

Significant fluctuations in the price of our securities could contribute to the loss of all or part of your investment. Since the consummation of our Business Combination, trading in the shares of our Class A common stock has been extremely volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control. Accordingly, the valuation ascribed to us and our Class A common **shares** may not be indicative of the price of that will prevail in the trading market in the future. Any of the factors in this Annual Report could have a material adverse effect on your investment in our securities and our securities may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline.

In addition, broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock market in general and NYSE have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. In addition, the trading prices of companies that were formerly special purpose acquisition companies have, and may continue to, experience volatility unrelated to the operating performance of the specific company. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for the stocks of other companies that investors perceive to be similar to our business could depress our stock price regardless of our business, prospects, financial condition or results of operations. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

In the past, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management's attention and resources, and could also require us to make substantial payments to satisfy judgments or to settle litigation.

Anti-takeover provisions contained in our Charter and Amended and Restated Bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Our Charter contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. We are also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together, these provisions may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. These provisions include:

- a capital structure where holders of Class B common stock and holders of Class D common stock each have ten votes per share of Class B common stock and Class D common stock (as compared with holders of Class A common stock and holders of Class C common stock, who each have one vote per share of Class A common stock and Class C common stock, respectively) and consequently have a greater ability to control the outcome of matters requiring stockholder approval, even when the holders of Class B common stock and Class D common stock own significantly less than a majority of the outstanding shares of Common Stock;
- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect candidates to serve as a director of our Board;

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- a classified Board with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our Board;
- the requirement that, at any time from and after the Voting Rights Threshold Date, directors elected by the stockholders generally entitled to vote may be removed from our Board solely for cause;
- the exclusive right of our Board, from and after the Voting Rights Threshold Date, to fill newly created directorships and vacancies with respect to directors elected by the stockholders generally entitled to vote, which prevents stockholders from being able to fill vacancies on our Board;

- the prohibition on stockholder action by written consent from and after the Voting Rights Threshold Date, which forces stockholder action from and after the Voting Rights Threshold Date to be taken at an annual or special meeting of stockholders;
- the requirement that special meetings of stockholders may only be called by the Chairperson of our Board, our Chief Executive Officer or our Board, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- the requirement that, from and after the Voting Rights Threshold Date, amendments to certain provisions of our Charter and amendments to the Amended and Restated Bylaws must be approved by the affirmative vote of the holders of at least seventy-five percent (75%) in voting power of our then outstanding shares generally entitled to vote;
- our authorized but unissued shares of Common Stock and Preferred Stock, par value \$0.0001 per share, are available for future issuances without stockholder approval and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions and employee benefit plans; the existence of authorized but unissued and unreserved shares of Common Stock and Preferred Stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise; **and**
- advance notice procedures set forth in the Amended and Restated Bylaws that stockholders must comply with in order to nominate candidates to our Board or to propose other matters to be acted upon at a meeting of stockholders, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of **us; and**
- **an exclusive forum provision which provides that, unless we consent in writing to the selection of an alternative forum, (i) any derivative action brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, or employee of ours to our business or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the General Corporation Law of the State of Delaware (the "DGCL"), our Charter or the Amended and Restated Bylaws, or (iv) any action asserting a claim governed by the internal affairs doctrine of the State of Delaware, in each case, will be required to be filed in either (x) the Sixth Judicial Circuit, Oakland County, Michigan (or, if the Sixth Judicial Circuit, Oakland County, Michigan lacks jurisdiction over any such action or proceeding, then another state court of the State of Michigan, or if no state court of the State of Michigan has jurisdiction over any such action or proceeding, then the United States District Court for the Eastern District of Michigan) or (y) the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware lacks jurisdiction over any such action or proceeding, then the Superior Court of the State of Delaware, or, if the Superior Court of the State of Delaware lacks jurisdiction then the U.S. District Court for the District of Delaware); **us.****

Our Charter contains a provision renouncing our interest and expectancy in certain corporate opportunities.

Our Charter provides that we have no interests or expectancy in, or being offered an opportunity to participate in any corporate opportunity, to the fullest extent permitted by applicable law, with respect to any lines of business or business activity or business venture conducted by any UWM Related Persons as of the date of the filing of our Charter with the Secretary of State of the State of Delaware or received by, presented to or originated by UWM Related Persons after the date of the filing of our Charter with the Secretary of State of the State of Delaware in such UWM Related Person's capacity as a UWM Related Person (and not in his, her or its capacity as a director, officer or employee of ours), in each case, other than any corporate opportunity with respect to residential mortgage lending. These provisions of our Charter create the possibility that a corporate opportunity of ours may be used for the benefit of the UWM Related Persons.

The provision of our Charter requiring exclusive forum in the state courts in the State of Michigan or the State of Delaware for certain types of lawsuits may have the effect of discouraging lawsuits against our directors and officers.

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Our Charter requires that, unless we consent in writing to the selection of an alternative forum, (i) any derivative action brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, or employee of our business to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, our Charter or Amended and Restated Bylaws, or (iv) any action asserting a claim governed by the internal affairs doctrine of the State of Delaware, in each case, to be filed in either (x) the Sixth Judicial Circuit, Oakland County, Michigan (or, if the Sixth Judicial Circuit, Oakland County, Michigan lacks jurisdiction over any such action or proceeding, then another state court of the State of Michigan, or if no state court of the State of Michigan has jurisdiction over any such action or proceeding, then the United States District Court for the Eastern District of Michigan) or (y) the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware lacks jurisdiction over any such action or proceeding, then the Superior Court of the State of Delaware, or, if the Superior Court of the State of Delaware lacks jurisdiction then the U.S. District Court for the District of Delaware). The exclusive forum provision described above does not apply to actions arising under the Securities Act or the Exchange Act. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder, and Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

Although we believe these exclusive forum provisions benefit us by providing increased consistency in the application of Delaware law, the exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers or stockholders, which may discourage lawsuits with respect to such claims. Further, in the event a court finds the exclusive forum provision contained in our Charter to be unenforceable or inapplicable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

General Risk Factors

If we fail to maintain an effective system of internal controls, we may not be able to accurately determine our financial results or prevent fraud. As a result, our stockholders could lose confidence in our financial results, which could harm our business and the market value of our common stock.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. We may in the future discover areas of our internal controls that need improvement. Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") requires that we evaluate and report on our internal control over financial reporting. We cannot be certain that we will be successful in maintaining adequate control over our financial reporting and financial processes. Furthermore, as we rapidly grow our businesses, our internal controls will become more complex, and we will require significantly more resources to ensure our internal controls remain effective. Section 404(b) of the Sarbanes-Oxley Act requires our auditors to formally attest to and report on the effectiveness of our internal control over financial reporting.

If we cannot maintain effective internal control over financial reporting, or our independent registered public accounting firm cannot provide an unqualified attestation report on the effectiveness of our internal control over financial reporting, investor confidence and, in turn, the market price of our common stock could decline. Additionally, the existence of any material weakness or significant deficiency could require management to devote significant time and incur significant expense to remediate any such material weakness or significant deficiency, and management may not be able to remediate any such material weakness or significant deficiency in a timely manner, or at all. Accordingly, our failure to maintain effective internal control over financial reporting could result in misstatements of our financial results or restatements of our financial statements or otherwise have a material adverse effect on our business, financial condition, liquidity and results of operations.

Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our financial condition and results of operations.

We are subject to income taxes in the U.S. at the federal, state and local levels. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in the valuation of our deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowances;
- tax effects of stock-based compensation;
- changes in tax laws, regulations or interpretations thereof;
- increases in UWMC's ownership of Holdings LLC resulting from Holdings LLC Unit Exchanges; or

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- lower than anticipated future earnings in jurisdictions where we have lower statutory tax rates and higher than anticipated future earnings in jurisdictions where we have higher statutory tax rates.

In addition, we may be subject to audits of our income, sales and other transaction taxes by taxing authorities. Outcomes from these audits could have an adverse effect on our financial condition and results of operations.

Item 1b. 1B. Unresolved Staff Comments

None

Item 1C. Cybersecurity

We recognize the critical importance of maintaining the safety and security of our technology systems and data and have a holistic process for overseeing and managing cybersecurity and information technology related risks. This process is supported by both management and our Board. The Audit Committee (the "Audit Committee") of our Board has oversight of the Company's risk management program, and cybersecurity is a component of our overall approach to risk management.

Our cybersecurity policies, standards, processes and practices are integrated across our operational risk management programs and are based on industry recognized frameworks. A cybersecurity threat is any potential unauthorized occurrence, on or conducted through, our information systems that may result in adverse effects on the confidentiality, integrity or availability of our information systems or any information residing therein.

Cybersecurity risk management and strategy

As one of the critical elements of our overall risk management program, our cybersecurity program is focused on the following key areas:

- **Technical & Administrative Safeguards:** We deploy technical and administrative safeguards that are designed to protect our information systems from cybersecurity threats, including firewalls, intrusion prevention and detection systems, anti-malware functionality and access controls, which are regularly evaluated and improved through vulnerability assessments and cybersecurity threat intelligence.
- **Incident Response & Recovery Planning:** We have established and maintain incident response and recovery plans that address our response procedures in the event of a multitude of various cybersecurity incidents, and such plans are tested and evaluated on a regular basis.
- **Third-Party Risk Management:** We maintain a preemptive and comprehensive risk-based approach to identifying and overseeing potential cybersecurity risks presented by third parties, including our vendors, service providers and other external users of our systems. We conduct cybersecurity assessments of third-party

vendors that we engage with in our operations, which take place both upon initial engagement and annually, in order to identify and evaluate potential vulnerabilities, including on-site visits for evaluation of certain core operational third-party vendors. In addition, our agreements with material vendors, including subservicers, contain indemnification provisions with respect to cybersecurity matters.

- **Independent Assessments with Outside Consultants:** In addition to the broad capabilities of our internal information security team, we also engage various outside consultants, including contractors, auditors, and other third parties, to among other things, conduct independent assessments and regular testing of our networks and systems to identify vulnerabilities through penetration testing, while also measuring and advising on potential improvements to our incident prevention, response and documentation procedures.
- **Team Member Education & Awareness:** We provide in-depth training to new team members, as well as annual, mandatory training for all team members regarding cybersecurity threats as a means to equip our team members with effective tools to identify and prevent cybersecurity threats, and to communicate our evolving information security policies, standards, processes and practices.

Governance & Personnel

Our Board has delegated to the Audit Committee the responsibility for monitoring and overseeing our cybersecurity and other information technology risks, controls, strategies and procedures. The Audit Committee periodically evaluates our information security strategies to ensure effectiveness and, if appropriate, may also include a review from third-party consultants and experts. Our Senior Vice President and Chief Information Security Officer ("CISO") presents and engages with the Audit Committee and the Board at least semi-annually and more frequently, as needed. Our CISO updates the Audit Committee and the Board on matters regarding information security policies and procedures and cybersecurity risk management strategy. In addition, the full Board may review and assess cybersecurity risks as part of its responsibilities for our risk management oversight.

In addition, we have a Risk Committee comprised of our top executives from across UWM, including our Chief Executive Officer, Chief Risk Officer, Chief Operating Officer, Chief Financial Officer and Chief Accounting Officer, Chief People Officer, CISO and several other leaders across our legal, operational and reporting functions. The Risk Committee meets every month to discuss and address management of the risks facing our business. Technological risk is a regular component analyzed by our Risk Committee to identify and assess potential cybersecurity risks across our business operations.

Our Information Security team, led by our CISO has a combined six decades of experience in information technology and cybersecurity. Furthermore, our CISO holds a number of certifications, including CISSP (Certified Information Systems Security Professional), serves on the CISO ExecNet Advisory Council and is active in a number of information security communities and groups. The Information Security team conducts periodic assessment and testing of our policies, standards, processes and practices that are designed to address a multitude of potential cybersecurity threats and incidents. These efforts include a wide range of activities, including penetration testing multiple times throughout the year, adoption and regular evaluation of incident response plans and procedures, regular team member email phishing test campaigns, email security monitoring, real-time vulnerability scanning and intrusion detection, team member cybersecurity awareness programs, regular audits and evaluations of internal and third-party systems, and continuous improvement of the information security management system.

Our CISO works collaboratively with leaders of each of our business operations teams to implement programs designed to protect our information systems from cybersecurity threats and to promptly respond to any cybersecurity incidents in accordance with incident response and recovery plans. We maintain a cyber incident response plan to timely, consistently, and compliantly address cybersecurity threats that may occur despite the Company's safeguards. The response plan covers preparation, detection and analysis, containment and investigation, notification (which may include timely notice to the Board if deemed material or appropriate), eradication and recovery, and incident closure and post-incident analysis. Through ongoing communications with management, our CISO monitors the prevention, detection, mitigation and remediation of cybersecurity threats and incidents in real time, and reports such threats and incidents to our executive management and the Audit Committee when appropriate.

We face ongoing and constantly developing risks from cybersecurity threats that, if realized, may materially affect our business strategy, results of operations, and financial condition. For more information regarding cybersecurity-related risks that could materially affect our business strategies, results of operations, or financial condition, please see Item 1A in this Form 10-K under the headings "We may not be able to detect or prevent cyberattacks and other data and security breaches, which could adversely affect our business and subject us to liability to third parties." and "Technology disruptions or failures, including a failure in our operational or security systems or infrastructure, or those of third parties with whom we do business, could disrupt our business, cause legal or reputational harm and adversely impact our results of operations and financial condition."

Item 2. Properties

Our corporate headquarters, located in Pontiac, Michigan, is comprised of five separately leased buildings with approximately 1.4 million square feet of occupied space, that house substantially all of our operations. In addition, we have two land leases, one providing parking space for our team members and the other an outdoor food court pavilion. We lease the space from entities controlled by Mat Ishbia, our CEO and Jeff Ishbia, a director and our founder. We believe that our corporate headquarters is suitable and adequate to meet the needs of our business.

Item 3. Legal Proceedings

We operate in a heavily regulated industry that is highly sensitive to consumer protection, and we are subject to numerous federal, state and local laws. We are routinely involved in consumer complaints, regulatory actions and legal proceedings in the ordinary course of our business. We are also routinely involved in state regulatory audits and

examinations, and occasionally involved in other governmental proceedings arising in connection with our respective business. The resolution of these matters, including the matters specifically described below, is not currently expected to have a material adverse effect on our financial position, financial performance or cash flows.

On April 23, 2021, a complaint was filed in the U.S. District Court for the Middle District of Florida against the Company and Mat Ishbia, individually by The Okavage Group, LLC ("Okavage") on behalf of itself and all other mortgage brokers who are, or have been clients of UWM and either Fairway Independent Mortgage or Rocket Pro TPO. After the Company and Mat Ishbia filed a motion to dismiss the complaint, Okavage filed a motion for leave to amend its complaint on August 2, 2021, and on August 3, 2021, the Court granted Okavage's motion and ordered the clerk to file Plaintiff's First Amended Class Action Complaint with its corresponding attachments. In its amended complaint, Okavage dropped the Company as a defendant and added UWM as a defendant. Okavage purports to represent the same set of mortgage brokers as in its original complaint and alleges that UWM's new policy to no longer enter into new transactions with Independent Mortgage Brokers who also sold mortgage loans to these two market participants amounted to anticompetitive conduct under federal and Florida antitrust laws. Okavage seeks class certification, treble damages, attorneys' fees and injunctive relief. We UWM filed a renewed motion to dismiss on September 7, 2021. On July 27, 2022, the magistrate judge Magistrate Judge assigned to consider our UWM's motion to dismiss recommended that the amended complaint be dismissed in its entirety without prejudice. In response, Okavage filed a second amended class action complaint on November 8, 2022. On December 14, 2022 March 24, 2023, Okavage filed a motion for leave to file a supplemental complaint, which the court granted on July 18, 2023. On August 14, 2023, UWM and its CEO filed a motion to dismiss the second amended complaint, supplemental class action complaint. While UWM's motion to dismiss is pending before the Court, on February 6, 2024, the Magistrate Judge issued a report and recommendation that UWM's motion be granted and that motion remains pending. the complaint be dismissed on all counts. The plaintiffs have filed objections to the Magistrate's report. We have until March 5, 2024 to file our response to the objections.

On February 3, 2022, UWM filed a complaint against America's Moneyline, Inc. ("AML"), a former client, in the U.S. District Court for the Eastern District of Michigan, seeking monetary damages and injunctive relief. The complaint alleges that AML breached the parties' wholesale broker agreement by submitting mortgage loans and mortgage loan applications to certain select retail lenders. On February 25, 2022, AML filed its answer to the complaint and included certain counterclaims, including fraud and misrepresentation, against UWM. UWM filed a motion to dismiss AML's counterclaims, and on December 12, 2022, the court granted UWM's motion in large part, dismissing all of AML's counterclaims except for its declaratory judgment claim. The case On March 8, 2023, AML filed an amended counterclaim. On April 19, 2023, UWM filed a motion to dismiss the amended counterclaim, and that motion remains pending.

Item 4. Mine Safety Disclosures

Not applicable.

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PART III

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Price and Ticker Symbol

Our Class A common stock and Warrants are currently listed on the NYSE under the symbols "UWMC" and "UWMCWS," respectively. The closing price of the Class A common stock and Warrants as of February 24, 2023 February 23, 2024 was \$4.19 \$6.69 and \$0.17, \$0.23, respectively.

Holders

As of February 24, 2023 February 23, 2024, there were 45 39 holders of record of our Class A common stock and 3 holders of record of our Warrants. Such numbers do not include beneficial owners holding our securities through nominee names. There is no public market for our Class B common stock, Class C common stock, or Class D common stock.

Dividend Policy

We initiated a quarterly dividend on shares of our Class A common stock in the first quarter of 2021. The dividend amount is reviewed each quarter and declared by our Board of Directors quarterly based on a number of factors, including, among other things, our earnings, our financial condition, growth outlook, the capital required to support ongoing growth opportunities and compliance with other internal and external requirements. In connection with the declaration of a dividend on our shares of Class A common stock, the Board, in its capacity as the Manager of Holdings LLC (UWMC's consolidated subsidiary and UWM's direct parent), is required pursuant to the terms of the Holdings LLC Second Amended and Restated Operating Agreement, to determine whether to (a) make distributions from Holdings LLC to only UWMC, as the owner of the Class A Units of Holdings LLC with the proportional amount due to SFS Corp. as the owner of the Class B Units of Holdings LLC, being distributed upon the sooner to occur of (i) the Board making a determination to do so or (ii) the date on which Class B Units of Holdings LLC are converted into shares of Class B common stock of UWMC or (b) make proportional and simultaneous distributions from Holdings LLC to both UWMC, as the owner of the Class A Units of Holdings LLC and to SFS Corp. as the owner of the Class B Units of Holdings LLC.

Share Repurchase Program


On May 9, 2021, the Company's Board of Directors authorized a share repurchase program of up to \$300.0 million in aggregate value of the Company's Class A common stock effective May 11, 2021. The share repurchase program authorizes authorized the Company to repurchase shares of the Company's Class A common stock from time to time, in the open market or through privately negotiated transactions, at management's discretion based on market and business conditions, applicable legal and regulatory requirements as well as other factors. Shares purchased will be were retired. The new plan will expire program expired on May 11, 2023 unless otherwise modified or terminated by the Company's Board of Directors at any time in the Company's sole discretion. pursuant to its terms.

There were no repurchases of the Company's shares of its outstanding Class A common stock during the year ended December 31, 2022. As of December 31, 2022, the remaining amount authorized under the share repurchase program was \$218.4 million. 2023.

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Performance Graph

The graph below compares the cumulative total return for our common stock for the period from the closing of the Business Combination transaction on January 21, 2021 through **December 31, 2022** **December 31, 2023** with the comparable cumulative returns of two indices: the Russell 2000 Index and the Dow Jones US Mortgage Finance Index, which is an industry index comprised of mortgage financing companies. The graph assumes \$100 invested on January 21, 2021 and reflects the cumulative total return on that investment, including the reinvestment of all dividends where applicable, through **December 31, 2022** **December 31, 2023**.

 Stock Performance Graph 2023 v2.jpg

We use January 21, 2021 as our initial measuring point because we completed our business combination with Gores IV on January 21, 2021, the date on which our shares of Class A common stock began trading on the NYSE.

Item 6. Reserved

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following management's discussion and analysis of our financial condition and results of operations should be read in conjunction with, and is qualified in its entirety by reference to, our consolidated financial statements and the related notes and other information included elsewhere in this Annual Report on Form 10-K (the "Form 10-K"). This discussion and analysis contains forward-looking statements that involve risks and uncertainties which could cause our actual results to differ materially from those anticipated in these forward-looking statements, including, but not limited to, risks and uncertainties discussed under the heading "Cautionary Note Regarding Forward-Looking Statements," in this report and in Part I. Item 1A. "Risk Factors" and elsewhere in this Form 10-K.

Business Overview

We are the largest overall residential mortgage lender in the U.S., **by closed loan volume**, despite originating mortgage loans exclusively through the wholesale channel. **For the last nine years, including the year ended December 31, 2023 we have also been the largest wholesale mortgage lender in the U.S. by closed loan volume.** With a culture of continuous innovation of technology and enhanced client experience, we lead our market by building upon our proprietary and exclusively licensed technology platforms, superior service and focused partnership with the independent mortgage broker community. We originate primarily conforming and government loans across all 50 states and the District of Columbia. **For the last eight years, including the year ended December 31, 2022, we have also been the largest wholesale mortgage lender in the U.S. by closed loan volume, with approximately 38% market share of the wholesale channel for the year ended December 31, 2022 (based on the most recent data released by Inside Mortgage Finance).** **Columbia.**

Our mortgage origination business derives revenue from originating, processing and underwriting primarily **Government-sponsored enterprises government-sponsored enterprise** ("GSE") conforming mortgage loans, along with FHA, USDA and VA mortgage loans, which are subsequently pooled and sold in the secondary market. **DuringFor the second quarter year ended December 31, 2023, 93% of 2021, the loans we began selling originated were sold to Fannie Mae or Freddie Mac, or were transferred to Ginnie Mae pools of originated mortgage in the secondary market, while the remainder were primarily jumbo loans through private label securitization transactions, although there that are underwritten to the same "Qualified Mortgage" underwriting standards and have been no a similar risk profile but are sold to third party investors primarily due to loan sales through our private label securitization transactions in 2022. size.** The mortgage origination process generally begins with a borrower entering into an IRLC with us that is arranged by an independent mortgage advisor, pursuant to which we have committed to enter into a mortgage at specified interest rates and terms within a specified period of time with a borrower who has applied for a loan and met certain credit and underwriting criteria. As we have committed to providing a mortgage loan at a specific interest rate, we **generally** hedge that risk by selling forward-settling mortgage-backed securities and FLSCs in the To Be Announced ("TBA") market. When the mortgage loan is closed, we fund the loan with approximately 2-3%, on average, of our own funds and the remainder with funds drawn under one of our warehouse facilities (except when we opt to "self-warehouse" in which case we use our cash to fund the entire loan). **As of December 31, 2022, the self-warehouse amount was \$181.3 million, and our daily average self-warehouse balances were \$185.1 million and \$184.1 million for the years ended December 31, 2022 and 2021, respectively.** At that point, the mortgage loan is legally owned by our warehouse facility lender and is subject to our repurchase right (other than when we self-warehouse). When we have

identified a pool of mortgage loans to sell to the agencies, non-governmental entities, other investors, or through our private label securitization transactions, we repurchase loans not already owned by us from our warehouse lender and sell the pool of mortgage loans into the secondary market, but in most instances retain the mortgage servicing rights, or MSRs, associated with those loans. We currently retain MSRs for a period the majority of time the mortgage servicing rights ("MSRs") associated with our production, but we have, and intend to continue to opportunistically sell MSRs depending on business market conditions. This nimble approach has provided us funding flexibility, and liquidity considerations, reduced legacy MSR asset exposure. When we sell MSRs, we typically sell them in the bulk MSR secondary market.

Our unique model, focusing exclusively on the wholesale channel, results in what we believe to be complete alignment with our clients and superior customer service arising from our investments in people and technology that has driven demand for our services from our clients.

New Accounting Pronouncements Not Yet Effective

See Note 1 – Organization, Basis of Presentation and Summary of Significant Accounting Policies to the consolidated financial statements for details of recently issued accounting pronouncements and their expected impact on the Company's consolidated financial statements.

Components of Revenue

We generate revenue from the following three components of the loan origination business: (i) loan production income, (ii) loan servicing income, and (iii) interest income.

Loan production income. Loan production income includes all components related to the origination and sale of mortgage loans, including:

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- primary gain, which represents the premium we may receive in excess of the loan principal amount adjusted for previous fair value adjustments, and certain fees charged by investors upon sale of loans into the secondary market. When the mortgage loan is sold into the secondary market, any difference between the proceeds received and the current fair value of the loan is recognized in current period earnings;
- loan origination and certain other fees we charge related to originate the origination of a loan, which generally represent flat, per-loan fee amounts;
- provision for representation and warranty obligations, which represent the reserves initially established at the time of sale for our estimated liabilities associated with the potential repurchase or indemnity of purchasers of loans previously sold due to representation and warranty claims by investors. Included within these reserves are amounts for estimated liabilities for requirements to repay a portion of any premium received from investors on the sale of certain loans if such loans are repaid in their entirety within a specified time period after the sale of the loans;
- the change in fair value of IRLCs, FLSCs and recorded loans on the balance sheet, due to changes in estimated fair value, driven primarily by interest rates but also influenced by other assumptions; and
- capitalization of MSRs, representing the estimated fair value of newly originated MSRs when loans are sold and the associated servicing rights are retained.

Compensation earned by our clients, Independent Mortgage Brokers, is included in the cost of the loans we originate, and therefore netted within loan production income.

Loan servicing income. Loan servicing income consists of the contractual fees earned for servicing the loans and includes ancillary revenue such as late fees and modification incentives. Loan servicing income is recorded upon collection of payments from borrowers.

Interest income. Interest income represents interest earned on mortgage loans at fair value.

Components of Operating Expenses

Our operating expenses include salaries, commissions and benefits, direct loan production costs, marketing, travel and entertainment, depreciation and amortization, servicing costs, general and administrative (including professional services, occupancy and equipment), interest expense, and other expense/expense (income) (primarily related to the increase or decrease, respectively, in the fair value of the liability for the Public and Private Warrants, the increase or decrease, respectively, in the

Tax Receivable Agreement liability, and the decrease or increase, respectively, in the fair value of retained investment securities).

Years Ended December 31, 2022 December 31, 2023, 2022 and 2021 Summary

For the year ended December 31, 2023, we originated \$108.3 billion in loans, which was a decrease of \$19.0 billion, or 14.9%, from the \$127.3 billion of originations during the year ended December 31, 2022. We reported a net loss of \$69.8 million during the year ended December 31, 2023, which was a decrease of \$1.0 billion, or 107.5%, compared to net income of \$931.9 million for the year ended December 31, 2022. Adjusted EBITDA for the year ended December 31, 2023 was \$478.3 million as compared to \$282.4 million for the year ended December 31, 2022. Refer to the "Non-GAAP Financial Measures" section below for a detailed discussion of how we define and 2020 Summary calculate Adjusted EBITDA.

For the year ended December 31, 2022, we originated \$127.3 billion in residential mortgage loans, which was a decrease of \$99.2 billion, or 44%, from the year ended December 31, 2021. We generated \$931.9 million of net income during the year ended December 31, 2022, which was a decrease of \$636.5 million, or 40.6%, compared to net income of \$1.57 billion for the year ended December 31, 2021. Adjusted EBITDA for the year ended December 31, 2022 was \$282.4 million as compared to \$1.42 billion for the year ended December 31, 2021. Refer to the "Non-GAAP Financial Measures" section below for a detailed discussion of how we define and calculate Adjusted EBITDA.

For the year ended December 31, 2021, we originated \$226.5 billion in residential mortgage loans, which was an increase of \$44.0 billion, or 24%, from the year ended December 31, 2020. We generated \$1.57 billion of net income during the year ended December 31, 2021, which was a decrease of \$1.81 billion, or 53.6%, compared to net income of \$3.38 billion for the year ended December 31, 2020. Adjusted EBITDA for the year ended December 31, 2021 was \$1.42 billion as compared to \$3.45 billion for the year ended December 31, 2020. Refer to the "Non-GAAP Financial Measures" section below for a detailed discussion of how we define and calculate Adjusted EBITDA.

Non-GAAP Financial Measures

To provide investors with information in addition to our results as determined by U.S. GAAP, we disclose Adjusted EBITDA as a non-GAAP measure, which our management believes provides useful information on our performance to investors. This measure is not a measurement of our financial performance under U.S. GAAP, and it may not be comparable to a similarly titled measure reported by other companies. Adjusted EBITDA has limitations as an analytical tool, and it should not

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be considered in isolation or as an alternative to revenue, net income or any other performance measures derived in accordance with U.S. GAAP or as an alternative to cash flows from operating activities as a measure of our liquidity.

We define Adjusted EBITDA as earnings before interest expense on non-funding debt, provision for income taxes, depreciation and amortization, stock-based compensation expense, the change in fair value of MSRs due to valuation inputs or assumptions, (for periods subsequent to the election of the fair value method accounting for MSRs - see Note 1 to the consolidated financial statements), and the impairment or recovery of MSRs (for periods prior to the election of the fair value method of accounting for MSRs), the impact of non-cash deferred compensation expense, the change in fair value of the Public and Private Warrants, the change in the Tax Receivable Agreement liability, and the change in fair value of retained investment securities. We exclude the change in the Tax Receivable Agreement liability, the change in fair value of the Public and Private Warrants, the change in fair value of retained investment securities, and the change in fair value of MSRs due to valuation inputs or assumptions or impairment or recovery of MSRs prior to the election of the fair value method of accounting for MSRs, as these represent non-cash, non-realized adjustments to our earnings, which is not indicative of our performance or results of operations. Adjusted EBITDA includes interest expense on funding facilities, which are recorded as a component of interest expense, as these expenses are a direct operating expense driven by loan origination volume. By contrast, interest expense on non-funding debt is a function of our capital structure and is therefore excluded from Adjusted EBITDA. Non-funding debt includes the Company's senior notes, lines of credit, borrowings against investment securities, equipment notes payable, and finance leases.

We use Adjusted EBITDA to evaluate our operating performance, and it is one of the measures used by our management for planning and forecasting future periods. We believe the presentation of Adjusted EBITDA is relevant and useful for investors because it allows investors to view results in a manner similar to the method used by our management and may make it easier to compare our results with other companies that have different financing and capital structures.

The following table presents a reconciliation of net income (loss), the most directly comparable U.S. GAAP financial measure, to Adjusted EBITDA:

(\$ in thousands)	For the year ended December 31,		
	2022	2021	2020
Net income	\$ 931,858	\$ 1,568,400	\$ 3,382,510
Interest expense on non-funding debt	132,647	86,086	28,062
Provision for income taxes	2,811	9,841	2,450
Depreciation and amortization	45,235	35,098	16,820
Stock-based compensation expense	7,545	6,467	—
Change in fair value of MSRs due to valuation inputs or assumptions ⁽¹⁾	(868,803)	(286,348)	—
(Recovery)/Impairment of MSRs ⁽²⁾	—	—	19,584
Deferred compensation, net ⁽³⁾	7,370	21,900	4,665
Change in fair value of Public and Private Warrants ⁽⁴⁾	(7,683)	(36,105)	—
Change in Tax Receivable Agreement liability ⁽⁵⁾	3,200	11,937	—
Change in fair value of investment securities ⁽⁶⁾	28,222	1,061	—
Adjusted EBITDA	\$ 282,402	\$ 1,418,337	\$ 3,454,091

(\$ in thousands)	For the year ended December 31,		
	2023	2022	2021
Net income (loss)	\$ (69,782)	\$ 931,858	\$ 1,568,400
Interest expense on non-funding debt	172,498	132,647	86,086
Provision (benefit) for income taxes	(6,511)	2,811	9,841
Depreciation and amortization	46,146	45,235	35,098
Stock-based compensation expense	13,832	7,545	6,467
Change in fair value of MSRs due to valuation inputs or assumptions ⁽¹⁾	330,031	(868,803)	(286,348)
Deferred compensation, net ⁽²⁾	(7,938)	7,370	21,900
Change in fair value of Public and Private Warrants ⁽³⁾	6,060	(7,683)	(36,105)
Change in Tax Receivable Agreement liability ⁽⁴⁾	(1,575)	3,200	11,937
Change in fair value of investment securities ⁽⁵⁾	(4,491)	28,222	1,061
Adjusted EBITDA	\$ 478,270	\$ 282,402	\$ 1,418,337

- (1) Reflects the change ((increase)/decrease) in fair value of MSRs due to changes in valuation inputs or assumptions, including discount rates and prepayment speed assumptions, primarily due to changes in market interest rates. Refer to *Note 5 - Mortgage Servicing Rights* to the consolidated financial statements.
- (2) Reflects temporary impairments recorded as a valuation allowance against the value of MSRs, and corresponding subsequent recoveries.
- (3) Reflects management incentive bonuses under our long-term incentive plan that are accrued when earned, net of cash payments.
- (4) (3) Reflects the change (increase/(decrease)) in the fair value of the Public and Private Warrants.
- (5) (4) Reflects the change (increase/(decrease)) in the Tax Receivable Agreement liability. Refer to *Note 1 - Organization, Basis of Presentation and Summary of Significant Accounting Policies* to the consolidated financial statements for additional information related to the Tax Receivable Agreement.
- (6) (5) Reflects the change (decrease/(increase)) in the fair value of the retained investment securities.

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Results of Operations for the Years Ended December 31, 2022 December 31, 2021 2022 and 2020 2021

		For the year ended December 31,				
		For the year ended December 31,				
		For the year ended December 31,				
		For the year ended December 31,				
(\$ in thousands)	(\$ in thousands)	2022	2021	2020	(\$ in thousands)	2023
Revenue	Revenue					
Loan production income	Loan production income	\$ 981,988	\$2,585,807	\$4,551,415		
Loan servicing income	Loan servicing income	792,072	638,738	288,304		
Change in fair value of mortgage servicing rights	Change in fair value of mortgage servicing rights	284,104	(587,813)	—		
Gain on sale of mortgage servicing rights	Gain on sale of mortgage servicing rights	—	1,791	(62,285)		

Interest income	Interest income	314,462	331,770	161,160
Total revenue, net	Total revenue, net	2,372,626	2,970,293	4,938,594
Expenses	Expenses			
Salaries, commissions and benefits	Salaries, commissions and benefits	552,886	697,680	552,143
Salaries, commissions and benefits				
Salaries, commissions and benefits				
Direct loan production costs	Direct loan production costs	90,369	72,952	54,459
Marketing, travel, and entertainment	Marketing, travel, and entertainment	74,168	62,472	20,367
Depreciation and amortization	Depreciation and amortization	45,235	35,098	16,820
General and administrative	General and administrative	179,549	133,334	98,856
Servicing costs	Servicing costs	166,024	108,967	70,835
Amortization, impairment and pay-offs of mortgage servicing rights		—	—	573,118
Interest expense	Interest expense	305,987	304,656	167,036
Other expense/(income)		23,739	(23,107)	—
Interest expense				
Interest expense				
Other expense (income)				
Total expenses	Total expenses	1,437,957	1,392,052	1,553,634
Earnings before income taxes		934,669	1,578,241	3,384,960
Provision for income taxes		2,811	9,841	2,450
Net income		931,858	1,568,400	3,382,510
Net income attributable to non-controlling interest		890,143	1,469,955	N/A
Net income attributable to UWM Holdings Corporation		\$ 41,715	\$ 98,445	N/A

Earnings (loss) before income taxes
Provision (benefit) for income taxes
Net income (loss)

Net income
(loss)
attributable
to non-
controlling
interest
Net income
(loss)
attributable
to UWM
Holdings
Corporation

Loan production income

The table below provides details of the composition of our loan production for each of the periods presented:

Loan Production Data: (\$ in thousands)	For the year ended December 31,		
	2023	2022	2021
Loan origination volume by type			
Purchase:			
Conventional	\$ 58,833,673	\$ 62,274,030	\$ 63,026,794
Government	29,640,141	23,773,422	14,833,808
Jumbo and other ⁽¹⁾	5,381,530	4,782,879	9,395,143
Total purchase	\$ 93,855,344	\$ 90,830,331	\$ 87,255,745
Refinance:			
Conventional	\$ 7,082,401	\$ 27,059,252	\$ 120,152,065
Government	5,189,598	7,834,636	12,034,583
Jumbo and other ⁽¹⁾	2,148,540	1,561,242	7,061,299
Total refinance	14,420,539	36,455,130	139,247,947
Total loan origination volume	\$ 108,275,883	\$ 127,285,461	\$ 226,503,692
Portfolio metrics			
Average loan amount	\$ 368	\$ 365	\$ 346
Weighted average loan-to-value ratio	82.89 %	79.67 %	71.68 %
Weighted average credit score	737	738	750
Weighted average note rate	6.65 %	4.82 %	2.90 %
Percentage of loans sold			
To GSEs	93 %	94 %	90 %
To other counterparties	7 %	6 %	10 %
Servicing-retained	95 %	97 %	99 %
Servicing-released	5 %	3 %	1 %
⁽¹⁾ Comprised of non-agency jumbo products and non-qualified mortgage products, including home equity lines of credit ("HELOCs") (which in many instances are second liens) and construction loans.			

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Loan production income

The table below provides details of the composition of our loan production for each of the periods presented:

Loan Production Data:	For the year ended December 31,		

(\$ in thousands)		2022	2021	2020
Loan origination volume by type				
Purchase:				
Conventional	\$	62,274,030	\$ 63,026,794	\$ 33,717,939
Government		23,773,422	14,833,808	8,619,874
Jumbo and other		4,782,879	9,395,143	583,299
Total purchase	\$	90,830,331	\$ 87,255,745	\$ 42,921,112
Refinance:				
Conventional	\$	27,059,252	\$ 120,152,065	\$ 119,807,647
Government		7,834,636	12,034,583	18,921,473
Jumbo and other		1,561,242	7,061,299	897,409
Total refinance		36,455,130	139,247,947	139,626,529
Total loan origination volume	\$	127,285,461	\$ 226,503,692	\$ 182,547,641
Portfolio metrics				
Average loan amount	\$	365	\$ 346	\$ 325
Weighted average loan-to-value ratio		79.67 %	71.68 %	71.01 %
Weighted average credit score		738	750	758
Weighted average note rate		4.82 %	2.90 %	3.01 %
Percentage of loans sold				
To GSEs		94 %	90 %	99 %
To other counterparties		6 %	10 %	1 %
Servicing-retained		97 %	99 %	100 %
Servicing-released		3 %	1 %	— %

The components of loan production income for the periods presented were as follows:

		For the year ended December 31,		Change	Change		
					%		
		For the year ended December 31,					
		For the year ended December 31,					
		For the year ended December 31,					
(\$ in thousands)	(\$ in thousands)	2022	2021	Change		Change	
Primary gain (loss)		\$ (1,479,762)	\$ (244,134)	Change	(\$ 1,235,628)	%	506.1 %
Primary loss							
Primary loss							
Primary loss							
Loan origination fees	Loan origination fees	278,594	477,759	(199,165)	(41.7) %	Loan origination fees	284,185
Provision for representation and warranty obligations	Provision for representation and warranty obligations	(30,416)	(45,301)	14,885	(32.9) %	Provision for representation and warranty obligations	(38,676)
Capitalization of MSRs	Capitalization of MSRs	2,213,572	2,397,483	(183,911)	(7.7) %	Capitalization of MSRs	2,269,378
Loan production income	Loan production income	\$ 981,988	\$ 2,585,807	\$ (1,603,819)	(62.0) %	Loan production income	\$ 1,000,547
Gain margin ⁽¹⁾	Gain margin ⁽¹⁾	0.77 %	1.14 %	(0.37) %			
Gain margin ⁽¹⁾							
Gain margin ⁽¹⁾							
		For the year ended December 31,					
		For the year ended December 31,		Change	Change		

as compared to the same period in 2021, primarily due to lower refinance volume as a result of the higher primary mortgage interest rate environment during 2022, partially offset by an increase in purchase volume despite the higher interest rate environment and an overall decline in purchase volume for the industry. The decrease in gain margin from the prior year period was primarily due to an increase in primary loss due to the increasing interest rate and the competitive mortgage pricing environments in 2022, impacted by a pricing initiative launched by UWM in the second half of 2022 aimed at long-term growth of the wholesale channel and our market share. Management believes that the pricing initiative has been successful, as evidenced by the Company becoming the largest residential mortgage lender in the country for the second half of 2022 and the increased market share of the wholesale channel, are.

Loan production income was \$2.59 billion for the year ended December 31, 2021, a decrease of \$1.97 billion, or 43.2%, as compared to \$4.55 billion for the year ended December 31, 2020. The decrease in loan production income was primarily driven by a decrease of 135 basis points in gain margin, from 249 basis points during the year ended December 31, 2020 to 114 basis points for the same period in 2021. The decrease in gain margin was due to a decline in the primary/secondary mortgage interest rate spread, driven by a rising interest rate environment in 2021 as well as increased marketplace competition. The effects of the decrease in gain margin were partially offset by an increase of \$44.0 billion, or 24%, in loan production volume (from \$182.5 billion to \$226.5 billion) during the year ended December 31, 2021, as compared to the same period in 2020.

Loan servicing income and Servicing costs

The table below summarizes loan servicing income and servicing costs for each of the periods presented (servicing costs include amounts paid to sub-servicers and other direct costs of servicing, but exclude the costs of team members that oversee UWM's servicing operations):

		For the year ended December 31,		Change \$	Change %										
		For the year ended December 31,													
		For the year ended December 31,													
		For the year ended December 31,													
(\$ in thousands)	(\$ in thousands)	2022	2021	Change \$	Change %			Change \$		Change %		Change \$		Change %	
Contractual servicing fees															
Contractual servicing fees															
Contractual servicing fees	Contractual servicing fees	\$781,109	\$632,276	\$148,833	23.5 %	\$803,750	\$	\$781,109	\$	\$22,641	2.9	\$	2.9	%	
Late, ancillary and other fees	Late, ancillary and other fees	10,963	6,462	4,501	69.7 %	14,953	10,963	10,963	3,990	3,990	36.4				3
Loan servicing income	Loan servicing income	\$792,072	\$638,738	\$153,334	24.0 %	\$818,703	\$	\$792,072	\$	\$26,631	3.4			3.4	
Servicing costs	Servicing costs	166,024	108,967	57,057	52.4 %										
Servicing costs						131,792		166,024		(34,232)	(20.6) %				
		For the year ended December 31,													
		For the year ended December 31,		Change \$	Change %										
		For the year ended December 31,													
		For the year ended December 31,													
(\$ in thousands)	(\$ in thousands)	2021	2020	Change \$	Change %			Change \$		Change %				Change %	

[illegible]

Loan servicing income was \$818.7 million for the year ended December 31, 2023, an increase of \$26.6 million, or 3.4%, as compared to \$792.1 million for the year ended December 31, 2022. The increase in loan servicing income during the year ended December 31, 2023 was primarily driven by higher average servicing fees, partially offset by a decline in the average servicing portfolio.

Loan servicing income was \$792.1 million for the year ended December 31, 2022, an increase of \$153.3 million, or 24.0%, as compared to \$638.7 million for the year ended December 31, 2021. The increase in loan servicing income during the year ended December 31, 2022 was primarily driven by the increased average servicing portfolio.

Loan servicing income was \$638.7 million for the year ended December 31, 2021, an increase of \$350.4 million, or 121.6%, as compared to \$288.3 million for the year ended December 31, 2020. The increase in loan servicing income during

the year ended December 31, 2021 was driven by the growing servicing portfolio as a result **As** of the additional origination volume, offset slightly by one bulk sale of MSRs in 2021 (total UPB of \$22.7 billion).

Servicing costs increased \$38.1 million during the year ended December 31, 2021 as compared to the same period in prior year due to the increase in the servicing portfolio, partially offset by gains in 2021 from the repurchase, modification and re-delivery of Ginnie Mae loans eligible for repurchase.

For the periods **dates** presented below, our loan servicing portfolio **of loans serviced for others** consisted of the following:

(\$ in thousands)	(\$ in thousands)	December 31, 2022	December 31, 2021	(\$ in thousands)	December 31, 2023	December 31, 2022
UPB of loans serviced	UPB of loans serviced	312,454,025	319,807,457	UPB of loans serviced	\$ 299,456,189	\$ 312,454,025
Number of loans serviced	Number of loans serviced	967,050	1,017,027	Number of loans serviced	905,129	967,050
MSR portfolio delinquency count (60+ days) as % of total	MSR portfolio delinquency count (60+ days) as % of total	0.85 %	0.81 %	MSR portfolio delinquency count (60+ days) as % of total	1.15 %	0.85 %
Weighted average note rate	Weighted average note rate	3.64 %	2.94 %	Weighted average note rate	4.43 %	3.64 %
Weighted average service fee	Weighted average service fee	0.2862 %	0.2624 %	Weighted average service fee	0.3029 %	0.2862 %

Change in Fair Value of Mortgage Servicing Rights

The change in fair value of MSRs was a net **decrease** of \$854.1 million for the year ended December 31, 2023 as compared with a net increase of \$284.1 million for the year ended December 31, 2022 **as compared with a**. The net decrease **in fair value** of **\$587.8 million MSRs**

for the year ended **December 31, 2021**. **December 31, 2023** was primarily attributable to a decline in fair value of approximately \$484.8 million due to realization of cash flows, decay, and other (including loans paid in full), a decline in fair value of approximately \$330.0 million due to changes in valuation inputs and assumptions, mainly as a result of changes in market interest rates, and approximately \$39.3 million of net reserves and transaction costs for bulk MSR sales and sales of excess servicing cash flows.

The **change net increase** in fair value for the year ended December 31, 2022 of approximately \$284.1 million was **primarily** attributable to an increase **in fair value** of approximately \$868.8 million **due to resulting from** changes in valuation **inputs/ inputs and** assumptions, **mainly as a result of higher** **primarily due to increases in market** interest rates, partially offset by **a decline in fair value declines** of approximately \$556.9 million due to realization of cash flows, **decay, and decay** other (including loans paid in full) and approximately \$27.8 million of net reserves and transaction costs for bulk MSR sales.

The net decrease in fair value for the year ended December 31, 2021 of approximately \$587.8 million was attributable to declines of approximately \$859.3 million due to realization of cash flows and decay (including loans paid in full) and approximately \$14.9 million of net reserves and transaction costs for bulk MSR sales, offset by an increase of approximately \$286.3 million resulting from changes in valuation inputs/assumptions, such as changes in interest rates.

Interest income and Interest expense

For the periods presented below, interest income and the components of and total interest expense were as follows:

					For the year ended December 31,			
					For the year ended December 31,			
					For the year ended December 31,			
(\$ in thousands)	(\$ in thousands)	December 31, 2022	December 31, 2021	December 31, 2020	(\$ in thousands)	2023	2022	2021
Interest income	Interest income	\$314,462	\$ 331,770	\$ 161,160				

Less:	Less:			
Interest	Interest			
expense on	expense on			
funding	funding			
facilities	facilities	173,340	218,570	138,974
Net	Net			
interest	interest			
income	income	\$ 141,122	\$ 113,200	\$ 22,186
Interest	Interest			
expense on	expense on			
non-funding	non-funding			
debt	debt	\$132,647	\$ 86,086	\$ 28,062
Interest expense on non-funding debt				
Interest expense on non-funding debt				
Total	Total			
interest	interest			
expense	expense	305,987	304,656	167,036

Net interest income (interest income less interest expense on funding facilities) was \$198.5 million for the year ended December 31, 2023, an increase of \$57.3 million, or 41%, as compared to \$141.1 million for the year ended December 31, 2022, as a result of an increase in interest income along with a decrease in interest expense on funding facilities. Interest income increased due to higher average note rates on mortgage loans at fair value, partially offset by lower average balances of mortgage loans at fair value. Interest expense on funding facilities decreased due to lower average warehouse balances and higher credits from warehouse lenders on custodial and other deposits, partially offset by higher interest rates on warehouse facilities (all of which are variable based on short-term interest rate benchmarks plus a spread).

Interest expense on non-funding debt was \$172.5 million for the year ended December 31, 2023, an increase from \$132.6 million for the year ended December 31, 2022, primarily due to interest on borrowings on the MSR Facility established at the end of the third quarter of 2022, as well as interest on borrowings on the GNMA MSR facility established during first quarter 2023.

Net interest income (interest income less interest expense on funding facilities) was \$141.1 million for the year December 31, 2022, an increase of \$27.9 million, or 25%, as compared to \$113.2 million for the year ended December 31, 2021. This increase was primarily driven by a decrease in interest expense on funding facilities, due to lower average warehouse borrowing balances (due to lower production volume in 2022) and higher escrow credits provided by from warehouse lenders on custodial and other deposits, offset by higher interest rates on warehouse facilities (all of which are variable based on variable short-term interest rate benchmarks plus a spread). Interest income decreased by a lesser amount due to decreases in the average balances of mortgage loans at fair value (due to lower production volume in 2022), offset by higher average note rates on loans at fair value.

Interest expense on non-funding debt was \$132.6 million for the year December 31, 2022, an increase from \$86.1 million for the year ended December 31, 2021, due to additional interest in 2022 on the \$700.0 million of 2029 Senior Notes issued in April 2021, and the \$500.0 million of 2027 Senior Notes issued in November 2021, as well as interest on borrowings on the the MSR Facility established at the end of the third quarter of 2022.

Net interest income was \$113.2 million for the year ended December 31, 2021, an increase of \$91.0 million as compared to \$22.2 million for the year ended December 31, 2020. This increase was primarily driven by increased interest

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income due to increased loan production and longer loan hold times for certain loans during the fourth quarter, which increased our average balances of loans at fair value, partially offset by a slight decline in average loan interest rates. This was partially offset by higher interest expense on warehouse facilities resulting from increased loan production and longer loan hold times during 2021.

Interest expense on non-funding debt was \$86.1 million for the year December 31, 2021, an increase from \$28.1 million for the year ended December 31, 2020. The increase was primarily due to additional interest in 2021 on the \$800.0 million of 2025 Senior Notes issued in November of 2020, \$700.0 million of 2029 Senior Notes issued in April 2021, and \$500.0 million of 2027 Senior Notes issued in November 2021, offset slightly by lower interest on the operating lines of credit which were paid off and terminated in early 2021.

Other costs

Other expenses

Other expenses costs (excluding servicing costs and interest expense, explained above) for the periods presented below were as follows:

For the year ended December 31,												
	For the year ended December 31,				Change	Change						
	2022	2021	\$	%								
For the year ended December 31,												
For the year ended December 31,												
2023												
						Change \$						
						C						
Salaries, commissions and benefits												
Salaries, commissions and benefits												
Salaries, commissions and benefits	Salaries, commissions and benefits	\$ 552,886	\$ 697,680	\$(144,794)	(20.8)%	\$530,231	\$	\$552,886	\$	\$(22,655)	(4.1)%	
Direct loan production costs	Direct loan production costs	90,369	72,952	17,417	23.9 %	104,262	90,369	90,369	13,893	13,893		
Marketing, travel, and entertainment	Marketing, travel, and entertainment	74,168	62,472	11,696	18.7 %	84,515	74,168	74,168	10,347	10,347		
Depreciation and amortization	Depreciation and amortization	45,235	35,098	10,137	28.9 %	46,146	45,235	45,235	911	911		
General and administrative	General and administrative	179,549	133,334	46,215	34.7 %	170,423	179,549	179,549	(9,126)	(9,126)		
Other expense/(income)		23,739	(23,107)	46,846	(202.7)%							
Other expenses		\$ 965,946	\$ 978,429	\$ (12,483)	(1.3)%							
Other expense (income)												
Other expense (income)												
	For the year ended December 31,				Change	Change						
Other expense (income)					\$	%	(5)	23,739	(23,744)			
Other costs						Other costs	\$935,572	\$965,946	\$(30,374)			
	2021	2020										
	For the year ended December 31,				Change	Change						
					\$	%						
For the year ended December 31,												
For the year ended December 31,												
2022												
						Change \$						
						C						
Salaries, commissions and benefits												
Salaries, commissions and benefits												
Salaries, commissions and benefits	Salaries, commissions and benefits	\$ 697,680	\$ 552,143	\$ 145,537	26.4 %	\$552,886	\$	\$697,680	\$	\$(144,794)	(20.8)%	

Direct loan production costs	Direct loan production costs	72,952	54,459	18,493	34.0 %	Direct loan production costs	90,369	72,952	72,952	17,417	17,417
Marketing, travel, and entertainment	Marketing, travel, and entertainment	62,472	20,367	42,105	206.7 %	Marketing, travel, and entertainment	74,168	62,472	62,472	11,696	11,696
Depreciation and amortization	Depreciation and amortization	35,098	16,820	18,278	108.7 %	Depreciation and amortization	45,235	35,098	35,098	10,137	10,137
General and administrative	General and administrative	133,334	98,856	34,478	34.9 %	General and administrative	179,549	133,334	133,334	46,215	46,215
Amortization, impairment and pay-offs of mortgage servicing rights		—	573,118	(573,118)	(100.0)%						
Other (income)/expense		(23,107)	—	(23,107)	— %						
Other expenses		\$ 978,429	\$1,315,763	\$(337,334)	(25.6)%						
Other expense (income)											
Other expense (income)											
Other expense (income)							23,739		(23,107)		46,846
Other costs	Other costs						\$965,946		\$978,429		\$(12,483)

Other costs were \$935.6 million for the year ended December 31, 2023, a decrease of \$30.4 million, or 3.1%, as compared to \$965.9 million for the year ended December 31, 2022. The decrease in other costs was primarily due to a decrease in other expense of \$23.7 million as a result of the change in fair value of retained investment securities and a decrease in TRA expense, partially offset by the change in fair value of the Public and Private Warrants. The decrease in salaries, commissions and benefits of \$22.7 million, or 4.1%, was primarily due to a decrease in average team member count and lower incentive compensation as a result of lower production and profitability. The decrease in general and administrative expense of \$9.1 million was primarily due to a decrease in representations and warranties reserve adjustments and aged receivable provisions, partially offset by an increase in occupancy and equipment expenses. These decreases were partially offset by an increase in direct loan production costs of \$13.9 million primarily due to costs associated with grants under a down payment assistance program that launched in 2023 and increased title recording fees, as well as an increase in marketing, travel and entertainment expenses of \$10.3 million from our continued investment in our broker relationships through broker visits and training programs.

Other costs were \$965.9 million for the year ended December 31, 2022, a decrease of \$12.5 million, or 1.3%, as compared to \$978.4 million for the year ended December 31, 2021. The decrease in other expenses costs was primarily due to a decrease in salaries, commissions and benefits of \$144.8 million, or 20.8%, due to decreases in incentive compensation (primarily bonuses and commissions) attributable to decreased loan production and a decrease in the average number of team members. The decrease in salaries, commissions and benefits was partially offset by an increase in other expense of \$46.8 million, primarily due to a decline in fair value of retained investment securities and a smaller decline in the fair value of the Public and Private Warrants. Additionally, general and administrative expenses increased \$46.2 million, primarily as a result of a reduction of a contingency reserve which was recorded in the year ended December 31, 2021, and an increase in the representations and warranties reserve recorded in the year ended December 31, 2022 resulting from changes in estimates. Direct loan production costs increased \$17.4 million primarily due to a change in presentation whereby certain loan origination fees are being presented on a gross basis (within loan production income and direct loan production costs) beginning in the fourth quarter of 2021, offset by a decrease in production volume. Marketing, travel and entertainment expenses increased \$11.7 million due to increased broker promotions, advertising and brand marketing costs.

Other expenses were \$978.4 million for the year ended December 31, 2021, a decrease of \$337.3 million, or 25.6%, as compared to \$1.32 billion for the year ended December 31, 2020. Effective January 1, 2021, we made an election to account for all classes of MSRs using the fair value method. Under this new accounting policy for MSRs, the change in fair value of MSRs is reported as part of total revenue, net, and MSRs are no longer amortized and subject to periodic impairment testing. Therefore, there is no similar amount recorded for the amortization, impairment and pay-offs of MSRs for the year ended

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December 31, 2021, as compared to amortization, impairment and pay-offs of MSRs of \$573.1 million for the year ended December 31, 2020.

Excluding the \$573.1 million of amortization, impairment and pay-offs of MSRs in 2020, total other expenses increased by \$235.8 million for the year ended December 31, 2021 compared to the year ended December 31, 2020. The increase was primarily due to an increase in salaries, commissions and benefits of \$145.5 million, or 26.4%, for the year ended December 31, 2021 as compared to the prior year, primarily due to an increase in the average number of team members to support our growth and increased loan production in 2021. Marketing, travel and entertainment increased \$42.1 million during the year ended December 31, 2021 as compared to the same period in the prior year, which was primarily attributable to increased advertising costs and brand marketing. In addition, the Company recorded \$23.1 million of other income for the year ended December 31, 2021 which represents a \$36.1 million decrease in the fair value of the liability for the Public and Private Warrants from the closing date of the business combination transaction through December 31, 2021, partially offset by an increase of \$11.9 million in the Tax Receivable Agreement liability resulting from sales of MSRs and the valuation of certain intangible assets for tax purposes in connection with the business combination transaction, and a \$1.1 million decrease in the fair value of the retained investment securities.

Income Taxes

We recorded a \$2.8 million provision \$6.5 million benefit for income taxes during the year ended December 31, 2022 December 31, 2023, compared to a provision for income taxes of \$2.8 million for the year ended December 31, 2022 and \$9.8 million for the year ended December 31, 2021 and \$2.5 million for the year ended December 31, 2020. The decrease in income tax provision for the year ended December 31, 2023, as compared to the same period in 2022, was primarily due to the decrease in pre-tax income attributable to the Company. The decrease in income tax provision for the year ended December 31, 2022, as compared to the same period in 2021, was primarily due to the decrease in pre-tax income attributable to the Company. The increase in the provision for

Net income taxes (loss)

Net loss was \$69.8 million for the year ended December 31, 2021 December 31, 2023, a decrease of \$1.0 billion or 107.5%, as compared to net income of \$931.9 million for the same period year ended December 31, 2022. The decrease in 2020, net income was primarily due to the change result of a decrease in the Company's tax status upon completion total revenue, net of the business combination transaction. The variations between the Company's effective tax rate and the U.S. statutory rate \$1.06 billion, partially offset by a decrease in 2022 and 2021 are primarily due to the portion (approximately 94%) total expenses (including income taxes) of the Company's earnings attributable to non-controlling interests, and the fact that the Company's interest in Holdings LLC was acquired \$59.7 million, as part of the business combination transaction on January 21, 2021. The effective tax rate calculation for 2021 includes income only from January 21, 2021 to December 31, 2021, which represents the period in which the Company had an ownership interest in Holdings LLC.

Net income further described above.

Net income was \$931.9 million for the year ended December 31, 2022, a decrease of \$636.5 million or 40.6%, as compared to \$1.57 billion for the year ended December 31, 2021. The decrease in net income was primarily the result of a decrease in total revenue, net of \$597.7 million, and an increase in total expenses (including income taxes) of \$38.9 million, as further described above.

Net income was \$1.57 billion for loss attributable to the year ended December 31, 2021, a decrease Company of \$1.81 billion or 53.6%, as compared to \$3.38 billion for the year ended December 31, 2020. The decrease was primarily the result of the decrease in total revenue, \$13.2 million and net of \$1.97 billion, partially offset by a decrease in total expenses of \$161.6 million, as further described above.

Net income attributable to the Company of \$41.7 million for the year years ended December 31, 2022 reflects December 31, 2023 and 2022, respectively, includes the net income (loss) of UWM attributable to the Company due to its approximate 6% ownership interest in Holdings LLC for this period. these periods. Net income attributable to the Company of \$98.4 million for the year ended December 31, 2021 reflects the net income of UWM attributable to the Company due to its approximate 6% ownership interest in Holdings LLC for the period from January 21, 2021 through December 31, 2021.

Liquidity and Capital Resources

Overview

Historically, our primary sources of liquidity have included:

- borrowings including under our warehouse facilities and other financing facilities;
- cash flow from operations and investing activities, including:
 - sale or securitization of loans into the secondary market;
 - loan origination fees;

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- servicing fee income;
- interest income on mortgage loans; and
- sale of MSRs. MSRs and excess servicing cash flows.

Historically, our primary uses of funds have included:

- origination of loans;
- retention of MSRs from our loan sales;
- payment of interest expense;
- payment of operating expenses; and
- dividends on, and repurchases of, our Class A common stock and distributions to SFS Corp., including tax distributions

Our consolidated subsidiary, Holdings LLC, is generally required from time to time to make distributions in cash to SFS Corp. (as well as distributions to UWMC) in amounts sufficient to cover the taxes on its allocable share of the taxable income of Holdings LLC. We are also subject to contingencies which may have a significant impact on the use of our cash.

To originate and aggregate loans for sale or securitization into the secondary market, we use our own working capital and borrow or obtain funding on a short-term basis primarily through uncommitted and committed warehouse facilities that we have established with large global banks, regional or specialized banks and certain agencies.

We continually evaluate our capital structure and capital resources to optimize our leverage and profitability and take advantage of market opportunities. As part of such evaluation, we regularly review our levels of secured and unsecured indebtedness and available equity, our strategic investments, including technology and growth of the wholesale channel, the availability or desirability of growth through the acquisition of other companies or other mortgage portfolios, the repurchase or redemption of our outstanding indebtedness, or repurchases of our common stock or common stock derivatives.

Recent Developments

In accordance with the National Housing Act (NHA), as amended by the Housing and Economic Recovery Act of 2008, the FHA and FHFA are required to annually set single family forward mortgage loan limits based on median house prices. To allow our Independent Mortgage Brokers to provide borrowers with higher loan amounts with better pricing, in anticipation of the increase for 2023, we raised the loan limits on conforming loans that we originate to \$715,000 effective September 7, 2022. We adopted a similar strategy in 2021 with respect to the increased loan limits for 2022. As a result of our early adoption of the higher loan size limits, we held conforming loans originated with principal balances between \$625,000 (the 2022 cap) and \$715,000 through January 2023 when these loans were sold to the GSEs. As a result of this strategy, our outstanding loan balances and the amounts outstanding under our warehouse lines materially increased through the fourth quarter of 2022 (as they did in the fourth quarter of 2021). However, these balances and amounts returned to more normalized levels when the loans accumulated during the fourth quarters of 2022 and 2021 were sold to the GSEs in early 2023 and 2022, respectively.

Loan Funding Facilities

Warehouse facilities

Our warehouse facilities, which are our primary loan funding facilities used to fund the origination of our mortgage loans, are primarily in the form of master repurchase agreements. Loans financed under these facilities are generally financed, on average, at approximately 97% to 98% of the principal balance of the loan, which requires us to fund the remaining 2-3% of the unpaid principal balance from cash generated from our operations. Once closed, the underlying residential mortgage loan is pledged as collateral for the borrowing or advance that was made under these loan funding facilities. In most cases, the loans we originate will remain in one of our warehouse facilities for less than one month, until the loans are pooled and sold. During the time we hold the loans pending pending sale, we earn interest income from the borrower on the underlying underlying mortgage loan note. This income is partially offset by the interest and fees we have to pay under the warehouse facilities. Interest rates under the warehouse facilities are typically based on a reference interest rate benchmark plus a spread. As of December 31, 2022 December 31, 2023, eleven all of our warehouse facility agreements had been amended to change the reference interest rate from LIBOR to variants of SOFR or other alternative index. We expect the remaining warehouse facilities to transition from LIBOR to a different reference interest rate at some point in 2023 due to the pending discontinuation of LIBOR.

When we sell or securitize a pool of loans, the proceeds we receive from the sale or securitization of the loans are used to pay back the amounts we owe on the warehouse facilities. The remaining funds received then become available to be re-

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advanced re-advanced to originate additional loans. We are dependent on the cash generated from the sale or securitization of loans to fund future loans and repay borrowings under our warehouse facilities. Delays or failures to sell or securitize loans in the secondary market could have an adverse effect on our liquidity position.

From a cash flow perspective, the vast majority of cash received from mortgage originations occurs at the point the loans are sold or securitized into the secondary market. The vast majority of servicing fee income relates to the retained servicing fee on the loans, where cash is received monthly over the life of the loan and is typically a product of the borrowers' current unpaid principal balance multiplied by the weighted average service fee. For a given mortgage loan, servicing revenue from the retained servicing fee declines over time as the principal balance of the loan is reduced.

The amount of financing advanced to us under our warehouse facilities, as determined by agreed upon advance rates, may be less than the stated advance rate depending, in part, on the fair value of the mortgage loans securing the financings and premium we pay the broker. Each of our warehouse facilities allows the bank extending the advances to evaluate regularly the market value of the underlying loans that are serving as collateral. If a bank determines that the value of the collateral has decreased, the bank can require us to provide additional collateral (e.g., initiate a margin call) or reduce the amount outstanding with respect to the corresponding loan. Our inability to satisfy the request could result in the termination of the facility and, depending on the terms of our agreements, possibly result in a default being declared under our other warehouse facilities.

Warehouse lenders generally conduct daily evaluations of the adequacy of the underlying collateral for the warehouse loans based on the fair value of the mortgage loans. As the loans are generally financed at 97% to 98% of principal balance and our loans are typically outstanding on warehouse lines for short periods (e.g., less than one month), significant increases in market interest rates would be required for us to experience margin calls or requirements to reduce the amount outstanding with respect to the corresponding loan from a majority of our warehouse lenders. Four of our warehouse lines lines advance based on the fair value of the loans, rather than principal balance. For those lines, we exchange collateral for modest changes in value. As of December 31, 2022 December 31, 2023, there were no outstanding exchanges of collateral.

The amount owed and outstanding on our warehouse facilities fluctuates based on our origination volume, the amount of time it takes us to sell the loans we originate, our cash on hand, and our ability to obtain additional financing. From time to time, we will increase or decrease the size of the lines to reflect anticipated increases or decreases in volume, strategies regarding the timing of sales of mortgages to the GSEs or secondary markets and costs associated with not utilizing the lines. We reserve the right to arrange for the early payment of outstanding loans and advances from time to time. As we accumulate loans, a significant portion of our total warehouse facilities may be utilized to fund loans.

The table below reflects the current line amounts of our principal warehouse facilities and the amounts advanced against those lines as of **December 31, 2022** **December 31, 2023**:

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Credit risk

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We are subject to credit risk, which is the risk of default that results from a borrower's inability or unwillingness to make contractually required mortgage payments. While our loans are sold into the secondary market without recourse, we do have repurchase and indemnification obligations to investors for breaches under our loan sale agreements. For loans that were repurchased or not sold in the secondary market, we are subject to credit risk to the extent a borrower defaults and the proceeds upon ultimate foreclosure and liquidation of the property are insufficient to cover the amount of the mortgage loan plus expenses incurred. We believe that this risk is mitigated through the implementation of stringent underwriting standards, strong fraud detection tools and technology designed to comply with applicable laws and our standards. In addition, we believe that this risk is mitigated through the quality of our loan portfolio. For the year ended **December 31, 2022**, our originated loans had a weighted average loan to value ratio of 79.67%, and a weighted average FICO score of 738. For the year ended **December 31, 2021** **December 31, 2023**, our originated loans had a weighted average loan to value ratio of 71.68% 82.89%, and a weighted average FICO score of 750. 737. For the year ended **December 31, 2022**, our originated loans had a weighted average loan to value ratio of 79.67%, and a weighted average FICO score of 738. Management believes that the increase in the weighted average loan to value ratio year over year is primarily due to the increase in the percentage of purchase volume to total loan origination volume in **2022.2023**.

Counterparty risk

We are subject to risk that arises from our financing facilities and interest rate risk hedging activities. These activities generally involve an exchange of obligations with unaffiliated banks or companies, referred to in such transactions as "counterparties." If a counterparty were to default, we could potentially be exposed to financial loss if such counterparty were unable to meet its obligations to us. We manage this risk by selecting only counterparties that we believe to be financially strong, spreading the risk among many such counterparties, limiting singular credit exposures on the amount of unsecured credit extended to any single counterparty, and entering into master netting agreements with the counterparties as appropriate.

In accordance with the best practices outlines by The Treasury Market Practices Group, we execute Securities Industry and Financial Markets Association trading agreements with all material trading partners. Each such agreement provides for an exchange of margin **money** should either party's exposure exceed a predetermined contractual limit. Such margin requirements limit our overall **counterparty counterparty** exposure. The master netting agreements contain a legal right to offset amounts due to and from the same counterparty. We incurred no losses due to nonperformance by any of our counterparties during the years ended **December 31, 2022** **December 31, 2023** or **December 31, 2021** **December 31, 2022**.

Also, in the case of our financing facilities, we are subject to risk if the counterparty chooses not to renew a borrowing agreement and we are unable to obtain financing to originate mortgage loans. With our financing facilities, we seek to mitigate this risk by ensuring that we have sufficient borrowing capacity with a variety of well-established counterparties to meet our funding needs as well as fostering long-term relationships.

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Item 8. Financial Statements and Supplementary Data

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Early Funding Programs

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We are an approved lender for loan early funding facilities with Fannie Mae through its As Soon As Pooled Plus ("ASAP+") program and Freddie Mac through its Early Funding ("EF") program. As an approved lender for these early funding programs, we enter into an agreement to deliver closed and funded one-to-four family residential mortgage loans, each secured by related mortgages and deeds of trust, and receive funding in exchange for such mortgage loans in some cases before the lender has grouped them into pools to be securitized by Fannie Mae or Freddie Mac. All such mortgage loans must adhere to a set of **eligibility** criteria to be acceptable. As of **December 31, 2022**, no amount was outstanding **through** the ASAP+ program and **\$2.0 million** was outstanding **under** the EF program.

How the Critical Audit Matter Was Addressed in the Audit Covenants

Our audit procedures related to the significant valuation assumptions used by management to estimate the fair value of the Company's MSRs included the following, among others: Our warehouse facilities generally require us to comply with certain operating and financial covenants and the availability of funds under these facilities is subject to, among other conditions, our continued compliance with these covenants. These financial covenants include, but are not limited to, maintaining (i) a certain minimum tangible net worth, (ii) minimum liquidity, (iii) a maximum ratio of total liabilities or total debt to tangible net worth, and (iv) **pre-tax net income requirements**. A breach of these covenants can result in an event of default under these facilities and as such would allow the lenders to pursue certain remedies. In addition, each of these facilities, as well as our **secured and unsecured lines of credit**, includes **cross default or cross acceleration provisions** that could result in all facilities terminating if an event of default or acceleration of maturity occurs under any **facility**. We were in compliance with all covenants under these facilities as of **December 31, 2022**.

Other Financing Facilities

We assessed the reasonableness of the significant valuation assumptions used within the valuation model by comparing the assumptions used by the Company to the assumptions used by other third-party valuation experts as well as comparable entities.

Senior Notes

- With the assistance of our fair value specialists, we evaluated the MSRs fair value by comparing it against a fair value range that was independently developed using market data. On November 3, 2020, our consolidated subsidiary, UWM, issued \$800.0 million in aggregate principal amount of senior unsecured notes due November 15, 2025 (the "2025 Senior Notes"). The 2025 Senior Notes accrue interest at a rate of 5.500% per annum. Interest on the 2025 Senior Notes is due semi-annually on May 15 and November 15 of each **year, beginning on May 15, 2021**. We used approximately \$500.0 million of the net proceeds from the offering of 2025 Senior Notes for general corporate purposes to fund future growth and distribute the remainder of MSRs to our common stockholders.

/s/ Deloitte & Touche LLP

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Detroit, Michigan

March 1, 2023 February 28, 2024

We have served as the Company's auditor since 2020.

On or after Beginning on November 15, 2022, we may, at our option, redeem the 2025 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: November 15, 2022 at 102.750%; November 15, 2023 at 101.375%; or November 15, 2024 until maturity at **100.000%** **100%**, of the principal amount of the 2025 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest.

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On April 7, 2021, our consolidated subsidiary, UWM, issued \$700.0 million in aggregate principal amount of senior unsecured notes due April 15, 2029 (the "2029 Senior Notes"). The 2029 Senior Notes accrue interest at a rate of 5.500% per annum. Interest on the 2029 Senior Notes is due semi-annually on April 15 and October 15 of each **year, beginning on October 15, 2021**. We used approximately \$400.0 million of the net proceeds from the offering of 2029 Senior Notes for general corporate purposes to fund future growth and distribute the remainder of MSRs to our common stockholders.

To the shareholders and the Board of Directors of UWM Holdings Corporation

On or after April 15, 2024, we may, at our option, redeem the 2029 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: April 15, 2024 at 102.750%; April 15, 2025 at 101.375%; or April 15, 2026 until maturity at **100.000%** **100%**, of the principal amount of the 2029 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest. Prior to April 15, 2024, we may, at our option, redeem up to 40% of the aggregate principal amount of the 2029 Senior Notes originally issued at a redemption price of 105.500% of the principal amount of the 2029 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest with the net proceeds of certain equity offerings. In addition, we may, at our option, redeem the 2029 Senior Notes prior to April 15, 2024 at a price equal to 100% of the principal amount redeemed plus a "make-whole" premium, plus accrued and unpaid interest. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on criteria established in **Internal Control - Integrated Framework (2013)** issued by COSO.

On November 22, 2021, our consolidated subsidiary, UWM, issued \$500.0 million in aggregate principal amount of senior unsecured notes due June 15, 2027 (the "2027 Senior Notes"). The 2027 Senior Notes accrue interest at a rate of 5.750% per annum. Interest on the 2027 Senior Notes is due semi-annually on June 15 and December 15 of each **year, beginning on June 15, 2022**. We used the proceeds from the issuance of the 2027 Senior Notes for general corporate purposes.

December 31, 2022 **December 31, 2023**, and statements of operations, changes in equity, and cash flows, for the year ended **December 31, 2022** **December 31, 2023**, of the Company and our report dated **March 1, 2023** February 28, 2024, expressed an unqualified opinion on those financial statements.

On or after June 15, 2024, we may, at our option, redeem the 2027 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: June 15, 2024 at 102.875%; June 15, 2025 at 101.438%; or June 15, 2026 until maturity at **100.000%** **100%**, of the principal amount of the 2027 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest. Prior to June 15, 2024, we may, at our option, redeem up to 40% of the aggregate principal amount of the 2027 Senior Notes originally issued at a redemption price of **105.75%** **105.750%** of the principal amount of the 2027 Senior Notes redeemed on the redemption date plus accrued and unpaid interest with the net proceeds of certain equity offerings. In addition, we may, at our option, redeem the 2027 Senior Notes prior to June 15, 2024 at a price equal to 100% of the principal amount redeemed plus a "make-whole" premium, plus accrued and unpaid interest. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on criteria established in **Internal Control - Integrated Framework (2013)** issued by COSO. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company. In accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission, and subject to a number of exceptions and qualifications, including restrictions on our ability to (1) incur additional non-funding indebtedness unless either (y) the Fixed Charge Coverage Ratio (as defined in the applicable indenture) is no less than 3.0 to 1.0 or (z) the **Debt-to-Equity** **Debt-to-Equity** Ratio (as defined in the applicable indenture) does not exceed 2.0 to 1.0, (2)

interdependent data and such assets, (3) enable the stated purposes of the PCAOB, (4) ensure that the auditor and the preparer of the financial statements are held accountable for the quality of the financial statements, and (5) ensure that the auditor and the preparer of the financial statements are held accountable for the quality of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

On September 30, 2022, the Company's consolidated subsidiary, UWM, entered into a Loan and Security Agreement with Citibank, N.A. ("Citibank"), providing UWM with \$1.2 billion of financing under the MSR Facility. The MSR Facility is collateralized by all of UWM's mortgage servicing rights that are appurtenant to mortgage loans pooled in securitizations by Fannie Mae or Freddie Mac that meet certain criteria.

Available borrowings, as well as mandatory curtailments, under the MSR Facility are based on the fair market value of the collateral, and borrowings under the MSR Facility will bear interest based on one-month term SOFR plus an applicable margin. The MSR Facility has a maturity date of November 5, 2024. As of December 31, 2022, \$750.0 million was outstanding under the MSR Facility. The MSR Facility is collateralized by all of UWM's mortgage servicing rights that are appurtenant to mortgage loans pooled in securitizations by Fannie Mae or Freddie Mac that meet certain criteria.

On January 30, 2023, UWM, entered into Amendment No. 1 to the Loan and Security Agreement with Citibank, permitting UWM, with the prior consent of Citibank, to enter into Excess Yield Transactions for the sale of excess servicing cash flows (as defined in the Loan and Security Agreement) discussed below, whereby Citibank will purchase the excess servicing cash flows from UWM. The MSR Facility is collateralized by all of UWM's mortgage servicing rights that are appurtenant to mortgage loans pooled in securitizations by Fannie Mae or Freddie Mac that meet certain criteria.

On March 20, 2023, our consolidated subsidiary, UWM, entered into a Credit Agreement with each transaction. The MSR Facility is collateralized by all of UWM's mortgage servicing rights that are appurtenant to mortgage loans pooled in securitizations by Fannie Mae or Freddie Mac that meet certain criteria. Available borrowings, as well as mandatory curtailments, under the GNMA MSR facility are based on the fair market value of the collateral, and borrowings under the MSR Facility will bear interest based on one-month term SOFR plus an applicable margin.

Goldman Sachs Bank USA, providing UWM with up to \$500.0 million of uncommitted borrowing capacity to finance the origination, acquisition or holding of certain mortgage servicing rights (the "GNMA MSR facility"). The GNMA MSR facility is collateralized by all of UWM's mortgage servicing rights that are appurtenant to mortgage loans pooled in securitizations by Fannie Mae or Freddie Mac that meet certain criteria.

Adjusted for pullthrough rates rates of 77% 76% and 86% 77%, respectively. The MSR Facility is collateralized by all of UWM's mortgage servicing rights that are appurtenant to mortgage loans pooled in securitizations by Fannie Mae or Freddie Mac that meet certain criteria.

February 28, 2024 The MSR Facility is collateralized by all of UWM's mortgage servicing rights that are appurtenant to mortgage loans pooled in securitizations by Fannie Mae or Freddie Mac that meet certain criteria.

the collateral. Borrowings under the GNMA MSR facility bear interest based on SOFR plus an applicable margin. The draw period for the GNMA MSR facility is as of December 31, 2022 December 31, 2023, we had sold \$1.2 billion sold \$105.4 million of loans to a global insured depository institution and assigned the related trades to deliver the applicable loans into securities for end investors for settlement in January 2023.

The GNMA MSR Facility contains covenants which include certain financial requirements, including maintenance of minimum tangible net worth, minimum liquidity, maximum debt to net worth ratio, and net income as defined in the agreement. As of December 31, 2023, we were in compliance with all applicable covenants.

Excess Servicing Cash Flow Transactions

Preparation of financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. The fair value of the loans held by UWM Holdings Corporation is determined based on the fair value of the loans held by UWM Holdings Corporation. The fair value of the loans held by UWM Holdings Corporation is determined based on the fair value of the loans held by UWM Holdings Corporation.

	31, December	December 31, 2023	December 31, 2022
Mortgage loans held at fair value and revenue recognition	\$588.6 million	\$588.6 million	\$588.6 million

Revolving Credit Facility

We record mortgage loans at estimated fair value. Mortgage loans at fair value is comprised of loans that are expected to be sold into the secondary market. When we have the right to sell the loans, we record them at fair value. The fair value of the loans held by UWM Holdings Corporation is determined based on the fair value of the loans held by UWM Holdings Corporation. The fair value of the loans held by UWM Holdings Corporation is determined based on the fair value of the loans held by UWM Holdings Corporation.

majority of the revenues from mortgage loan originations are recognized as a component of "loan production income" in the consolidated statements of operations when the loan is originated, which is the primary revenue recognition event as the loans are recorded at estimated fair value upon origination. Loan production income also includes the unrealized gains and losses associated with the changes in the fair value of mortgage loans at fair value and the realized and unrealized gains and losses from derivatives and investments.

In 2021, the Company's consolidated subsidiary, UWM, began selling some of the mortgage loans that it originates through private label securitization transactions. In executing these transactions, the Company UWM sells mortgage loans to a securitization trust for cash and, in some cases, retained interests in the trust. The securitization entities then sell the mortgage loans to investors for cash and, in some cases, retained interests in the trust. The securitization entities then sell the mortgage loans to investors for cash and, in some cases, retained interests in the trust.

As of December 31, 2022 December 31, 2023, we had \$101.3 million \$93.8 million outstanding under individual trades executed pursuant to a master repurchase agreement. The fair value of the loans held by UWM Holdings Corporation is determined based on the fair value of the loans held by UWM Holdings Corporation.

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Operating lease liability

activities was significantly driven by the decrease in mortgage loans at fair value as of December 31, 2022, notwithstanding the early roll-out of the increased loan size limits discussed in the frequently asked questions, expected to be partially offset by expected economic conditions, as well as an estimate of the cost of a financial participant's potential readiness to stand by to perform in a strong, liquid market. We also considered historical 2020, 2021, 2022 and 2023 delinquency and loss experience, available market data and changes in the fair value of mortgage-backed securities. The reserve includes amounts for repurchase demands received but still under review as well as a reserve for the expected future losses on loans sold to investors for which no request for repurchase or indemnification demand has yet been received. Net cash used in operating activities was \$9.96 billion for the year ended December 31, 2021, compared to net cash provided by operating investing activities of \$56.4 million for the same period in 2020. The decrease in cash flows from operating activities was primarily driven by the early roll-out of the increased loan size limits and changes in estimates recorded as part of "general," "general" and administrative" "administrative" expenses.

The aggregation of loans for private label securitization transactions discussed above which materially increased our mortgage loans at fair value as of December 31, 2021, as well as a decrease in net income in 2021, adjusted for non-cash items, including an increase in the capitalization of MSRs (due to increased loan sale volume)

(includes cash provided by investing activities was \$1.83 billion for the year ended December 31, 2023 compared to \$1.29 billion of net cash provided by investing activities for the same period in 2022. The increase in cash flows provided by investing activities was primarily driven by an increase in proceeds from the sales of MSRs and excess servicing cash flow. The maximum exposure under our representations and warranties obligations would be the outstanding principal balance, any premium received on all loans ever sold by us that are not subject to agency certainty clauses, as well as potential costs associated with repurchasing or indemnifying the buyers, less any loans that have already been paid in full by the borrower, loans that have defaulted without a breach of representations and warranties, that have been indemnified via settlement or make whole, or that have been repurchased, repurchased, repurchased, repurchased \$259.0 million, \$955.6 million, \$133.4 million and \$53.1 million and \$133.4 million and \$133.4 million and \$133.4 million and \$133.4 million during the years ended December 31, 2022, December 31, 2023, 2021, 2022 and 2020, 2021, respectively, related to its representations and warranties obligations.

Loans are the normal course of business, we are subject to a variety of risks which can affect our operations and profitability. We broadly define these areas of risk as interest rate, credit risk, counterparty and liquidity risk. The net cash used in financing activities was \$2.20 billion for the year ended December 31, 2023 compared to cash used in financing activities of \$9.58 billion for the same period in 2022. The decrease in cash used for financing activities year-over-year was primarily driven by a decrease in net repayments under the warehouse lines of credit for the year ended December 31, 2023, primarily attributable to the smaller decrease in loans at fair value as compared to the year ended December 31, 2022.

2021	2020	2019	2018
<p>Net cash used in financing activities was \$154 million for the year ended December 31, 2021 compared to \$164 million for the year ended December 31, 2020. The change in cash and cash equivalents was primarily due to the change in the fair value of the mortgage loans sold, which was a decrease of \$154 million for the year ended December 31, 2021 compared to a decrease of \$164 million for the year ended December 31, 2020. The change in cash and cash equivalents was also impacted by the change in the fair value of the mortgage loans sold, which was a decrease of \$154 million for the year ended December 31, 2021 compared to a decrease of \$164 million for the year ended December 31, 2020.</p>	<p>Net cash used in financing activities was \$154 million for the year ended December 31, 2021 compared to \$164 million for the year ended December 31, 2020. The change in cash and cash equivalents was primarily due to the change in the fair value of the mortgage loans sold, which was a decrease of \$154 million for the year ended December 31, 2021 compared to a decrease of \$164 million for the year ended December 31, 2020. The change in cash and cash equivalents was also impacted by the change in the fair value of the mortgage loans sold, which was a decrease of \$154 million for the year ended December 31, 2021 compared to a decrease of \$164 million for the year ended December 31, 2020.</p>	<p>Net cash used in financing activities was \$154 million for the year ended December 31, 2021 compared to \$164 million for the year ended December 31, 2020. The change in cash and cash equivalents was primarily due to the change in the fair value of the mortgage loans sold, which was a decrease of \$154 million for the year ended December 31, 2021 compared to a decrease of \$164 million for the year ended December 31, 2020. The change in cash and cash equivalents was also impacted by the change in the fair value of the mortgage loans sold, which was a decrease of \$154 million for the year ended December 31, 2021 compared to a decrease of \$164 million for the year ended December 31, 2020.</p>	<p>Net cash used in financing activities was \$154 million for the year ended December 31, 2021 compared to \$164 million for the year ended December 31, 2020. The change in cash and cash equivalents was primarily due to the change in the fair value of the mortgage loans sold, which was a decrease of \$154 million for the year ended December 31, 2021 compared to a decrease of \$164 million for the year ended December 31, 2020. The change in cash and cash equivalents was also impacted by the change in the fair value of the mortgage loans sold, which was a decrease of \$154 million for the year ended December 31, 2021 compared to a decrease of \$164 million for the year ended December 31, 2020.</p>

Class A-1 RMBS and mortgage loans at fair value are exposed to interest rate volatility. During the origination, pooling, and delivery process, this pipeline value rises and falls with Net Asset Value provided by Baring Advisors. As of December 31, 2021, the cash provided by financing activities of \$802.3 million was used to purchase Class A-1 RMBS. In 2020, the increase in cash flows provided by marketing activities of \$796.4 million was primarily driven by an increase in net borrowings from the bank credit facilities. The decrease in cash flows provided by operating activities of \$1,000.0 million was primarily driven by an increase in net borrowings from the bank credit facilities. The decrease in cash flows provided by investing activities of \$1,000.0 million was primarily driven by an increase in net borrowings from the bank credit facilities.

Our business model is based on mortgage loans at fair value as a result of increased loan production and the early sale of loans (discussed above), additional net proceeds from the issuance of Senior Notes in 2021, proceeds from borrowings against investment securities in 2021, net proceeds from the business combination transaction in 2021, and a decrease in distributions to SFS Corp. in 2021, partially offset by 2021 dividends paid to Class A common stockholders, an increase in net repayments under operating lines of credit, Class A common stock repurchases, and increases in net payments under equipment notes payable and finance lease liabilities.

The following table summarizes our sensitivity analysis results for December 31, 2022 and December 31, 2023 market rates on our instruments:

	December 31, 2022	December 31, 2023
Impact on earnings before income taxes	\$16.7 million	\$18.9 million
Impact on net income	\$12.5 million	\$14.2 million
Impact on diluted EPS	\$0.10	\$0.11

In addition to the impact on earnings, changes in interest rates may also affect the fair value of certain assets and liabilities. The following table summarizes our sensitivity analysis results for December 31, 2022 and December 31, 2023 market rates on our instruments:

	December 31, 2022	December 31, 2023
Impact on total assets	\$1.1 billion	\$1.2 billion
Impact on total liabilities	\$0.5 billion	\$0.6 billion
Impact on total equity	\$0.6 billion	\$0.6 billion

Our sensitivity analysis measures the potential impact on fair values based on hypothetical changes in interest rates utilizing a sensitivity analysis. The sensitivity analysis measures the potential impact on fair values based on hypothetical changes in interest rates of 1% (increases and decreases) in interest rates. Our total market risk is influenced by a wide variety of factors including market volatility and the liquidity of the capital markets. We have initiated various hedging strategies to manage our interest rate risk, including the necessity to conduct the analysis based on a single point in time and the inability to include the complex market reactions that normally would arise from the market shifts modeled. We used December 31, 2022 December 31, 2023 market rates on our instruments.

to perform the sensitivity analysis. These sensitivities are hypothetical and presented for illustrative purposes only. Changes in fair value based on variations in assumptions are interpolated to our performance because the relationship of the change in fair value may not be linear nor does it factor ongoing operations. The following table summarizes the estimated change in the fair value of our mortgage loans at fair value, MSR, IRLCs and FLSCs as of **December 31, 2022** and **December 31, 2023** given hypothetical interest rate and basis risk scenarios.

	2022 or 2021.	65	
	As of December 31, 2023, our material cash requirements from known contractual and other obligations include interest and principal payments under Class D common stock Senior Notes, principal payments under our borrowings against investment securities, interest and principal payments under our MSR Facility and GNMA MSR Facility, \$0.0001 par value - agreements, and required tax distributions to SFS Corp. In addition, in the third first quarter of 2022, 2023, UWM Tab 700.096.000 authorized, none issued and Credit Agreement with SFS Corp., which also has a one-year term and provides for up to \$500 million of unsecured available borrowing capacity, capacity secured against certain outstanding as of December 31, 2022 December 31, 2023, \$750.0 million \$250.0 million was outstanding under the GNMA MSR Facility facility. There have been no other material changes in the cash requirements from known contractual and no amount was outstanding under the Revolving Credit Agreement. Annual cash payments for interest under our		
	Class D common stock December 31, 2023	61	December 31, 2023
	\$0.0001 par value -		
(\$ in thousands)	(Down 25 Up 25		
1,700,000 shares	69,187 bps (\$ in thousands)	Down 25 bps	Up 25 bps
	shares issued and outstanding		
	as of December 31, 2022 and		
Other obligations since December 31, 2022,			
in at December 31, 2021	150	150	

Preferred stock, \$0.0001 par value
Mortgage-backed securities, at fair value
Investment securities, at fair value
Other non-current assets

During the year ended December 31, 2023, the borrowings against investment securities of \$118.8 million is due within one year of December 31, 2022, but we intend to renew the applicable sale and repurchase agreements upon their maturity during the required holding period for the retained investment securities. Our weighted average remaining lease term for operating leases is approximately 13.6 years, and remaining contractual operating leases payments totaled \$175.4 million as of December 31, 2022, of which \$12.9 million is due in 2023. Our weighted average remaining lease term for financing leases is approximately 8.8 years, and remaining contractual financing lease payments totaled \$51.1 million as of December 31, 2022.

Class D Interest rate lock \$0.0001 par value commitments	Interest rate common stock, lock variable		
—	10,000,000		
rate for shares authorized, 1,322,067	rate (a)	8,839	48,566
Commitments to sell loans and Forward outstanding as commitments to sell, 2023 and mortgage-backed 2022	Commitments to sell loans and Forward outstanding as commitments to sell, 2023 and mortgage-backed 2022	608,703	3,130,203
Additional paid-in capital	Additional paid-in capital	10,936,172	25,756,975
Retained earnings	Retained earnings	903	437
Non- controlling interest	Non- controlling interest	142,500	141,805
		3,028,131	3,028,600
Total equity	Total equity	3,171,693	3,171,001
Total liabilities and equity	Total liabilities and equity	\$13,600,625	\$22,528,358

See accompanying Notes to the Consolidated Financial Statements.

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UWM HOLDINGS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except shares and per share amounts)

		For the year ended December 31,			For the year ended December 31,		
		2022	2021	2020	2023	2022	2021
Revenue	Revenue						
Loan production income	Loan production income	\$ 981,988	\$ 2,585,807	\$ 4,551,415			
Loan production income							
Loan production income							
Loan servicing income	Loan servicing income	792,072	638,738	288,304			
Change in fair value of mortgage servicing rights (see Note 5)		284,104	(587,813)	—			
Gain (loss) on sale of mortgage servicing rights		—	1,791	(62,285)			
Change in fair value of mortgage servicing rights							

Gain on sale of mortgage servicing rights				
Interest income	Interest income	314,462	331,770	161,160
Total revenue, net	Total revenue, net	2,372,626	2,970,293	4,938,594
Expenses				
Salaries, commissions and benefits				
Salaries, commissions and benefits				
Salaries, commissions and benefits	Salaries, commissions and benefits	552,886	697,680	552,143
Direct loan production costs	Direct loan production costs	90,369	72,952	54,459
Marketing, travel, and entertainment	Marketing, travel, and entertainment	74,168	62,472	20,367
Depreciation and amortization	Depreciation and amortization	45,235	35,098	16,820
General and administrative	General and administrative	179,549	133,334	98,856
Servicing costs	Servicing costs	166,024	108,967	70,835
Amortization, impairment and pay-offs of mortgage servicing rights (see Note 5)		—	—	573,118
Interest expense	Interest expense	305,987	304,656	167,036
Other expense/(income)		23,739	(23,107)	—
Other expense (income)				
Total expenses	Total expenses	1,437,957	1,392,052	1,553,634
Earnings before income taxes				
		934,669	1,578,241	3,384,960
Provision for income taxes		2,811	9,841	2,450
Net income		931,858	1,568,400	3,382,510
Net income attributable to non-controlling interest		890,143	1,469,955	N/A
Net income attributable to UWM Holdings Corporation	\$	41,715	\$ 98,445	N/A
Earnings (loss) before income taxes				
Provision (benefit) for income taxes				
Net income (loss)				

Net income (loss) attributable to non-controlling interest						
Net income (loss) attributable to UWM Holdings Corporation						
Earnings per share of Class A common stock (see Note 19):						
Earnings (loss) per share of Class A common stock (see Note 20):						
Earnings (loss) per share of Class A common stock (see Note 20):						
Earnings (loss) per share of Class A common stock (see Note 20):						
Basic						
Basic						
Basic	Basic	\$	0.45	\$	0.98	N/A
Diluted	Diluted	\$	0.45	\$	0.66	N/A
Weighted average shares outstanding:	Weighted average shares outstanding:					
Basic	Basic	92,475,170	100,881,094	N/A		
Basic						
Basic						
Diluted	Diluted	92,475,170	1,603,157,640	N/A		

See accompanying Notes to the Consolidated Financial Statements.

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UWM HOLDINGS CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands, except shares and per share amounts)

		Class A Common Stock Shares								Class A Common Stock Shares	Class A Common Stock Amount	Class D Common Stock Shares	Class D Common Stock Amount	Additional Paid-in Capital		Retained Earnings		Non-controlling Interest	Total
		Class A Common Stock Shares		Class A Common Stock Amount		Class D Common Stock Shares		Class D Common Stock Amount		Additional Paid-in Capital		Retained Earnings		Non-controlling Interest		Total			
		Class A Common Stock Shares		Class A Common Stock Amount		Class D Common Stock Shares		Class D Common Stock Amount		Additional Paid-in Capital		Retained Earnings		Non-controlling Interest		Total			
		Class A Common Stock Shares		Class A Common Stock Amount		Class D Common Stock Shares		Class D Common Stock Amount		Additional Paid-in Capital		Retained Earnings		Non-controlling Interest		Total			
Balance, January 1, 2021		—		—		—		—		—		—		—		—		—	
Balance, January 1, 2020		—		—		—		—		—		—		—		—		—	
Net income		—		—		—		—		—		—		—		—		—	

Member contributions		—	—	—	—	—	300,000	—	300,000		
Member distributions		—	—	—	—	—	(1,969,553)	—	(1,969,553)		
Balance, December 31,											
2020		—	\$	—	—	\$	24,839	\$2,349,441	\$	—	\$2,374,280
Balance, January 1, 2021											
Balance, January 1, 2021											
Cumulative effect of change to fair value accounting for mortgage servicing rights (See Note 1)	Cumulative effect of change to fair value accounting for mortgage servicing rights (See Note 1)	—	—	—	—	—	3,440	—	3,440		
Net income prior to business combination transaction	Net income prior to business combination transaction	—	—	—	—	—	183,756	—	183,756		
Member distribution to SFS Corp. prior to business combination transaction	Member distribution to SFS Corp. prior to business combination transaction	—	—	—	—	—	(1,100,000)	—	(1,100,000)		
Net proceeds received from business combination transaction	Net proceeds received from business combination transaction	—	—	—	—	—	879,122	—	879,122		
Cumulative effect of reorganization post business combination transaction	Cumulative effect of reorganization post business combination transaction	103,104,205	10	1,502,069,787	150	(24,839)	(2,164,975)	2,189,654	—		
Opening net liabilities of Gores Holdings IV, Inc. acquired	Opening net liabilities of Gores Holdings IV, Inc. acquired	—	—	—	—	—	(75,380)	—	(75,380)		
Net income subsequent to business combination transaction	Net income subsequent to business combination transaction	—	—	—	—	—	98,445	1,286,199	1,384,644		
Class A common stock dividends	Class A common stock dividends	—	—	—	—	—	(39,805)		(39,805)		

Member distributions to SFS Corp. subsequent to business combination transaction	Member distributions to SFS Corp. subsequent to business combination transaction	—	—	—	—	—	—	(368,832)	(368,832)
Stock-based compensation expense	Stock-based compensation expense	6,430	—	—	—	437	—	6,030	6,467
Stock-based compensation expense									
Stock-based compensation expense									
Class A common stock repurchased	Class A common stock repurchased	(11,498,330)	(1)	—	—	—	(5,065)	(76,561)	(81,627)
Re-measurement of non-controlling interest due to change in parent ownership and other	Re-measurement of non-controlling interest due to change in parent ownership and other	—	—	—	—	—	12,826	(7,890)	4,936
Balance, December 31, 2021	Balance, December 31, 2021	91,612,305	\$ 9	1,502,069,787	\$ 150	\$ 437	\$ 141,805	\$3,028,600	\$3,171,001
Net income	Net income	—	—	—	—	—	41,715	890,143	931,858
Class A common stock dividends	Class A common stock dividends	—	—	—	—	—	(37,023)	—	(37,023)
Member distributions to SFS Corp.	Member distributions to SFS Corp.	—	—	—	—	—	—	(901,242)	(901,242)
Stock-based compensation expense	Stock-based compensation expense	963,669	—	—	—	466	—	7,079	7,545
Stock-based compensation expense									
Stock-based compensation expense									
Re-measurement of non-controlling interest due to change in parent ownership and other	Re-measurement of non-controlling interest due to change in parent ownership and other	—	—	—	—	—	(3,997)	3,551	(446)
Balance, December 31, 2022	Balance, December 31, 2022	92,575,974	\$ 9	1,502,069,787	\$ 150	\$ 903	\$ 142,500	\$3,028,131	\$3,171,693
Net loss									

Class A
common
stock
dividends
Member
distributions
to SFS Corp.
Stock-based compensation
expense
Stock-based compensation
expense
Stock-based compensation
expense
Re-
measurement
of non-
controlling
interest due to
change in
parent
ownership
and other
Balance,
December
31, 2023

See accompanying Notes to the Consolidated Financial Statements.

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UWM HOLDINGS CORPORATION						
CONSOLIDATED STATEMENTS OF CASH FLOWS						
(in thousands)						
		For the year ended December 31,			For the year ended December 31,	
		2022	2021	2020	2023	2022
CASH FLOWS FROM	CASH FLOWS FROM					
OPERATING ACTIVITIES	OPERATING ACTIVITIES					2021
Net income		\$ 931,858	\$1,568,400	\$3,382,510		
Adjustments to reconcile net income to net cash provided by operating activities:						
Net income (loss)						
Net income (loss)						
Net income (loss)						
Adjustments to reconcile net income (loss) to net cash provided by operating activities:						
Reserve for representations and warranties						
Reserve for representations and warranties						
Reserve for representations and warranties	Reserve for representations and warranties	57,415	45,301	36,510		
Capitalization of mortgage servicing rights	Capitalization of mortgage servicing rights	(2,213,572)	(2,397,483)	(1,896,638)		

Amortization and pay-offs of mortgage servicing rights				
		—	—	553,534
Impairment of mortgage servicing rights, net				
		—	—	19,584
Change in fair value of mortgage servicing rights				
Change in fair value of mortgage servicing rights				
Change in fair value of mortgage servicing rights	Change in fair value of mortgage servicing rights	(284,104)	587,813	—
Depreciation & amortization	Depreciation & amortization	49,404	38,025	17,172
Stock-based compensation expense	Stock-based compensation expense	7,545	6,467	—
Retention of investment securities	Retention of investment securities	—	(154,794)	—
Decrease in fair value of investment securities		28,227	1,061	—
Decrease in fair value of warrants liability		(7,683)	(36,105)	—
(Increase) decrease in fair value of investment securities				
Increase (decrease) in fair value of warrants liability				
(Increase) decrease in:	(Increase) decrease in:			
Mortgage loans at fair value	Mortgage loans at fair value	9,774,941	(9,444,476)	(2,040,817)
Mortgage loans at fair value				
Mortgage loans at fair value				
Derivative assets	Derivative assets	(15,512)	(6,284)	(36,384)
Other assets	Other assets	56,626	(166,250)	(119,627)
Increase (decrease) in:	Increase (decrease) in:			
Derivative liabilities	Derivative liabilities	13,007	(29,496)	43,828
Derivative liabilities				
Derivative liabilities				
Other liabilities	Other liabilities	(129,970)	30,858	96,740
Net cash provided by (used in) operating activities	Net cash provided by (used in) operating activities	8,268,182	(9,956,963)	56,412
CASH FLOWS FROM INVESTING ACTIVITIES	CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of premises and equipment				
Purchases of premises and equipment				
Purchases of premises and equipment	Purchases of premises and equipment	(26,615)	(65,384)	(57,288)
Net proceeds from sale of mortgage servicing rights	Net proceeds from sale of mortgage servicing rights	1,311,282	264,028	289,170

Proceeds from principal payments on investment securities	Proceeds from principal payments on investment securities	10,987	1,107	—
Margin calls on borrowings against investment securities	Margin calls on borrowings against investment securities	(5,308)	—	—
Net cash provided by investing activities	Net cash provided by investing activities	1,290,346	199,751	231,882
CASH FLOWS FROM FINANCING ACTIVITIES	CASH FLOWS FROM FINANCING ACTIVITIES			
Net (repayments) borrowings under warehouse lines of credit	Net (repayments) borrowings under warehouse lines of credit	(9,510,946)	9,013,541	1,751,810
Net repayments under warehouse lines of credit	Net repayments under warehouse lines of credit			
Net repayments under warehouse lines of credit	Net repayments under warehouse lines of credit			
Net repayments under warehouse lines of credit	Net repayments under warehouse lines of credit			
Repayments of finance lease liabilities	Repayments of finance lease liabilities	(17,323)	(13,704)	(5,049)
Borrowings under equipment notes payable	Borrowings under equipment notes payable	—	1,078	2,165
Repayments under equipment notes payable	Repayments under equipment notes payable	(1,037)	(25,560)	(5,637)
Borrowings under lines of credit	Borrowings under lines of credit	1,250,000	79,700	412,295
Repayments under lines of credit	Repayments under lines of credit	(500,000)	(400,000)	(467,995)
Borrowings under secured lines of credit	Borrowings under secured lines of credit			
Repayments under secured lines of credit	Repayments under secured lines of credit			
Proceeds from issuance of senior notes	Proceeds from issuance of senior notes	—	1,200,000	800,000
Discount and direct issuance costs on senior notes	Discount and direct issuance costs on senior notes	—	(12,159)	(11,030)
Borrowings against investment securities	Borrowings against investment securities	101,345	118,786	—
Repayments of borrowings against investment securities	Repayments of borrowings against investment securities	(118,786)	—	—
Proceeds from business combination transaction	Proceeds from business combination transaction	—	895,134	—
Costs incurred related to business combination transaction	Costs incurred related to business combination transaction	—	(11,260)	(4,745)

Dividends paid to Class A common stockholders	Dividends paid to Class A common stockholders	(36,936)	(30,634)	—
Member contributions from SFS Corp.		—	—	300,000
Member distributions paid to SFS Corp.				
Member distributions paid to SFS Corp.	Member distributions paid to SFS Corp.	(751,035)	(1,468,832)	(1,969,554)
Class A common stock repurchased	Class A common stock repurchased	—	(81,627)	—
Net cash (used in) provided by financing activities		(9,584,718)	9,264,463	802,260
Other financing activities				
Other financing activities				
Other financing activities				
Net cash provided by (used in) financing activities				
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(26,190)	(492,749)	1,090,554
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	731,088	1,223,837	133,283
		\$ 704,898	\$ 731,088	\$ 1,223,837
CASH AND CASH EQUIVALENTS, END OF THE PERIOD				
SUPPLEMENTAL INFORMATION	SUPPLEMENTAL INFORMATION			
Cash paid for interest	Cash paid for interest	\$ 241,732	\$ 287,295	\$ 161,803
Cash paid for taxes		—	1,776	—
Cash paid for interest				
Cash paid for interest				
Cash paid (received) for taxes				

See accompanying Notes to the Consolidated Financial Statements.

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UWM HOLDINGS CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

UWM Holdings Corporation, through its consolidated subsidiaries (collectively, the “Company”), engages in the origination, sale and servicing of residential mortgage loans. The Company is organized in Delaware but based in Michigan, and originates and services loans throughout the U.S. The Company is approved as a Title II, non-supervised direct endorsement mortgagee with the U.S. Department of Housing and Urban Development (or “HUD”). In addition, the Company is an approved issuer with the Government National

Mortgage Association (or "Ginnie Mae"), as well as an approved seller and servicer with the Federal National Mortgage Association (or "Fannie Mae") and the Federal Home Loan Mortgage Corporation (or "Freddie Mac").

The Company (f/k/a Gores Holdings IV, Inc.) was incorporated in Delaware on June 12, 2019. The Company was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. On September 22, 2020, the Company entered into a Business Combination Agreement (the "Business Combination Agreement") by and among the Company, SFS Holding Corp., a Michigan corporation ("SFS Corp."), United Wholesale Mortgage, LLC, a Michigan limited liability company ("UWM"), and UWM Holdings, LLC, a newly formed Delaware limited liability company ("Holdings LLC" and, together with UWM, the "UWM Entities"). The business combination with the UWM Entities closed on January 21, 2021.

Prior to the closing of the business combination with the UWM Entities, SFS Corp. was the sole member of UWM, which had one unit authorized, issued and outstanding. On January 21, 2021, SFS Corp. contributed its equity interest in UWM to Holdings LLC and adopted the Amended and Restated Operating Agreement to admit Holdings LLC as UWM's sole member and its manager. Upon completion of the business combination transaction, (i) Holdings LLC issued approximately 6% of its units (Class A Common Units) to the Company, (ii) SFS Corp. retained approximately 94% of the units (Class B Common Units) in Holdings LLC and accordingly retained approximately 94% of the economic ownership interest of the combined company and (iii) Holdings LLC became a consolidated subsidiary of the Company, as the Company is the sole managing member of Holdings LLC. The economic interest in Holdings LLC owned by SFS Corp. is presented as a non-controlling interest in these consolidated financial statements (see statements. See Note 12 13 - Non-Controlling Interests for further information).

Following the consummation of the transactions contemplated by the Business Combination Agreement, the Company is organized in an "Up-C" structure in which UWM (the operating subsidiary) is held directly by Holdings LLC, and the Company's only material direct asset consists of Class A Common Units in Holdings LLC. The Company's current capital structure authorizes Class A common stock, Class B common stock, Class C common stock and Class D common stock. The Class A common stock and Class C common stock each provide holders with one vote on all matters submitted to a vote of stockholders, and the Class B common stock and Class D common stock each provide holders with 10 votes on all matters submitted to a vote of stockholders. The holders of Class C common stock and Class D common stock do not have any of the economic rights (including rights to dividends and distributions upon liquidation) provided to holders of Class A common stock and Class B common stock. Immediately following the business combination transaction, there were 103,104,205 shares of Class A common stock outstanding, and 1,502,069,787 shares of non-economic Class D common stock outstanding (all of which were held by SFS Corp.), and no shares of Class B or Class C common stock outstanding. As of December 31, 2022, there were 92,575,974 shares of Class A common stock outstanding and 1,502,069,787 shares of Class D common stock outstanding. Each Holdings LLC Class B Common Unit held by SFS Corp. may be exchanged at the option of the Company, along with its stapled share of Class D common stock, for either, (a) cash or (b) one share of the Company's Class B common stock. Each share of Class B Stock common stock is convertible into one share of Class A Stock common stock upon the transfer or assignment of such share from SFS Corp. to a non-affiliated third-party. See Note 12 13 - Non-Controlling Interests for further information.

Pursuant to the Business Combination Agreement, SFS Corp. is entitled to receive an aggregate of up to 90,761,687 earn-out shares in the form of Class B Common Units in Holdings LLC and Class D common shares upon attainment of certain stock price targets prior to January 2026. There are four different triggering events that affect the number of earn-out shares that will be issued based upon the per share price of Class A common stock ranging from \$13.00 to \$19.00 per share. The Company accounts for the potential earn-out shares as a component of stockholders' equity in accordance with the applicable guidance in U.S. GAAP. See Note 19 20 - Earnings Per Share for further information.

Upon completion of the business combination transaction, the directors and officers of Gores Holdings IV, Inc. (the "Gores Directors and Officers") resigned, the Company appointed new directors to its Board, and certain officers of UWM became officers of the Company. Pursuant to the Business Combination Agreement, the Company is obligated to indemnify the Gores Directors and Officers for costs or losses incurred prior to or after the closing of the business combination transaction that arose by reason of the fact that he or she is or was a director or officer of Gores Holdings IV, Inc. The Gores Directors and

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[Table Officers have been named as defendants in class action suits in Delaware Chancery Court in which it is alleged that they breached their fiduciary duties to shareholders of Contents](#)

Gores Holdings, IV. Pursuant to its obligations under the Business Combination Agreement, the Company is indemnifying the Gores Directors and Officers in connection with these lawsuits. The Company has insurance which it believes will cover any material liability that could arise pursuant to its indemnification obligations to the Gores Directors and Officers.

Basis of Presentation and Consolidation

The business combination transaction was accounted for as a reverse recapitalization in accordance with U.S. GAAP as UWM was determined to be the accounting acquirer, primarily due to the fact that SFS Corp. continues to control the Company through its ownership of the Class D common stock. Under this method of accounting, while the Company was the legal acquirer, it was treated as the acquired company for financial reporting purposes. Accordingly, the business combination transaction was treated as the equivalent of UWM issuing stock for the net assets of the Company, accompanied by a recapitalization, with the net assets of the Company stated at historical cost, with no goodwill or other intangible assets recorded. The net proceeds received from Gores Holdings IV, Inc. in the business combination transaction approximated \$895.1 million, and the Company incurred approximately \$16.0 million in costs related to the transaction which were charged to stockholders' equity upon the closing of the transaction. As part of the business combination transaction, the Company assumed the liability related to the Public and Private Warrants (described below) of \$45.6 million. The Company's financial statement presentation included in these consolidated financial statements include the consolidated financial statements of UWM and its subsidiaries for periods prior to the completion of the business combination transaction with the UWM Entities and of the Company for periods from and after the business combination transaction.

The Company's consolidated financial statements have been prepared in accordance with U.S. GAAP and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC").

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Dividend Policy

In connection with its decision to declare a dividend on its Class A common stock, the Company's Board of Directors (the "Board"), in its capacity as the Manager of Holdings LLC, under the Holdings LLC Second Amended and Restated Operating Agreement, can determine whether to (a) make distributions from Holdings LLC to only the Company, as the owner of the Class A Units of Holdings LLC with the proportional amount due to SFS Corp. as the owner of the Class B Units of Holdings LLC, being distributed upon the sooner to occur of (i) the Board making a determination to do so or (ii) the date on which Class B Units of Holdings LLC are converted into shares of Class B common stock of the Company or (b) make proportional and simultaneous distributions from Holdings LLC to both the Company, as the owner of the Class A Units of Holdings LLC and to SFS Corp. as the owner of the Class B Units of Holdings LLC.

Operating Segments

The Company operates as one has a single operating and reportable segment. Operating segments are defined as components of an enterprise for which separate financial information is regularly evaluated by the chief operating decision maker (or "CODM"), which is the Company's chief executive officer, in deciding how to allocate resources and assess performance. The Company's CODM evaluates the Company's financial information on a consolidated basis.

Cash and Cash Equivalents

The Company considers cash and temporary investments with original maturities of three months or less to be cash and cash equivalents. The Company typically maintains cash balances in financial institutions in excess of Federal Deposit Insurance Corporation limits. The Company evaluates the creditworthiness of these financial institutions in determining the risk associated with these balances.

Mortgage Loans at Fair Value and Revenue Recognition

Mortgage loans are recorded at estimated fair value. Fair value of mortgage loans are is estimated using observable market information including pricing from current cash commitments from government sponsored enterprises, recent market commitment prices, or broker quotes, as if the loans were to be sold currently into the secondary market. See Note 2 - Mortgage Loans at Fair Value for further information.

Loans are considered to be sold when the Company surrenders control over the financial assets. Control is considered to have been surrendered when the transferred assets have been isolated from the Company, beyond the reach of the Company

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and its creditors; the purchaser obtains the right, free of conditions that constrain it from taking advantage of that right, to pledge or exchange the transferred assets; and the Company does not maintain effective control over the transferred assets

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through an agreement that entitles or obligates the Company to repurchase or redeem the transferred assets before their maturity. The Company typically considers the above criteria to have been met when transferring title to another party where no substantive repurchase rights or obligations exist.

The Company generates revenue from the following three components of the loan origination business: (i) loan production income, (ii) loan servicing income, and (iii) interest income. A majority of the revenues from mortgage loan originations are recognized when the loan is originated which is the primary revenue recognition event as the loans are recorded at fair value upon origination.

Loan production income. Loan production income includes all components related to the origination and sale of mortgage loans, including (1) primary gain, which represents the premium the Company receives in excess of the loan principal amount adjusted for previous fair value adjustments, and certain fees charged by investors upon sale of loans into the secondary market; when the mortgage loan is sold into the secondary market, any difference between the proceeds received and the current fair value of the loan is recognized in current period earnings; (2) loan origination and certain other fees related to the Company charges to originate origination of a loan, which generally represent flat, per-loan fee amounts, which are recognized as revenue at the time loans are originated; (3) provision for representation and warranty obligations, which represent the reserves initially established for the Company's estimated liabilities associated with the potential repurchase or indemnity of purchasers of loans previously sold due to representation and warranty claims by investors; included within these reserves are amounts for estimated liabilities for requirements to repay a portion of any premium received from investors on the sale of certain loans if such loans are repaid in their entirety within a specified time period after the sale of the loans; (4) the change in fair value of interest rate lock commitments, forward loan sale commitments, and recorded loans on the balance sheet, due to changes in estimated fair value, driven primarily by interest rates but also influenced by other assumptions; and (5) capitalization of MSRs, representing the estimated fair value of newly originated MSRs when loans are sold and the associated servicing rights are retained. Compensation earned by the Company's Independent Mortgage Brokers is included in the cost of the loans the Company originates, and therefore netted within loan production income.

Loan servicing income. Loan servicing income represents revenue earned for servicing loans for various investors. The loan servicing income is primarily generally based on a contractual percentage of the outstanding principal balance and servicing revenue is recognized as the related mortgage payments are received by the Company's sub-servicer. **Loan servicing expenses are charged to expense as incurred.**

Interest income. Interest income on mortgage loans at fair value is accrued based upon the principal amount outstanding and contractual interest rates. Income recognition is discontinued when loans become 90 days delinquent or when, in management's opinion, the collectability of principal and interest becomes doubtful and the specific loan is put on non-accrual status.

Mortgage Servicing Rights and Revenue Recognition

When a loan is sold the Company typically retains the MSRs. Specifically, the Company retains the right and obligation to service the loan and receives a fee for collecting payments and transmitting collected payments to the purchasers of the loan. At the date the loan is sold with servicing retained, the fair value of the MSR is capitalized and recognized within loan production income. MSRs are initially recorded at estimated fair value. To determine the fair value of the servicing right created, the Company uses third party estimates of fair value at the time of initial recognition.

On January 1, 2021, the Company adopted the fair value method to measure its servicing assets and liabilities for all current classes of servicing assets and liabilities subsequent to initial recognition. Management believes that the fair value method more directly reports the current expected benefits and obligations of the Company's servicing rights. The adoption of the fair value method for a particular class of servicing assets is irrevocable. Prior to January 1, 2021, the Company measured its servicing assets and liabilities after initial recognition using the amortized cost method. This change in accounting resulted in a \$3.4 million increase to retained earnings and the MSR asset as of January 1, 2021. **Subsequent to the adoption of the fair value method of accounting for MSRs, changes** Changes in fair value of MSRs are reported as a component of "Total revenue, net" within the consolidated statements of operations.

Prior to the adoption of the fair value method, MSRs were amortized in proportion to the estimated future net servicing revenue, and periodically evaluated for impairment. For this purpose, the Company stratified its MSRs based on the interest rate of the underlying loans. The Company recorded a valuation allowance when the fair value of the mortgage servicing asset strata was less than its amortized book value. Valuation allowances were recorded as a temporary impairment to the affected strata effectively reducing recorded MSRs and incurring a charge to operations. When a mortgage prepays, the Company permanently reduces the associated MSR in the period of prepayment with a charge to operations.

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Under both the fair value and amortization accounting methods, the fair value of MSRs is estimated with the assistance of a third party broker based upon a valuation model that calculates the estimated present value of future cash flows. The valuation model incorporates market estimates of prepayment speeds, discount rates, cost to service, float value, earnings, ancillary income, inflation, and delinquency and default rates.

Sales of MSRs are recognized when the risk and rewards of ownership have been transferred to a buyer, and a substantive non-refundable down payment is received. Also, any risks retained by the Company must be reasonably quantifiable to be eligible for sale accounting. See *Note 5 – Mortgage Servicing Rights* **net** for further information.

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Representations and Warranties Reserve

Loans sold to investors which the Company believes met investor and agency underwriting guidelines at the time of sale may be subject to repurchase in the event of specific default by the borrower or subsequent discovery that underwriting or documentation standards were not explicitly satisfied. The Company may, upon mutual agreement, indemnify the investor against future losses on such loans or be subject to other guaranty requirements and subject to loss. The Company initially records its exposure under such guarantees at estimated fair value upon the sale of the related loan, within accounts payable, accrued expenses and other, as well as within loan production income, and continues to evaluate its on-going exposures in subsequent periods, with subsequent changes in estimates recorded as part of general and administrative expenses, periods. The reserve is estimated based on the Company's assessment of its contingent and non-contingent obligations, including expected losses, expected frequency, the overall potential remaining exposure, as well as an estimate for a market participant's potential readiness to stand by to perform on such obligations. See *Note 10 - Commitments and Contingencies* for further information.

Derivatives

Derivatives are recognized as assets or liabilities on the consolidated balance sheets and measured at fair value with changes in fair value recorded within the consolidated statements of operations in the period in which they occur. The Company enters into derivative instruments to reduce its risk exposure to fluctuations in interest rates. The Company accounts for derivative instruments as free-standing derivative instruments and does not designate any for hedge accounting. **IRLCs** Interest Rate Lock Commitments (IRLCs) on mortgage loans to be originated or purchased which are intended to be sold are considered to be derivatives with changes in fair value recorded in the consolidated statements of operations as part of loan production income. Fair value is estimated primarily based on relative changes in interest rates for the underlying mortgages to be originated or

purchased. Fair value estimates also take into account the probability that loan commitments may not be exercised by customers. The Company uses forward mortgage backed security contracts, which are known as **FLSCs, forward loan sale commitments (or "FLSCs")**, to economically hedge the IRLCs. See *Note 3 – Derivatives* for further information.

Loans Eligible for Repurchase from Ginnie Mae

When For certain loans sold to Ginnie Mae, the Company as the servicer has the unilateral right to repurchase any individual loan in a Ginnie Mae pool loans it has previously sold if that loan meets defined criteria (generally loans that are more than 90 days past due). When the Company has the unilateral right to repurchase the delinquent loans, the previously sold assets are required to be re-recognized on the consolidated balance sheets as **assets assets** and corresponding liabilities at the loan's unpaid principal balance, regardless of the Company's intent to exercise its option to repurchase. The recognition of previously sold loans does not impact the accounting for the previously recognized mortgage servicing rights (or "MSRs"). As of December 31, 2022, the Company changed the balance sheet presentation of Ginnie Mae loans eligible for repurchase and the corresponding liabilities to report these assets and liabilities separately from "Mortgage loans at fair value" and "Accounts payable, accrued expenses, and other," where they were previously reported. Prior periods have been updated to conform with the current period presentation. **MSRs.**

Leases

The Company enters into contracts to lease real estate (land and buildings), furniture and fixtures, and information technology equipment. Leases that meet one of the finance lease criteria are classified as finance leases, while all others are classified as operating leases. The **Company Company** determines if an arrangement is a lease at inception and has made an accounting policy election to **not** capitalize leases with initial terms in excess of 12 months, months or less. At lease commencement, a lease liability and right-of-use asset are calculated and recognized for operating and finance leases. **Lease Lease** liabilities represent the Company's obligation to make lease payments arising from the lease and lease right-of-use assets represent the Company's right to use an underlying asset for the lease term. The lease term used in the calculation includes any options to extend that the Company is reasonably certain to exercise. The lease liability is equal to the present value of future lease payments. The right-of-use asset is equal to the lease liability, plus any initial direct costs and prepaid lease payments, less any lease incentives received. Operating and finance lease right-of-use assets and liabilities are recorded separately on the consolidated balance sheets. In determining the present value of future lease payments, the Company uses estimated incremental borrowing rates based on information available at the lease commencement date when an implicit rate is not readily determinable for a given lease. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow on a collateralized basis over a similar term an

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amount equal to the lease payments in a similar economic environment. The Company uses an incremental borrowing rate estimated by referencing the Company's collateralized borrowings.

The Company's leases do not contain any material residual value guarantees or material restrictive covenants. The Company's lease agreements include both lease and non-lease components which are generally accounted for as a single component to the extent that the costs are fixed. If the non-lease components are not fixed, the costs are treated as variable lease costs. Subsequent to lease commencement, lease liabilities recorded for finance leases are measured using the effective interest method and the related right-of-use assets are amortized on a straight-line basis over the lease term. For finance leases, interest expense and amortization expense are recorded separately in the consolidated statements of operations as part of "Interest expense" and "Depreciation and amortization," respectively. For operating leases, total lease cost is comprised of lease expense and variable lease cost. Lease expense includes lease payments, which are recognized on a straight-line basis over the lease

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term. Variable lease cost includes common area maintenance charges, real estate taxes, insurance and other expenses, where applicable, which are expensed as incurred. Total lease cost for operating leases is recorded as part of "General and administrative" expense in the consolidated statements of operations. See *Note 7 - Leases* for further information.

Income Taxes

The Company follows accounts for income taxes by recognizing expense or benefit for the amount of taxes payable or refundable for the current year and deferred tax assets and liabilities under the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized based on differences between the financial statement carrying amount and the tax basis of accounting for income taxes under applicable U.S. GAAP. Our income assets and liabilities using enacted tax rates in effect in the years in which those differences are expected to reverse. Valuation allowances are recognized to reduce deferred tax assets to the amounts the Company concludes are more likely than not to be realized. Within particular tax jurisdictions, deferred tax assets and liabilities are offset and presented as a single amount. Net deferred tax liabilities are reported in accounts payable, accrued expenses and other. Income tax expense, deferred tax assets and liabilities, and reserves for unrecognized tax benefits reflect management's best assessment of estimated current and future taxes to be paid. **We are subject to income taxes in the U.S. and various state and local jurisdictions.**

The tax laws are often complex and may be subject to different interpretations. To determine **Company recognizes** the financial statement **impact effects** of accounting for income taxes, the Company must make assumptions and judgements about how to interpret and apply complex tax laws to numerous transactions and business events, as well as make judgements regarding the timing of when certain items may affect taxable income.

Deferred income taxes arise from temporary differences between the financial statement carrying amount and the tax basis of assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income in the period that includes the enactment date. In evaluating our ability to recover our deferred tax assets within the jurisdiction from which they arise, we consider all available positive and negative evidence including future reversals of existing taxable temporary

differences, projected future taxable income tax planning strategies and recent results of operations. If based upon all available positive and negative evidence, positions when it is more likely than not, based on the technical merits, that the deferred tax assets position will not be realized, a valuation allowance is established. The valuation allowance may be reversed in a subsequent reporting period if the Company determines that it is more likely than not that all or part of the deferred tax asset will become realizable.

Our interpretations sustained upon examination. Interpretations of tax laws are subject to review and examination by various taxing authorities and jurisdictions where the Company operates, and disputes may occur regarding our view on a tax position. These disputes over interpretations with the various tax authorities may be settled by audit, administrative appeals or adjudication in the court systems of the tax jurisdictions in which the Company operates. We regularly review whether we may be assessed additional income taxes as a result of the resolution of these matters, and the Company records additional reserves as appropriate. In addition, the Company may revise its estimate of income taxes due to changes in income tax laws, legal interpretations, and business strategies. We recognize the financial statement effects of uncertain income tax positions when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. We record reports interest and penalties related to uncertain tax positions as a component of the income tax provision, expense. See Note 17 18 – Income Taxes for further information.

Tax Receivable Agreement

In connection with the Business Combination Agreement, the Company has entered into a Tax Receivable Agreement ("TRA") with SFS Corp. that will obligate the Company to make payments to SFS Corp. of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that the Company actually realizes as a result of (i) certain increases in tax basis resulting from exchanges of Holdings LLC Common Units; common units; (ii) imputed interest deemed to be paid by the Company as a result of payments it makes under the tax receivable agreement; (iii) certain increases in tax basis resulting from payments the Company makes under the tax receivable agreement; and (iv) disproportionate allocations (if any) of tax benefits to the Company which arise from, among other things, the sale of certain assets as a result of Section 704(c) of taxable income allocation rules in the Internal Revenue Code of 1986, United States. The Company will retain the benefit of the remaining 15% of these tax savings.

The Company recognized a liability of approximately \$1.9 million accounts for estimated amounts due under liabilities arising from the Tax Receivable Agreement in connection with the business combination transaction. Subsequently, the liability is accounted for TRA as a loss contingency with changes recorded within "Accounts payable, accrued expenses and other." Changes in the liability measured and recorded when estimated amounts due under the Tax Receivable Agreement TRA are probable and can be reasonably estimated, and reported as part of other "Other expense/(income)" in the consolidated statements of operations. See ns. During the year ended Note 11 - Accounts Payable, Accrued Expenses and Other for further information.

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December 31, 2022, the Company recorded an additional liability of \$3.2 million. As of December 31, 2022, the total liability recorded for the Tax Receivable Agreement was approximately \$17.1 million.

Related Party Transactions

The Company enters into various transactions with related parties. See Note 16 17 – Related Party Transactions for further information.

Public and Private Warrants

As part of Gores Holdings IV, Inc.'s initial public offering ("IPO") in January 2020, Gores Holdings IV, Inc. issued to third party investors 42.5 million units, consisting of one share of Class A common stock of Gores Holdings IV, Inc. and one-fourth of one warrant, at a price of \$10.00 per unit. Each whole warrant entitles the holder to purchase one share of Class A common stock at an exercise price of \$11.50 per share (the "Public Warrants"). Simultaneously with the closing of the IPO, Gores Holdings IV, Inc. completed the private sale of 5.25 million warrants to Gores Holdings IV, Inc.'s sponsor at a purchase price of \$2.00 per warrant (the "Private Warrants"). Each Private Warrant allows the sponsor to purchase one share of Class A common stock at \$11.50 per share. Upon the closing of the business combination transaction, the Company had 10,624,987 Public Warrants and 5,250,000 Private Warrants outstanding.

The Private Warrants and the shares of common stock issuable upon the exercise of the Private Warrants were not transferable, assignable or salable until after the completion of the business combination, subject to certain limited exceptions. Additionally, the Private Warrants are exercisable for cash or on a cashless basis, at the holder's option, and are non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

The Company evaluated the Public and Private Warrants under applicable U.S. GAAP and concluded that they do not meet the criteria to be classified in stockholders' equity due to certain terms of the warrants. Since the Public and Private

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Warrants meet the definition of derivatives, the Company recorded these warrants as liabilities on the balance sheet at fair value upon the closing of the business combination transaction and subsequently (recorded within "Accounts payable, accrued expenses and other"), with the change in their respective fair values recognized in the consolidated statement of operations (recorded within "Other expense/(income)"). During the years ended December 31, 2022 and 2021, the Company recognized \$7.7 million and \$23.1 million, respectively, of other income related to the change in fair value of warrants.

Stock-Based Compensation

Effective upon the closing of the business combination transaction, the Company adopted the UWM Holdings Corporation 2020 Omnibus Incentive Plan (the "2020 Plan") which was approved by stockholders on January 20, 2021. The 2020 Plan allows for the grant of stock options, restricted stock, restricted stock units ("RSUs"), and stock appreciation rights. Pursuant to the 2020 Plan, the Company reserved a total of 80,000,000 shares of common stock for issuance of stock-based compensation awards, awards, and 69,804,623 shares remained available for issuance under the 2020 Plan as of December 31, 2023. Stock-based compensation expense is recognized on a straight-line basis over the requisite service period based on the fair value of the award on the date of grant and is included in "Salaries, commissions and benefits" on the consolidated statements of operations. The Company made a policy election to recognize the effects of forfeitures as they occur. See Note 18.19 – Stock-based Compensation for further information.

Servicing Advances

Servicing advances represent advances on behalf of borrowers and investors to cover delinquent balances for contractual principal and interest, property taxes, insurance premiums and other out-of-pocket costs. Advances are made in accordance with the servicing agreements and are recoverable upon liquidation. The Company periodically evaluates the advances for collectability and amounts are written-off when they are deemed uncollectible. Servicing advances are included in accounts "Accounts receivable, net net" on the consolidated balance sheets.

Advertising and Marketing

Advertising and marketing is expensed as incurred and amounted to \$29.0 \$28.4 million, \$29.0 million, \$21.8 million and \$7.9 million \$21.8 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively, and is included in marketing, "Marketing, travel, and entertainment expenses expenses" in the consolidated statements of operations.

Escrow and Fiduciary Funds

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The Company maintains segregated bank accounts in trust for investors and escrow balances for mortgagors, mortgagors with third-party financial institutions. The balances of these accounts for escrows amounted to \$1.58 billion \$1.55 billion and \$1.61 billion \$1.58 billion at December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, respectively, and the balances of these accounts for investor funds amounted to \$0.50 billion and \$0.46 billion as of December 31, 2023 and December 31, 2022, respectively, and are excluded from the consolidated balance sheets.

Contingencies

The Company evaluates contingencies based on information currently available and establishes an accrual for those matters when a loss contingency is considered probable and the related amount is reasonably estimable. For matters where a loss is believed to be reasonably possible but not probable, no accrual is established but the nature of the loss contingency and an estimate of the reasonably possible range of loss in excess of amount accrued, when such estimate can be made, is disclosed. In deriving an estimate, the Company is required to make assumptions about matters that are, by their nature, highly uncertain. The assessment of loss contingencies involves the use of critical estimates, assumptions and judgments. It is not possible to predict or determine the outcome of all loss contingencies. Accruals are periodically reviewed and may be adjusted as circumstances change.

Risks and Uncertainties

The Company encounters certain economic and regulatory risks inherent in the consumer finance business. Economic risks include interest rate risk and credit risks. The Company is subject to interest rate risk to the extent that in a rising interest rate environment, the Company may experience a decrease in loan production, as well as decreases in the value of mortgage loans at fair value and in commitments to originate loans, which may negatively impact the Company's operations. Credit risk is the risk of default that may result from the borrowers' inability or unwillingness to make contractually required payments during the period in which mortgage loans are being held at fair value or subsequently under any representation and warranty provisions within the Company's sale agreements. The Company is subject to substantial regulation as it directly provides financing to consumers acquiring residential real estate.

The Company sells loans to investors without specific recourse. As such, the investors have assumed the risk of loss of default by the borrower. However, the Company is usually required by these investors to make certain standard representations

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and warranties relating to credit information, loan documentation and collateral. To the extent that the Company does not comply with such representations, or there are early payment defaults, the Company may be required to repurchase the loans or indemnify these investors for any losses from borrower defaults. In addition, if loans pay-off within a specified time frame, the Company may be required to refund a portion of the sales proceeds to the investors.

Recently Adopted Accounting Pronouncements Standards

In March 2020, the Financial Accounting Standards Board ("FASB") issued ASU 2020-4, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which was subsequently amended by ASU No. 2021-1, *Reference Rate Reform (Topic 848): Scope*, which was issued in January 2021 and will remain effective through December 31, 2024. This guidance provides practical expedients to address existing guidance on contract modifications due to the expected market transition from the London Inter-bank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates, such as the Secured Overnight Financing Rate

("SOFR" ("SOFR"). The ASU was effective upon issuance on a prospective basis beginning January 1, 2020. Alternative base rate language, which may include SOFR to agreements for its derivatives, has been added to warehouse and other lines of credit and debt obligations that use LIBOR. The Company has applied the Company may elect certain practical optional expedients as under ASU 2020-04 and accounted for the contract modifications related to reference rate activities occur. reform prospectively. There was no impact on the Company's consolidated financial statements from adopting this standard.

Accounting Standards Issued but Not Yet Effective

In March 2023, the FASB issued ASU 2023-1, Leases (Topic 842): Common Control Arrangements, which amends certain provisions of ASU 2016-2, Leases (Topic 842), which was issued in February 2016 and will remain effective through December 31, 2024. This guidance addresses existing guidance that applies to the amortization of leasehold improvements made by lessees in lease arrangements between entities under common control. The Company will evaluate its debt and other applicable contracts that are modified in the future to ensure they are eligible ASU is effective for modification relief and apply the practical expedients as needed. fiscal years beginning after December 15, 2023. The Company does not anticipate this will have a material impact on its consolidated financial statements and related disclosures.

In November 2023, the FASB issued ASU 2023-7, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires enhanced disclosure of significant segment expenses on an annual and interim basis. The ASU is effective on a retrospective basis for annual periods beginning after December 15, 2023, and interim periods beginning after December 15, 2024. Early adoption is permitted. The Company will include the required disclosures in its consolidated financial statements once adopted.

In December 2023, the FASB issued ASU 2023-9, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. The ASU is effective on a prospective basis for annual periods beginning after December 15, 2024, and early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The Company will include the required disclosures in its consolidated financial statements once adopted.

NOTE 2 – MORTGAGE LOANS AT FAIR VALUE

The table below includes the estimated fair value and unpaid principal balance ("UPB") of mortgage loans that have contractual principal amounts and for which the Company has elected the fair value option. The fair value option has been elected for mortgage loans, as this accounting treatment best reflects the economic consequences of the Company's mortgage origination and related hedging and risk management activities. The difference between the UPB and estimated fair value is made up of the premiums paid on mortgage loans, as well as the fair value adjustment as of the balance sheet date. The change in fair value adjustment is recorded in the "Loan production income" line item of the consolidated statements of operations.

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(In thousands)		December 31,	December 31,	December 31,		December 31,
(In thousands)		2022	2021	(In thousands)		2022
Mortgage loans, unpaid principal balance	Mortgage loans, unpaid principal balance	\$7,128,131	\$16,630,907			
Premiums paid on mortgage loans	Premiums paid on mortgage loans	70,914	238,963			
Fair value adjustment	Fair value adjustment	(64,085)	40,031			
Mortgage loans at fair value	Mortgage loans at fair value	\$7,134,960	\$16,909,901			

NOTE 3 – DERIVATIVES

The Company enters into IRLCs to originate residential mortgage loans at specified interest rates and terms within a specified period of time with customers who have applied for a loan and may meet certain credit and underwriting criteria. To determine the fair value of the IRLCs, each contract is evaluated based upon its stage in the application, approval and

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origination process for its likelihood of consummating the transaction (or "pullthrough"). Pullthrough is estimated based on changes in market conditions, loan stage, and actual borrower behavior using a historical analysis of IRLC closing rates. Generally, the further into the process the more likely that the IRLC will convert to a loan. The blended average pullthrough rate was 77% 76% and 86%, 77% as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, respectively. The Company primarily uses FLSCs to economically hedge the IRLCs, its pipeline of IRLCs and mortgage loans at fair value.

The notional amounts and fair values of derivative financial instruments not designated as hedging instruments were as follows (in thousands):

December 31, 2023												Decem								
Fair value																				
December 31, 2022						December 31, 2021														
Fair value			Fair value			Fair value			Fair value											
Derivative assets	Derivative liabilities	Notional Amount	Derivative assets	Derivative liabilities	Notional Amount	Derivative assets	Derivative liabilities	Notional Amount	Derivative assets	Derivative liabilities	Notional Amount	Deriv								
assets	liabilities	Amount	assets	liabilities	Amount	assets	liabilities	Amount	assets	liabilities	Amount	ass								
IRLCs	IRLCs	\$ 7,872	\$32,294	\$5,359,684	(a)	\$24,899	\$11,138	\$13,450,967	(a)	IRLCs	\$29,623	\$	\$	2,933	\$	\$	6,264,727	(a)	(a)	\$ 7,8
FLSCs	FLSCs	74,997	17,454	10,944,875		42,457	25,603	28,887,178		FLSCs	3,396	37,848		37,848	10,469,975			10,469,975		74,9
Total	Total	\$82,869	\$49,748			\$67,356	\$36,741													

(a) Notional amounts have been adjusted for pullthrough rates of 76% and 77%, re of 77% and 86%, respectively, spectively.

NOTE 4 – ACCOUNTS RECEIVABLE, NET

The following summarizes accounts receivable, net (in thousands):

		December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022
Servicing advances	Servicing advances	\$ 162,896	\$ 135,117		
Servicing fees	Servicing fees	110,891	136,981		
Investor receivables					
Receivables from sales of servicing	Receivables from sales of servicing	56,019	13,503		
Investor receivables		25,701	44,192		
Origination receivables	Origination receivables	24,179	56,569		
Derivative settlements receivable	Derivative settlements receivable	8,204	21,987		
Warehouse bank receivable		199	8,510		
Other receivables	Other receivables	179	127		
Provision for current expected credit losses	Provision for current expected credit losses	(5,121)	(1,295)		
Total accounts receivable, net	Total accounts receivable, net	\$ 383,147	\$ 415,691		

The Company periodically evaluates the carrying value of accounts receivable balances with delinquent receivables being written-off based on specific credit evaluations and circumstances of the debtor.

NOTE 5 – MORTGAGE SERVICING RIGHTS

Mortgage servicing rights are recognized on the consolidated balance sheets when loans are sold and the associated servicing rights are retained. The Company elected the fair value option for all current classes of its MSRs effective January 1, 2021. The Company determined its classes of MSRs based on how the Company manages risk. The Company's MSRs are measured at fair value, which is determined using a valuation model that calculates the present value of estimated future net servicing cash flows. The model includes estimates of prepayment speeds, discount rate, cost to service, float earnings,

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contractual servicing fee income, and ancillary income and late fees, among others. These estimates are supported by market and economic data collected from various external sources.

The unpaid principal balance of mortgage loans serviced for others approximated \$299.5 billion at December 31, 2022, December 31, 2023 and December 31, 2021, respectively. Conforming conventional loans serviced by the Company have previously been sold to Fannie Mae and Freddie Mac on a non-recourse basis, whereby credit losses are generally the responsibility of Fannie Mae and Freddie Mac, and not the Company. Loans serviced for Ginnie Mae are insured by the FHA, guaranteed by the VA, or insured by other applicable government programs. While the above guarantees and insurance are the responsibility of those parties, the Company is still subject to potential losses related to its servicing of these loans. Those estimated losses are incorporated into the valuation of MSRs.

The following table summarizes changes in the MSR assets for the years ended December 31, 2022, December 31, 2023, 2022 and 2021 (in thousands):

	For the year ended December 31,	
	2022	2021
Fair value, beginning of period	\$ 3,314,952	1,760,304
Capitalization of MSRs	2,213,572	2,397,483
MSR sales	(1,387,180)	(269,925)
Changes in fair value:		
Due to changes in valuation inputs or assumptions	868,803	286,348
Due to collection/realization of cash flows/other	(556,886)	(859,258)
Fair value, end of period	\$ 4,453,261	\$ 3,314,952

	For the year ended December 31,		
	2023	2022	2021
Fair value, beginning of period	\$ 4,453,261	\$ 3,314,952	\$ 1,760,304
Capitalization of MSRs	2,269,378	2,213,572	2,397,483
MSR and excess servicing sales	(1,881,683)	(1,387,180)	(269,925)
Changes in fair value:			
Due to changes in valuation inputs or assumptions	(330,031)	868,803	286,348
Due to collection/realization of cash flows/other	(484,789)	(556,886)	(859,258)
Fair value, end of period	\$ 4,026,136	\$ 4,453,261	\$ 3,314,952

The following is a summary of the components of the total change in fair value of servicing rights MSRs as reported in the consolidated statements of operations (in thousands):

		For the year ended December 31,				
		2022	2021			
		For the year ended December 31,				
		For the year ended December 31,				
		For the year ended December 31,				
		2023		2023	2022	2021
Changes in fair value:	Changes in fair value:					
Due to changes in valuation inputs and assumptions						
Due to changes in valuation inputs and assumptions						

Due to changes in valuation inputs and assumptions	Due to changes in valuation inputs and assumptions	\$ 868,803	\$ 286,348
Due to collection/realization of cash flows and other	Due to collection/realization of cash flows and other	(556,886)	(859,258)
Net reserves and transaction costs on sales of servicing rights	Net reserves and transaction costs on sales of servicing rights	(27,813)	(14,903)
Changes in fair value of mortgage servicing rights	Changes in fair value of mortgage servicing rights	\$ 284,104	\$(587,813)
Changes in fair value of mortgage servicing rights			
Changes in fair value of mortgage servicing rights			

During the years ended December 31, 2022, December 31, 2023, 2022 and 2021, the Company sold MSR on loans with an aggregate UPB of approximately \$112.9 billion, \$99.2 billion, \$112.9 billion and \$22.7 billion, respectively, for proceeds of approximately \$1.4 billion, \$1.3 billion, \$1.4 billion and \$269.9 million, respectively. In addition, during the year ended December 31, 2023, the Company sold excess servicing cash flows on certain agency loans with a total UPB of approximately \$94.9 billion for proceeds of approximately \$588.6 million. In connection with these sales, of these MSRs, the Company recorded a net \$27.8 million, \$39.3 million, \$27.8 million and \$14.9 million, respectively, for its estimated obligation for protection provisions granted to the buyer, buyers and transaction costs, which is reflected as part of the change in fair value of MSRs in the consolidated statements of operations.

Prior to operations. There were no excess servicing cash flow sales during the election of the fair value option on January 1, 2021, the Company accounted for MSRs based on the lower cost or market using the amortization method. The following table summarizes changes to the MSR assets for the year years ended December 31, 2020 under the amortization method (in thousands):

	For the year ended December 31, December 31, 2022 and 2021.	
	2020	
Balance, beginning of period	\$	731,353
Additions		1,896,638
Amortization		(252,421)
Loans paid in full		(301,113)
Sales		(298,009)
Recovery/(Impairment)		(19,584)
Balance, end of period	\$	1,756,864

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The following table summarizes the loan servicing income recognized during the years ended December 31, 2022, December 31, 2023, 2021, 2022 and 2020, 2021, respectively (in thousands):

		For the year ended December 31,		
		2022	2021	2020
		For the year ended December 31,		
		For the year ended December 31,		
		For the year ended December 31,		
		2023	2023	2022
		2021		
Contractual servicing fees	Contractual servicing fees	\$ 781,109	\$ 632,276	\$ 284,257

Late, ancillary and other fees	Late, ancillary and other fees	10,963	6,462	4,047
Loan servicing income	Loan servicing income	\$ 792,072	\$ 638,738	\$ 288,304

The key unobservable inputs used in determining the fair value of the Company's MSRs were as follows at **December 31, 2022**, **December 31, 2023** and **December 31, 2021**, respectively:

	December 31, 2022			December 31, 2021				
			Weighted Average			Weighted Average		
	Range			Range				
Discount rates	9.5 %	—	15.0 %	10.1 %	9.0 %	—	14.5 %	9.6 %
Annual prepayment speeds	6.7 %	—	14.0 %	7.9 %	8.3 %	—	45.4 %	10.5 %
Cost of servicing	\$75	—	\$108	\$80	\$74	—	\$162	\$81

	December 31, 2023			December 31, 2022				
			Weighted Average			Weighted Average		
	Range			Range				
Discount rates	10.0 %	—	16.0 %	11.1 %	9.5 %	—	15.0 %	10.1 %
Annual prepayment speeds	5.3 %	—	21.9 %	9.6 %	6.7 %	—	14.0 %	7.9 %
Cost of servicing	\$74	—	\$111	\$84	\$75	—	\$108	\$80

The hypothetical effect of adverse changes in these key assumptions would result in a decrease in fair values as follows at **December 31, 2022**, **December 31, 2023** and **December 31, 2021**, respectively, (in thousands):

	December 31, 2022		December 31, 2021	
Discount rate:				
+ 10% adverse change – effect on value	\$	(183,972)	\$	(107,992)
+ 20% adverse change – effect on value		(353,120)		(208,567)
Prepayment speeds:				
+ 10% adverse change – effect on value	\$	(143,483)	\$	(138,807)
+ 20% adverse change – effect on value		(277,992)		(267,964)
Cost of servicing:				
+ 10% adverse change – effect on value	\$	(39,362)	\$	(37,370)
+ 20% adverse change – effect on value		(78,724)		(74,741)

	December 31, 2023		December 31, 2022	
Discount rate:				
+ 10% adverse change – effect on value	\$	(140,727)	\$	(183,972)
+ 20% adverse change – effect on value		(269,702)		(353,120)
Prepayment speeds:				
+ 10% adverse change – effect on value	\$	(124,651)	\$	(143,483)
+ 20% adverse change – effect on value		(240,082)		(277,992)
Cost of servicing:				
+ 10% adverse change – effect on value	\$	(31,869)	\$	(39,362)
+ 20% adverse change – effect on value		(63,738)		(78,724)

These sensitivities are hypothetical and should be used with caution. As the table demonstrates, the Company’s methodology for estimating the fair value of MSR’s is highly sensitive to changes in assumptions. For example, actual prepayment experience may differ, and any difference may have a material effect on MSR fair value. Changes in fair value resulting from changes in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, in this the table above, the effect of a variation in a particular assumption of the fair value of the MSR’s is calculated without changing any other assumption; in reality, changes in one factor may be associated with changes in another (for example, decreases in market interest rates may indicate higher prepayments; however, this may be partially offset by lower prepayments due to other factors such as a borrower’s diminished opportunity to refinance) refinance, or lower discount rates as investors may accept lower returns in a lower interest rate environment), which may magnify or counteract the sensitivities. Thus, any measurement of MSR fair value is limited by the conditions existing and assumptions made as of a particular point in time. Those assumptions may not be appropriate if they are applied to a different point in time.

NOTE 6 - PREMISES AND EQUIPMENT, NET

Premises and equipment is recorded at cost and depreciated or amortized using the straight line method over the estimated useful lives of the assets, which primarily range from 3 to 10 years for office furniture, equipment and software. Leasehold improvements are amortized over the shorter of the related lease term or the estimated useful life of the assets. The following is a summary of premises and equipment, net (in thousands):

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		December 31, 2022	December 31, 2021		December 31, 2023		December 31, 2022
Leasehold improvements	Leasehold improvements	\$160,947	\$140,287				
Furniture and equipment	Furniture and equipment	38,583	33,074				
Software, including internally-developed	Software, including internally-developed	25,491	20,176				
Construction in process	Construction in process	1,323	4,503				
Accumulated depreciation and amortization	Accumulated depreciation and amortization	(73,868)	(46,353)				
Premises and equipment, net	Premises and equipment, net	\$152,477	\$151,687				

NOTE 7 – LEASES

Lease Right-of-Use Assets and Liabilities

The Company has operating and finance lease arrangements related to its facilities, furniture and fixtures, and information technology equipment. A substantial portion of the Company’s lease arrangements are with related party entities. See Note 16 17 - Related Party Transactions for further information.

The Company’s operating lease agreements have remaining terms ranging from approximately five four to fifteen years, fourteen years. Certain lease agreements have renewal options. Total lease expense under all operating leases amounted amounted to \$12.3 million, \$11.9 million \$12.3 million and \$10.9 million \$11.9 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively. Lease expense for related party leases was \$12.0 million \$11.8 million, \$11.6 12.0 million and \$10.9 million \$11.6 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively. Variable lease expense amounted to \$10.8 million, \$4.5 million, and \$0.7 million and \$0.6 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively.

The Company’s financing lease agreements have remaining terms terms ranging from three approximately two months to thirteen twelve years. For the year en ended December 31, 2023, total interest expense and amortization expense under finance leases amounted to \$1.3 million and \$13.1 million, respectively, of which \$1.0 million of interest expense and \$2.1 million of amortization expenseded was attributed to related party finance leases. For the year ended December 31, 2022, total interest expense and amortization expense under finance leases amounted to \$1.9 million and \$17.7 million, respectively, of which \$1.0 million of interest expense and \$2.1 million of amortization expense was attributed to related party finance leases. For the year ended December 31, 2021, total interest expense and amortization expense under finance leases amounted to \$2.2 million and \$14.4 million, respectively, of which \$0.9 million of interest expense and \$2.0 million of amortization expense was attributed to related party finance leases. For the year ended December 31, 2020, total interest expense and amortization expense under finance leases amounted to \$0.8 million and \$5.2 million, respectively, all of which was attributed to third party leases.

Supplemental cash flow information related to leases is as follows (in thousands):

		December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022
Cash paid for amounts included in the measurement of operating lease liabilities – operating cash flows	Cash paid for amounts included in the measurement of operating lease liabilities – operating cash flows	\$ 12,537	\$ 15,926		
Cash paid for amounts included in the measurement of finance lease liabilities - financing and operating cash flows		19,218	15,876		
Cash paid for amounts included in the measurement of finance lease liabilities – financing and operating cash flows					
Operating lease right-of-use assets obtained in exchange for operating leases liabilities	Operating lease right-of-use assets obtained in exchange for operating leases liabilities	3,984	20,134		
Financing lease right-of-use assets obtained in exchange for finance lease liabilities	Financing lease right-of-use assets obtained in exchange for finance lease liabilities	2,861	48,539		

Additional supplemental information related to leases is as follows:

		December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022
Weighted average remaining lease term – operating leases	Weighted average remaining lease term – operating leases	13.6 years	14.7 years	12.6 years	13.6 years
Weighted average remaining lease term – finance leases	Weighted average remaining lease term – finance leases	8.8 years	7.9 years	10.3 years	8.8 years
Weighted average discount rate – operating leases	Weighted average discount rate – operating leases	7.4 %	7.4 %	7.4 %	7.4 %
Weighted average discount rate – finance leases	Weighted average discount rate – finance leases	3.6 %	3.8 %	3.6 %	3.6 %

The maturities of the Company's operating lease liabilities are summarized below (in thousands):

December 31, 2022		Amounts
2023		\$ 12,873
December 31, 2023		
2024	2024	12,873
2025	2025	12,990
2026	2026	12,996
2027	2027	12,959
2028		
Thereafter	Thereafter	110,717
Total lease payments		175,408
Less imputed interest		(64,076)
Total		\$111,332

The maturities of the Company's financing lease liabilities are summarized below (in thousands):

December 31, 2022		Amounts
2023		\$ 14,146
2024		6,581
2025		3,057
2026		2,665
2027		2,668
Thereafter		21,940
Total lease payments		51,057
Less imputed interest		(7,552)
Total		\$ 43,505

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December 31, 2023		Amounts
2024		\$ 6,581
2025		3,057
2026		2,665
2027		2,668
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Thereafter		19,273
Total lease payments		36,912
Less imputed interest		(6,234)
Total		\$ 30,678

NOTE 8 - WAREHOUSE AND OTHER SECURED LINES OF CREDIT

Warehouse Lines of Credit

The Company had the following warehouse lines of credit with financial institutions as of December 31, 2022, December 31, 2023 and December 31, 2021, respectively (in thousands):							December 31, 2022		December 31, 2023		December 31, 2021		December 31, 2020	
Warehouse	Warehouse	Initial Agreement With Warehouse Lender	Current Agreement Expiration Date	December 31, 2022	December 31, 2021	Warehouse Lines of Credit	Date of Initial Agreement With Warehouse Lender	Current Agreement Expiration Date	Against Line as of December 31, 2023	Against Line as of December 31, 2022	Against Line as of December 31, 2021	Against Line as of December 31, 2020	Against Line as of December 31, 2019	Against Line as of December 31, 2018
Lines of Credit	Lines of Credit													

Master Repurchase Agreement ("MRA")
Funding Limits as of December 31, 2022:

Master Repurchase Agreement ("MRA") Funding Limits as of December 31, 2023:					
Master Repurchase Agreement ("MRA") Funding Limits as of December 31, 2023:					
Master Repurchase Agreement ("MRA") Funding Limits as of December 31, 2023:					
N/A ₂	9/8/2020	N/A ₂	\$	—	\$ 913,247
\$400 Million ₃	8/21/2012	1/18/2023		188,607	372,895
\$500 Million ₄	3/7/2019	3/22/2023		236,462	1,230,017
\$400 Million ₂					
\$400 Million ₂					
\$400 Million ₂					
\$200 Million ₂					
\$300 Million ₂					
\$250 Million					
\$500 Million	\$500 Million	4/23/2021	4/23/2023	185,502	755,539
\$150 Million		2/29/2012	5/23/2023	142,570	144,534
\$3.0 Billion		5/9/2019	7/28/2023	2,239,591	4,482,245
\$700 Million		7/24/2020	8/30/2023	642,544	673,471
\$200 Million		3/30/2018	9/6/2023	170,478	197,976
\$1.0 Billion					
\$200 Million	\$200 Million	10/30/2020	9/26/2023	97,216	1,163,447
\$300 Million	\$300 Million	8/19/2016	11/8/2023	235,804	280,637
\$250 Million		2/26/2016	12/21/2023	193,023	192,614
\$1.0 Billion	\$1.0 Billion	7/10/2012	1/8/2024	521,440	963,495
\$2.5 Billion ₄		12/31/2014	2/21/2024	1,588,787	3,349,395
\$2.5 Billion					
\$500 Million					
\$3.0 Billion					
Early Funding:					
Early Funding:					
\$600 Million (ASAP + - see below)					
\$600 Million (ASAP + - see below)					
\$600 Million	\$600 Million	No expiration		—	516,889

(ASAP + - see below)	(ASAP + - see below)		
\$750 Million	\$750 Million		
(EF - see below)	(EF - see below)	No expiration	1,968
			718,537
			<u>\$6,443,992</u>
			<u>\$15,954,938</u>
			\$
			=
			\$
			=
			\$
			=

All interest rates are variable based upon a spread to SOFR or other alternative index.

- 1 An aggregate of \$401.0 750.0 million of these line amounts is committed as of December 31, 2022 December 31, 2023.
- 2 The Company elected to not renew this warehouse line of credit agreement prior to December 31, 2022. As of December 31, 2021, this warehouse line of credit agreement had a funding limit of \$1.5 billion.
- 3 This warehouse line of credit agreement expired pursuant to its terms subsequent prior to December 31, 2022 December 31, 2023.
- 4 Represents the current agreement expiration date pursuant to an amendment entered into subsequent to December 31, 2022.

We are an approved lender for loan early funding facilities with Fannie Mae through its As Soon As Pooled Plus ("ASAP+") program and Freddie Mac through its Early Funding ("EF") program. As an approved lender for these early funding programs, we enter into an agreement to deliver closed and funded one-to-four family residential mortgage loans, each secured by related mortgages and deeds of trust, and receive funding in exchange for such mortgage loans in some cases before we have grouped them into pools to be securitized by Fannie Mae or Freddie Mac. All such mortgage loans must adhere to a set of eligibility criteria to be acceptable. As of December 31, 2022 December 31, 2023, there was no amount was outstanding through the ASAP+ program and \$2.0 million \$53.9 million was outstanding under through the EF program.

As of December 31, 2022 December 31, 2023, the Company had pledged mortgage loans at fair value as collateral under the above warehouse lines of credit. The above agreements also contain covenants which include certain financial requirements, including maintenance of minimum tangible net worth, minimum liquidity, maximum debt to net worth ratio, and net income, as defined in the agreements. The Company was in compliance with all of these covenants as of December 31, 2022 December 31, 2023.

MSR Facility Facilities

In the third quarter of 2022, the Company's consolidated subsidiary, UWM, entered into a Loan and Security Agreement with Citibank, N.A., providing UWM with up to \$1.5 billion of uncommitted borrowing capacity to finance the

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origination, acquisition or holding of certain mortgage servicing rights (the "MSR Facility"). The MSR Facility is collateralized by all of UWM's mortgage servicing rights that are appurtenant to mortgage loans pooled in securitization by Fannie Mae or Freddie Mac that meet certain criteria. Available borrowings under the MSR Facility are based on the fair market value of the collateral. Borrowings under the MSR Facility will bear interest based on SOFR plus an applicable margin. The MSR Facility contains covenants which include certain financial requirements, including maintenance of minimum tangible net worth,

minimum liquidity, maximum debt to net worth ratio, and net income as defined in the agreement. As of December 31, 2023, the Company was in compliance with all applicable covenants. The MSR Facility has a maturity date of November 5, 2024. As of December 31, 2023 and December 31, 2022, \$500.0 million and \$750.0 million, respectively, was outstanding under the MSR Facility.

In the first quarter of 2023, the Company's consolidated subsidiary, UWM, entered into a Credit Agreement with Goldman Sachs Bank USA, providing UWM with up to \$500.0 million of uncommitted borrowing capacity to finance the origination, acquisition or holding of certain mortgage servicing rights (the "GNMA MSR facility"). The GNMA MSR facility is collateralized by all of UWM's mortgage servicing rights that are appurtenant to mortgage loans pooled in securitization by Ginnie Mae that meet certain criteria. Available borrowings under the GNMA MSR facility are based on the fair market value of the collateral. Borrowings under the GNMA MSR facility bear interest based on SOFR plus an applicable margin. The GNMA MSR Facility contains covenants which include certain financial requirements, including maintenance of minimum tangible net worth, minimum liquidity, maximum debt to net worth ratio, and net income income as defined in the agreement. As of December 31, 2022 December 31, 2023, the Company was in compliance with all applicable covenants. The The draw period for the GNMA MSR Facility facility ends on March 20, 2024, and the facility has an initial a maturity date of September 26, 2023 March 20, 2025. As of December 31, 2022 December 31, 2023, \$750.0 million \$250.0 million was outstanding under the GNMA MSR Facility facility.

Outstanding borrowings under the MSR facilities are reported within the "Secured lines of credit" financial statement line item on the consolidated balance sheets.

NOTE 9 – OTHER BORROWINGS

Senior Notes

The following is a summary of the senior unsecured notes issued by the Company (in thousands):

Facility Type	Facility Type	Maturity Date	Interest Rate	Outstanding Balance at Outstanding Principal at December 31, 2022	Outstanding Balance at Outstanding Principal at December 31, 2021	Facility Type	Maturity Date	Interest Rate	Outstanding Principal at December 31, 2023	Outstanding Principal at December 31, 2022
2025 Senior unsecured notes ⁽¹⁾		11/15/2025	5.50 %	\$ 800,000	\$ 800,000					
2029 Senior unsecured notes ⁽²⁾		04/15/2029	5.50 %	700,000	700,000					
2027 Senior unsecured notes ⁽³⁾		06/15/2027	5.75 %	500,000	500,000					
2025 Senior Unsecured Notes ⁽¹⁾										
2025 Senior Unsecured Notes ⁽¹⁾										
2025 Senior Unsecured Notes ⁽¹⁾										
2029 Senior Unsecured Notes ⁽²⁾										
2027 Senior Unsecured Notes ⁽³⁾										
Total Senior Unsecured Notes	Total Senior Unsecured Notes			\$2,000,000	\$2,000,000					
Weighted average interest rate	Weighted average interest rate			5.56 %	5.56 %					
Weighted average interest rate										
Weighted average interest rate									5.56 %	5.56 %

⁽¹⁾ Unamortized debt issuance costs and discounts are presented net against the 2025 Senior Notes reducing the amount reported on the consolidated balance sheets by \$6.3 million \$4.1 million and \$8.5 million \$6.3 million as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, respectively.

⁽²⁾ Unamortized debt issuance costs and discounts are presented net against the 2029 Senior Notes reducing the amount reported on the consolidated balance sheets by \$5.5 million \$4.6 million and \$6.4 million \$5.5 million as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, respectively.

⁽³⁾ Unamortized debt issuance costs and discounts are presented net against the 2027 Senior Notes reducing the amount reported on the consolidated balance sheets by \$3.9 million \$3.0 million and \$5.0 million \$3.9 million as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, respectively.

2025 Senior Notes

On November 3, 2020, the Company's consolidated subsidiary, UWM, issued \$800.0 million in aggregate principal amount of senior unsecured notes due November 15, 2025 (the "2025 Senior Notes"). The 2025 Senior Notes accrue interest at a rate of 5.500% per annum. Interest on the 2025 Senior Notes is due semi-annually on May 15 and November 15 of each year, beginning year.

Beginning on May 15, 2021.

On or after November 15, 2022, the Company may, at its option, redeem the 2025 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: November 15, 2022 at 102.750%; November 15, 2023 at 101.375%; or November 15, 2024 until maturity at 100%, of the principal amount of the 2025 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest.

2029 Senior Notes

On April 7, 2021, the Company's consolidated subsidiary, UWM, issued \$700.0 million in aggregate principal amount of senior unsecured notes due April 15, 2029 (the "2029 Senior Notes"). The 2029 Senior Notes accrue interest at a rate of 5.500% per annum. Interest on the 2029 Senior Notes is due semi-annually on April 15 and October 15 of each year, beginning on October 15, 2021, year.

On or after April 15, 2024, the Company may, at its option, redeem the 2029 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: April 15, 2024 at 102.750%;

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April 15, 2025 April 15, 2025 at 101.375%; or April 15, 2026 until maturity at 100%, of the principal amount of the 2029 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest. Prior to April 15, 2024, the Company may, at its option, redeem up to 40% of the aggregate principal amount of the 2029 Senior Notes originally issued at a redemption price of 105.500% of the principal amount of the 2029 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest with the net proceeds of certain equity offerings. In addition, the Company may, at its option, redeem the 2029 Senior Notes prior to April 15, 2024 at a price equal to 100% of the principal amount redeemed plus a "make-whole" premium, plus accrued and unpaid interest.

2027 Senior Notes

On November 22, 2021, the Company's consolidated subsidiary, UWM, issued \$500.0 million in aggregate principal amount of senior unsecured notes due June 15, 2027 (the "2027 Senior Notes"). The 2027 Senior Notes accrue interest at a rate of 5.750% per annum. Interest on the 2027 Senior Notes is due semi-annually on June 15 and December 15 of each year, beginning on June 15, 2022, year.

On or after June 15, 2024, the Company may, at its option, redeem the 2027 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: June 15, 2024 at 102.875%; June 15, 2025 at 101.438%; or June 15, 2026 until maturity at 100.000%, of the principal amount of the 2027 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest. Prior to June 15, 2024, the Company may, at its option, redeem up to 40% of the aggregate principal amount of the 2027 Senior Notes originally issued at a redemption price of 105.75% of the principal amount of the 2027 Senior Notes redeemed on the redemption date plus accrued and unpaid interest with the net proceeds of certain equity offerings. In addition, the Company may, at its option, redeem the 2027 Senior Notes prior to June 15, 2024 at a price equal to 100% of the principal amount redeemed plus a "make-whole" premium, plus accrued and unpaid interest.

The indentures governing the 2025, 2029 and 2027 Senior Notes contain operating covenants and restrictions, subject to a number of exceptions and qualifications. The Company was in compliance with the terms of the indentures as of December 31, 2022 December 31, 2023.

Revolving Credit Facility

On August 8, 2022, UWM entered into the a Revolving Credit Agreement (the "Revolving Credit Agreement") between UWM, as the borrower, and SFS Corp., as the lender. The Revolving Credit Agreement provides for, among other things, a \$500.0 million unsecured revolving credit facility (the "Revolving Credit Facility"). The Revolving Credit Facility has had an initial maturity date of August 8, 2023, one-year term and automatically renews for successive one-year periods unless terminated by either party. Amounts borrowed under the Revolving Credit Facility may be borrowed, repaid and reborrowed from time to time, and accrue interest at the Applicable Prime Rate (as defined in the Revolving Credit Agreement). UWM may utilize the Revolving Credit Facility in connection with: (i) operational and investment activities, including but not limited to funding and/or advances related to (a) servicing rights, (b) 'scratch and dent' loans, (c) margin requirements, and (d) equity in loans held for sale; and (ii) general corporate purposes.

The Revolving Credit Agreement contains certain financial and operating covenants and restrictions, subject to a number of exceptions and qualifications, and and the availability of funds under the Revolving Credit Facility is subject to our continued compliance with these covenants. The Company was in compliance with these covenants as of December 31, 2022 December 31, 2023. No amounts were outstanding under the Revolving Credit Facility as of December 31, 2023 or December 31, 2022.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Representations and Warranties Reserve

Loans sold to investors which the Company believes met investor and agency underwriting guidelines at the time of sale may be subject to repurchase by the Company in the event of specific default by the borrower or upon subsequent discovery that underwriting or documentation standards were not explicitly satisfied. The Company may, upon mutual agreement, indemnify the investor against future losses on such loans or be subject to other guaranty requirements and subject to loss. The Company initially records its exposure under such guarantees at estimated fair value upon the sale of the related

loan, within "Accounts payable, accrued expenses, and other" as well as within loan "loan production income," and continues to evaluate its on-going exposures in subsequent periods, periods. The reserve is estimated based on the Company's assessment of its contingent and non-contingent obligations, including expected losses, expected frequency, the overall potential remaining exposure, as well as an estimate for a market participant's potential readiness to stand by to perform on such obligations. The The Company repurcha repused rchased \$259.0 million, \$355.8 million \$133.4 million and \$53.1 \$133.4 million in UPB of loans loans during the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively, related to its representations and warranties obligations.

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The activity of the representations and warranties reserve was as follows (in thousands):

		For the year ended December 31,			For the year ended December 31,			
		2022	2021	2020	2023	2022		2021
Balance, beginning of period	Balance, beginning of period	\$86,762	\$69,542	\$46,322				
Additions	Additions	57,415	45,301	36,510				
Losses realized, net	Losses realized, net	(83,682)	(28,081)	(13,290)				
Balance, end of period	Balance, end of period	\$60,495	\$86,762	\$69,542				

Commitments to Originate Loans

As of **December 31, 2022** **December 31, 2023**, the Company had agreed to extend credit to potential borrowers for approximately **\$14.1 billion** **\$23.4 billion**. These contracts represent off balance off-balance sheet credit risk where the Company may be required to extend credit to these borrowers based on the prevailing interest rates and prices at the time of execution.

NOTE 11 - ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER

The following summarizes accounts payable, accrued expenses and other (in thousands):

	December 31, 2023	December 31, 2022
Servicing fees payable	\$ 99,694	\$ 67,969
Accrued compensation and benefits	82,745	71,447
Derivative settlements payable	64,777	78,012
Representations and warranties reserve	62,865	60,495
Other accounts payable	43,174	21,010
Deferred tax liability	30,334	36,331
Investor payables	25,001	27,620
Accrued interest and bank fees	24,985	49,751
TRA liability	15,494	17,069
Other accrued expenses	12,199	8,241
Public and Private Warrants	7,833	1,774
Total accounts payable, accrued expenses and other	\$ 469,101	\$ 439,719

NOTE 12 – VARIABLE INTEREST ENTITIES

Upon completion of the business combination transaction described in Note 1, the Company became the managing member of Holdings LLC with 100% of the management and voting power in Holdings LLC. In its capacity as managing member, the Company has the sole authority to make decisions on behalf of Holdings LLC and bind Holdings LLC to signed agreements. Further, Holdings LLC maintains separate capital accounts for its investors as a mechanism for tracking earnings and subsequent distribution rights.

Management concluded that the Company is Holdings LLC's primary beneficiary. As the primary beneficiary, the Company consolidates the results and operations of Holdings LLC for financial reporting purposes under the variable interest entity ("VIE") consolidation model.

The Company's relationship with Holdings LLC results in no recourse to the general credit of the Company. Holdings LLC and its consolidated subsidiaries represent the Company's sole investment. The Company shares in the income and losses of Holdings LLC in direct proportion to the Company's ownership interest. Further, the Company has no contractual requirement to provide financial support to Holdings LLC.

The Company's financial position, performance and cash flows effectively represent those of Holdings LLC and its consolidated subsidiaries as of and for the **year years** ended **December 31, 2022** **December 31, 2023, 2022 and 2021**.

In 2021, UWM began selling some of the mortgage loans that it originates through private label securitization transactions. There **were have been** no loan sales through UWM's private label securitization transactions **during 2022, since 2021**. In executing these transactions, the Company sells mortgage loans to a securitization trust for cash and, in some cases, retained interests in the trust. The securitization entities are funded through the issuance of beneficial interests in the securitized assets. The beneficial interests take the form of trust certificates, some of which are sold to investors and some of which may be retained by the Company due to regulatory requirements. Retained beneficial interests consist of a 5% vertical interest in the assets of the securitization trusts, in order to comply with the risk retention requirements applicable to certain of the Company's securitization transactions. The Company has elected the fair value option for subsequently measuring the retained beneficial interests in the securitization trusts, and these investments are presented as "Investment securities at fair value, pledged" in the consolidated balance sheet as of **December 31, 2022 December 31, 2023** and December 31, **2021 2022**. Changes in the fair value of these retained beneficial interests are reported as part of "Other **expense/ expense (income)**" in the consolidated statements of operations. The Company also retains the servicing rights on the securitized mortgage loans. The Company has accounted for these transactions as sales of financial assets.

The securitization trusts that purchase the mortgage loans from the Company and securitize those mortgage loans are VIEs, and the Company holds variable interests in certain of these entities. Because the Company does not have the obligation to absorb the VIEs' losses or the right to receive benefits from the VIEs that could potentially be significant to the VIEs, the **Company Company** is not the primary beneficiary of these securitization trusts and is not required to consolidate these VIEs. The Company separately entered into sale and repurchase agreements for a portion of the retained beneficial interests in the securitization trusts, which have been accounted for as borrowings against investment securities. As of **December 31, 2022 December 31, 2023, \$111.7 \$108.1 million of the \$113.3 \$110.4 million of investment securities at fair value have been pledged as collateral for these borrowings against investment securities. The outstanding principal balance of these borrowings was approximately \$101.3 million \$93.8 million with remaining maturities ranging from approxapproximately imately four one to eight two months as of December 31, 2022 December 31, 2023, and interest rates based on LIBOR or SOFR plus a spread. The Company's Company's maximum exposure to loss in these non-consolidated VIEs is limited to the retained beneficial interests in the securitization trusts.**

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NOTE 12 13 – NON-CONTROLLING INTERESTS

The non-controlling interest balance represents the economic interest in Holdings LLC held by SFS Corp. The following table summarizes the ownership of units in Holdings LLC as of:

		December 31, 2022		December 31, 2021				December 31, 2023		December 31, 2023		December 31, 2023	
		Common Units	Ownership Percentage	Common Units	Ownership Percentage			Common Units	Ownership Percentage	Common Units	Ownership Percentage	Common Units	Ownership Percentage
		December 31, 2023						December 31, 2023				December 31, 2023	
		Common Units						Common Units				Common Units	
UWM Holdings Corporation ownership of Class A Common Units	UWM Holdings Corporation ownership of Class A Common Units	92,575,974	5.81 %	91,612,305	5.75 %	UWM Holdings Corporation ownership of Class A Common Units	93,654,269	5.87	5.87 %	92,575,974	5.81	5.81	
SFS Corp. ownership of Class B Common Units	SFS Corp. ownership of Class B Common Units	1,502,069,787	94.19 %	1,502,069,787	94.25 %	SFS Corp. ownership of Class B Common Units	1,502,069,787	94.13	94.13 %	1,502,069,787	94.19	94.19	
Balance at end of period	Balance at end of period	1,594,645,761	100.00 %	1,593,682,092	100.0 %	Balance at end of period	1,595,724,056	100.00	100.00 %	1,594,645,761	100.0	100.0	

The non-controlling interest **holders have holder has** the right to exchange Class B Common Units, together with a corresponding number of shares of our Class D common stock or Class C common stock (together referred to as "Stapled Interests"), for, at the Company's option, (i) shares of the Company's Class B common stock or Class A common stock or (ii) cash from a substantially concurrent public offering or private sale (based on the price of the Company's Class A common stock). As such, future exchanges of Stapled Interests by **the non-controlling interest holders holder** will result in a change in ownership and reduce or increase the amount **recorded recorded** as non-controlling interest and increase or decrease additional paid-in-capital or retained earnings when Holdings LLC has positive or negative net assets, respectively. As of **December 31, 2022 December 31, 2023**, SFS Corp. has not exchanged any Stapled Interests.

During the year ended **December 31, 2022 December 31, 2023**, the Company issued 1,078,295 shares of Class A common stock, net of withholdings, which primarily **related to the vesting of RSUs under its stock-based compensation plan and grants to the Company's non-employee directors. During the year ended December 31, 2022**, the Company **issued issued** 963,772 **shares shares** of Class A common stock which primarily related to the vesting of RSUs under its stock-based compensation plan and grants to the Company's non-employee directors. This resulted in an equivalent increase in the number of Class A Common Units of Holdings LLC held by the Company, and a **re-**

measurement re-measurement of the non-controlling interest in Holdings LLC due to the change in relative ownership of Holdings LLC with no change in control. The impact of the re-measurement of the non-controlling interest is reflected in the consolidated statement of changes in equity.

NOTE 13 14 – REGULATORY NET WORTH REQUIREMENTS

Certain secondary market agencies and state regulators require UWM to maintain minimum net worth, capital, and capital liquidity requirements to remain in good standing with the agencies. Noncompliance with an agency's requirements can result in such agency taking various remedial actions up to and including terminating UWM's ability to sell loans to and service loans on behalf of the respective agency.

UWM is required to maintain certain minimum minimum net worth, minimum capital ratio liquidity, and minimum liquidity capital ratio requirements, including those established by USDA, HUD, Ginnie Mae, Freddie Mac and Fannie Mae. As of December 31, 2022 December 31, 2023, the most restrictive of these requirements require UWM to maintain a minimum net worth of \$783.6 million \$853.1 million, liquidity of \$101.8 million \$352.4 million, and a minimum capital ratio of 6%. At December 31, 2022 December 31, 2023, UWM was in compliance with these requirements.

NOTE 14 15 – EMPLOYEE BENEFIT PLAN

The Company maintains a defined contribution 401(k) plan covering substantially all team members. Team members can make elective contributions to the plan as allowed by the Internal Revenue Service and plan limitations. The Company makes discretionary matching contributions of 50% of the first 3% of team members' contributions to the plan, up to an annual maximum of approximately \$2,500 per team member. Matching contributions to the plan totaled approximately \$5.2 million, \$5.5 million \$6.8 million and \$4.8 \$6.8 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively, and are included in salaries, commissions and benefits in the consolidated statements of operations.

NOTE 15 16 – FAIR VALUE MEASUREMENTS

Fair value is defined under U.S. GAAP as the price that would be received if an asset were sold or the price that would be paid to transfer a liability in an orderly transaction between willing market participants at the measurement date. Required disclosures include classification of fair value measurements within a three-level hierarchy (Level 1, Level 2 and Level 3). Classification of a fair value measurement within the hierarchy is dependent on the classification and significance of the inputs used to determine the fair value measurement. Observable inputs are those that are observed, implied from, or corroborated with externally available market information. Unobservable inputs represent the Company's estimates of market participants' assumptions.

Fair value measurements are classified in the following manner:

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Level 1—Valuation is based on quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2—Valuation is based on either observable prices for identical assets or liabilities in inactive markets, observable prices for similar assets or liabilities, or other inputs that are derived directly from, or through correlation to, observable market data at the measurement date.

Level 3—Valuation is based on the Company's or others' models using significant unobservable assumptions at the measurement date that a market participant would use.

In determining fair value measurements, the Company uses observable inputs whenever possible. The level of a fair value measurement within the hierarchy is dependent on the lowest level of input that has a significant impact on the measurement as a whole. If quoted market prices are available at the measurement date or are available for similar instruments, such prices are used in the measurements. If observable market data is not available at the measurement date, judgement is required to measure fair value.

The following is a description of measurement techniques for items recorded at fair value on a recurring basis. There were no material items recorded at fair value on a nonrecurring basis as of December 31, 2022 December 31, 2023 or December 31, 2021 December 31, 2022.

Mortgage loans at fair value: The Company has elected the fair value option for mortgage loans. Accordingly, the fair values of mortgage loans are based on valuation models that use the market price for similar loans sold in the secondary market. As these prices are derived from market observable inputs, they are categorized as Level 2.

IRLCs: The Company's interest rate lock commitments are derivative instruments that are recorded at fair value based on valuation models that use the market price for similar loans sold in the secondary market. The interest rate lock commitments IRLCs are then subject to an estimated loan funding probability, or "pullthrough rate." Given the significant and unobservable nature of the pullthrough rate assumption, IRLC fair value measurements are classified as Level 3.

MSRs: The fair value of MSRs is determined using a valuation model that calculates the present value of estimated future net servicing cash flows. The model includes estimates of prepayment speeds, discount rate, cost to service, float

						December 31, 2022				
Description	Description	Level 1	Level 2	Level 3	Total	Description	Level 1	Level 2	Level 3	Total
Assets:	Assets:									
Mortgage loans at fair value	Mortgage loans at fair value									
Mortgage loans at fair value	Mortgage loans at fair value									
Mortgage loans at fair value	Mortgage loans at fair value									
Mortgage loans at fair value	Mortgage loans at fair value									
IRLCs	IRLCs	—	—	24,899	24,899					
FLSCs	FLSCs	—	42,457	—	42,457					
Investment securities at fair value, pledged	Investment securities at fair value, pledged	—	152,263	—	152,263					
Mortgage servicing rights	Mortgage servicing rights	—	—	3,314,952	3,314,952					
Total assets	Total assets	\$ —	\$17,104,621	\$3,339,851	\$20,444,472					
Liabilities:	Liabilities:									
IRLCs	IRLCs	\$ —	\$ —	\$ 11,138	\$ 11,138					
IRLCs	IRLCs									
IRLCs	IRLCs									
FLSCs	FLSCs	—	25,603	—	25,603					
Public and Private warrants	Public and Private warrants	6,286	3,170	—	9,456					
Total liabilities	Total liabilities	\$6,286	\$ 28,773	\$ 11,138	\$ 46,197					

The following table presents quantitative information about the inputs used in recurring Level 3 fair value financial instruments and the fair value measurements for IRLCs:

Unobservable Input - IRLCs	Unobservable Input - IRLCs	December 31, 2022	December 31, 2021	Unobservable Input - IRLCs	December 31, 2023	December 31, 2022
Pullthrough rate (weighted avg)	Pullthrough rate (weighted avg)	77 %	86 %			
Pullthrough rate (weighted avg.)	Pullthrough rate (weighted avg.)				76 %	77 %

Refer to *Note 5 - Mortgage Servicing Rights* for further information on the unobservable inputs used in measuring the fair value of the Company's MSRs and for the roll-forward of MSRs for the year ended **December 31, 2022** **December 31, 2023**.

Level 3 Issuances and Transfers

The Company enters into IRLCs which are considered derivatives. If the contract converts to a loan, the implied value, which is solely based upon interest rate changes, is incorporated in the basis of the fair value of the loan. If the IRLC does not convert to a loan, the basis is reduced to zero as the contract has no continuing value. The Company does not track the basis of the individual IRLCs that convert to a loan, as that amount has no relevance to the presented consolidated financial statements.

Other Financial Instruments

The following table presents the carrying amounts and estimated fair value of the Company's financial liabilities that are not measured at fair value on a recurring or nonrecurring basis (in thousands):

		December 31, 2022		December 31, 2021	
		Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
December 31, 2023		December 31, 2023		December 31, 2022	
Carrying Amount		Carrying Amount		Estimated Fair Value	
2025	2025				
Senior	Senior				
Notes,	Notes,				
due	due				
11/15/25	11/15/25	\$ 793,703	\$ 724,928	\$ 791,513	\$ 820,232
2029	2029				
Senior	Senior				
Notes,	Notes,				
due	due				
4/15/29	4/15/29	694,496	565,607	693,623	686,623
2027	2027				
Senior	Senior				
Notes,	Notes,				
due	due				
6/15/27	6/15/27	496,137	430,920	494,976	500,860
		\$ 1,984,336	\$ 1,721,455	\$ 1,980,112	\$ 2,007,715
		\$			

The fair value of the 2025, 2029 and 2027 Senior Notes was estimated using Level 2 inputs, including observable trading information from independent sources.

Due to their nature and respective terms (including the variable interest rates on warehouse and other lines of credit and borrowings against investment securities), the carrying value of cash and cash equivalents, receivables, payables, equipment notes payable, borrowings against investment securities and warehouse and other lines of credit approximate their fair value values as of December 31, 2022, December 31, 2023 and December 31, 2021, December 31, 2022, respectively.

NOTE 16 17 – RELATED PARTY TRANSACTIONS

In the normal course of business, the Company engages in the following significant related party transactions:

- The Company's corporate campus is located in buildings and on land that are owned by entities controlled by the Company's founder (who is a current member of the Board of Directors) and its CEO and leased by the Company from these entities. The Company also makes leasehold improvements to these properties for the benefit of the Company, for which the Company is responsible pursuant to the terms of the lease agreements;
- Legal services are provided to the Company by a law firm in which the Company's founder is a partner;
- The Company leases aircraft owned by entities controlled by the Company's CEO to facilitate travel of Company executives for business purposes;
- Home appraisal contracting and review services are provided by home appraisal management companies, one of which was partially owned purposes. Our executive officers (other than the CEO) may, from time to time, be authorized by the Company's CEO (prior to March 31, 2021). An executive of use the Company and a member of the Company's board of directors was also on the board of directors of this home appraisal management company prior to March 31, 2021, the second of which is owned by the CEO's brother who is also a member of the Company's board of directors. Each agreement with the home appraisal management companies is aircraft for an initial twelve-month term which automatically renews for successive twelve month periods unless sooner terminated by the Company upon prior notice. Additionally, each such agreement is on substantially similar terms and conditions, including with regard to pricing, as the Company's other agreements for such services; personal trips;
- Employee lease agreements, pursuant to which the Company's team members provide certain administrative services to entities controlled by the Company's founder and its CEO in exchange for fees paid by these entities to the Company.

For the years ended December 31, 2022, December 31, 2023, 2021, 2022 and 2020, 2021, the Company made net payments of approximately \$26.4 million, \$21.2 million, \$21.1 million, \$26.4 million and \$15.0 million, \$21.1 million, respectively, to various companies related through common ownership. Such related party payments were comprised of, (i) with respect to the year ended December 31, 2023, approximately \$20.0 million in rent and other occupancy related fees, \$0.6 million in legal fees, and \$0.6 million in other general and administrative expenses, (ii) with respect to the year ended December 31, 2022, approximately \$24.9 million in rent and other occupancy related fees, \$0.6 million in legal fees and \$0.9 million in other general and administrative expenses (ii) and (iii) with respect to the year ended December 31, 2021, approximately \$19.4 million, \$19.4 million in rent and other occupancy related fees, \$0.6 million, \$0.6 million in legal fees, \$0.2 million, \$0.2 million in direct origination costs and \$0.9 million, \$0.9 million in other general and administrative expenses. Additionally, the

Company made payments of \$0.4 million, \$0.5 million and (iii) with respect \$0.8 million to unrelated third parties for pilots and ancillary services related to usage of the year aircraft for the years ended December 31, 2020 December 31, 2023, approximately \$13.4 million in rent 2022, and other occupancy related fees, \$0.6 million in legal fees, \$0.4 million in direct origination costs and \$0.6 million in other general and administrative expenses, 2021 respectively.

UWM entered into a \$500.0 \$500.0 million unsecured Revolving Credit Facility with SFS Corp. as the lender during the third quarter of 2022. Refer to Note 9 - Other borrowings for further details.

NOTE 17 18 – INCOME TAXES

A Income Tax Provision (Benefit)

Earnings (loss) before income taxes of the Company are related to operations within the United States, and no component of the Company's earnings are related to foreign operations. The following table details the Company's provision (benefit) for income taxes for the years ended December 31, 2023, 2022 and 2021:

	For the year ended December 31,		
	2023	2022	2021
Current income tax expense (benefit):			
Federal	\$ 31	\$ (118)	\$ 73
State	64	(569)	1,424
Total current income tax expense (benefit)	95	(687)	1,497
Deferred income tax expense (benefit):			
Federal	(4,798)	3,916	7,494
State	(1,808)	(418)	850
Total deferred income tax expense (benefit)	(6,606)	3,498	8,344
Total provision (benefit) for income taxes	\$ (6,511)	\$ 2,811	\$ 9,841

The following table provides a reconciliation of the statutory federal income tax expense (benefit) to the income tax expense (benefit) from continuing operations provided is as follows: operations:

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	For the year ended December 31,		
	2022	2021	2020
Income tax expense at the federal statutory rate	\$ 196,400	\$ 331,431	\$ 710,842
Income attributable to non-controlling interest	(186,931)	(308,995)	—
Income attributable to pass-through members	—	—	(710,842)
Other	(6,658)	(12,595)	2,450
Total income tax expense	\$ 2,811	\$ 9,841	\$ 2,450

Income taxes for the Company at the consolidated level are primarily federal, state, and local taxes. The following table details the Company's provision for income taxes for the years ended December 31, 2022, 2021 and 2020.

	For the year ended December 31,		
	2022	2021	2020
Current income tax expense:			
Federal	\$ (118)	\$ 73	\$ —
State	(569)	1,424	2,450
Total current income tax expense	(687)	1,497	2,450
Deferred income tax expense:			
Federal	3,916	7,494	—
State	(418)	850	—
Total deferred income tax expense	3,498	8,344	—

Total provision for income taxes	\$	2,811	\$	9,841	\$	2,450
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	For the year ended December 31,					
	2023		2022		2021	
Income tax expense (benefit) at the federal statutory rate	\$	(16,022)	\$	196,400	\$	331,431
Income (loss) attributable to non-controlling interest		11,876		(186,931)		(308,995)
Other		(2,365)		(6,658)		(12,595)
Total income tax expense (benefit)	\$	(6,511)	\$	2,811	\$	9,841

The Company's income tax expense varies from the expense that would be expected based on statutory rates due primarily to its past and current organizational legal entity structure. Prior to the business combination transaction, The UWM as a limited liability company ("LLC"), was not directly subject to taxes on its net taxable income. Rather, UWM's net taxable income was passed through to its members and included in its members' tax returns. A provision for state income taxes was required for certain state and local tax jurisdictions where UWM is a taxable entity.

Following the closing of the Business Combination Agreement, UWM is Entities are treated as single member LLC owned by Holdings LLC. As a single member LLC, all taxable income or loss generated by UWM will pass through and be included in the income or loss of Holdings LLC. Holdings LLC is treated as a partnership pass-through entities for federal and most state and local income tax jurisdictions. jurisdictions, while UWMC is treated as a taxable corporation. As a partnership, Holdings LLC is such, the UWM Entities are generally not subject to U.S. federal or most state and local incomes taxes. Any taxes, while UWMC is subject to tax on its allocable share of the taxable income or loss generated by Holdings LLC after the Company's acquisition of its portion of Holdings LLC is passed through and included in the taxable income or loss of its members, including the Company. The Company is a C Corporation and is subject to U.S. federal, state and local income taxes with respect to its attributable share of any taxable income of Holdings LLC. Pursuant to the Holdings LLC Second Amended & Restated Limited Liability Company Agreement, Holdings LLC will generally be required to make pro-rata distributions in cash to the Company and to SFS Corp. in amounts sufficient to cover the expected taxes resulting from their allocable share of the taxable income of Holdings LLC. UWM Entities.

Deferred Tax Assets and Liabilities

Deferred income taxes arise from temporary differences between The following table details the financial statement carrying amount and the tax basis of assets and liabilities. The company's deferred tax assets (liabilities) arise from the following components of temporary differences that give rise to deferred tax assets and carryforwards: 95 liabilities:

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		December 31,	
		2022	2021
		December 31,	
		2023	2022
Deferred tax assets:	Deferred tax assets:		
Net operating losses	Net operating losses		
Net operating losses	Net operating losses		
Net operating losses	Net operating losses	\$ 17,775	\$ 10,831
Other	Other	483	104
Total deferred tax assets	Total deferred tax assets	18,258	10,935
Deferred tax liabilities:	Deferred tax liabilities:		
Deferred tax liabilities:	Deferred tax liabilities:		
Deferred tax liabilities:	Deferred tax liabilities:		
Investment in partnership	Investment in partnership	(54,589)	(40,817)
Other	Other	—	(2,502)

Investment in partnership			
Investment in partnership			
Total deferred tax liabilities			
Total deferred tax liabilities			
Total deferred tax liabilities	Total deferred tax liabilities	(54,589)	(43,319)
Net deferred tax liabilities	Net deferred tax liabilities	\$(36,331)	\$(32,384)

As of **December 31, 2022** **December 31, 2023**, the Company has a deferred tax asset of \$18.3 million and a deferred tax liability of \$54.6 million, the net of which is included in accounts payable, accrued expenses and other. This deferred tax liability relates primarily to the difference in tax and book basis of the Company's investment in Holdings LLC. The Company recognizes deferred tax assets to the extent it believes these assets are more-likely-than-not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent results of operations.

Of the total deferred tax assets, \$17.8 million relates to the had tax-effected federal net operating loss carryforwards at December 31, 2022, \$1.4 million of which \$14.7 million and state and local net operating loss carryforwards of \$1.2 million. If not utilized, the state and local net operating loss carryforwards will begin to expire between 2032 and 2042 and \$16.4 million has no expiration. in 2031. The federal net operating loss carryforwards can be carried forward indefinitely.

Other

The Company reserves for uncertain income tax positions when it is not more-likely-than-not a tax position will be sustained upon examination. As the Company has had no unrecognized tax benefits, and as such no interest or penalties were recognized in income tax expense. The Company may be subject to potential examination by U.S. federal or state jurisdiction authorities in the areas of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income amounts in various tax jurisdictions and compliance with U.S. federal or state tax laws.

The Company is subject to taxation in the U.S. and various state and local tax jurisdictions. As of **December 31, 2022** **December 31, 2023**, tax years **2019** **2020** and forward are subject to examination by the tax authorities, authorities in federal and state jurisdictions, with certain exceptions for state jurisdictions with longer statute of limitation periods.

Tax Receivable Agreement

Holdings LLC intends to make an election under Section 754 of the Internal Revenue Code (the "Code") for the first taxable year in which a redemption or exchange of LLC Interests occurs. Pursuant to Holdings LLC's election under Section 754 of the Code, the Company expects to obtain an increase in its share of the tax basis in the net assets of Holdings LLC when LLC Interests are redeemed or exchanged by SFS Corp. The Company intends to treat any exchanges of LLC Interests by SFS Corp. as direct purchases of LLC Interests for U.S. federal income tax purposes. These increases in tax basis may reduce the amounts that the Company would otherwise pay in the future to various tax authorities. They may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets.

In connection with the business combination transaction, the Company entered into the Tax Receivable Agreement with SFS Corp. that will provide for the payment by the Company to SFS Corp. of 85% of the amount of tax benefits, if any, that the Company actually realizes (or in some circumstances is deemed to realize) as a result of (1) the Company's allocable share of existing tax basis acquired in connection with the Transactions (including the Company's share of existing tax basis) and increases to such allocable share of existing tax basis; (2) increases in tax basis resulting from (a) the Company's purchase of LLC Interests directly from Holdings LLC, (b) future exchanges (or deemed exchanges in certain circumstances) of LLC Interests for Class A common stock or cash, and (c) certain distributions (or deemed distributions) by Holdings LLC; and (3) certain additional tax benefits arising from payments made under the Tax Receivable Agreement. The Company may additionally benefit or retain the remaining 15% of any tax benefits that the Company actually realizes.

The amounts payable under the Tax Receivable Agreement will vary depending upon a number of factors, including the amount, character, and timing of the taxable income of the Company in the future. As of **December 31, 2022** **December 31, 2023** and **December 31, 2021** **December 31, 2022**, the Company had recognized a liability of \$17.1 million and \$13.9 million, respectively, included in accounts payable, accrued expenses and other, related to the Tax Receivable Agreement arising from the business combination transaction TRA of \$15.5 million and subsequent sales of certain assets. \$17.1 million, respectively. No payments were made to SFS Corp. pursuant to the Tax Receivable Agreement TRA during the years ended **December 31, 2022** **December 31, 2023** or **December 31, 2021** **December 31, 2022**.

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NOTE **18** **19** – STOCK-BASED COMPENSATION

The following is a summary of RSU activity for the years ended **December 31, 2022** **December 31, 2023, 2022** and **2021; 2021**:

		For the year ended December 31, 2022		For the year ended December 31, 2021	
		Weighted Average Grant Date Fair Shares	Value	Weighted Average Grant Date Fair Shares	Value
For the year ended December 31,					
For the year ended December 31,					
For the year ended December 31,					
		2023		2023	
		2022		2021	
		Weighted Average Grant		Weighted Average Grant	
		Shares		Shares	
		Date Fair Value		Date Fair Value	
		Shares		Shares	
		Date Fair Value		Date Fair Value	
Unvested	Unvested				
-	-				
beginning	beginning				
of period	of period	2,812,320	\$ 7.75	—	\$ —
Granted	Granted	2,458,883	3.61	3,193,510	7.75
Vested	Vested	(963,772)	7.72	(6,430)	7.75
Forfeited	Forfeited	(301,630)	6.57	(374,760)	7.75
Unvested	Unvested				
- end of	- end of				
period	period	4,005,801	\$ 5.30	2,812,320	\$ 7.75

Stock-based compensation expense recognized for the years ended December 31, 2022 December 31, 2023, 2022 and 2021 was \$7.5 \$13.8 million, \$7.5 million and \$6.5 million, respectively. As of December 31, 2022 December 31, 2023 and 2021 2022, there was \$14.7 million \$35.2 million and \$15.4 \$14.7 million of unrecognized compensation expense, respectively, related to unvested awards which is expected to be recognized over a weighted average period of 3.0 years and 2.5 years and 2.1 years, respectively. On September 1, 2022 During the year ended December 31, 2023, the Company granted 2.5 million 5.7 million RSUs to team members with a weighted average grant date fair value of \$3.60 per share, which vest 25% each year over \$6.26, and vesting terms ranging from immediate to four years, years from the grant date.

NOTE 19 20 – EARNINGS PER SHARE

As of December 31, 2022, the The Company had has two classes of economic shares authorized - Class A and Class B common stock. The Company applies the two-class method for calculating earnings per share for Class A common stock and Class B common stock. In applying the two-class method, the Company allocates undistributed earnings equally on a per share basis between Class A and Class B common stock. According to the Company's certificate of incorporation, the holders of the Class A and Class B common stock are entitled to participate in earnings equally on a per-share basis, as if all shares of common stock were of a single class, and in such dividends as may be declared by the board Board of directors. Directors. RSUs awarded as pat part of the Company's stock compensation plan are included in weighted-average Class A shares outstanding in the calculation of basic earnings per share once the RSUs are vested and shares are issued.

Basic earnings (loss) per share of Class A common stock and Class B common stock is computed by dividing net income (loss) attributable to UWM Holdings Corporation by the weighted-average number of shares of Class A common stock and Class B common stock outstanding during the period. Diluted earnings (loss) per share of Class A common stock and Class B common stock is computed by dividing net income (loss) by the weighted-average number of shares of Class A common stock or Class B common stock, respectively, outstanding adjusted to give effect to potentially dilutive securities. See Note 12, 13, Non-Controlling Interests for a description of the Stapled Interests. Refer to Note 1 - Organization, Basis of Presentation and Summary of Significant Accounting Policies - for additional information related to the Company's capital structure.

Prior to the business combination transaction with the Company, UWM's ownership structure included equity interests held solely by SFS Corp. The Company analyzed the calculation of earnings per unit for periods prior to the business combination transaction and determined that it resulted in values that would not be meaningful to the users of these consolidated financial statements. Therefore, earnings per share information has not been presented for the years ended December 31, 2020.

Earnings per share for the year ended December 31, 2021 is based on earnings for the period from January 21, 2021 to December 31, 2021, which represents the period in which the Company had outstanding Class A common stock. There was no Class B common stock outstanding as of December 31, 2022 December 31, 2023 or December 31, 2021 December 31, 2022.

The following table sets forth the calculation of basic and diluted earnings (loss) per share for the periods ended December 31, 2022 December 31, 2023, 2022 and 2021 (in thousands, except shares and per share amounts):

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		For the year ended December 31,		
		2023	2022	2021
Net income (loss)	\$	(69,782)	\$ 931,858	\$ 1,568,400
Net income (loss) attributable to non-controlling interests		(56,552)	890,143	1,469,955
Net income (loss) attributable to UWMC		(13,230)	41,715	98,445
Numerator:				

Net income (loss) attributable to Class A common shareholders	\$	(13,230)	\$	41,715	\$	98,445
Net income (loss) attributable to Class A common shareholders - diluted	\$	(13,230)	\$	41,715	\$	1,064,606
Denominator:						
Weighted average shares of Class A common stock outstanding - basic		93,245,373		92,475,170		100,881,094
Weighted average shares of Class A common stock outstanding - diluted		93,245,373		92,475,170		1,603,157,640
Earnings (loss) per share of Class A common stock outstanding - basic	\$	(0.14)	\$	0.45	\$	0.98
Earnings (loss) per share of Class A common stock outstanding - diluted	\$	(0.14)	\$	0.45	\$	0.66

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	For the year ended December 31,	
	2022	2021
Net income	\$ 931,858	\$ 1,568,400
Net income attributable to non-controlling interests	890,143	1,469,955
Net income attributable to UWMC	41,715	98,445
Numerator:		
Net income attributable to Class A common shareholders	\$ 41,715	\$ 98,445
Net income attributable to Class A common shareholders - diluted	\$ 41,715	\$ 1,064,606
Denominator:		
Weighted average shares of Class A common stock outstanding - basic	92,475,170	100,881,094
Weighted average shares of Class A common stock outstanding - diluted	92,475,170	1,603,157,640
Earnings per share of Class A common stock outstanding - basic	\$ 0.45	\$ 0.98
Earnings per share of Class A common stock outstanding - diluted	\$ 0.45	\$ 0.66

For purposes of calculating diluted earnings per share, it was assumed that the 1,502,069,787 shares of Class D common stock were exchanged for Class B common stock and converted to Class A common stock under the if-converted method, and it was determined that the conversion would be anti-dilutive for the year years ended December 31, 2023 and December 31, 2022. Under the if-converted method, all of the Company's net income (loss) for the applicable periods is attributable to Class A common shareholders. The net income (loss) of the Company under the if-converted method is calculated including an estimated income tax provision which is determined using a blended statutory effective tax rate.

The Public and Private Warrants were not in the money and the triggering events for the issuance of earn-out shares were not met during the years ended December 31, 2022 December 31, 2023, 2022 or 2021. Therefore, these potentially dilutive securities were excluded from the computation of diluted earnings per share. Unvested RSUs have been considered in the calculations of diluted earnings per share for the years ended December 31, 2022 December 31, 2023, 2022 and 2021 using the treasury stock method and the impact was either anti-dilutive or immaterial.

NOTE 20 21 – SUBSEQUENT EVENTS

Subsequent to December 31, 2022 December 31, 2023, the Board declared a cash dividend of \$0.10 per share on the outstanding shares of Class A common stock. The dividend is payable on April 11, 2023 April 11, 2024 to stockholders of record at the close of business on March 10, 2023 March 20, 2023. Additionally, the Board approved a proportional distribution to SFS Corp. of \$150.2 million which is payable on April 11, 2023 or about April 11, 2024 .

Subsequent to December 31, 2022 December 31, 2023, the Company sold excess servicing cash flows on certain agency loans with a total UPB of approximately \$33.2 \$19.4 billion for gross proceeds of approximately \$156.0 \$150.9 million, and sold MSRs on certain agency and Ginnie Mae loans with a total UPB of approximately \$23.5 \$70.0 billion for gross proceeds of approximately \$269.8 million. \$941.2 million.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Management's Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our

management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

As required by Rules 13a-15(e) and 15d-15(e) under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of **December 31, 2022** **December 31, 2023**. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective.

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Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changes in conditions, or that the degree of compliance with existing policies or procedures may deteriorate.

With the participation of the Chief Executive Officer and Chief Financial Officer, management conducted an assessment of the effectiveness of our internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on the framework and criteria established in Internal Control-Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, as of **December 31, 2022** **December 31, 2023** we assert that we maintained effective internal control over financial reporting.

The effectiveness of our internal control over financial reporting as of **December 31, 2022** **December 31, 2023** has been audited by Deloitte & Touche LLP, our independent registered public accounting firm, as stated in their report, included herein.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended **December 31, 2022** **December 31, 2023** that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Item 1.01. Entry into a Material Definitive Agreement. Rule 10b5-1 Trading Plans

On January 30, 2023 During the year ended December 31, 2023, UWM, entered into Amendment No. 1 to the Loan and Security Agreement with Citibank, N.A. ("Citibank") permitting UWM, with the prior consent none of Citibank, to enter into Excess Yield Transactions our officers (as defined in the Loan and Security Agreement) whereby Citibank will release its security interest in that portion Rule 16a-1(f) of the collateral involved with Exchange Act) or directors adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each transaction.

Citibank and certain affiliates term is defined in Item 408(a) of Citibank have performed commercial banking, investment banking, or advisory services for UWM or the Company from time to time for which they have received customary fees and reimbursement of expenses. In addition, these entities may, from time to time, engage in transactions with and perform services for UWM or the Company in the ordinary course of its business for which they may receive customary fees and reimbursement of expenses.

Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item 10 is hereby incorporated by reference from our Proxy Statement pertaining to our **2023** **2024** Annual Meeting of Shareholders to be filed with the SEC within 120 days of the Company's fiscal year end covered by this Annual Report on Form 10-K.

Item 11. Executive Compensation

The information required by this Item 11 is hereby incorporated by reference from our Proxy Statement pertaining to our 2023 2024 Annual Meeting of Shareholders to be filed with the SEC within 120 days of the Company's fiscal year end covered by this Annual Report on Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Equity Compensation Plan

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The following table summarizes information as of December 31, 2022 2023 concerning our shares of Class A common stock authorized for issuance under our equity incentive plan.

Equity Compensation Plan Information					
As of December 31, 2022					
	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (1)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in first column (a))		
	(a)	(b)	(c)		
Equity Compensation Plan Information			Equity Compensation Plan Information		
As of December 31, 2023			As of December 31, 2023		
	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights		Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (1)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in first column (a))
	(a)		(a)	(b)	(c)
Equity compensation plans approved by security holders 2021	Equity compensation plans approved by security holders 2021				
Plan (2)	Plan (2)	4,005,801 \$	—		77,181,250
Equity compensation plans not approved by security holders	Equity compensation plans not approved by security holders	—	—		—
Total	Total	4,005,801 \$	—		77,181,250

(1) The securities included in column (a) of this table are time-based restricted stock units, for which no exercise price applies.

(2) The securities included in column (a) includes unvested restricted stock units granted from the Omnibus Incentive Plan. Column (c) reflects the remaining share reserve under the Omnibus Incentive Plan attributable to the initial 80,000,000 shares reserved for issuance.

Other information required by this Item 12 is hereby incorporated by reference from our 2023 2024 Annual Meeting of Shareholders to be filed with the SEC within 120 days of the Company's fiscal year end covered by this Annual Report on Form 10-K.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item 13 is hereby incorporated by reference from our Proxy Statement pertaining to our 2023 2024 Annual Meeting of Shareholders to be filed with the SEC within 120 days of the Company's fiscal year end covered by this Annual Report on Form 10-K.

Item 14. Principal Accountant Fees and Services

The information required by this Item 14 is hereby incorporated by reference from our Proxy Statement pertaining to our 2023 2024 Annual Meeting of Shareholders to be filed with the SEC within 120 days of the Company's fiscal year end covered by this Annual Report on Form 10-K.

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PART IV

Item 15. Exhibits and Financial Statement Schedules

Exhibit Number	Description
2.1*	Business Combination Agreement, dated as of September 22, 2020, by and among Gores Holdings IV, Inc., United Shore Financial Services, LLC and SFS Holding Corp. (incorporated by reference to the Company's Current Report on Form 8-K filed on September 23, 2020).
2.2	Amendment to Business Combination Agreement, dated December 14, 2020, by and among Gores Holdings IV, Inc., United Shore Financial Services, LLC d/b/a United Wholesale Mortgage and SFS Holding Corp. (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
3.1	Amended and Restated Certificate of Incorporation of UWM Holdings Corporation (incorporated by reference to the Company's Current Report on Form 8-K/A filed on January 25, 2021).
3.2	Amended and Restated Bylaws of UWM Holdings Corporation (incorporated by reference to the Company's Current Report on Form 8-K/A filed on January 25, 2021).
3.3	Second Amended and Restated Limited Liability Company Agreement of UWM Holdings, LLC. (incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on February 9, 2021).
4.1	Indenture, dated November 3, 2020, by and between United Shore Financial Services, LLC and U.S. Bank National Association, as trustee (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
4.2	Form of 5.500% Senior Notes due 2025 (included in Exhibit 4.1) (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
4.3	Specimen Class A common stock Certificate (incorporated by reference to the Company's Form S-1 filed on December 5, 2019).
4.4	Specimen Warrant Certificate (incorporated by reference to the Company's Form S-1 filed on December 5, 2019).
4.5	Warrant Agreement, dated January 23, 2020, between the Company and Continental Stock Transfer & Trust Company, as warrant agent (incorporated by reference to the Company's Current Report on Form 8-K filed on January 30, 2020).
4.7	Indenture, dated April 7, 2021, by and between United Wholesale Mortgage, LLC and U.S. Bank National Association, as trustee (incorporated by reference to the Company's Quarterly Report on Form 10-Q filed on May 13, 2021).
4.8	Form of 5.500% Senior Notes due 2029 (included in Exhibit 4.7) (incorporated by reference to the Company's Quarterly Report on Form 10-Q filed on May 13, 2021).
4.9	Indenture, dated November 22, 2021, by and between United Wholesale Mortgage, LLC and U.S. Bank National Association, as trustee (incorporated by reference from the Company's Current Report on Form 8-K filed on November 23, 2021).
4.10	Form of 5.750% Senior Notes due 2027 (included in Exhibit 4.9) (incorporated by reference from the Company's Current Report on Form 8-K filed on November 23, 2021).
10.1	Amended and Restated Registration Rights and Lock-Up Agreement, dated January 21, 2021, by and between UWM Holdings Corporation, Gores Sponsor IV LLC, Randall Bort, William Patton, Jeffrey Rea and SFS Holding Corp. (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.2	Tax Receivable Agreement, dated January 21, 2021, by and among SFS Holding Corp. and UWM Holdings Corporation (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.3†	UWM Holdings Corporation 2020 Omnibus Incentive Plan (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).

10.4†	<u>Employment Agreement, dated September 26, 2012, by and between United Shore Financial Services, Inc. and Timothy Forrester (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).</u>
10.5*#	<u>Master Repurchase Agreement, dated September 8, 2020, by and between Barclays Bank PLC and UWM (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).</u>
10.6*	<u>Lease Agreement, dated June 28, 2017, by and between UWM, as tenant, and Pontiac Center Investment, LLC, as landlord (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).</u>
10.6.1	<u>First Amendment to Lease, dated May 11, 2018, by and between UWM, as tenant, and Pontiac Center Investment, LLC, as landlord (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).</u>
10.6.2	<u>Second Amendment to Lease, dated June 20, 2018, by and between UWM, as tenant, and Pontiac Center Investment, LLC, as landlord (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).</u>
10.6.3	<u>Third Amendment to Lease, dated September 28, 2018, by and between UWM, as tenant, and Pontiac Center Investment, LLC, as landlord (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).</u>
10.6.4	<u>Fourth Amendment to Lease, dated February 21, 2019, by and between UWM, as tenant, and Pontiac Center Investment, LLC, as landlord (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).</u>
10.7	<u>Parking Area Lease Agreement, dated January 1, 2019, by and between UWM, as tenant, and Pontiac Center Parking, LLC, as landlord (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).</u>
10.8*	<u>Lease Agreement, dated January 1, 2020, by and between UWM, as tenant, and Pontiac South Boulevard, LLC, as landlord (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).</u>
10.9*#	<u>Master Repurchase Agreement, dated December 31, 2014, by and between UWM and Bank of America, N.A. (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).</u>
10.9.1	<u>Amendment No. 1 to Master Repurchase Agreement, dated October 20, 2015, by and between UWM and Bank of America, N.A. (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).</u>
10.9.2	<u>Amendment No. 2 to Master Repurchase Agreement, dated December 30, 2015, by and between UWM and Bank of America, N.A. (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).</u>
10.9.3	<u>Amendment No. 3 to Master Repurchase Agreement, dated July 28, 2016, by and between UWM and Bank of America, N.A. (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).</u>
10.9.4	<u>Amendment No. 4 to Master Repurchase Agreement, dated December 16, 2016, by and between UWM and Bank of America, N.A. (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).</u>
10.9.5	<u>Amendment No. 5 to Master Repurchase Agreement, dated December 15, 2017, by and between UWM and Bank of America, N.A. (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).</u>
10.9.6*	<u>Amendment No. 6 to Master Repurchase Agreement, dated December 14, 2018, by and between UWM and Bank of America, N.A. (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).</u>
10.9.7*	<u>Amendment No. 7 to Master Repurchase Agreement, dated December 14, 2018, by and between UWM and Bank of America, N.A. (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).</u>

10.9.8	Amendment No. 8 to Master Repurchase Agreement, dated January 13, 2020, by and between UWM and Bank of America, N.A. (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.9.9	Amendment No. 9 to Master Repurchase Agreement, dated February 24, 2020, by and between UWM and Bank of America, N.A. (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.9.10	Amendment No. 10 to Master Repurchase Agreement, dated April 6, 2020, by and between UWM and Bank of America, N.A. (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.9.11	Omnibus Amendment to Master Repurchase Agreement, dated December 16, 2020, by and between UWM and Bank of America, N.A. (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.9.12	Amendment, dated as of June 30, 2021, by and among UWM, United Shore Repo Seller 2 LLC and Bank of America, N.A. (incorporated by reference to the Company's Quarterly Report on Form 10-Q filed on August 16, 2021).
10.10*	Amended and Restated Master Repurchase Agreement, dated May 8, 2017, by and among UWM, Credit Suisse First Boston Mortgage Capital LLC, Credit Suisse AG, and Alpine Securitization Ltd. (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.10.1	Omnibus Amendment to Amended and Restated Master Repurchase Agreement, dated January 19, 2021, by and among UWM, Credit Suisse First Boston Mortgage Capital LLC, Credit Suisse AG, Alpine Securitization Ltd., and Credit Suisse Securities (USA) LLC (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.11*#	Master Repurchase Agreement, dated March 7, 2019, by and between UWM and Jefferies Funding LLC (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.11.1	Omnibus Amendment to Master Repurchase Agreement, dated December 14, 2020, by and between UWM and Jefferies Funding LLC (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.12*#	Amendment No. 11 to Master Repurchase Agreement, dated December 23, 2020, by and among UWM, United Shore Repo Seller 1 LLC, United Shore Repo Trust 1 and JPMorgan Chase Bank (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.13*#	Master Repurchase Agreement, dated November 5, 2014, by and between UWM and UBS AG (as successor in interest to UBS BANK USA) (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.13.1*	Amendment No. 1 to Master Repurchase Agreement, dated November 4, 2015, by and between UWM and UBS BANK USA (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.13.2*	Assignment and Amendment No. 2 to Master Repurchase Agreement, dated August 16, 2016, by and among UWM, UBS Bank USA, and UBS AG (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.13.3*	Amendment No. 3 to Master Repurchase Agreement, dated November 2, 2016, by and between UWM and UBS AG (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.13.4	Amendment No. 4 to Master Repurchase Agreement, dated January 2, 2018, by and between UWM and UBS AG (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.13.5	Amendment No. 5 to Master Repurchase Agreement, dated May 30, 2018, by and between UWM and UBS AG (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.13.6	Amendment No. 6 to Master Repurchase Agreement, dated January 14, 2019, by and between UWM and UBS AG (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.13.7	Amendment No. 7 to Master Repurchase Agreement, dated February 21, 2019, by and between UWM and UBS AG (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).

10.13.8	Amendment No. 8 to Master Repurchase Agreement, dated January 13, 2020, by and between UWM and UBS AG (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.13.9	Amendment No. 9 to Master Repurchase Agreement, dated April 15, 2020, by and between UWM and UBS AG (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.13.10	Amendment No. 10 to Master Repurchase Agreement, dated August 3, 2020, by and between UWM and UBS AG (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.13.11	Amendment No. 11 to Master Repurchase Agreement and Amendment No. 24 to Pricing Letter, dated December 14, 2020, by and between UWM and UBS AG (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.14*	Lease Agreement, dated as of January 1, 2021, by and between Pontiac Center East, LLC and United Wholesale Mortgage, LLC (incorporated by reference to the Company's Current Report on Form 8-K filed on January 22, 2021).
10.14.1	Amendment to Lease Agreement dated August 12, 2021 by and between Pontiac Center East LLC and United Wholesale Mortgage, LLC. (incorporated by reference to of the Company's Quarterly Report on Form 10-Q filed on November 9, 2021).
10.15*#	Master Repurchase Agreement, dated as of April 23, 2021, by and among Goldman Sachs Bank USA, A National Banking Institution, United Shore Repo Seller 4 LLC, and United Wholesale Mortgage, LLC (incorporated by reference to the Company's Quarterly Report on Form 10-Q filed on May 13, 2021).
10.16	Purchase Agreement, dated March 30, 2021, among United Wholesale Mortgage and J.P. Morgan Securities LLC, as representative of the several initial purchasers listed on Schedule A thereto (incorporated by reference to the Company's Current Report on Form 8-K filed on March 31, 2021).
10.17	Master Repurchase Agreement, dated as of October 30, 2021, by and among United Shore Financial Services, LLC, United Shore Repo Seller 3 LLC and Citibank, N.A., as amended by the Amendment, dated as of May 26, 2021, by and among Citibank, N.A., UWM, and United Shore Repo Seller 3 LLC (incorporated by reference to the Company's Current Report on Form 8-K filed on March 31, 2021).
10.18	Amendment, dated as of June 30, 2021, by and among UWM, United Shore Repo Seller 2 LLC and Bank of America, N.A. (incorporated by reference from the Company's Quarterly Report on Form 10-Q filed on August 16, 2021).
10.19	Purchase Agreement, dated November 15, 2021, between United Wholesale Mortgage, LLC and J.P. Morgan Securities LLC and BofA Securities, Inc., as representative of the several initial purchasers listed on Schedule A thereto (incorporated by reference from the Company's Current Report on Form 8-K filed on November 23, 2021).
10.20†	Form of UWM Holdings Corporation Restricted Stock Unit Agreement (incorporated by reference from the Company's Annual Report on Form 10-K filed on March 1, 2022).
10.21#	Revolving Credit Agreement, dated August 8, 2022, between United Wholesale Mortgage, LLC, as borrower, and SFS Holding Corp., as lender (incorporated by reference from the Company's Quarterly Report on Form 10-Q filed on August 9, 2022).
10.22#	Amended and Restated Loan and Security Agreement, dated September 30, 2022, between United Wholesale Mortgage, LLC, as borrower, and Citibank, N.A., as lender (incorporated by reference from the Company's Current Report on Form 8-K filed on October 4, 2022).
10.22.1#%10.22.1#	Amendment No. 1 to the Amended and Restated Loan and Security Agreement, dated January 20, 2023, between United Wholesale Mortgage, LLC and Citibank, N.A. (incorporated by reference from the Company's Annual Report on Form 10-K filed on March 1, 2023).
10.23*#	Credit Agreement, dated March 20, 2023, between United Wholesale Mortgage, LLC, as borrower, and Goldman Sachs Bank USA, as administrative agent, and the lenders from time to time party thereto (incorporated by reference from the Company's Current Report on Form 8-K filed March 22, 2023).
10.24*#	Master Repurchase Agreement and Securities Contract, conformed through Amendment No. 7, dated May 25, 2023, between United Wholesale Mortgage, LLC, as seller, and Bank of Montreal, as buyer (incorporated by reference from the Company's Quarterly Report on Form 10-Q filed November 8, 2023).
21	List of Subsidiaries (incorporated by reference to Exhibit 21 of the Company's Current Report on Form 8-K filed on January 22, 2021).
23.1%	Consent of Deloitte & Touche LLP
31.1%	Certification of CEO, pursuant to SEC Rule 13a-14(a) and 15d-14(a).
31.2%	Certification of CFO, pursuant to SEC Rule 13a-14(a) and 15d-14(a).

32.1%	Certification by the CEO, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2%	Certification by the CFO, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97%	UWM Holdings Corporation Executive Officer Clawback Policy
101.0 INS%	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH%	XBRL Taxonomy Extension Schema Document.
101.CAL%	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF%	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB%	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE%	XBRL Taxonomy Extension Presentation Linkbase Document
104.0%	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).
%	Filed herewith.
*	Certain of the exhibits and schedules to this Exhibit exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5) or Item 601(b)(2). The Registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.
†	Indicates a management contract or compensatory plan, contract or arrangement.
#	Certain confidential portions of this exhibit were omitted by means of marking such portions with brackets and asterisks because the identified confidential portions (i) are not material and (ii) would be competitively harmful if publicly disclosed, or constituted personally identifiable information that is not material.

Item 16. Form 10-K Summary

None.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UWM HOLDINGS CORPORATION

Date: **March 1, 2023** February 28, 2024

By:

/s/ Mathew Ishbia

Mathew Ishbia

Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on the **1st 28th** day of **March, 2023**. February, 2024.

Name	Position	Date
/s/ Mathew Ishbia _____ Mathew Ishbia	Chairman, President and Chief Executive Officer (Principal Executive Officer)	March 1, 2023 February 28, 2024
/s/ Andrew Hubacker _____ Andrew Hubacker	Executive Vice President, Chief Financial Officer and Chief Accounting Officer (Principal Financial Officer)	March 1, 2023 February 28, 2024
/s/ Stacey Coopes _____ Stacey Coopes	Director	February 28, 2024
/s/ Kelly Czubak _____ Kelly Czubak	Director	March 1, 2023 February 28, 2024
/s/ Alex Elezaj _____ Alex Elezaj	Director	March 1, 2023 February 28, 2024
/s/ Jeffrey A. Ishbia _____ Jeffrey A. Ishbia	Director	March 1, 2023 February 28, 2024
/s/ Justin Ishbia _____ Justin Ishbia	Director	March 1, 2023 February 28, 2024
/s/ Laura Lawson _____ Laura Lawson	Director	March 1, 2023 February 28, 2024
/s/ Isiah Thomas _____ Isiah Thomas	Director	March 1, 2023 February 28, 2024
/s/ Robert Verdun _____ Robert Verdun	Director	March 1, 2023 February 28, 2024
/s/ Melinda Wilner _____ Melinda Wilner	Director	March 1, 2023 February 28, 2024

Exhibit 10.22.1*

AMENDMENT NUMBER ONE

to the

AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

Dated as of September 30, 2022, among

UNITED WHOLESALE MORTGAGE, LLC,

and CITIBANK, N.A.

* Certain portions of this exhibit have been redacted in accordance with Item 601(b)(10) of Regulation S-K. This information is not material and would likely cause competitive harm to the registrant if publicly disclosed. "[***]" indicates that information has been redacted.

This AMENDMENT NUMBER ONE (this "Amendment") is made this 20th day of January, 2023, to the Amended and Restated Loan and Security Agreement, dated as of September 30, 2022 (as amended, restated, supplemented or otherwise modified as of the date hereof, the "Original Loan and Security Agreement"; as amended by this Amendment and as may be further amended, restated, supplemented or otherwise modified from time to time, the "Loan and Security Agreement"), between CITIBANK, N.A., a national banking association, as lender ("Lender"), and UNITED WHOLESALE MORTGAGE, LLC, a Michigan limited liability company, as borrower ("Borrower"). Any capitalized term used but not defined herein shall have the meaning assigned to such term in the Loan and Security Agreement.

RECITALS

WHEREAS, Borrower and Lender have agreed to amend the Original Loan and Security Agreement as more specifically set forth herein; and

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the premises and covenants herein contained, the parties hereto hereby, intending to be legally bound hereby, agree as follows:

SECTION 1. Amendments. Effective as of the date hereof (the "AmendmentEffective Date"), the Original Loan and Security Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the conformed copy of the Loan and Security Agreement attached as Exhibit A hereto.

SECTION 2. Fees and Expenses. Borrower agrees to pay to Lender all of the out- of-pocket costs and expenses incurred by Lender in connection with this Amendment (including, but not limited to, all of the reasonable fees, disbursements and expenses of counsel to Lender) in accordance with Sections 3 and 10 of the Loan and Security Agreement.

SECTION 3. Representations and Warranties. In order to induce Lender to execute and deliver this Amendment, Borrower hereby represents and warrants to Lender that as of the Amendment Effective Date:

- (a) the financial covenants under each of its other agreements evidencing indebtedness of each Seller (the "Other Debt Agreements") have been waived or amended as needed in such a manner such that no default exists under the Other Debt Agreements as of the Amendment Effective Date;
- (b) it has the requisite power and authority, and legal right, to execute and deliver this Amendment and to perform its obligations under this Amendment, the Loan and Security Agreement and the other Program Documents to which it is a party;
- (c) each of this Amendment, the Loan and Security Agreement and the other Program Documents to which it is a party constitutes a legal, valid and binding obligation of it enforceable against it in accordance with its respective terms;
- (d) each representation and warranty of it contained in the Loan and Security Agreement and the other Program Documents to which it is a party is true and correct and is hereby restated and affirmed;
- (e) each covenant and each other agreement of it contained in the Loan and Security Agreement and the other Program Documents to which it is a party is hereby restated and affirmed; and

(f) no Default or Event of Default has occurred and is continuing under the Loan and Security Agreement or any other Program Document.

SECTION 4. Ratification. The parties hereto ratify all terms of the Original Loan and Security Agreement other than those amended hereby, and ratify those provisions as amended hereby.

SECTION 5. Severability. If any provision of this Amendment is declared invalid by any court of competent jurisdiction, such invalidity shall not affect any other provision of this Amendment or any other Program Document, and this Amendment and each other Program Document shall be enforced to the fullest extent permitted by law.

SECTION 6. Captions. The captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Amendment.

SECTION 7. Binding Effect; Governing Law. This Amendment shall be binding on and inure to the benefit of the parties hereto and their respective successors and permitted assigns. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF (EXCEPT FOR SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, WHICH SHALL GOVERN).

SECTION 8. SUBMISSION TO JURISDICTION; WAIVERS. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(a) SUBMITS FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AMENDMENT AND/OR ANY OTHER PROGRAM DOCUMENT, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE NON-EXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK, THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND APPELLATE COURTS FROM ANY THEREOF;

(b) CONSENTS THAT ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN SUCH COURTS AND, TO THE EXTENT PERMITTED BY LAW, WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT AND AGREES NOT TO PLEAD OR CLAIM THE SAME;

(c) AGREES THAT SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING MAY BE EFFECTED BY MAILING A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, TO ITS ADDRESS SET FORTH UNDER ITS SIGNATURE TO THE LOAN AND SECURITY AGREEMENT OR AT SUCH OTHER ADDRESS OF WHICH THE OTHER PARTIES HERETO SHALL HAVE BEEN NOTIFIED; PROVIDED THAT, AT THE TIME OF SUCH MAILING AN ELECTRONIC COPY OF SUCH SERVICE OF PROCESS IS ALSO SENT BY ELECTRONIC MAIL TO THE PERSONS SPECIFIED IN THE ADDRESS FOR NOTICES FOR SUCH PARTY ON THE SIGNATURE PAGE TO THE LOAN AND SECURITY AGREEMENT (OR SUCH OTHER PERSONS OF WHICH THE OTHER PARTIES HERETO SHALL HAVE BEEN NOTIFIED); AND

(d) AGREES THAT NOTHING HEREIN SHALL AFFECT THE RIGHT TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT TO SUE IN ANY OTHER JURISDICTION.

SECTION 9. WAIVER OF JURY TRIAL. BORROWER AND LENDER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY ANY REQUIREMENTS OF LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING

OUT OF OR RELATING TO THIS AMENDMENT, ANY OTHER PROGRAM DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

SECTION 10. Counterparts; Electronic Signatures. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Amendment by signing any such counterpart. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. The parties agree that this Amendment, any documents to be delivered pursuant to this Amendment and any notices hereunder may be transmitted between them by e-mail and/or by facsimile. The parties intend that with respect to the Amendment Documents, faxed signatures and electronically imaged signatures, such as .pdf files and signatures executed using third party electronic signature capture service providers, which comply with E-Sign, the New York State Electronic Signatures and Records Act or any other similar state law based on the Uniform Electronic Transactions Act, shall constitute original signatures and are binding on all parties. The parties intend that subsequent certifications and other documentation delivered by Borrower in connection with the Amendment Documents may be delivered in accordance with, and shall be governed by E-Sign, the New York State Electronic Signatures and Records Act or any other similar state law based on the Uniform Electronic Transactions Act, and shall be binding on such parties. The original documents shall be promptly delivered, if requested.

SECTION 11. Limited Effect. Except as expressly amended hereby, the Original Loan and Security Agreement shall continue in full force and effect in accordance with its terms. Reference to this Amendment need not be made in the Original Loan and Security Agreement, any other Program Document or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to, or with respect to, the Original Loan and Security Agreement, any reference in any of such items to the Original Loan and Security Agreement being sufficient to refer to the Original Loan and Security Agreement as amended hereby on and after the Amendment Effective Date.

IN WITNESS WHEREOF, Borrower and Lender have caused this Amendment to be executed and delivered by their duly authorized officers as of the day and year first above written.

UNITED WHOLESALE MORTGAGE, LLC, as
Borrower

By: /s/ Blake Kolo
Name: Blake Kolo
Title: EVP, Chief Business Officer

CITIBANK, N.A., as Lender

By: /s/ Arunthathi Theivakumaran

Name: Arunthathi Theivakumaran
Title: Vice President

Conformed Version
through Amendment No. 1,
dated as of January 20, 2023

AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT
dated as of September 30, 2022

between

UNITED WHOLESALE MORTGAGE, LLC
as Borrower,

and

CITIBANK, N.A.,
as Lender

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This AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (as amended or supplemented from time to time, this “Agreement”) dated as of September 30, 2022, is between UNITED WHOLESALE MORTGAGE, LLC, a Michigan limited liability company, in its capacity as borrower and servicer (“Borrower”), and CITIBANK, N.A., a national banking association, (the “Lender”).

BACKGROUND

The Borrower wishes to obtain financing from time to time to provide funding for the origination, acquisition or holding of certain Eligible Servicing Rights, which Eligible Servicing Rights shall secure Loans (as defined herein) to be made by the Lender hereunder.

The Lender has agreed, subject to the terms and conditions of this Agreement (as defined herein), to provide such financing to the Borrower.

The parties previously entered into a Loan and Security Agreement, dated as of September 30, 2022 (as amended or supplemented from time to time, the “Existing LSA”).

The parties hereto have requested that the Existing LSA be amended and restated, in its entirety, subject to the terms and conditions of this Agreement.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS, ACCOUNTING MATTERS, APPLICABILITY

Section 1.01 Definitions; Construction.

- (a) Capitalized terms used herein and not otherwise defined herein shall have the meanings specified in Schedule I.
- (b) All terms used in Article 9 of the UCC, and not specifically defined herein, are used herein as defined in such Article 9.
- (c) The following rules of this subsection (c) apply unless the context requires otherwise. A gender includes all genders. Where a word or phrase is defined, its other grammatical forms have a corresponding meaning. A reference to a subsection, Section, Annex or Exhibit is, unless otherwise specified, a reference to a Section of, or annex or exhibit to, this Agreement. A reference to a party to this Agreement or another agreement or document includes the party's successors and permitted substitutes or assigns. A reference to an agreement or document (including any Facility Document) is to the agreement or document as amended, modified, novated, supplemented or replaced, except to the extent prohibited thereby or by any Facility Document and in effect from time to time in accordance with the terms thereof. A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it. A reference to writing includes an electronic or a facsimile transmission and any means of reproducing words in a tangible and permanently visible form. A reference to conduct includes, without limitation, an omission, statement or undertaking, whether or not in writing. The words “hereof”, “herein”,

"hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement. The term "including" is not limiting and means "including without limitation". In the computation of periods of time from a specified date to a

later specified date, the word "from" means "from and including", the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including".

(d) Except where otherwise provided in this Agreement, any determination, consent, approval, statement or certificate made or confirmed in writing with notice to Borrower by Lender or an authorized officer of Lender provided for in this Agreement is conclusive and binds the parties in the absence of manifest error. A reference to an agreement includes a security interest, guarantee, agreement or legally enforceable arrangement whether or not in writing related to such agreement. Any Event of Default hereunder shall be deemed to be continuing unless explicitly waived in writing by Lender in its sole and absolute discretion and once waived in writing by Lender shall be deemed to be not continuing, subject to and in accordance with the terms and conditions of any applicable waiver.

(e) A reference to a document includes an agreement (as so defined) in writing or a certificate, notice, instrument or document, or any information recorded in computer disk form. Where the Borrower is required to provide any document to Lender under the terms of this Agreement, the relevant document shall be provided in writing or printed form unless Lender requests otherwise. At the request of Lender, the document shall be provided in computer disk form or both printed and computer disk form.

(f) This Agreement is the result of negotiations among, and has been reviewed by counsel to, Lender and Borrower, and is the product of all parties. In the interpretation of this Agreement, no rule of construction shall apply to disadvantage one party on the ground that such party proposed or was involved in the preparation of any particular provision of this Agreement or this Agreement itself. Except where otherwise expressly stated, Lender may give or withhold, or give conditionally, approvals and consents and may form opinions and make determinations at its absolute discretion. Any requirement of good faith, discretion or judgment by Lender shall not be construed to require Lender to request or await receipt of information or documentation not available when required from or with respect to Borrower or the Collateral.

(g) Any determination of materiality made by Lender pursuant to this Agreement shall be in its sole discretion acting in good faith.

Section 1.02 Accounting Matters. Except as otherwise expressly provided herein, all accounting terms used herein shall be interpreted, and all financial statements and certificates and reports as to financial matters required to be delivered to the Lender hereunder shall be prepared in accordance with GAAP.

ARTICLE II

LOANS, BORROWING, PREPAYMENT

Section 2.01 Loans. On the terms and subject to the conditions set forth in this Agreement, the Lender (i) shall make loans in an aggregate amount not to exceed the Committed Amount, and (ii) in the event that the Outstanding Aggregate Loan Amount is equal to the Committed Amount, may, in its sole discretion, make loans on an uncommitted basis in an aggregate amount not to exceed the Uncommitted Amount (each loan under the preceding subclauses (i) and (ii), a "Loan") to the Borrower from time to time. The Lender shall distribute the proceeds of such Loan to the Borrower on the related Funding Date in accordance with Section 2.03.

Section 2.02 Note.

(a) The Loans made by the Lender shall be evidenced by a single promissory note of the Borrower, substantially in the form of Exhibit 2.02(a) hereto (the "Note"), dated the date hereof, payable to the Lender in a principal amount equal to the sum of the Committed Amount plus the Uncommitted Amount.

(b) The date, amount, and interest rate of each Loan made by the Lender to the Borrower, and each payment made on account of the principal thereof, shall be recorded by the Lender on its books and, prior to any transfer of the Note, noted by the Lender on the grid attached to the Note or any continuation thereof, provided, that failure of the Lender to make any such recordation or notation shall not affect the obligations of the Borrower to make a payment when due of any amount hereunder or under the Note in respect of the Loans.

Section 2.03 Funding Requests and Collateral Reporting.

(a) On any Funding Notice Date, Borrower may request Lender to make a Loan on the related Funding Date by delivering to Lender a Borrower Funding Request no later than 3:00 p.m. (New York City time) on such Funding Notice Date which shall become irrevocable by Borrower on or after 2:00 p.m. (New York City time) [***] Business Day prior to the related Funding Date. The amount of any Loan requested pursuant to a Borrower Funding Request shall be not greater than the related Available Loan Amount and shall not result in the Outstanding Aggregate Loan Amount exceeding the lesser of (i) the Borrowing Base and (ii) the sum of the Committed Amount plus the Uncommitted Amount. Lender shall have

the obligation, subject to the terms and conditions of the Facility Documents, to enter into Loans with an aggregate outstanding amount of up to the Committed Amount and shall have no obligation to enter into Loans with respect to the Uncommitted Amount; provided that Lender shall provide Borrower with at least [***] Business Days' prior written notice before exercising its discretion to cease entering into Loans with Borrower for all or any portion the Uncommitted Amount. Unless otherwise agreed to between Lender and Borrower in writing, all outstanding Loans at any one time shall be first deemed committed up to the Committed Amount and then the remainder, if any, shall be deemed uncommitted up to the Uncommitted Amount. Lender shall not have the right, however, to terminate any Loans with respect to the Uncommitted Amount after the related Funding Date until the related Loan Repayment Date.

No later than [***] Business Days prior to each Funding Date (including the Initial Funding Date) where new Eligible Servicing Rights are to be added to the Collateral, Borrower shall deliver to Lender a Servicing Schedule (as of the related cut-off date) identifying all Eligible Servicing Rights to be pledged to Lender as Collateral under the terms and conditions of this Agreement and all Agency Obligations outstanding on the related Funding Date. Regardless of whether Borrower delivers a Borrower Funding Request during any calendar month, Borrower shall deliver to Lender or its designee (including any Person identified on Schedule 7.01(a) no later than the [***] Business Day of each month or as otherwise agreed to by Lender and Borrower (any such Business Day, the "Collateral Reporting Date"), (x) an Agency Obligations report, in a form mutually agreed to by Lender and Borrower, identifying all Agency Obligations outstanding on the date such report is submitted to Lender and (y) additional updated Servicing Schedules (as of the related cut-off date) with respect to all Eligible Servicing Rights that constitute the Collateral under the terms and conditions of this Agreement, which shall include all updates to the Collateral as reasonably requested by Lender since the delivery of the preceding Servicing Schedule. Notwithstanding anything contained herein to the contrary, all delivery requirements (including without limitation the Servicing Schedule) described above shall apply to each Borrower Funding Request.

In Lender's determination of Collateral Value for any of the Eligible Servicing Rights hereunder, it shall apply the Market Value of the Eligible Servicing Rights in a related

Borrowing Base Report. Any excess of the amount funded on such Loan over the Borrowing Base as reflected in the related Borrowing Base Report shall result in a Borrowing Base Deficiency as set forth in Section 2.08(b) of this Agreement.

Notwithstanding anything to the contrary contained in this Section 2.03(a), Lender shall have the right to determine Market Value at any time in its sole discretion, exercised in good faith, and deliver an updated Borrowing Base Report to Borrower, reflecting such determination at any time. For purposes of preparing each Borrowing Base Report, Lender shall calculate the Collateral Value of the Eligible Servicing Rights described in the Servicing Schedule. Upon reasonable request by the Borrower, the Lender shall, from time to time, provide reasonable information regarding the Valuation Assumptions made for purposes of its determination of Market Value in any Borrowing Base Report, as well as is necessary to demonstrate that such Market Value has been determined in accordance with the MV Criteria.

(b) By delivering a Borrower Funding Request, Borrower represents and warrants to Lender that, after taking into account the amount of the requested Loan, all conditions precedent to such Loan specified in Section 5.02 of this Agreement have been satisfied.

Notwithstanding anything to the contrary contained in this Section 2.03 or Section 2.04, the Lender shall have the right to determine Market Value at any time in its sole discretion, acting in good faith. For purposes of preparing each Borrowing Base Report, the Lender shall calculate the Collateral Value of the Eligible Servicing Rights described in the related Servicing Schedule using the Market Value of such Eligible Servicing Rights determined in accordance with the terms hereof.

Section 2.04 Borrowing Base Reports.

(a) With respect to each Funding Date, the Lender shall determine the Market Value of the Eligible Servicing Rights to be pledged as security for a Loan on such Funding Date. In connection with such determination, Borrower shall provide to Lender the most recent servicing valuation conducted by a Valuation Agent with respect to the value of Borrower's servicing portfolio in accordance with GAAP, on a quarterly basis (or more frequently, at Borrower's sole discretion) upon such valuation becoming available. In addition to the foregoing, in connection with the determination of the Borrowing Base on each Funding Date, the Lender shall obtain a third party valuation by a Valuation Agent of the related Eligible Servicing Rights to be included in the Borrowing Base on such Funding Date; provided, that the Lender shall have no obligation to use any valuation obtained or delivered by Borrower as set forth above and shall have the right to determine the Market Value of the related Eligible Servicing Rights at any time in its sole discretion in accordance with the MV Criteria.

Section 2.05 Interest. Interest shall accrue on each Loan for each day during a related Interest Period at a per annum rate equal to the product of (x) the outstanding principal balance of such Loan on such day, multiplied by (y) the Interest Rate. Interest on the Loans and other amounts outstanding hereunder is due on each Monthly Settlement Date and shall accrue daily from the applicable Funding Date at the Interest Rate or such other rate provided for hereunder (including the Post-Default Rate, if applicable), until repaid in accordance with the applicable terms and conditions hereof. The Lender shall determine the Benchmark for each Loan, which may be calculated or reset on a daily basis by the Lender, and provide notice of such determination to the Borrower. The Lender shall also calculate the amount of interest or other amounts due, to be paid by the Borrower from

time to time hereunder (including in connection with any prepayment or repayment of Loans permitted hereunder) and shall provide a written statement thereof to the Borrower at least [***] Business Days prior to the due date of such

payments (or the relevant repayment or prepayment after having received a notice thereof); provided, that failure to provide such statements on a timely basis shall not relieve the Borrower of the obligation to pay any interest and principal due on the applicable payment date (based upon its good faith calculation of the amount due, such amount to be promptly reconciled after receipt of a subsequent statement from the Lender) and other such amounts hereunder promptly upon receipt of such statement.

Section 2.06 Increased Capital Costs. If any change to a Requirement of Law (other than with respect to any amendment made to Lender's organizational or governing documents) or any change in the interpretation or application thereof or compliance by Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof:

(a) shall subject Lender to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (f) of the definition of Excluded Taxes and (C) Connection Income Taxes) with respect to this Agreement or any Loans made pursuant to it;

(b) shall impose, modify or hold applicable any reserve, special deposit, compulsory advance or similar requirement against assets held by deposits or other liabilities in or for the account of the Loans or extensions of credit by, or any other acquisition of funds by any office of Lender; or

(c) shall impose on Lender any other condition;

and the result of any of the foregoing is to increase the cost to Lender, by an amount which Lender deems to be material, of effecting or maintaining any loans or transactions hereunder, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, Lender shall give Borrower prompt notice thereof by delivering to Borrower a certificate with reasonable detail as to any additional amounts payable pursuant to this subsection as calculated by Lender in good faith (a "Yield Protection Notice"), which shall be conclusive in the absence of manifest error. Borrower shall, at its option, within [***] Business Days of its receipt of any such Yield Protection Notice, either (A) (1) notify Lender of its intent to terminate this Agreement (without the imposition of any form of penalty, breakage costs or exit fees) and (2) pay all Obligations hereunder within [***] days of such notice to Lender or (B) pay Lender such additional amount or amounts as will compensate Lender for such increased cost or reduced amount receivable thereafter incurred; provided that, with respect to the immediately preceding clause (B), Borrower shall only be obligated to pay those amounts pursuant to this Section 2.06(c) to the extent incurred by Lender (1) within [***] days prior to delivery of the Yield Protection Notice to Borrower or (2) on or after delivery of such Yield Protection Notice to Borrower. In the event Borrower elects to terminate this Agreement and pay all Obligations hereunder pursuant to clause (A) above, in no event shall Borrower pay (i) any increased costs specified in the Yield Protection Notice or (ii) any increased costs accrued during the [***] days prior to receipt of such Yield Protection Notice.

If Lender shall have determined in good faith that either (A) the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by Lender or any corporation controlling Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority or Official Body made subsequent to the date hereof; or (B) compliance by Lender or any corporation controlling Lender with: (1) any directive or request from any Governing Authority or Official Body (whether or not having the force of law) imposed after the date hereof or (2) the requirements of, whether such compliance is commenced prior to or after the date hereof, any of (x) Basel III or (y) the Dodd-Frank Act, or any existing rules, regulations,

guidance, interpretations or directives from the United States bank regulatory agencies relating to Basel III or the Dodd-Frank Act; shall have the effect of reducing the rate of return on Lender's or such corporation's capital to a level below that which Lender or such corporation (taking into consideration Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by Lender to be material to the extent Lender or such corporation determines such increase in capital to be attributable to the existence of the obligations or agreements of Lender hereunder, then, in any such case, Lender shall give Borrower prompt notice thereof by delivering to Borrower a certificate with reasonable detail as to any additional amounts payable pursuant to this subsection as calculated by Lender in good faith (a "Capital Adequacy Notice"), which shall be conclusive in the absence of manifest error. Borrower shall, at its option, within [***] Business Days of its receipt of any such Capital Adequacy Notice, either (A) (1) notify Lender of its intent to terminate this Agreement (without the imposition of any form of penalty, breakage costs or exit fees) and (2) pay all Obligations hereunder within [***] days of such notice to Lender or (B) pay Lender such additional amount or amounts as will compensate Lender for such reduction; provided that, with respect to the immediately preceding clause (B), Borrower shall only be obligated to pay those amounts pursuant to this Section 2.06(c) to the extent incurred by Lender (1) within [***] days prior to delivery of the Capital Adequacy Notice to Borrower or (2) on or after delivery of such Capital Adequacy Notice to Borrower. In the event Borrower elects to terminate this Agreement and pay all Obligations hereunder pursuant to clause (A) above, in no event shall Sellers pay (i) any increased costs specified in the Capital Adequacy Notice or (ii) any increased costs accrued during the [***] days prior to receipt of such Capital Adequacy Notice.

If Lender becomes entitled to claim any additional amounts pursuant to this Section, it shall promptly notify the Borrower of the event by reason of which it has become so entitled; provided that Borrower shall only be obligated to pay such additional amounts to the extent Lender provides written notice of such amounts to the Borrower within [***] days following Lender becoming aware of the incurrence of any such increased costs. A certificate as to any additional amounts payable pursuant to this subsection submitted by Lender to the Borrower shall be conclusive in the absence of manifest error.

Section 2.07 [Reserved].

Section 2.08 Mandatory Repayment of Loans.

(a) The Borrower shall repay the Outstanding Aggregate Loan Amount with respect to all Loans and all other amounts due under this Agreement in full on the Loan Repayment Date. Loans may be prepaid in accordance with the terms of Section 2.09 hereof and, to the extent prepaid, may be re-borrowed hereunder in accordance with the terms hereof (including satisfaction of all conditions precedent contained in Section 5.02).

(b) If, on any Business Day (a "Borrowing Base Shortfall Day"), the Lender provides written notice to the Borrower that the Lender has determined in its sole reasonable discretion based on the Borrowing Base Report most recently delivered by the Lender pursuant to Section 2.04 that the Outstanding Aggregate Loan Amount on such day exceeds the lesser of (i) the Borrowing Base and (ii) the Committed Amount plus the Uncommitted Amount on such day by an amount (such circumstance, a "Borrowing Base Deficiency"), the Borrower shall no later than 5:00 p.m. (New York City time) on the next succeeding Business Day following the Borrowing Base Shortfall Day repay outstanding Loans (including accrued interest thereon), in an amount equal to the amount of the Borrowing Base Deficiency specified in the notice provided to the Borrower by the Lender (such requirement a "Margin Call"). Notwithstanding the prior sentence, Lender shall not require a Margin Call to be cured unless the related Borrowing Base Deficiency exceeds the Deficiency Threshold, either individually or on an

aggregate basis with any other Borrowing Base Deficiencies that have occurred hereunder unless (i) there is a Margin Deficit in existence under the Master Repurchase Agreement or (ii) a Default or Event of Default has occurred. Any Borrowing Base Deficiency shall be cured, and the related Margin Call satisfied, in cash. Notwithstanding the foregoing, any Fannie Stop-Loss Cap Failure Borrowing Base Deficiency or Freddie Mac Claims Cap Failure Borrowing Base Deficiency shall not be subject to the Deficiency Threshold or other provisions set forth in the preceding sentence.

(c) Borrower may request that Lender consent to Borrower entering into an Excess Yield Transaction by delivering notice to Lender (an "EYT Notice"), at least [***] Business Days prior to the closing date of such Excess Yield Transaction (the "Excess Yield Transaction Date"). Each EYT Notice shall identify the Excess Yield Transaction Date and the proposed Released Excess Yield Mortgages and request that Lender (i) releases its Lien on the portion of the Collateral that will be defined as Excess Yield upon consummation of the Excess Yield Transaction, solely with respect to Released Excess Yield Mortgages, and (ii) consent to the filing of an applicable UCC-3 reflecting such release. Following receipt of an EYT Notice, Lender shall deliver a Borrowing Base Report to Borrower with respect to the Collateral related to the Retained Citi Covered Mortgages. To the extent Lender determines, in its sole reasonable discretion based on such Borrowing Base Report, and as otherwise permitted by Section 2.01 herein, that the Outstanding Aggregate Loan Amount on such day is less than the Borrowing Base on such day, Lender shall release its Lien on the portion of the Collateral that will be defined as Excess Yield upon consummation of the Excess Yield Transaction and consent to the filing of an applicable UCC-3 reflecting such release, solely with respect to the Released Excess Yield Mortgages identified in the Partial Release (Excess Yield); unless, (1) there is any Margin Deficit in existence as of the Excess Yield Transaction Date, (2) any Default or Event of Default has occurred, (3) any Margin Deficit, Default or Event of Default would occur due to Lender releasing such portion of its Lien on the Collateral or (4) the Excess Yield Transaction fails to close.

Section 2.09 Optional Prepayment. The Borrower may, at its option, prepay without penalty or premium any Loan advanced hereunder in full or in part on any Business Day (each an "Optional Prepayment Date"). Any such prepayment received by the Lender by 1:00 p.m. (New York City time) together with a Prepayment Notice on such Optional Prepayment Date shall be applied by the Lender on such Business Day. Any such prepayment received by the Lender after 1:00 p.m. (New York City time) on such Optional Prepayment Date shall be applied by the Lender on the following Business Day.

For the avoidance of doubt, except with respect to a payment in full pursuant to Section 2.06, any optional prepayment in full shall not result in the termination of this Agreement unless such termination is declared in writing by the Borrower, acting in its discretion.

Section 2.10 Commitment Fee/Adjustment to Uncommitted Amount. The Borrower agrees to pay to the Lender the Commitment Fee, if any, in accordance with the terms set forth in the Pricing Side Letter. Provided that no Default or Event of Default has occurred or is continuing, Borrower shall have the right, from time to time, to adjust the Uncommitted Amount hereunder in accordance with Section 3 of the Pricing Side Letter.

Section 2.11 Determination of Interest Rate.

(a) **Interest Rate.** The Interest Rate of the Loan shall be based on: (A) the SOFR Rate with respect to the applicable Interest Period if the Loan is a SOFR Loan or (B) the Alternate Rate with respect to the applicable Interest Period if the Loan is an Alternate Rate Loan.

(b) **Term SOFR Conforming Changes.** In connection with the use or administration of Term SOFR, Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Facility Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of Borrower or any other party to this Loan Agreement or any other Facility Document. Lender will promptly notify Borrower of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

(c) **Benchmark Unavailability Period.** During a Benchmark Unavailability Period, the component of the Interest Rate based on Term SOFR (or the then-current Benchmark if the Loan is then an Alternate Rate Loan) shall during such Benchmark Unavailability Period be replaced with the Prime Rate.

(d) Subject to the terms and conditions hereof, the Loan shall be either a SOFR Loan or an Alternate Rate Loan, as applicable, and Borrower shall pay interest on the outstanding principal balance of the Loan at the SOFR Rate or at the Alternate Rate, as applicable, for each day in the applicable Interest Period. Each determination by Lender of the Interest Rate shall be conclusive and binding upon Borrower for all purposes, absent manifest error. If and to the extent part of the Conforming Changes, any change in the rate of interest hereunder due to a change in the Benchmark shall become effective as of the opening of business on the first day on which such change in the Benchmark shall become effective.

(e) **Effect of Benchmark Transition.**

(i) Notwithstanding anything to the contrary herein or in any other Facility Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Periodic Term SOFR Determination Day (or if the Benchmark is not the Term SOFR Reference Rate, the Determination Date for such other Benchmark) for any day in any Interest Period, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Facility Document in respect of such determination and all determinations on all subsequent dates (without any amendment to, or further action or consent of any other party to, this Agreement).

(ii) **Benchmark Replacement Conforming Changes.** In connection with the use, administration, adoption, or implementation of a Benchmark Replacement, Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Facility Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of Borrower or any other party to this Agreement or any other Facility Document.

(iii) Lender will promptly notify Borrower of (i) the Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Conforming Changes, and/or (iv) any Benchmark Unavailability Period. Any determination, decision or election that may be made by Lender pursuant to this Section 2.11, including any determination with respect to a rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from Borrower.

(iv) Notwithstanding any provision of this Agreement to the contrary, in no event shall Borrower have the right to convert the Loan to an Alternate Rate Loan.

(f) **Disclaimer.** Lender does not warrant or accept any responsibility for, and shall not have any liability with respect to (i) the administration, submission or any other matter related to Term SOFR or with respect to any alternative or successor rate thereto, or replacement rate thereof (including, without limitation any Benchmark Replacement implemented hereunder), (ii) the composition or characteristics of any Benchmark Replacement, including whether it is similar to, or produces the same value or economic equivalence to Term SOFR (or any other Benchmark) or have the same volume or liquidity as did Term SOFR (or any other Benchmark), (iii) any actions or use of its discretion or other decisions or determinations made with respect to any matters covered by this Section 2.11 including, without limitation, whether or not a Benchmark Transition Event has occurred, the removal or lack thereof of unavailable or non-representative tenors, the implementation or lack thereof of any Conforming Changes, the delivery or non-delivery of any notices required by this Section 2.11 or otherwise in accordance herewith, and (iv) the effect of any of the foregoing provisions of this Section 2.11 on Borrower, its shareholders or any Affiliates Borrower or on any financial products or agreements in effect or offered by the Borrower or any Affiliates of the Borrower.

(g) **Borrower Repayment.** In the event that Borrower determines that the Benchmark Replacement is unacceptable, Borrower shall provide notice of same to Lender within [***] Business Days of receipt of notice from Lender of the Benchmark Replacement and Borrower shall have the right to terminate this Agreement, on or prior to the date that is [***] Business Days following receipt of such notice (such date, the "Optional

Repayment Date”), without the imposition of any form of penalty, breakage costs or exit fees. In the event that Borrower elects to terminate this Agreement in accordance with the foregoing, it shall pay the outstanding Obligations, including all unpaid fees and expenses due to Lender, on or prior to the Optional Repayment Date.

ARTICLE III

PAYMENTS; COMPUTATIONS; TAXES; FEES

Section 3.01 Payments and Computations, Etc.

(a) Unless otherwise expressly stated herein, all amounts to be paid or deposited hereunder shall be paid or deposited in accordance with the terms hereof no later than 5:00 p.m. (New York time) on the day when due in lawful money of the United States of America in same day funds.

(b) The Borrower shall, to the extent permitted by law, pay interest on all amounts (including principal, accrued interest and fees) due but not paid on the date such payment is due hereunder as provided herein, for the period from, and including, such due date until, but excluding, the date paid, at the applicable Default Rate, payable on demand; provided, however that such interest rate shall not at any time exceed the maximum rate permitted by applicable law.

(c) All computations of interest and fees hereunder shall be made on the basis of a year of 360 days for the actual number of days elapsed (including the first day but excluding the last day) occurring in the period for which payable.

(d) The Borrower agrees that the principal of and interest on the Loans shall be a recourse obligation of the Borrower.

(e) All payments made by the Borrower under this Agreement shall be made without set-off or counterclaim.

Section 3.02 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Facility Document shall to the extent permitted by Applicable Law be made free and clear of and without reduction or withholding for any Taxes. If, however, Applicable Law requires the Borrower to withhold or deduct any Tax, such Tax shall be withheld or deducted in accordance with Applicable Law as determined by the Borrower upon the basis of the information and documentation to be delivered pursuant to subsection (d) below.

(ii) If the Borrower shall be required by Applicable Law to withhold or deduct any Taxes, including both United States federal backup withholding and withholding taxes, from any payment, then (A) the Borrower shall withhold or make such required deductions, (B) the Borrower shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with Applicable Law, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes or Other Taxes, the sum payable by the Borrower shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions for Indemnified Taxes and Other Taxes applicable to additional sums payable under this Section) the Lender receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Tax Indemnification. Without limiting the provisions of subsection (a) above or duplicating the payment obligations set forth therein, the Borrower shall, and does hereby, indemnify the Lender and shall make payment in respect thereof within [***] days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) otherwise imposed on the Lender, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided that the Lender gives the Borrower written evidence of the imposition or assertion of such Indemnified Taxes or Other Taxes and/or the incurrence of such penalties, interest or expenses, as the case may be; provided further that if the Lender fails to give notice to Borrower of the imposition of any Indemnified Taxes or Other Taxes within [***] days following its receipt of actual written notice of the imposition of such Indemnified Taxes or Other Taxes, there will be no obligation for Borrower to pay interest or penalties attributable to the period beginning after such [***] day and ending [***] days after Borrower receives notice from the Lender.

(c) Evidence of Payments. As soon as practicable, after any payment of Taxes by the Borrower to a Governmental Authority as provided in this Section 3.02, the Borrower shall deliver to the Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Applicable Law to report such payment or other evidence of such payment reasonably satisfactory to the Lender.

(d) Status of Lenders; Tax Documentation.

(i) The Lender shall deliver to the Borrower, at the time or times prescribed by Applicable Law or when reasonably requested by the Borrower, such duly and properly completed and executed documentation prescribed by Applicable Law or by the taxing authorities of any jurisdiction and such other reasonably requested information as will permit the Borrower to determine (A) whether or not payments made hereunder or under any other Facility Document are subject to Taxes, (B) if applicable, the required rate of withholding or deduction, and (C) the Lender's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of all payments to be made to such Lender by the Borrower pursuant to this Agreement or any other Facility Document or otherwise to establish such Lender's status for withholding tax purposes in the applicable jurisdiction.

(ii) Without limiting the generality of the foregoing, if the Borrower is a "United States person" as defined in section 7701(a)(30) of the Code,

(1) any Lender that is a "United States person" within the meaning of section 7701(a)(30) of the Code shall deliver to the Borrower duly completed and executed originals of Internal Revenue Service Form W-9 or such other documentation or information prescribed by applicable Laws or reasonably requested by the Borrower as will enable the Borrower to determine whether or not such Lender is subject to backup withholding or information reporting requirements; and

(2) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower (in such number of copies as shall be requested by the Borrower) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower, whichever of the following is applicable:

(I) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, duly completed and executed copies of the IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding tax pursuant to the "business profits" or "other income" article of such tax treaty,

(II) duly completed and executed originals of Internal Revenue Service Form W-8ECI,

(III) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit 3.02-2 or Exhibit 3.02-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit 3.02-4 on behalf of each such direct and indirect partner,

(IV) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit 3.02-1 to the effect that such Foreign Lender is not

(A) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (y) duly completed and executed originals of Internal Revenue Service Form W-8BEN-E, or

(V) duly completed and executed originals of any other form prescribed by applicable Laws as a basis for claiming exemption from or a reduction in United States Federal withholding tax together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower to determine the withholding or deduction required to be made.

(iii) If a payment made to a Lender hereunder or under any Facility Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower at the time or times prescribed by law and at such time or times reasonably requested by the Borrower such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower as may be necessary for the Borrower to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (iii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(e) The Lender shall (A) promptly notify the Borrower of any change in circumstances which would modify or render invalid any claimed exemption or reduction, and (B) cooperate, in its reasonable discretion, with the Borrower to mitigate any requirement of Applicable Law of any jurisdiction in which the Borrower may be required to withhold or deduct any taxes from amounts payable to Lender hereunder.

(f) **Treatment of Certain Refunds.** If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (f) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (f) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

Section 3.03 Fees and Expenses. The Borrower agrees to pay to the Lender all of Lender's reasonable, documented and out-of-pocket costs and expenses (including reasonable fees and expenses of Lender's counsel) incurred in connection with the development, preparation, negotiation, administration, enforcement and execution of, and any amendment, waiver, supplement or modification to, this Agreement, any other Facility Document or any other documents prepared in connection herewith or therewith and consummation and administration of the Loans contemplated hereby and thereby including, without limitation, (i) all the reasonable fees, disbursements and expenses of counsel to Lender, and (ii) all the due diligence, valuation, inspection, testing and review expenses (including but not limited to any asset level review of any Collateral and all on-going due diligence and valuation costs) incurred by Lender with respect to the Collateral under this Agreement subject to the terms and provisions set forth in **Section 7.01(d)** regarding the Diligence Expenses subject to the Pre-Default Diligence Cap.

ARTICLE IV

SECURITY INTEREST

Section 4.01 Security Interest. As security for the prompt payment and performance of all of its Obligations, the Borrower hereby assigns and pledges to the Lender, and grants a security interest, subject and subordinate to Freddie Mac's Superior Interest and the interests of Fannie Mae and Freddie Mac as set forth in Section 4.02 and in the related Acknowledgement Agreement, but only to the extent that a related Acknowledgment Agreement has been executed, to the Lender, all of the Borrower's right, title and interest, in, to, and under, whether now held, owned or hereafter acquired, in all of the following, whether now or hereafter existing and wherever located, as applicable: (i) the Pledged Servicing Rights whether or not yet accrued, earned due or payable as well as all other present and future rights and interests of the Borrower in such Pledged Servicing Rights, (ii) all books and records, including computer disks and other records or physical or virtual data or information, related to the foregoing (but excluding computer programs) and (iii) all monies due or to become due with respect to the foregoing and all proceeds of the foregoing (collectively, the "Collateral"); provided that the Borrower shall not assign or pledge to the Lender, or grant a security interest in any of the Borrower's right, title and interest, in, to or under the Borrower's rights to reimbursement for any servicing advances related to mortgage contract servicing rights subject to a Servicing Contract or Excess Yield.

Section 4.02 Provisions Regarding Pledge of Eligible Servicing Rights to Be Included In Financing Statements.

(a) [Reserved].

(b) Notwithstanding anything to the contrary in the Agreement or any of the other Facility Documents, the security interest of the Lender created hereby with respect to the Pledged Servicing Rights is subject to the following provisions to be included in each financing statement filed in respect hereof:

For Fannie Mae Servicing Rights: The Security Interest described herein is subordinate to all rights of Fannie Mae under (i) the terms of an Acknowledgment Agreement, with respect to the Security Interest among Fannie Mae, United Wholesale Mortgage, LLC (the "Debtor") and Citibank, N.A., and (ii) the Mortgage Selling and Servicing Contract, the Fannie Mae Selling Guide, the Fannie Mae Servicing Guide and all supplemental servicing instructions or directives provided by Fannie Mae, all applicable master agreements, recourse agreements, repurchase agreements, indemnification agreements, loss-sharing agreements, and any other agreements between Fannie Mae and the Debtor, and all as amended, restated or supplemented from time to time (collectively, the "Fannie Mae Lender Contract"), which rights include the right of

Fannie Mae to terminate the Fannie Mae Lender Contract with or without cause and the right to sell, or have transferred, the Servicing Rights.

For Freddie Mac Servicing Contract Rights: Notwithstanding anything to the contrary herein, the security interest publicized or perfected by this financing statement is subject and subordinate in each and every respect to (a) all rights, powers and prerogatives of the Federal Home

Loan Mortgage Corporation ("Freddie Mac") under and in connection with the Acknowledgment Agreement among Freddie Mac, the debtor and the secured party (as amended, modified, restated or supplemented from time to time, the "AA"), and the Purchase Documents (as defined in the AA), which include, without limitation, the right of Freddie Mac to disqualify (in whole or in part) the debtor as a Freddie Mac-approved Seller/Servicer, with or without cause, and the right to terminate (in whole or in part) the Servicing Contract (as defined in the AA) and to transfer and sell all or any portion of the Servicing Contract Rights (as defined in the AA), as provided in the Purchase Documents, (b) all of Freddie Mac's Claims (as defined in the AA), and (c) the first-priority security interest of Freddie Mac in the Freddie Mac Collateral (as defined in the AA).

Section 4.03 Authorization of Financing Statements. To the extent permitted by applicable law, the Borrower hereby authorizes the Lender to file any financing or continuation statements required to perfect, protect, or more fully evidence the Lender's security interest in the Collateral granted hereunder. The Lender will notify the Borrower of any such filing (but the failure to deliver such notice shall not prejudice any rights of the Lender under this Section 4.03).

Section 4.04 Lender's Appointment as Attorney In Fact.

(a) Subject to the Freddie Mac Requirements, the Borrower hereby irrevocably constitutes and appoints the Lender and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Borrower and in the name of the Borrower or in its own name, from time to time in the Lender's discretion, if an Event of Default, shall have occurred and be continuing, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement to the extent such actions are permitted to be taken by the Lender under any Acknowledgement Agreement, and, without limiting the generality of the foregoing, the Borrower hereby gives the Lender the power and right, on behalf of the Borrower, without assent by, but with prior written notice to, the Borrower, if an Event of Default shall have occurred and be continuing, to do the following (subject to the Freddie Mac Requirements and the terms of each Acknowledgement Agreement):

(i) in the name of the Borrower or its own name, or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any mortgage insurance or with respect to any other Collateral and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Lender for the purpose of collecting any and all such moneys due under any such mortgage insurance or with respect to any other Collateral whenever payable;

(ii) (A) to direct any party liable for any payment under any Collateral to make payment of any and all moneys due or to become due thereunder directly to the Lender or as the Lender shall direct; (B) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (C) to sign and endorse any invoices, assignments, verifications,

notices and other documents in connection with any of the Collateral; (D) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (E) in connection with the above, to give such discharges or releases as the Lender may deem appropriate; and (F) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Lender were the absolute owner thereof for all purposes, and to do, at the Lender's option and the Borrower's expense, at any time, or from time to time, all acts and things which the Lender deems necessary to protect, preserve or realize upon the Collateral and the Lender's Liens thereon and to effect the intent of this Agreement, all as fully and effectively as the Borrower might do;

(iii) perform or cause to be performed, the Borrower's obligations under any Servicing Contract to the extent permitted by the Freddie Mac Requirements and the related Acknowledgement Agreement.

The Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable but shall terminate upon release of the Lender's security interest as provided in Section 4.05. This power of attorney shall not revoke any prior powers of attorney granted by the Borrower.

(b) The Borrower also authorizes the Lender, at any time and from time to time, to execute, in connection with the sale provided for in Section 8.02(c) hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; provided that the exercise of such powers are in accordance with the Freddie Mac Requirements and the Acknowledgement Agreements.

(c) The powers conferred on the Lender are solely to protect the Lender's interest in the Collateral and shall not impose any duty upon the Lender to exercise any such powers. The Lender shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither the Lender nor any of its officers, directors, or employees shall be responsible to the Borrower for any act or failure to act

hereunder, except for its own gross negligence or willful misconduct; provided that the Lender shall exercise such powers only in accordance with this Agreement, the Freddie Mac Requirements and the Acknowledgement Agreements.

Section 4.05 Release of Security Interest.

In connection with an Excess Yield Transaction and to the extent permitted in accordance with the provisions of Section 2.08(c) hereof, the Lender shall release its security interest in that portion of the Collateral that will be defined as Excess Yield upon consummation of the Excess Yield Transaction solely with respect to the Released Excess Yield Mortgages identified in the Partial Release (Excess Yield). Lender shall execute the Partial Release (Excess Yield) in favor of Freddie Mac, which evidences inter alia, the full release by the Lender of its Security Interest in, to and under the Excess Yield identified in such Partial Release (Excess Yield) and the Acknowledgement Agreement. Lender's release will be effective on the Excess Yield Transaction Date. Notwithstanding anything contained herein to the contrary, in no event shall any release (referenced above or in Section 2.08(c)) of Lender include any Collateral pledged hereunder related to any Retained Citi Covered Mortgage.

Upon termination of this Agreement and repayment to the Lender of all Obligations and the performance of all obligations under the Facility Documents, the Lender shall release its security

interest in any remaining Collateral; provided that if any payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower, or upon or as a result of the appointment of a receiver, intervener or conservator of, or a trustee or similar officer for the Borrower or any substantial part of its Property, or otherwise, this Agreement, all rights hereunder and the Liens created hereby shall continue to be effective, or be reinstated, until such payments have been made.

The Lender shall, upon [***] Business Days (or, to the extent no Loans are outstanding and no other amounts are payable to Lender hereunder, [***] Business Day) advance written request from the Borrower accompanied by an updated Servicing Schedule, release its interest in a pool of Pledged Servicing Rights; provided, however, that prior to such release, Lender shall have been paid the full amount of any Loans outstanding and any accrued interest and other Obligations hereunder with respect to such Pledged Servicing Rights. Notwithstanding the foregoing, the Lender shall have no obligation to release any Collateral hereunder to the extent (a) any Default, Event of Default or Borrowing Base Deficiency has occurred and is continuing or (b) such release would result in a (i) Borrowing Base Deficiency or (ii) a Default or an Event of Default.

If requested by Freddie Mac, Lender shall promptly execute such further documentation as requested by Freddie Mac in order to further effectuate the terms and provisions of this Section 4.05 (including but not limited to any request pursuant to Section 14 of the Freddie Mac Acknowledgment Agreement). Freddie Mac shall be an express and intended third party beneficiary of this Section 4.05 and shall be entitled to rely upon this Section 4.05 in all respects. This Section 4.05 shall not be amended or modified without the express written consent of Freddie Mac.

ARTICLE V CONDITIONS PRECEDENT

Section 5.01 Conditions Precedent. The effectiveness of this Agreement is subject to the condition precedent that the Lender shall have received each of the items set forth in Schedule 5.01 (unless otherwise indicated) dated such date, and in such form and substance, as is satisfactory to the Lender.

Section 5.02 Further Conditions Precedent. The funding of each Loan hereunder, and the automatic continuation of each Loan after the termination of the immediately preceding calendar month related to any Loan, shall in all events be subject to satisfaction of the further conditions precedent set forth in Schedule 5.02 as of the making of such Loan and as of each day on which any Loan remains outstanding.

ARTICLE VI REPRESENTATIONS AND WARRANTIES

Section 6.01 Representations and Warranties of the Borrower. The Borrower represents and warrants to the Lender that throughout the term of this Agreement (except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case, such representation or warranty shall have been true or correct as of such date):

(a) **Organization and Good Standing.** Borrower (a) is duly organized, validly existing and in good standing as a limited liability company, under the laws of the jurisdiction in which it was formed, (b) has all requisite corporate or other power, and has all governmental

licenses, authorizations, consents and approvals, necessary to own its assets and carry on its business as now being or as proposed to be conducted, (c) is qualified to do business and is in good standing in all other jurisdictions in which the nature of the business conducted by it makes such

qualification necessary, except where failure so to qualify would not be reasonably likely (either individually or in the aggregate) to have a Material Adverse Effect, and (d) is in compliance in all material respects with all Requirements of Law and its Governing Documents.

(b) **Power and Authority, Due Authorization.** Borrower (i) has all necessary power and authority and legal right to (A) execute and deliver each of the Facility Documents to be executed and delivered by it in connection herewith, (B) carry out the terms of the Facility Documents to which it is a party, and (C) with respect to the Borrower, borrow the Loans and grant a security interest in the Collateral on the terms and conditions herein provided, and (ii) has taken all necessary corporate action to duly authorize (A) such borrowing and grant and (B) the execution, delivery, and performance of this Agreement and all of the Facility Documents to which it is a party.

(c) **Binding Obligations.** Each Facility Document to which Borrower is a party, when duly executed and delivered by it will constitute, legal, valid and binding obligations of Borrower enforceable against it in accordance with its respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, receivership and reorganization, or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(d) **No Breach.** Neither (i) the execution and delivery of the Facility Documents, nor (ii) the consummation of the transactions therein contemplated in compliance with the terms and provisions thereof will conflict with or result in a breach of the applicable Governing Documents or any Requirement of Law, or other material agreement or instrument or Contractual Obligation, to which Borrower, or any of its Subsidiaries or Affiliates, is a party or by which any of them or any of their property is bound or to which any of them or their property is subject, or constitute a default under any such material agreement or instrument, or (except for the Liens created pursuant to this Agreement) result in the creation or imposition of any Lien upon any property of Borrower or any of its Subsidiaries or Affiliates, pursuant to the terms of any such agreement or instrument.

(e) **No Proceedings.** There are no actions, suits, arbitrations, investigations or proceedings pending or, to its knowledge, threatened against Borrower or any of its Subsidiaries or Affiliates or Subservicer affecting any of the property thereof before any Governmental Authority, (i) as to which individually or in the aggregate there is a reasonable likelihood of an adverse decision which would be reasonably likely to exceed the TNW Threshold, (ii) which questions the validity or enforceability of any of the Facility Documents or any action to be taken in connection with the transactions contemplated thereby, or (iii) which seeks to prevent the consummation of any transaction.

(f) **Government and Agency Approvals.** No authorization, consent, approval, or other action by, and no notice to or filing with, any Governmental Authority, including Fannie Mae, Freddie Mac, HUD or Ginnie Mae, is required for Borrower's due execution, delivery or performance of any Facility Document to which it is a party except for (i) consents that have been obtained in connection with transactions contemplated by the Facility Documents, including consents obtained from Freddie Mac and Fannie Mae pursuant to the Acknowledgment Agreements, (ii) filings to perfect the security interest created by this Agreement, (iii) consents and approvals that may be required by Fannie Mae, Freddie Mac, HUD or Ginnie Mae from time to time after the Closing Date, and (iv) authorizations, consents, approvals, filings, notices, or

other actions the failure to make is not reasonably likely, individually or in the aggregate, to have a Material Adverse Effect.

(g) **Solvency; Fraudulent Conveyance.** As of the date hereof and immediately after giving effect to each Loan, the fair value of the assets of Borrower is greater than the fair value of the liabilities (including, without limitation, contingent liabilities if and to the extent required to be recorded as a liability on the financial statements of Borrower in accordance with GAAP) of Borrower, and, to the knowledge of Borrower, the related Servicer (if not Borrower) or the related Subservicer, as applicable, is and will be Solvent, is able and will be able to pay and is paying its debts as they mature and does not and will not have an unreasonably small amount of capital to engage in the business in which it is engaged and proposes to engage. Neither Borrower nor, to the knowledge of Borrower, the related Servicer (if not Borrower) or the related Subservicer, as applicable, intends to incur, or believes that it has incurred, debts beyond its ability to pay such debts as they mature. Neither Borrower nor, to the knowledge of Borrower, the related Servicer (if not Borrower) or the related Subservicer, as applicable, is contemplating the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official in respect of Borrower, such Servicer or such Subservicer, as applicable, or any of its respective assets. Borrower is not transferring any Eligible Servicing Rights with any intent to hinder, delay or defraud any of its creditors

(h) **Margin Regulations.** Borrower is not and will not be engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation T, U or X), and no proceeds of any Loan will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock or for any purpose that violates, or is inconsistent with, the provisions of Regulation T, U and X.

(i) **Accurate Reports.** The information, reports, financial statements, exhibits and schedules furnished in writing by or on behalf of Borrower or any of its Subsidiaries or Affiliates to Lender in connection with the negotiation, preparation or delivery of this Agreement and the other Facility Documents or included herein or therein or delivered pursuant hereto or thereto, when taken as a whole, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading. All written information furnished after the date hereof by or on behalf of Borrower or any of its Subsidiaries or Affiliates to

Lender in connection with this Agreement and the other Facility Documents and the transactions contemplated hereby and thereby will be true, complete and accurate in every material respect, or (in the case of projections) based on reasonable estimates, on the date as of which such information is stated or certified. With respect to any compliance certificate delivered pursuant to the terms of this Agreement, each item or field shall be complete except to the extent of any relevant information that has previously been provided to Lender and except as otherwise agreed by Lender. With respect to any other reports, certifications or any information provided in response to a reasonably specific request by Lender, such reports, certifications or other information shall be complete in all material respects. There is no fact known to a Responsible Officer of Borrower that, after due inquiry, would reasonably be likely to have a Material Adverse Effect that has not been disclosed herein, in the other Facility Documents or in a report, financial statement, exhibit, schedule, disclosure letter or other writing furnished to Lender for use in connection with the transactions contemplated hereby or thereby, unless Borrower notifies Lender in writing of any such fact within [***] Business Days of notice to, or knowledge of, a Responsible Officer. Notwithstanding the foregoing, this representation shall not apply to Agency Obligations reporting or any Servicing Schedule, each of which shall be covered by the covenant set forth in Section 6.02(c).

(j) **No Default.** Borrower is not in default under or with respect to any of its Contractual Obligations in any respect which should reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

(k) **Investment Company Act.** Neither Borrower nor any of its Subsidiaries is an "investment company", or a company "controlled" by an entity that is required to be registered under the Investment Company Act. Borrower is not subject to any Federal or state statute or regulation which limits its ability to incur indebtedness.

(l) **Taxes.** Borrower and its Subsidiaries and Affiliates have filed all federal income tax returns and all other material tax returns that are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any assessment received by any of them, except for any such taxes, if any, that are being appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been provided. The charges, accruals and reserves on the books of Borrower and its Subsidiaries and Affiliates in respect of taxes and other governmental charges are, in the opinion of Borrower, adequate. Any taxes, fees and other governmental charges payable by Borrower in connection with the Loans and the execution and delivery of the Facility Documents have been or will be paid when due.

(m) **No Adverse Actions.** Neither Borrower nor the related Subservicer has received a written notice (which may include notice via e-mail or other electronic communication) from any of Fannie Mae, Freddie Mac and Ginnie Mae indicating any adverse fact or circumstance in respect of Borrower or Subservicer which adverse fact or circumstance may reasonably be expected to entitle any of Fannie Mae, Freddie Mac, and Ginnie Mae, as the case may be, to terminate Borrower or Subservicer as an approved seller/servicer (as applicable) with cause or with respect to which such adverse fact or circumstance has caused any of Fannie Mae, Freddie Mac, and Ginnie Mae to threaten to terminate, or consider the termination of, Borrower or Subservicer in such notice.

(n) **Financial Statements.** On or prior to the Effective Date, Borrower has furnished to Lender a copy of its audited consolidated balance sheet, as of December 31, 2021 with the opinion thereon of Deloitte & Touche LLP. Borrower has also furnished to the Lender the related consolidated statements of operations and changes in member's equity and of cash flows for Borrower and its consolidated Subsidiaries for the one year period ending December 31, 2021, setting forth in comparative form the figures for the previous year. All such financial statements are complete and correct in all material respects and fairly present the consolidated financial condition of Borrower and its Subsidiaries and the consolidated results of their operations for the fiscal year ended on said date all in accordance with GAAP applied on a consistent basis.

(o) **Chief Executive Office.** Borrower's chief executive office and chief operating office on the Effective Date is located at 585 South Boulevard East, Pontiac, Michigan 48341.

(p) **Applicable Agency Set Off Rights.** Except as set forth in the Freddie Mac Requirements, Borrower has no actual notice, including any notice received from any Applicable Agency, or any reason to believe, that, other than in the normal course of Borrower's business, any circumstances exist that would result in Borrower being liable to any Applicable Agency for any material amount due by reason of: (i) any breach of servicing or subservicing obligations or breach of mortgage selling warranty to such Applicable Agency under the related Servicing Contract or any other similar contracts relating to Borrower's entire Applicable Agency servicing or subservicing portfolio (including without limitation any unmet mortgage repurchase

obligation), (ii) any unperformed obligation with respect to mortgages in an MBS pool that Borrower is servicing or subservicing for an Applicable Agency under the regular servicing or subservicing option, (iii) any loss or damage to any Applicable Agency by reason of any inability to transfer to a purchaser of the Servicing Rights Borrower's (as applicable) selling, servicing or subservicing representations, warranties and obligations, as well as any existing MBS recourse (regular servicing option) obligations, or other recourse obligations, and (iv) any other unmet obligations to an Applicable Agency under any Servicing Contract or any other similar contracts relating to the Pledged Servicing Rights.

(q) **Reserved.**

(r) Financial Representations and Warranties. The Borrower has been in compliance at all times with the representation and warranty set forth in Section 2(a) of the Pricing Side Letter.

(s) Fannie Mae/Freddie Mac/Ginnie Mae/HUD. Borrower is a seller approved by and has all consents and licenses necessary to originate, deliver and service loans on behalf of Fannie Mae, Ginnie Mae, HUD and Freddie Mac, in good standing to originate, deliver and service mortgages and has remained at all times in compliance with the guidelines of Fannie Mae, Ginnie Mae, HUD and Freddie Mac and has not been suspended as a mortgagee or seller/servicer by Fannie Mae, Ginnie Mae, HUD or Freddie Mac on and after the date on which Borrower first obtained such approval from Fannie Mae, Ginnie Mae, HUD or Freddie Mac, as applicable. Neither Borrower nor Subservicer is under review or investigation (other than routine reviews and investigations in the ordinary course of business) and has no knowledge of imminent or future investigations (other than routine reviews and investigations in the ordinary course of business), by Fannie Mae, Ginnie Mae, HUD or Freddie Mac on and after the date on which Borrower became a Fannie Mae, Ginnie Mae, HUD or Freddie Mac approved seller/servicer or lender, as the context may require.

(t) Borrower's Existing Financing Facilities. As of the date of this Agreement, Borrower is not a party to any other financing facilities for the financing of any mortgage servicing rights or servicing advances held by the Borrower; provided however, Borrower shall promptly notify Lender of any financing facilities related to the financing of any mortgage servicing rights or servicing advances it becomes a party to as part of its Compliance Certificate.

(u) Anti-Money Laundering Laws. Neither Borrower, nor any of its Affiliates, is a Prohibited Person and Borrower is in full compliance with all applicable orders, rules, regulations and recommendations of OFAC. None of Borrower, any of its members, directors, executive officers, parents or Subsidiaries: (1) is subject to U.S. or multilateral economic or trade sanctions currently in force; (2) is owned or controlled by, or acts on behalf of, any governments, corporations, entities or individuals that are subject to U.S. or multilateral economic or trade sanctions currently in force; (3) is a Prohibited Person or is otherwise named, identified or described on any blocked persons list, designated nationals list, denied persons list, entity list, debarred party list, unverified list, sanctions list or other list of individuals or entities with whom U.S. Persons may not conduct business, including but not limited to lists published or maintained by OFAC, lists published or maintained by the U.S. Department of Commerce, and lists published or maintained by the U.S. Department of State. Borrower has established an anti-money laundering compliance program as required by all applicable anti-money laundering laws and regulations, including, without limitation, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56) (the "USA Patriot Act") (collectively, the "Anti-Money Laundering Laws").

(v) Sanctions. Neither Borrower nor any of its Subsidiaries nor, to the knowledge of the Borrower, any director, officer, agent, employee or affiliate of any Borrower, or any of their Subsidiaries (i) is, or is controlled or 50% or more owned in the aggregate by or is acting on behalf of, one or more individuals or entities that are currently the subject of any sanctions administered or enforced by the United States (including any administered or enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or the Bureau of Industry and Security of the U.S. Department of Commerce), the United Nations Security Council to the extent adopted by the United States, or other relevant sanctions authority (collectively, "Sanctions" and such persons, "Sanctioned Persons" and each such person, a "Sanctioned Person"), (ii) is located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions that broadly prohibit dealings with that country or territory (collectively, "Sanctioned Countries" and each, a "Sanctioned Country") or (iii) will, directly or indirectly, use the proceeds of this Agreement, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other individual or entity in any manner that would result in a violation of any Sanctions by, or could result in the imposition of Sanctions against, any individual or entity (including any individual or entity participating in the offering, whether as underwriter, advisor, investor or otherwise).

(w) Anti-Money Laundering. As of the date of this Agreement, and at all times until this Agreement has been terminated and all Obligations hereunder have been paid in full: (A) no Covered Entity (1) is a Sanctioned Person; (2) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (3) does business in or with, or derives any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; or (4) engages in any dealings or transactions prohibited by any Anti-Terrorism Law; (B) the proceeds of any Program Document will not be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Country or Sanctioned Person in violation of any law; (C) the funds used to pay the Lender are not derived from any unlawful activity; and (D) each Covered Entity is in compliance with, and no Covered Entity engages in any dealings or transactions prohibited by, any Requirements of Law, including but not limited to any Anti-Terrorism Laws. Borrower covenants and agrees that it shall promptly notify Lender in writing upon the occurrence of a Reportable Compliance Event.

(x) Foreign Corrupt Practices Act. Borrower and all Affiliates thereof are in compliance with the Foreign Corrupt Practices Act of 1977, as may be amended, and any similar law of any other relevant jurisdiction, or the rules or regulations thereunder applicable to the Borrower and/or its Affiliates and have instituted and maintain policies and procedures to ensure compliance therewith. Neither Borrower nor any of its Subsidiaries nor, to the knowledge of Borrower any director, officer, agent, employee, affiliate or other person acting on behalf of Borrower or any of its Subsidiaries is aware of or has taken any action, directly or indirectly, that could result in a violation or a sanction for violation by such persons of the Foreign Corrupt Practices Act of 1977, as may be amended, or similar law of any other relevant jurisdiction, or the rules or regulations thereunder as

applicable to the Borrower and/or its Subsidiaries. Neither Borrower nor any Affiliate thereof has made, offered, promised or authorized a payment of money or anything else of value (i) in order to assist in obtaining or retaining business for or with, or directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (ii) to any foreign official, foreign political party, party official or candidate for foreign political office, or (iii) with the intent to induce the recipient to misuse his or her official position to direct business wrongfully to Borrower or any Affiliate thereof or any other Person, in violation of the Foreign Corrupt Practices Act, as may be amended, and any similar law of any other relevant jurisdiction, or the rules or regulations thereunder applicable to the Borrower and/or its Affiliates.

(y) ERISA. Each Plan, and, to the knowledge of Borrower, each Multiemployer Plan, is in compliance in all material respects with, and has been administered in all material respects in compliance with, the applicable provisions of ERISA, the Code and any other Federal or State law. No event or condition has occurred and is continuing as to which Borrower would be under an obligation to furnish a report to Lender under Section 7.01(bb). The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such Plan. Borrower and its Subsidiaries do not provide any material medical or health benefits to former employees other than as required by the Consolidated Omnibus Budget Reconciliation Act, as amended, or other applicable law at no cost to the employer (collectively, "COBRA").

(z) Agency Financial Covenants. As of the date of this Agreement, Schedule 6.01(z) accurately sets forth all Agency Financial Covenants applicable to Borrower under its Servicing Contracts.

(aa) Use of Subservicers. Borrower shall not use a subservicer, other than the Subservicer, with respect to any Mortgage Loan without Lender's prior written consent and unless such Subservicer is approved to subservice by an Applicable Agency. Borrower shall provide prior notice to Lender with respect to the use of any subservicer other than Borrower or the Subservicer, or a change in Subservicer with respect to the Mortgage Loans.

Section 6.02 Representations Concerning the Collateral. The Borrower represents and warrants to the Lender that as of each day that a Loan is outstanding pursuant to this Agreement:

(a) Except as set forth in the Freddie Mac Requirements, the Borrower has not assigned, pledged, conveyed, or encumbered any Collateral to any other Person or any right to any Collateral to any Person (including without limitation any right to control or transfer or otherwise effectuate any remedy relating to any Collateral), and immediately prior to the pledge of any such Collateral, the Borrower was the sole owner of such Collateral and had good and marketable title thereto (subject to the rights of the Applicable Agency with respect to the Collateral), free and clear of all Liens other than Freddie Mac's Superior Interest, and no Person, other than the Lender and Freddie Mac has any Lien on any Collateral. No Eligible Servicing Rights are related to Mortgage Loans owned by a third-party (including without limitation any Affiliates or Subsidiaries of Borrower) other than the Applicable Agency and no Person has any interest in any Eligible Servicing Rights or any related Mortgage Loans, other than Lender, Borrower, the Applicable Agency (including without limitation any right to control or transfer or otherwise effectuate any remedy relating to any Eligible Servicing Rights).

(b) The provisions of this Agreement are effective to create in favor of the Lender a valid security interest in all right, title (as applicable), and interest of the Borrower in, to and under the Collateral, subject only to the interests of the Applicable Agency.

(c) All Agency Obligations have been identified as such in a schedule attached to the Servicing Schedule most recently delivered to the Lender. All information concerning all Servicing Rights set forth on the Servicing Schedule pursuant to which such Servicing Rights were, are or will be (as applicable) pledged to the Lender will not contain any material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading as of the date of delivery of such Servicing Schedule.

(d) Upon the filing of financing statements on Form UCC-1 naming the Lender as "Secured Party" and the Borrower as "Debtor", and describing the Collateral, in the appropriate jurisdictions, the Lender has a duly perfected security interest under the UCC in all right, title (as applicable), and interest of the Borrower in, to and under, subject to Freddie Mac's Superior Interest and the other interests of each Applicable Agency, the Pledged Servicing Rights.

(e) Subject to the Freddie Mac Requirements, the Borrower is the legal and beneficial owner of the Collateral free and clear of any Lien, except for Freddie Mac's Superior Interest and the Liens created or permitted under the Facility Documents.

(f) Subject only to the Freddie Mac Requirements (including the rights of Freddie Mac as set forth in Section 4.02) and the terms of the related Acknowledgement Agreement, the Borrower has the full right, power and authority, to pledge the related Servicing Rights, and the pledge

of such Servicing Rights may be further assigned in accordance with and subject to the Fannie Mae Guides or the Freddie Mac Requirements, as applicable.

(g) In connection with any repurchase agreement, loan and security agreement or similar credit facility or agreement for borrowed funds entered into by the Borrower or any of its Affiliates or Subsidiaries on the one hand and any third party (including an Affiliate or Subsidiary of the Borrower or any of its Subsidiaries or Affiliates but excluding the Lender or any Affiliate of Lender) on the other, including without limitation, any other facility for the funding of servicing advances, no such third party has the right pursuant to the terms of such repurchase agreement, loan and security agreement or similar credit facility or agreement, to cause a Borrower to terminate, rescind, cancel, pledge, hypothecate, liquidate or transfer any of the Collateral.

(h) There are no co-investor or similar arrangements providing for any transfer, assignment, pledge, lien or encumbrance on any portion of the Pledged Servicing Rights related to any Mortgage Loans pooled in securitizations by Freddie Mac.

(i) There are no co-investor or similar arrangements providing for any transfer, assignment, pledge, lien or encumbrance on any portion of the Pledged Servicing Rights.

(j) Following the execution of any applicable Acknowledgement Agreement, such Acknowledgment Agreement is in full force and effect and neither Fannie Mae nor Freddie Mac has provided written notice to any Borrower or Lender that it will terminate or revoke the related Acknowledgement Agreement or its consent to the pledge of the Pledged Servicing Rights by Borrower to Lender. Each Agency Consent Agreement is in full force and effect and neither Fannie Mae nor Freddie Mac has provided written notice to any Borrower that it will terminate or revoke the related Agency Consent Agreement (as applicable), except in each case to the extent that a failure of any Agency Consent Agreement to be in full force and effect or any such termination or revocation would not be reasonably likely to have a Material Adverse Effect.

ARTICLE VII COVENANTS

Section 7.01 Affirmative Covenants of Borrower. The Borrower covenants and agrees with the Lender that, so long as any Loan is outstanding and until all Obligations have been paid in full:

(a) Existence, Etc. Each of Borrower and its Subsidiaries will:

(i) (A) preserve and maintain its legal existence and all of its material rights, privileges, franchises; (B) maintain all licenses (including, but not limited to, any FHA, VA or RHS licenses), permits or other approvals necessary to conduct its business and to perform its obligations under the Facility Documents; (C) except as would not be reasonably likely to have a Material Adverse Effect, or would have a material adverse effect on the Pledged Servicing Rights or Lender's interest therein, remain in good standing under the laws of each state in which it conducts business and (D) not change its tax identification number, fiscal year or method of accounting without prior written notice to the Lender;

(ii) comply with the requirements of and conduct its business in accordance with all Requirements of Law (including, without limitation, truth in lending, real estate settlement procedures and all environmental laws) if failure to comply with such requirements would be reasonably likely (either individually or in the aggregate) to have a Material Adverse Effect;

(iii) keep adequate records and books of account, in which complete entries will be made in accordance with GAAP consistently applied;

(iv) not move its chief executive office or chief operating office from the addresses referred to in Section 6.01(o) unless it shall have provided Lender [***] days prior written notice of such change;

(v) pay and discharge all taxes, assessments and governmental charges or levies imposed on it or on its income or profits or on any of its Property or upon any part thereof, as well as any other lawful claims which, if unpaid, might become a Lien upon such properties or any part thereof, prior to the date on which penalties attach thereto, except for any such tax, assessment, charge or levy the payment of which is being contested in good faith and by proper proceedings and against which adequate reserves are being maintained; and

(vi) subject to the Freddie Mac Requirements, permit representatives of Lender, during normal business hours upon [***] Business Days' prior written notice at a mutually desirable time, or at any time with prior notice during the continuance of an Event of Default, to examine, copy and make extracts from its or Subservicer's books and records in its possession, to inspect any of its Properties, and to discuss its business and affairs with its officers, all to the extent reasonably related to the Pledged Servicing Rights related to the Loans hereunder.

(b) Performance and Compliance with Servicing Contracts/Subservicing Agreements. Borrower will comply with all terms, provisions, covenants and other promises required to be observed by it under each of the Facility Documents to which it is a party in full force and effect in all

material respects and enforce the Servicing Contracts in all material respects in accordance with the terms thereof. To the extent Lender has approved any Subservicer and such Subservicer services any Mortgage Loan as to which the Pledged Servicing Rights are derived, Borrower shall not amend or permit the amendment of any sections of any Subservicing Agreement which would negatively affect in any material respect any Subservicer's servicing of the Mortgage Loans relating to Pledged Assets, without Lender's prior written consent, which shall not be unreasonably withheld. Borrower shall diligently enforce its rights under any Subservicing Agreement while any Pledged Asset is serviced by such Subservicer, including all rights to terminate and replace such Subservicer upon the occurrence of a Subservicer Termination Event or otherwise pursuant to such Subservicing Agreement. Borrower shall not waive any material default or other material failure to perform under or breach of the Servicing Contracts or Subservicing Agreement without Lender's prior written consent. For the avoidance of doubt, any default, failure or breach by any Subservicer that would

permit the termination and replacement of such Subservicer under the Subservicing Agreement shall be deemed "material" and shall not be waived by any Borrower Party or its Affiliates without Lender's prior written consent.

(c) **Taxes.** Borrower shall pay and discharge or cause to be paid and discharged on or before the date they become delinquent, all taxes, assessments and governmental charges or levies imposed upon Borrower or upon its income and profits or upon any of its property, real, personal or mixed or upon any part thereof, as well as any other lawful claims which, if unpaid, become a Lien upon such properties or any part thereof, except for any such taxes, assessments and governmental charges, levies or claims as are appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves are provided. Borrower shall file, on a timely basis, all federal, and material state and local tax and information returns, reports and any other information statements or schedules required to be filed by or in respect of it.

(d) **Due Diligence.** Borrower acknowledges that the Lender, at the cost and expense of the Borrower, has the right to perform and/or appoint a third party (including without limitation, any Valuation Agent) to perform, reasonable continuing due diligence and valuation reviews with respect to Borrower, any Subservicer through Borrower, the Servicing Rights and the other Collateral, for purposes of verifying compliance with the representations, warranties, and specifications made hereunder and under the other Facility Documents, or otherwise (the "Diligence Expenses"). The Borrower agrees that the Lender and its Authorized Representatives will be permitted during normal business hours upon prior written notice to examine, inspect, make copies of, and make extracts of, any and all documents, records, agreements, instruments or information relating to the Collateral or Fannie Mae, Freddie Mac, HUD or Ginnie Mae in the possession of the Borrower or any Subservicer through a request to Borrower; provided, however, the foregoing shall not apply with respect to any information that the Borrower or any Subservicer is required by Fannie Mae, Freddie Mac, HUD or Ginnie Mae to keep confidential. Notwithstanding anything to the contrary herein, prior to the occurrence of a Default, Borrower shall reimburse the Lender for any and all reasonable and documented, out-of-pocket Diligence Expenses up to the Pre-Default Diligence Cap incurred by the Lender and its respective designees and appointees in connection with the ongoing due diligence and auditing activities with respect to Borrower's origination and servicing business. Notwithstanding the foregoing, upon the occurrence and during the continuation of a Default, Borrower shall reimburse the Lender for any and all Diligence Expenses incurred by Lender following such Default without regard to the Pre-Default Diligence Cap. The Borrower further agrees that the Lender and its Authorized Representatives will be permitted during normal business hours upon [***] Business Days' prior written notice at a mutually desirable time or at any time during the continuance of an Event of Default, to examine, copy and make extracts from the Servicing Records, any and all documents, records, agreements, instruments or information relating to the Pledged Servicing Rights and related Loans in the possession of, or under the control of, Borrower or any Subservicer through a request to Borrower, or Borrower's or any Subservicer's books and records, to inspect any of its Properties, and to discuss its business and affairs with its officers, all to the extent reasonably requested by Lender. Borrower agrees to cooperate with Lender and any third party due diligence agent or underwriter in connection with any such due diligence performed hereunder, including, but not limited to, providing Lender and any third party diligence agent or underwriter with access to any and all documents, records, agreements, instruments or information relating to the Pledged Servicing Rights, any Subservicer and related Loans in the possession of, or under the control of, Borrower.

(e) **Changes in Servicing Contracts.** The Borrower shall provide written notice to the Lender of any changes in any Servicing Contracts or the Applicable Agency Guides

that may materially affect the Servicing Rights within [***] Business Days after the Borrower receives notice thereof.

(f) **Records.** Borrower shall keep adequate records and books of account, in which complete entries will be made in accordance with GAAP consistently applied.

(g) **Reserved.**

(h) **Financial Statements.** Borrower shall deliver to Lender:

(i) As soon as available and in any event within [***] days after the end of each quarter, the consolidated balance sheet of Borrower and its consolidated Subsidiaries as at the end of such quarter, the related unaudited consolidated statements of operations and changes in member's equity and of cash flows for Borrower and its consolidated Subsidiaries for such period and the portion of the fiscal year through the end of such period, setting forth in each case in comparative form the figures for the previous year, accompanied by a certificate of a Responsible Officer of Borrower, which certificate shall state that said consolidated financial statements (excluding financial statement footnotes) fairly present the consolidated financial condition and results of operations of Borrower and its Subsidiaries in accordance with GAAP, consistently applied as at the end of, and for, such quarter (subject to normal year-end audit adjustments);

(ii) As soon as available and in any event within [***] days after the end of each fiscal year of Borrower, the audited consolidated balance sheet of Borrower and its consolidated Subsidiaries as at the end of such fiscal year and the related audited consolidated statements of operations and changes in member's equity and of cash flows for Borrower and its consolidated Subsidiaries for such year, setting forth in each case in comparative form the figures for the previous year, accompanied by an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall not be qualified as to scope of audit or going concern and shall state that said consolidated financial statements fairly present the consolidated financial condition and results of operations of Borrower and its consolidated Subsidiaries at the end of, and for, such fiscal year in accordance with GAAP;

(iii) Together with each set of the financial statements delivered pursuant to clauses (i) through (iii) above, a certificate of a Responsible Officer of Borrower in the form of Exhibit 7.01 attached hereto;

(iv) Upon Lender's request, Borrower shall deliver to Lender an accountant's opinion that Borrower is in compliance with the Uniform Single Attestation Program for Mortgage Bankers, subject to qualifications and exceptions, in form and substance reasonably acceptable to Lender in good faith; and

(v) From time to time, in the event that Lender requests additional information regarding the financial condition, operations, well-being or business of Borrower or Subservicer (including but not limited to any information regarding any repurchase and indemnity requests or demands made upon Borrower by any third party investors (including any Agency)), Borrower shall (i) provide a written response to Lender within [***] Business Days, which response shall include an estimated time period in which Borrower, in its commercially reasonable judgment acting in good faith, expects to provide such additional requested information, and (ii) provide such additional requested information to Lender within the time period specified in such written response; provided that Lender and Borrower shall cooperate in good faith to agree on an extended time frame for delivery of such additional requested

information if reasonably requested by Borrower and Lender determines in good faith that Borrower is diligently attempting to provide such additional requested information.

(i) Applicable Agency Approval. The Borrower shall at all times maintain copies of relevant portions of all final written Fannie Mae, Freddie Mac, HUD and Ginnie Mae audits, examinations, evaluations, monitoring reviews and reports of its origination and servicing and subservicing operations (including those prepared on a contract basis for any such agency) in which there are material adverse findings, including without limitation notices of defaults, notices of termination of approved status, notices of imposition of supervisory agreements or interim servicing agreements, and notices of probation, suspension, or non-renewal, and all necessary approvals from each of Fannie Mae, Freddie Mac, HUD and Ginnie Mae. Borrower shall not, nor to the extent reasonably in its control, permit Subservicer to take any action, or fail to take any action, that would be reasonably likely to cause Fannie Mae, Freddie Mac, HUD or Ginnie Mae to terminate or threaten to terminate its right to service loans for Fannie Mae, Freddie Mac, HUD or Ginnie Mae with cause.

(j) Quality Control. Borrower shall conduct and shall cause each Subservicer to conduct quality control reviews of Borrower's and such Subservicer's servicing and origination operations in accordance with industry standards and Agency and HUD requirements. Upon the reasonable request of Lender and to the extent Borrower is not prohibited by any Agency, regulator, or Governmental Authority or Requirement of Law from disclosing its findings, Borrower shall promptly report to Lender quality control findings upon written request from time to time.

(k) Special Affirmative Covenants Concerning Servicing Rights. Subject to the Freddie Mac Requirements:

(l) The Borrower warrants and shall defend the right and interest of the Lender in and to the Pledged Servicing Rights against the claims and demands of all Persons whomsoever.

(m) The Borrower shall preserve the security interests granted hereunder and upon request by the Lender undertake all actions which are necessary or appropriate, in the reasonable judgment of the Lender, to (x) maintain the Lender's security interest (including the priority thereof) in the Collateral in full force and effect at all times prior to the satisfaction of all obligations under this Agreement and the release of the Lender's lien in accordance with the terms and provisions of this Agreement (including upon a Change of Control with respect to the Borrower), and (y) preserve and protect the Collateral and protect and enforce the rights of the Lender to the Collateral, including the making or delivery of all filings and recordings (of

financing or continuation statements), or amendments thereto or assignments thereof, and such other instruments or notices, as may be necessary or appropriate, cause to be marked conspicuously its master data processing records with a legend, acceptable to the Lender, evidencing that such security interest has been granted in accordance with this Agreement.

(i) **Borrower** shall diligently fulfill its duties and obligations under the Servicing Contracts in all material respects and shall not default in any material respect under any Servicing Contract and any Acknowledgement Agreement.

(n) **Financial Covenants.** The Borrower shall be in compliance with the Financial Covenants on any date on which the relevant financial calculations used to determine compliance with the Financial Covenants are determined or tested by the Borrower, as applicable.

(o) **Use of Proceeds.** The Borrower shall not use the proceeds of the Loans in contravention of the requirements, if any, of the Applicable Agency.

(p) **Monthly Compliance Certificate.** No later than the times set forth in [Section 7.01\(h\)\(4\)](#), the Borrower shall deliver to the Lender a completed Officer's Certificate in the form of [Exhibit 7.01](#) attached hereto, which shall include any updates to [Schedule 6.01\(t\)](#) since the previously delivered Compliance Certificate.

(q) **Borrowing Base Deficiency.** If at any time there exists a Borrowing Base Deficiency, the Borrower shall cure the same in accordance with [Section 2.08\(b\)](#) hereof.

(r) **Advance Facilities.** Prior to entering into any loan facility or similar arrangement with a third party secured by Borrower's right and interest in any rights to reimbursement for any servicing advances made under the Servicing Contracts, Borrower shall provide the Lender with [***] Business Days advance notice and shall cooperate with Lender to enable Lender to give such third party notice of Lender's interest hereunder, including without limitation, by providing to Lender the name and contact information for delivery of such notice to the third party to whom such rights are or will be pledged.

(s) **Maintenance of Property; Insurance.** Borrower shall keep and shall require Subservicer to keep all property useful and necessary in its business in good working order and condition. Borrower shall maintain, and shall require any other Subservicer to maintain, errors and omissions insurance and/or mortgage impairment insurance and blanket bond coverage, each naming Lender as "lender loss payee" in such amounts as are customarily required by Fannie Mae, Freddie Mac, Ginnie Mae, FHA, VA and RHS and shall also maintain and require any other Subservicer to maintain such other insurance with financially sound and reputable insurance companies, and with respect to property and risks of a character usually maintained by entities engaged in the same or similar business similarly situated, against loss, damage and liability of the kinds and in the amounts customarily maintained by such entities. Borrower will deliver to Lender on or before the date hereof, a certificate from Borrower's insurance broker dated such date showing the amount of coverage as of such date, and that such policies will include effective waivers (whether under the terms of any such policy or otherwise) by the insurer of all claims for insurance premiums against all loss payees and additional insureds and all rights of subrogation against all loss payees and additional insureds, and that if all or any part of such policy is canceled, terminated or expires, the insurer will forthwith give notice thereof to each additional insured and loss payee and that no cancellation, reduction in amount or material change in coverage thereof shall be effective until at least [***] days after receipt by each additional insured and loss payee of written notice thereof.

(t) **Stop-Loss Cap Failure; Agency Obligations.** Borrower shall promptly, but in any event within [***] Business Days after the occurrence of any Stop-Loss Cap Failure, deliver to Lender an updated Agency Obligations report identifying all Agency Obligations.

(u) **Notice of Disposal of Servicing Rights.** In the event that the Borrower sells or otherwise disposes of any of the Pledged Servicing Rights, it shall give the Lender [***] Business Days' prior written notice of such sale or disposition, during which time the Lender shall recalculate the Collateral Value for the Collateral remaining after such sale or disposition. Lender shall have no obligation to release its interest in any Pledged Servicing Rights until all amounts required to be paid pursuant to [Section 4.05](#) have been paid, except as determined by Freddie Mac pursuant to a Freddie Mac VPC Agreement.

(v) **Requests for Information.** The Borrower shall furnish to the Lender within [***] Business Days after the Lender's request, any reasonable information, documents,

records or reports with respect to the Collateral, Borrower's or any Subservicer's origination or servicing business, Borrower's or any Subservicer's relationship with any Agency (unless prohibited by the Applicable Agency, any regulator, a Governmental Authority or a Requirement of Law from sharing with Lender due to confidentiality restrictions), as the Lender may from time to time request.

(w) **Agency Collateral Account.** In the event that an Applicable Agency requires Borrower to use a Collateral Account, Borrower shall deliver a notice to the Lender in each Compliance Certificate delivered while such requirement remains in effect, setting forth the amount on deposit in each Collateral Account (if applicable) established by Borrower at each Agency to the extent applicable; provided that if any such date is not a

Business Day, such notice shall be delivered to the Lender on the next succeeding Business Day. With respect to any Collateral Account, if applicable, and to the extent not prohibited by the related Agency, Borrower shall promptly (and in any event within [***] Business Days thereof) notify the Lender (and provide a copy of any written request) of any request it receives from any Agency indicating either (i) that Borrower or Subservicer must deposit additional amounts in the related Collateral Account or (ii) that Borrower or Subservicer is entitled to withdraw amounts from the related Collateral Account and such notice shall include the amount required to be deposited or withdrawn, as applicable.

(x) Applicable Agency Information. Upon reasonable notice during normal business hours, the Borrower shall make available the Chief Financial Officer or any other applicable officers of Borrower to participate in discussions with Lender and provide information with respect to the following: (i) a projection of the obligations of Borrower in connection with (A) all Agency Obligations and (B) amounts that may have been required to be deposited or withdrawn from any Collateral Account with any Agency (the "Collateral Account Activity"), (ii) a projection of the impact the Agency Obligations may have on the operations of Borrower, including but not limited to, the net impact on liquidity, statements of income, retained earnings and cash flows, (iii) the projected date of resolution of the Agency Obligations, (iv) a summary of all repurchase obligations and indemnity claims with respect to mortgages originated or serviced by Borrower, and (v) such other information as may be reasonably requested by the Lender, in all cases to the extent Borrower is not prohibited from disclosing such information under the Freddie Mac Requirements or otherwise.

(y) Subservicer Acknowledgement Letters. Prior to permitting any Subservicer, other than Borrower, to service any Mortgage Loans related to the Pledged Servicing Rights pledged hereunder, Borrower shall cause such Subservicer to become a party to a subservicer side letter with Lender, pursuant to which such Subservicer shall acknowledge Lender's rights hereunder and the Applicable Agency's rights under the Servicing Contract and Acknowledgement Agreement, and agree to follow all instructions of Lender upon the occurrence of a default hereunder, which side letter shall be acceptable to Lender and the Applicable Agency (each such side letter, a "Subservicer Acknowledgement Letter").

(z) Agency Obligations Report. Unless the Borrower is prohibited by the Freddie Mac Requirements, the Applicable Agency, any regulator, a Governmental Authority or a Requirement of Law from sharing due to confidentiality restrictions, the Borrower shall deliver to Lender such reports as Lender may reasonably request from time to time with respect to all amounts (i) previously paid by the Borrower to any Applicable Agency as of the date of such report to and (ii) outstanding and not yet paid by the Borrower to any Applicable Agency as of the date of such report, and in each case which report includes the amount of each payment, the Applicable Agency to which such payment was or is to be made and the nature of such payment. In addition, unless the Borrower is prohibited by the Freddie Mac Requirements, the Applicable Agency, any regulator, a Governmental Authority or a Requirement of Law from sharing due to

confidentiality restrictions, the Borrower shall provide the Lender a monthly report summarizing in sufficient detail any demands by any Agency or an insurer for the repurchase of or indemnification with respect to a Mortgage Loan, the form and substance of such monthly report to be agreed upon between Borrower and Lender.

(aa) Quality Control. Unless the Borrower is prohibited by the Applicable Agency, any regulator, a Governmental Authority or a Requirement of Law from disclosing due to confidentiality restrictions, Borrower shall and shall require Subservicer to conduct quality control reviews of Borrower's and Subservicer's servicing operations in accordance with industry standards and Fannie Mae, Freddie Mac, Ginnie Mae and HUD requirements. Borrower shall provide to Lender photocopies or electronic copies of any quality control findings relating, in whole or in part, to the Collateral as such applicable quality control reports are produced.

(ab) Valuation Report. The Borrower shall deliver to Lender servicing valuations conducted by a Valuation Agent with respect to the value of Borrower's servicing portfolio in accordance with Section 2.04 hereof.

(ac) OFAC. At all times throughout the term of this Agreement, Borrower (a) shall be in full compliance with all applicable orders, rules, regulations and recommendations of OFAC and (b) shall not permit any Assets to be maintained, insured, traded, or used (directly or indirectly) in violation of any United States statutes, rules or regulations, in a Prohibited Jurisdiction or by a Prohibited Person.

(ad) ERISA. As soon as reasonably possible, and in any event within [***] days after a Responsible Officer knows or has reason to believe, that any of the events or conditions specified below with respect to any Plan or Multiemployer Plan has occurred or exists, a statement signed by a senior financial officer of Borrower setting forth details respecting such event or condition and the action, if any, that Borrower or its ERISA Affiliate proposes to take with respect thereto (and a copy of any report or notice required to be filed with or given to PBGC by Borrower or an ERISA Affiliate with respect to such event or condition):

- (i) any Reportable Event and any request for a waiver under Section 412(c) of the Code for any Plan;
- (ii) the distribution under Section 4041(c) of ERISA of a notice of intent to terminate any Plan or any action taken by Borrower or an ERISA Affiliate to terminate any Plan;

(iii) the institution by PBGC of proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by Borrower or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by PBGC with respect to such Multiemployer Plan;

(iv) the complete or partial withdrawal from a Multiemployer Plan by Borrower or any ERISA Affiliate that results in liability under Section 4201 or 4204 of ERISA (including the obligation to satisfy secondary liability as a result of a purchaser default) or the receipt by Borrower or any ERISA Affiliate of notice from a Multiemployer Plan that it is in insolvency pursuant to Section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA; and

(v) the institution of a proceeding by a fiduciary of any Multiemployer Plan against Borrower or any ERISA Affiliate to enforce Section 515 of ERISA, which proceeding is not dismissed within [***] days; and

(vi) the adoption of an amendment to any Plan that, pursuant to Section 401(a)(29) of the Code or Section 307 of ERISA, would result in the loss of tax-exempt status of the trust of which such Plan is a part if Borrower or an ERISA Affiliate fails to timely provide security to such Plan in accordance with the provisions of said Sections.

(ae) **Freddie Mac Consent/Notice.** Borrower shall provide prior written notice to Freddie Mac of any pending or proposed amendments to any Facility Documents or FC Modifications. Borrower shall provide Lender with evidence of Freddie Mac's consent to any such amendment prior to executing such amendment.

Section 7.02 Negative Covenants of the Borrower. The Borrower covenants and agrees with the Lender that, so long as any Loan is outstanding and until all Obligations have been paid in full, Borrower shall not:

(a) other than in accordance with Section 7.02(c), take any action or allow any Subservicer to take any action that would directly or indirectly materially impair or materially adversely affect the Borrower's title to, or the value of, the Collateral;

(b) create, incur or permit to exist any Lien in or on the Collateral or assign any right to receive income in respect thereof except (i) the security interest granted hereunder in favor of the Lender or (ii) the rights of any Applicable Agency or under the Servicing Contracts;

(c) sell, lease or otherwise dispose of any Pledged Servicing Rights (other than sales or dispositions of Servicing Rights, including bulk sales, in the ordinary course of Borrower's servicing business) or allow any Subservicer to sell, lease or otherwise dispose of any Pledged Servicing Rights, in each case, other than as required by Freddie Mac (including but not limited to sales or dispositions pursuant to a Freddie Mac VPC Agreement);

(d) engage in any change in the nature of its business as carried on at the date hereof that is reasonably likely to result in a Material Adverse Effect;

(e) (i) cancel or terminate any Facility Documents to which it is a party or consent to or accept any cancellation or termination thereof without Lender's prior consent, (ii) amend, amend and restate, supplement or otherwise modify any Facility Document if any such amendment, supplement or modification could in any way affect any term or provisions hereunder, Lender's security interest or any of Lender's rights or Borrower's obligations hereunder, without Lender's prior consent, (iii) consent to any amendment, modification or waiver of any term or condition of any Facility Document if any such amendment, supplement or modification could in any way affect any term or provisions hereunder, Lender's security interest or any of Lender's rights or Borrower's obligations hereunder, without the prior written consent of the Lender, which consent shall not be unreasonably withheld, provided that if the amendment of a Servicing Contract is done unilaterally by the Applicable Agency, the prior written consent of the Lender is not required, (iv) waive any material default under or breach of any Servicing Contracts, or (v) take any other action or allow any Subservicer to take any action in connection with any such Facility Documents that would impair in any material respect the value of the interests or rights of the Borrower thereunder or that would impair in any material respect the interests or rights of the Lender;

(f) change the state of its organization unless the Borrower shall have given the Lender at least [***] days' prior written notice thereof and unless, prior to any such change, Borrower shall have filed, or caused to be filed, such financing statements or amendments as the Lender determines may be reasonably necessary to continue the perfection of the Lender's interest in the Collateral;

(g) at any time, directly or indirectly, (i) acquire any other entity in a transaction pursuant to which Borrower is not the surviving entity or which would have a Material Adverse Effect or enter into any transaction of merger or consolidation or amalgamation or liquidate, wind up or dissolve itself (or suffer any liquidation, winding up or dissolution) or sell all or substantially all of its assets (other than servicing rights sales, whole loan sales and securitization transactions in the normal course of business) without Lender's prior consent; or (ii) form or enter into any partnership, joint venture, syndicate or other combination, which would have a Material Adverse Effect without Lender's prior consent;

(h) appoint or use any Subservicer with respect to any Servicing Rights pledged to the Lender pursuant to this Agreement, (i) without Lender's consent, which consent shall not be unreasonably withheld and (ii) without executing a Subservicer Acknowledgment Letter regarding the addition of any such Subservicer;

(i) take any action or allow Subservicer to take any action that would directly or indirectly materially impair or materially adversely affect the Borrower's title to, or the value, of the Eligible Servicing Rights;

(j) without Lender's consent, following the occurrence of a Default or an Event of Default, make any payment on account of, or set apart assets for a sinking or other analogous fund for the purchase, redemption, defeasance, retirement or other acquisition of, any stock or senior or subordinate debt of the Borrower, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of Borrower;

(k) make any Restricted Payments following the occurrence of a Default or an Event of Default;

(l) enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of property or the rendering of any service, with any Affiliate or Subsidiary unless such transaction is (i) not otherwise prohibited under this Agreement and (ii) either (A) in the ordinary course of the Borrower's business or (B) upon fair and reasonable terms no less favorable to the Borrower than it would obtain in a comparable arm's length transaction with a Person which is not an Affiliate or Subsidiary;

(m) enter into any other financing facility with a lender other than the Lender to provide for the financing of mortgage servicing rights subject to a Servicing Contract with a particular Applicable Agency, to the extent that any mortgage servicing rights of such Applicable Agency are Pledged Servicing Rights hereunder;

(n) [reserved];

(o) [reserved];

(p) create, incur or permit to exist any rights, interests, liens or other encumbrances on the Pledged Servicing Rights in favor of any party; and

(q) Sell or otherwise dispose of any Pledged Servicing Rights unless such sale or disposition is in accordance with Section 7.02(c).

Section 7.03 Notice of Certain Occurrences. The Borrower covenants and agrees with the Lender that, so long as any Loan is outstanding and until all Obligations have been paid in full:

(a) **Defaults.** As soon as possible, but in any event within [***] Business Days after the Borrower has knowledge of any Default, Event of Default or event which, upon the expiration of any applicable cure period, would become an Event of Default, the Borrower shall furnish to the Lender a written statement of a Responsible Officer of the applicable Borrower setting forth details of such Default, Event of Default, or other event, and no more than [***] Business Days after a Responsible Officer of Borrower has knowledge of any Default, a written statement from a Responsible Officer of Borrower setting forth the action that the Borrower has taken or proposes to take with respect to such Default.

(b) **Litigation.** The Borrower shall furnish to the Lender notice of any material action, suit or proceeding instituted by or against Borrower or any of its Affiliates or Subsidiaries or any Subservicer in any federal or state court or before any commission, regulatory body or Governmental Authority (i) as to which there is a reasonable likelihood of an adverse decision that is reasonably likely to have a Material Adverse Effect, promptly upon a Responsible Officer of Borrower obtaining knowledge thereof, or (ii) that questions the validity or enforceability of the Facility Documents, or seeks to prevent the consummation of any of the transactions contemplated by the Facility Documents, as soon as possible, but in any event within [***] Business Days, upon a Responsible Officer of Borrower obtaining knowledge thereof.

(c) **Material Adverse Effect on Collateral.** The Borrower shall furnish the Lender notice promptly upon Borrower becoming aware of any default related to any Collateral which should reasonably be expected to have a Material Adverse Effect.

(d) **Change of Control.** The Borrower shall furnish the Lender notice of any Change of Control of Borrower promptly following the occurrence of such event.

(e) **Servicing Contract Transfer.** The Borrower shall notify the Lender of the transfer, termination or other loss of all or any part of any Servicing Contract related to any Pledged Servicing Rights (or the termination or replacement of the Borrower thereunder), the reason for such transfer, loss or replacement, if known to it and the effects that such transfer, loss or replacement will have (or will likely have) on the prospects for full and timely collection of all amounts owing to the Borrower under or in respect of the Borrower's Servicing Contracts.

(f) Agency Notices. Unless the Borrower is prohibited by the Freddie Mac Requirements, the Applicable Agency, any regulator, a Governmental Authority or a Requirement of Law from sharing due to confidentiality restrictions, the Borrower shall promptly furnish the Lender, within [***] Business Day of receipt, (i) a copy of any notices it receives from Fannie Mae or Freddie Mac indicating any adverse fact or circumstance in respect of the Borrower or Subservicer with respect to which adverse fact or circumstance Fannie Mae or Freddie Mac, respectively, announce its intention to terminate or threatens in writing to terminate the Borrower or Subservicer with cause and (ii) a copy of any notice from an Applicable Agency indicating material breach, default or material non-compliance by the Borrower or Subservicer. For the avoidance of doubt, to the extent the Borrower or Subservicer is prohibited from sharing any of the notices referenced in clauses (i) and (ii) above but is not prohibited from sharing the substance of such notices, the Borrower shall promptly notify the Lender of the substance of such notices.

(g) Cash Reserves. To the extent any Agency imposes any minimum cash reserve requirement upon a Borrower, within [***] Business Days after Borrower receives notice of the same.

(h) Other Information. The Borrower will furnish to the Lender within a commercially reasonable timeframe such other information, documents, records or reports with respect to the Collateral or the corporate affairs, conditions or operations, financial or otherwise, of Borrower as the Lender may from time to time reasonably request.

(i) Agency Requirements. Notice of any change in any Applicable Agency's requirements regarding the Borrower's minimum consolidated tangible net worth or any change in any Applicable Agency's requirements regarding the Borrower's consolidated liquidity or any change in any other financial covenant required by an Applicable Agency of the Borrower, in each case within [***] Business Days after the Borrower receives notice thereof.

(j) Credit Default. The Borrower shall furnish the Lender notice upon, and in any event within [***] Business Days after, any involuntary termination or acceleration of any repurchase agreement, loan and security agreement or similar credit facility or agreement for borrowed funds entered into by Borrower and any third party.

(k) Use of Subservicer. Each Borrower shall provide prior notice to Lender with respect to the use of a subservicer, other than the Subservicer, or a change in subservicer.

(l) Advance Facilities. [***] Business Day following (i) the occurrence of any event of default under any Advance Facility, (ii) notice from any Agency declining to renew, terminating or revoking its consent to any Advance Facility or (iii) notice from any party to an Advance Facility declining to renew or terminating an Advance Facility.

(m) Insurance. The Borrower shall maintain all of its insurance policies in full force and effect in an amount and with coverage at least equal to that required by any Agency, and shall furnish copies of such policies to Lender if requested.

(n) Accounting. The Borrower shall furnish the Lender notice upon any material change in accounting policies or financial reporting practices of Borrower or its Affiliates or Subsidiaries, unless such change is required by GAAP.

(o) Disputes. Unless the Borrower is prohibited by the Freddie Mac Requirements, the Applicable Agency, any regulator, a Governmental Authority or a Requirement of Law from disclosing due to confidentiality restrictions, upon a Responsible Officer of Borrower obtaining knowledge thereof, the Borrower shall furnish the Lender notice of any material dispute, audit, sanctions, penalties, investigation proceeding or suspension (other than routine investigations occurring in the ordinary course of business or other audit, review or investigation that could reasonably be expected in connection with the residential mortgage servicing business), between Borrower and any regulator or Governmental Authority.

(p) Amendment to any Servicing Contract/Servicing Agreement. Within [***] Business Days after Borrower enters into any amendment to the terms of any Servicing Contract or Servicing Agreement, the Borrower shall furnish notice and a copy of any such amendment, unless such amendment could not in any way affect any term or provisions hereunder, Lender's security interest or any of Lender's rights or Borrower's obligations hereunder in any material respect.

(q) Subservicer Termination Event. Borrower shall furnish the Lender notice of any Subservicer Termination Event within [***] Business Days following notice or knowledge thereof by a Responsible Officer.

(r) [***].

(s) VPC Servicing Transfer Date. As soon as possible, but in any event within [***] Business Day, of any Freddie Mac Servicing Contract Rights being included by Borrower on a (i) Prospective Mortgage Loan List or (ii) Transfer List (as such terms are defined in the related Freddie Mac VPC Agreement), in each case, delivered to Freddie Mac pursuant to a Freddie Mac VPC Agreement, Borrower shall furnish to Lender a schedule of such Freddie Mac Servicing Contract Rights and the proposed VPC Servicing Transfer Date.

Each notice pursuant to this Section 7.03 shall be accompanied by a statement of a Responsible Officer of the Borrower (which may include a statement provided through email if such statement is delivered in accordance with Section 11.02), setting forth details of the occurrence referred to therein and stating what action Borrower has taken or proposes to take with respect thereto.

ARTICLE VIII EVENTS OF DEFAULT

Section 8.01 Events of Default. The following events shall be "Events of Default":

(a) The Borrower fails to make a payment in respect of Interest when due or the Borrower fails to cure a Borrowing Base Deficiency, which failure shall continue unremedied for a period of [***] Business Days of the applicable due date, as provided under Section 2.08(b) in each case solely to the extent Borrower provides Lender with written evidence reasonably satisfactory to Lender that such failure is solely the result of an administrative error;

(b) The Borrower shall fail to make any payment or deposit to be made by it hereunder when due, other than as set forth in clause (a) above (whether of principal or interest at stated maturity, upon acceleration, or at mandatory prepayments), which failure shall continue unremedied for a period of [***] Business Days;

(c) Borrower shall fail to comply with the requirements of Section 7.01(a)(i)(A), Section 7.01(a)(i)(C), Section 7.01(g), Section 7.01(h)(1) through (4), Section 7.01(l), Section 7.01(cc), Section 7.02(b), Section 7.02(c), Section 7.02(g), Section 7.02(h), Section 7.02(i), Section 7.02(j) or Section 7.03(c) hereof, and such default shall continue unremedied for a period of [***] Business Day; or Borrower shall otherwise fail to observe or perform any other obligation or covenant contained in this Agreement or any other Facility Document and such failure to observe or perform shall continue unremedied for a period of [***] Business Days following knowledge of, or notice to, Borrower;

(d) Any representation, warranty or certification made or deemed made herein or in any other Facility Document by Borrower or any certificate furnished to Lender pursuant to the provisions thereof, shall prove to have been false or misleading in any material respect as of the time made or furnished (other than the representations and warranties set forth in Section 6.02 which shall be considered solely for the purpose of determining the Market Value of the Eligible Servicing Rights; unless (i) Borrower shall have made any such representations, warranties or certifications with knowledge that they were materially false or misleading at the time made or (ii) any such representations, warranties or certifications have been determined by Lender in its reasonable discretion to be materially false or misleading on a regular basis), and which false or misleading representation, warranty or certification shall continue unremedied for a period of [***] Business Days;

(e) (1) The failure of the Borrower to be an approved servicer under the guidelines of each Applicable Agency with respect to which any Eligible Servicing Rights pledged under this Agreement relate, (2) the Borrower fails to service or subservice, as

applicable, in accordance with any Applicable Agency Guide (subject to any cure right provided by the Agency) and the Lender determines in its good faith discretion that such failure is reasonably likely to have a Material Adverse Effect, (3) the Borrower is terminated as servicer with respect to any Eligible Servicing Rights by any Applicable Agency, (4) the Borrower shall at any time be terminated, revoked or suspended as servicer, for cause, with respect to any whole loan servicing or subservicing rights that make up a material portion of Borrower's servicing portfolio, (5) Borrower shall cease to be approved by or its approval shall be revoked, suspended, rescinded, halted, eliminated, withdrawn, annulled, repealed, voided or terminated by any Agency as an approved seller/servicer or lender, (6) all or a portion of Borrower's servicing or subservicing portfolio consisting of loans of any Agency is seized, (7) any Agency shall at any time cease to accept delivery of any loan or loans from Borrower under any program or notifies Borrower that any Agency shall cease accepting loan deliveries from Borrower or (8) receipt by Borrower of an unqualified or unconditional notice in writing (including e-mail or other electronic notice) from any Agency indicating material breach, default or material non-compliance by Borrower which entitles such Agency to terminate a Servicing Contract, which notice has not been rescinded or nullified within [***] Business Days of its receipt by Borrower;

(f) A Subservicer Termination Event shall have occurred and the Borrower shall fail to (i) terminate and identify a replacement Subservicer within [***] days (or such longer period as may be agreed to by Lender) after the occurrence of such Subservicer Termination Event and (ii) replace such Subservicer within [***] days after the occurrence of such Subservicer Termination Event;

(g) The Lender does not, or ceases to, have a perfected security interest in the Collateral or any material part thereof, subject only to the interests of the Applicable Agency with respect to Eligible Servicing Rights, other than as a result of a release of such security interest by the Lender and such default continues unremedied for a period of [***] Business Day after the earlier of (i) a Responsible Officer of the Borrower having actual knowledge thereof and (ii) written notice of such default from the Lender;

(h) The Borrower shall cease to be approved by or its approval shall be revoked, suspended, rescinded, halted, eliminated, withdrawn, annulled, repealed, voided or terminated by (i) Ginnie Mae as an approved issuer, (ii) HUD, pursuant to Sections 203 and 211 of the

National Housing Act, (iii) FHA, as an FHA Approved Mortgagee or servicer, (iv) VA as a VA Approved Lender, (v) Fannie Mae as an approved seller/servicer or lender, or (vi) Freddie Mac as an approved seller/servicer or lender;

(i) (i) Borrower shall default under, or fail to perform as required under, or shall otherwise breach the terms of any instrument, agreement or contract between Borrower, on the one hand, and Lender or any of Lender's Affiliates on the other; in each case subject to any applicable grace or cure period; or (ii) Borrower shall have triggered an event of default (howsoever defined under the applicable agreement) under the terms of any repurchase agreement, loan and security agreement, MSFTA/derivatives agreement, or similar credit facility or agreement for borrowed funds entered into by Borrower and any third party which facility or agreement provides for an aggregate borrowing capacity at least equal to the TNW Threshold.

(j) [Reserved];

(k) The failure of the Borrower to maintain any net worth requirements, liquidity or other minimum financial covenant requirements of any Applicable Agency;

(l) Any final judgment or judgments or order or orders for the payment of money in excess of the TNW Threshold in the aggregate shall be rendered against Borrower by

one or more courts, administrative tribunals or other bodies having jurisdiction over them and the same shall not be satisfied (unless said final judgment or judgments shall contain allegations of fraud), discharged (or provisions shall not be made for such discharge), or a stay of execution thereof shall not be procured, within [***] days from the date of entry thereof;

(m) An Insolvency Event shall occur to Borrower or any of its Affiliates or Subsidiaries;

(n) Any Governmental Authority (other than an Agency) acting or purporting to act under Governmental Authority shall have taken (A) any action to condemn, seize or appropriate, or to assume custody or control of, all or any substantial part of the property of Borrower, or (B) any action to displace the management of Borrower or to curtail its authority in the conduct of the business of Borrower or (C) any action in the nature of enforcement to remove or restrict, or limit in any material respect, the conduct of the business of Borrower;

(o) [Reserved];

(p) A Change of Control of Borrower shall have occurred without the prior consent of Lender;

(q) This Agreement, the Note, the Pricing Side Letter, any Servicing Contract (but excluding any agreement described in clause (iii) of the definition of "Servicing Contract" herein), any Acknowledgement Agreement shall for whatever reason (including an event of default thereunder) be terminated or shall cease to be in full force and effect, or the enforceability thereof shall be contested by Borrower; or

(r) (i) Borrower shall engage in any non-exempt "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) a determination that a Plan is "at risk" (within the meaning of Section 302 of ERISA) or any Lien in favor of the PBGC or a Plan shall arise on the assets of Borrower or any ERISA Affiliate, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of Lender, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Plan shall terminate for purposes of Title IV of ERISA, (v) Borrower or any ERISA Affiliate shall incur any liability in connection with a withdrawal from, or the insolvency of, a Multiemployer Plan, (vi) Borrower or any ERISA Affiliate shall file an application for a minimum funding waiver under Section 302 of ERISA or Section 412 of the Code with respect to any Plan, or (vii) any obligation for post-retirement medical costs (other than as required by COBRA) exists, and in each case in clauses (i) through (vii) above, such event or condition, together with all other such events or conditions, if any, is likely to subject Borrower to any tax, penalty or other liabilities in the aggregate which would reasonably be expected to have a Material Adverse Effect.

Section 8.02 Remedies.

(a) Optional Acceleration. Upon the occurrence of an Event of Default (other than an Event of Default described in Section 8.01(m)), the Lender may by written notice to the Borrower, terminate the Facility and declare all Loans and all other Obligations to be immediately due and payable.

(b) Automatic Acceleration. Upon the occurrence of an Event of Default described in Section 8.01(m), the Facility shall be automatically terminated and the Loans and all

other Obligations shall be immediately due and payable upon the occurrence of such event, without demand or notice of any kind.

(c) **Remedies.** Upon any acceleration of the Loans pursuant to this Section 8.02, the Lender, in addition to all other rights and remedies under this Agreement or otherwise, shall have all other rights and remedies provided under the UCC of each applicable jurisdiction and other Applicable Laws, which rights shall be cumulative. The Borrower agrees, upon the occurrence of an Event of Default and notice from the Lender, to assemble, at its expense, all of the Collateral that is in its possession (whether by return, repossession, or otherwise) at a place designated by the Lender. All out-of-pocket costs incurred by the Lender in the collection of all Obligations, and the enforcement of its rights hereunder, including reasonable attorneys' fees and legal expenses, shall be paid out of the Collateral. Without limiting the foregoing, upon the occurrence of an Event of Default and the acceleration of the Loans pursuant to this Section 8.02, the Lender may, to the fullest extent permitted by Applicable Law, without notice, advertisement, hearing or process of law of any kind, but subject to the terms of any applicable Acknowledgment Agreement, (i) enter upon any premises where any of the Collateral which is in the possession of the Borrower (whether by return, repossession, or otherwise) may be located and take possession of and remove such Collateral, (ii) sell any or all of such Collateral, free of all rights and claims of the Borrower therein and thereto, at any public or private sale, and (iii) bid for and purchase any or all of such Collateral at any such sale. Any such sale shall be conducted in a commercially reasonable manner and in accordance with Applicable Law. The Borrower hereby expressly waives, to the fullest extent permitted by applicable law, any and all notices, advertisements, hearings or process of law in connection with the exercise by the Lender of any of its rights and remedies upon the occurrence of an Event of Default. Each of the Lender and the Borrower shall have the right (but not the obligation) to bid for and purchase any or all Collateral at any public or private sale. The Borrower hereby agrees that in any sale of any of the Collateral, the Lender is hereby authorized to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of Applicable Law (including, without limitation, compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications, and restrict such prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Collateral), or in order to obtain any required approval of the sale or of the purchaser by any Governmental Authority, and the Borrower further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner. The Lender shall not be liable for any sale, private or public, conducted in accordance with this Section 8.02(c). If an Event of Default occurs, and upon acceleration of the Loans hereunder, the Loans and all other Obligations shall be immediately due and payable, and Collections on the Eligible Servicing Rights and proceeds of sales and securitizations of Eligible Servicing Rights, and other Collateral will be used to pay the Obligations. The terms set forth in this Section 8.02(c) are subject to the Freddie Mac Requirements and Freddie Mac's Superior Interest.

(d) In the event that the Borrower receives a notice from any Applicable Agency indicating a material breach, material default or material non-compliance by the Borrower that the Lender reasonably determines may entitle an Applicable Agency to terminate such Borrower as servicer pursuant to the related Servicing Contracts, which breach, default or non-compliance has not been satisfactorily cured or remedied within [***] Business Days of the receipt by the Borrower of such notice, or such lesser time as Lender believes is necessary to protect its interest and provides the Borrower with written notice thereof, as the case may be, the Lender may by written notice to the Borrower, terminate the Facility and declare all Loans and all other Obligations to be immediately due and payable.

ARTICLE IX

ASSIGNMENT

Section 9.01 Restrictions on Assignments. The Borrower shall not assign its rights hereunder or any interest herein without the prior written consent of the Lender. The Lender may, in the ordinary course of its business and in accordance with applicable law, assign any or all of its rights and obligations under this Agreement, under any Loan pursuant to this Agreement or under the other Facility Documents, to any of its Affiliates or Subsidiaries and, with the prior written consent of the Borrower, any bank or other entity; provided, that (i) such assignment is approved by the Applicable Agency, (ii) the Borrower, the Applicable Agency and the related assignee enter into an acknowledgement agreement in which the Applicable Agency acknowledges the related security interest of such assignee in the Servicing Rights, (iii) with respect to any assignment to any of its Affiliates or Subsidiaries, the Lender shall provide the Borrower with notice of such assignment and (iv) with respect to any assignment to a bank or other entity other than to an Affiliate or Subsidiary of Lender, Lender shall provide the Borrower with notice of such assignment and Borrower shall incur no greater liability to such bank or other entity than the liability of Borrower to Lender provided hereunder. The foregoing shall not limit Lender's ability to pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of Lender pursuant to Section 9.04(b). This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Each Participant (as defined below) and each Lender assignee shall be subject to the requirements set forth in the confidentiality agreement in the form of Exhibit E attached hereto. Notwithstanding anything herein to the contrary, following the occurrence and during the continuance of an Event of Default, Lender shall be entitled to assign its rights and obligations under this Agreement or issue one or more participation interests to any Person without the consent of Borrower.

Section 9.02 Evidence of Assignment; Endorsement on Notes. The Lender hereby agrees that it shall endorse the Notes to reflect any assignments made pursuant to this Article IX or otherwise. In the event that Lender assigns its rights in accordance with Section 9.01, Lender shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain at one of its offices a copy of each assignment and assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the commitments of, and principal amounts (and

stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the “Register”). The entries in the Register shall be conclusive absent manifest error, and the Borrower and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

Section 9.03 Rights of Assignee. Upon the assignment the Lender of all of its rights and obligations hereunder, under the Notes and under the other Facility Documents to an assignee in accordance with Section 9.01, such assignee shall have all such rights and obligations of the Lender as set forth in such assignment or delegation, as applicable, and all references to the Lender in this Agreement or any Facility Document shall be deemed to apply to such assignee to the extent of such interest. If any interest in any Facility Document is transferred to any assignee which is organized under the laws of any jurisdiction other than the United States or any State thereof, the transferor Lender shall cause such assignee, concurrently with the effectiveness of such transfer, to comply with the provisions of Section 3.02.

Section 9.04 Permitted Participants; Effect. (a) Lender may, in accordance with applicable law, at any time, upon at least [***] Business Days' prior written notice to the Borrower, sell to one or more entities (“Participants”) participating interests in this Agreement,

its agreement to make Advances, or any other interest of Lender hereunder and under the other Facility Documents; provided that Lender shall not be required to provide advance notice to Borrower with respect to participating interests to the Federal Reserve Bank. In the event of any such sale by Lender of participating interests to a Participant, Lender's obligations under this Agreement to Borrower shall remain unchanged, Lender shall remain solely responsible for the performance thereof and Borrower shall continue to deal solely and directly with Lender in connection with Lender's rights and obligations under this Agreement and the other Facility Documents. Borrower agrees that if amounts outstanding under this Agreement are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement; provided, that such Participant shall only be entitled to such right of set-off if it shall have agreed in the agreement pursuant to which it shall have acquired its participating interest to share with Lender the proceeds thereof. For the avoidance of doubt, any amounts that are set-off pursuant to the foregoing shall pay, prepay, repay, discharge or otherwise satisfy the obligations owed to the applicable Participant and Lender by the Borrower in an amount equal to the amount of such set-off. Lender, acting solely for this purpose as an agent of Borrower, shall maintain a register on which it enters the name and address of each Participant and each Lender assignee and the principal amounts (and stated interest) of each Participant's and each Lender assignee, assignee's interest in the rights and obligations under this Agreement and related Facility Documents (the “Register”) The entries in the Register shall be conclusive absent manifest error, and Borrower and its Affiliates and Lender shall treat each person whose name is recorded in the Register as the owner of the related participation or assignment for purposes of this Agreement. The Register shall be available for inspection by Borrower, Lender and other parties hereto at any reasonable time and from time to time upon reasonable prior notice.

(a) Lender may furnish any information concerning a Borrower or any of its Subsidiaries in the possession of Lender from time to time to assignees and Participants (including prospective assignees and Participants) only after notifying Borrower in writing and securing signed confidentiality agreements and only for the sole purpose of evaluating assignments or participations and for no other purpose. For the avoidance of doubt, no signed confidentiality agreements shall be required in the event information concerning a Borrower or any of its Subsidiaries in the possession of Lender from time to time is furnished to the Federal Reserve Bank in connection with a repledge or rehypothecation or other financing of Advances to the Federal Reserve Bank.

(b) Borrower agrees to reasonably cooperate with Lender in connection with any such assignment and/or participation, to execute and deliver replacement notes, and to enter into such restatements of, and amendments, supplements and other modifications to, this Agreement and the other Facility Documents in order to give effect to such assignment and/or participation, with any related expenses incurred by Borrower prior to the occurrence of an Event of Default to be paid by Lender.

Section 9.05 Voting Rights of Participants.

The Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of the Facility Documents other than any amendment, modification, or waiver with respect to any Loan or Committed Amount in which such Participant has an interest which forgives principal, interest, or fees or reduces the interest rate or fees payable with respect to any such Loan or Committed Amount, extends the Loan Repayment Date, postpones any date fixed for any regularly scheduled payment of principal of, or interest or fees on, any such Loan or Committed Amount or releases all or substantially all of the Collateral (other than as expressly permitted pursuant to the Facility Documents).

ARTICLE X INDEMNIFICATION

Section 10.01 Indemnities by the Borrower. Without limiting any other rights which any such Person may have hereunder or under Applicable Law, the Borrower hereby agrees to indemnify, the Lender, its Affiliates, successors, permitted transferees and assigns and all officers, directors, shareholders, controlling persons, employees and agents of any of the foregoing (each an "Indemnified Party"), forthwith on demand, from and against any and all damages, losses, claims, liabilities and related out-of-pocket costs and expenses, including reasonable attorneys' fees and disbursements (all of the foregoing being collectively referred to as "Indemnified Amounts") awarded against or incurred by any of them arising out of or as a result of this Agreement, the other Facility Documents, or any transaction contemplated hereby or thereby excluding, however, (a) Indemnified Amounts to the extent a court of competent jurisdiction determines that they resulted from gross negligence, bad faith or willful misconduct on the part of such Indemnified Party, (b) in the event that the Lender has assigned its rights or delegated its obligations in respect of this Agreement, and the Indemnified Amounts with respect to such assignee exceed the Indemnified Amounts that would otherwise have been payable by the Borrower to the Lender, the amount of such excess, (c) any lost profits or indirect, exemplary, punitive or consequential damages of any Indemnified Party and (d) any other amounts specifically identified herein as to which Borrower's liability is expressly limited, but only to the extent of such express limitation. In any suit, proceeding or action brought by the Lender in connection with any Collateral for any sum owing thereunder, or to enforce any provisions of any Collateral, the Borrower will save, indemnify and hold the Lender harmless from and against all expense, loss or damage suffered by reason of any defense, set-off, counterclaim, recoupment or reduction or liability whatsoever of the account debtor or obligor thereunder, arising out of a breach by Borrower of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or obligor or its successors from the Borrower. The Borrower also agrees to reimburse the Lender as and when billed by the Lender for all the Lender's documented out-of-pocket costs and expenses incurred in connection with the enforcement or the preservation of the Lender's rights under this Loan Agreement, the Note, any other Facility Document or any transaction contemplated hereby or thereby, including without limitation the reasonable fees and disbursements of its counsel. The Borrower hereby acknowledges that, notwithstanding the fact that the Note is secured by the Collateral, the obligation of the Borrower under the Note is a recourse obligation of the Borrower. Under no circumstances shall any Indemnified Party be liable to the Borrower for any lost profits or indirect, exemplary, punitive or consequential damages. This Section 10.01 shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

Section 10.02 General Provisions. If for any reason the indemnification provided above in Section 10.01 (and subject to the limitations on indemnification contained therein) is unavailable to an Indemnified Party or is insufficient to hold an Indemnified Party harmless on the basis of public policy, then the Borrower shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by such Indemnified Party on the one hand and the Borrower on the other hand but also the relative fault of such Indemnified Party as well as any other relevant equitable considerations.

The provisions of this Article X shall survive the termination of this Agreement and the payment of the Obligations.

ARTICLE XI MISCELLANEOUS

Section 11.01 Amendments, Etc.

Neither this Agreement nor any provision hereof may be amended, supplemented, or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Lender and in accordance with the Freddie Mac Acknowledgment Agreement.

Section 11.02 Notices, Etc.

All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including electronic or facsimile communication) and shall be personally delivered or sent by certified mail or overnight air courier, postage prepaid, or by email or facsimile, to the intended party at the address or email address of such party set forth opposite its name on Schedule 11.02 or at such other address or email address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective, (i) if personally delivered, when received, (ii) if sent by overnight air courier, the next Business Day after delivery to the related air courier service, if delivery is guaranteed as of the next Business Day, (iii) if sent by certified mail, three Business Days after having been deposited in the mail, postage prepaid, and (iv) if transmitted by email, when sent, if sent during business hours (if sent after business hours, then on the next Business Day) except that notices and communications pursuant to Article II shall not be effective until received. In addition to the available means of delivering notice above, all notices and other communication provided for hereunder shall, unless stated otherwise herein, be in writing and shall be effective when sent via email during business hours to the Borrower at legalnotices@uwm.com, and to the Lender at bobbie.theivakumaran@citi.com (if sent via email after business hours, then on the next Business Day).

Section 11.03 No Waiver; Remedies

No failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 11.04 Binding Effect; Assignability

. This Agreement shall be binding upon and inure to the benefit of the Borrower and the Lender, and their respective successors and assigns, provided, however, that nothing in the foregoing shall be deemed to authorize any assignment not permitted in Section 9.01.

Section 11.05 Agreement Constitutes Security Agreement; Governing Law; Submission To Jurisdiction; Waivers

(a) This Agreement shall constitute a security agreement within the meaning of the Uniform Commercial Code.

(b) This Agreement shall be governed by and construed in accordance with the laws of the state of New York without regard to conflicts of laws principles (other than section 5-1401 of the New York General Obligations Law, which by its terms applies to this agreement).

(c) each party hereto hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating to this Agreement, the Note and the other Facility Documents, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the state of New York, the federal courts of the United States Of America for the southern district of New York, and appellate courts from any thereof;

(ii) consents that any such action or proceeding may be brought in such courts and, to the extent permitted by law, waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to its address set forth under its signature below or at such other address of which the lender shall have been notified; provided that, at the time of such mailing an electronic copy of such service of process is also sent by electronic mail to the persons specified in the address for notices for such party on the signature page hereto (or such other persons of which the other parties hereto shall have been notified);

(iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(v) waives any and all right to a trial by jury with respect to any legal proceeding arising out of or relating to this Agreement.

Section 11.06 Entire Agreement. This Agreement the Freddie Mac Acknowledgment Agreement, and the Facility Documents embodies the entire agreement and understanding of the parties hereto with respect to the matters set forth herein and supersedes any and all prior agreements, arrangements and understanding relating to the matters provided for herein.

Section 11.07 Acknowledgement. The Borrower and the Lender each hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement, the Note and the other Facility Documents to which it is a party;

(b) neither the Lender nor the Borrower, as the case may be, has a fiduciary relationship to the other, and the relationship between the Borrower and the Lender is solely that of debtor and creditor; and

(c) no joint venture exists among or between the Lender and the Borrower.

Section 11.08 Captions and Cross References. The various captions (including, without limitation, the table of contents) in this Agreement are included for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. References in this Agreement to any underscored Section or Exhibit are to such Section or Exhibit of this Agreement, as the case may be.

Section 11.09 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so

executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. The parties agree that this Agreement, any documents to be delivered pursuant to this Agreement and any notices hereunder may be transmitted between them by e-mail. The parties intend that electronically imaged signatures such as .pdf files shall constitute original signatures and are binding on all parties.

Section 11.10 Confidentiality. The Facility Documents and their respective terms, provisions, supplements and amendments, and transactions and notices thereunder (the "Confidential Information") are proprietary to Lender and shall be held by Borrower in strict confidence and shall not be

disclosed to any third party without the consent of Lender except for (a) disclosure to such party's Affiliates, directors, attorneys, agents or accountants; provided that such attorneys or accountants likewise agree to be bound by this covenant of confidentiality, or are otherwise subject to confidentiality restrictions, or (b) upon prior written notice to Lender, disclosure required by law, rule, regulation or order of a court or other regulatory body, or (c) upon prior written notice to Lender, disclosure to any approved hedge counterparty to the extent necessary to obtain any interest rate protection agreement hereunder, or (d) when circumstances reasonably permit, any disclosures or filing of this Agreement required under Securities and Exchange Commission ("SEC") or state securities' laws; provided that in no event shall any Confidential Information other than this Agreement (excluding in all cases the Pricing Side Letter and all terms set forth therein) be disclosed or filed publicly; and provided further that in the case of disclosure by any party pursuant to the foregoing clauses (b), (c), (d), (e) such disclosure is made in any party's financial statements or footnotes as required by such party's accountants, and Lender receives prior notice of such disclosure, in accordance with GAAP, and (f) such disclosures are made to buyers or prospective buyers of such party's business, and its counsel, accountants, representatives and agents; provided that such disclosure is made pursuant to a non-disclosure agreement acceptable to the non-disclosing party and the disclosing party is responsible for the breach of such non-disclosure agreement. Lender agrees that neither Confidential Information nor any Confidential Borrower Financials shall be disclosed to any third party without the consent of Borrower; provided, that Lender shall be authorized to disclose Confidential Information and Confidential Borrower Financials, where such disclosure is made (i) in connection with the exercise of rights of Lender under any existing or proposed agreement or transaction between Lender and Borrower, (ii) with the consent of Borrower, (iii) in order to comply with any subpoena, order, regulation, ruling or request of any judicial, administrative or legislative body or committee or any self-regulatory body (including any securities or commodities exchange or the Financial Industry Regulatory Authority), (iv) at the request of a bank examiner in connection with an examination of Lender or its affiliates, or (v) otherwise as required by applicable law or regulation. Notwithstanding anything herein to the contrary, each party (and each employee, representative, or other agent of each party) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transaction and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure. For this purpose, tax treatment and tax structure shall not include (i) the identity of any existing or future party (or any Affiliate of such party) to this Agreement or (ii) any specific pricing information or other commercial terms, including the amount of any fees, expenses, rates or payments arising in connection with the transactions contemplated by this Agreement. Each of Buyer and each Seller acknowledges and agrees that portions of the Information may be subject to the Gramm-Leach-Bliley Act of 1999 (the "GLB") and each party agrees to treat such information as required by the GLB for financial institutions and as required by applicable state and local privacy laws notwithstanding the termination or expiration of this Agreement.

Section 11.11 Survival. The obligations of the Borrower under Sections 3.02, 10.01, 11.01 and 11.10 hereof shall survive the repayment of the Loans and the termination of this Agreement. The obligations of the Lender under Section 11.10 shall survive for a period of two (2) years

following the termination of this Agreement. In addition, each representation and warranty made, or deemed to be made by a request for a borrowing, herein or pursuant hereto shall survive the making of such representation and warranty, and the Lender shall not be deemed to have waived, by reason of making any Loan, any Default that may arise by reason of such representation or warranty proving to have been false or misleading, notwithstanding that the Lender may have had notice or knowledge or reason to believe that such representation or warranty was false or misleading at the time such Loan was made.

Section 11.12 Set-Off. In addition to any rights and remedies of the Lender provided by this Agreement and by law, the Lender shall have the right, following the occurrence and during the continuance of an Event of Default, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all Property and deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Lender or any Affiliate thereof to or for the credit or the account of the Borrower. Following the occurrence and during the continuance of an Event of Default, the Lender may set-off cash, the proceeds of the liquidation of any Collateral and all other sums or obligations owed by the Lender or its Affiliates to the Borrower against all of the Borrower's obligations to the Lender or its Affiliates, whether under this Loan Agreement or under any other agreement between the parties or between the Borrower and any affiliate of the Lender, or otherwise, whether or not such obligations are then due, without prejudice to the Lender's or its Affiliate's right to recover any deficiency. The Lender agrees promptly to notify the Borrower after any such set-off and application made by the Lender; provided that the failure to give such notice shall not affect the validity of such set-off and application.

Section 11.13 Erroneous Payments.

(a) (i) If Lender notifies Borrower, Participant, assignee of any party hereto or other recipient that Lender has determined in its sole discretion that any funds received by such recipient from Lender or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such recipient (whether or not known to such recipient) (any such funds whether as a payment, prepayment or repayment of principal, interest, fees or other amounts; a distribution or otherwise; individually and collectively, a "Payment" and any such recipient, an "Unintended Recipient") and demands the return of such Payment (or a portion thereof), such Unintended Recipient shall promptly, but in no event later than one Business Day thereafter, return to Lender the amount of any such Payment (or portion thereof) as to which such a demand was made, in immediately

available funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Unintended Recipient to the date such amount is repaid to Lender in immediately available funds at the greater of the Pricing Rate and a rate determined by Lender in accordance with banking industry rules on interbank compensation from time to time in effect. Any Payment shall at all times remain the property of Lender and shall be held in trust by the applicable Unintended Recipient for the benefit of Lender until repaid to Lender pursuant to this Section 11.13(a)(i).

(i) To the extent permitted by applicable law, neither Borrower nor any other party hereto (other than Lender) shall assert any right or claim to a Payment, and hereby waives, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by Lender for the return of any Payments received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

(ii) A notice from Lender to any Unintended Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) If an Unintended Recipient receives a Payment from Lender (or any of its Affiliates)

(i) that is in a different amount than, or on a different date from, that specified in a notice of payment or calculation statement sent by Lender (or any of its Affiliates) with respect to such Payment (a "Payment Notice"),

(ii) that was not preceded or accompanied by a Payment Notice, or

(iii) that such Unintended Recipient otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) or any Payment is otherwise inconsistent with such recipient's or market expectations,

in each case, an error shall be presumed to have been made with respect to such Payment absent written confirmation from Lender to the contrary. Upon demand from Lender, such Unintended Recipient shall promptly, but in no event later than one Business Day thereafter, return to Lender the amount of any such Payment (or portion thereof) as to which such a demand was made.

(c) Borrower hereby agrees that the receipt by an Unintended Recipient of a Payment shall not pay, prepay, repay, discharge or otherwise satisfy any obligations owed to such Unintended Recipient by Borrower.

(d) Without prejudice to the survival of any other agreement of Borrower hereunder, the covenants and obligations of Borrower contained in this Section 11.13 shall survive the termination of this Agreement, any assignment permitted hereunder, and/or the satisfaction and discharge of all Obligations (or any portion thereof) under any Facility Document.

Section 11.14 Provisions Applicable to Freddie Mac and the Collateral.

Notwithstanding anything to the contrary in this Agreement or the other Facility Documents, Lender and Borrower acknowledge and agree that:

(a) Priority of Freddie Mac. The terms and provisions of this Agreement and the Facility Documents, the transactions contemplated hereby and thereby, the rights and remedies of the parties provided hereby and thereby, the security interest granted herein, and any payments or disbursements hereunder and thereunder are subject and subordinate in all respects to (i) Freddie Mac's Superior Interests, (ii) the terms and provisions of the Freddie Mac Acknowledgment Agreement and the other Freddie Mac Requirements, and (iii) all claims of Freddie Mac arising out of or relating to any and all breaches, defaults and outstanding obligations of Borrower to Freddie Mac. In accordance with and subject to the Freddie Mac Acknowledgment Agreement, any funds received by Lender in connection with Lender's exercise of its rights and remedies with respect to the Collateral will be applied first to reduce any amounts owed to Freddie Mac.

(b) Collateral. Lender has no security interest, assignment or any other form of pledge, security interest or lien in any collateral other than the Collateral expressly set forth in Section 4.01. The Collateral does not include or convey (i) payments of principal, interest, taxes and/or insurance made in respect of any Freddie Mac Mortgage Loans, (ii) Borrower's rights or interests to reimbursement for any servicing advances related to Freddie Mac Servicing Contract

Rights, (iii) the Freddie Mac Servicing Contract, (iv) Borrower's rights and claims under the Freddie Mac Acknowledgment Agreement, or (v) the right to (1) perform servicing under the Freddie Mac Guide, (2) terminate Borrower as an approved Freddie Mac Seller/Servicer, (3) terminate the Freddie Mac Servicing Contract (in whole or in part), (4) transfer any of the Freddie Mac Servicing Contract Rights, (5) any successor servicer or (6) Excess Yield.

(c) Approved Purposes. The Freddie Mac Servicing Contract Rights and related Collateral may only be pledged, and the proceeds of the Loans may only be used, for the purposes set forth in the Freddie Mac Acknowledgment Agreement.

(d) **VPC Agreements.** In connection with any Freddie Mac VPC Agreement, effective as of each date of transfer pertaining thereto, and without any payment by Borrower or compliance by Borrower with any other terms and provisions of this Agreement, Lender hereby covenants, represents, and warrants to Freddie Mac, without any further requirement or action by Lender, that Lender shall be conclusively deemed to have fully and finally released its lien, charge, security interest, encumbrance, claims, or interests arising out of or relating to (A) the Collateral pertaining to the Freddie Mac Servicing Contract Rights subject to the applicable transfer of servicing, and (B) the Acknowledgment Agreement, including without limitation, any right to make claims against Freddie Mac (for itself and for any principal), solely as related to the Freddie Mac Servicing Contract Rights subject to the applicable transfer of servicing. If requested by Freddie Mac, Lender shall promptly execute such further documentation as requested by Freddie Mac in order to further effectuate the terms and provisions of this Section 11.14(d). Solely in the event that defined term "Mortgage Loan Eligibility Criteria" or any other provision in either the VPC Agreement or referenced in Section 25(a) of the Freddie Mac Acknowledgment Agreement, is amended to include performing Mortgage Loans (as defined in the VPC Agreement) that would constitute Released Freddie Mac Servicing Rights, then this release provided by Lender in this Agreement as to Release Dates subsequent to the effective date of such amendment shall be subject to further review and approval by Freddie Mac and Lender.

(e) **Terminology.** Notwithstanding any extra-contractual meanings, the terms "MSR", "mortgage servicing rights" and "Servicing Rights" (and any references to ownership thereof by Borrower) (i) are for convenience purposes only as a result of industry and accounting convention, and (ii) in fact refer to conditional servicing contract rights (as further described in the definition of "Freddie Mac Servicing Contract Rights") with respect to which Borrower may have rights sufficient to satisfy UCC § 9-203(b)(2), but which Borrower cannot own.

(f) **Consent in Sole and Absolute Discretion.** Whenever in this Agreement there is a requirement Freddie Mac's consent, Freddie Mac's approval, Freddie Mac's determination, Freddie Mac's acceptance, Freddie Mac's judgment or any other phrase of similar nature pertaining to an action required of Freddie Mac, it is understood by such phrase that Freddie Mac shall exercise the granting or withholding of its consent, approval, determination, acceptance, right or judgment in its sole and absolute discretion.

(g) **Confidentiality.** The parties hereto may disclose Confidential Information to Freddie Mac in connection with the Freddie Mac Acknowledgment Agreement.

(h) **Assignment.** Lender may not sell or assign any security interest in the Freddie Mac Servicing Contract Rights, in whole or in part, or any of its rights or obligations under this Agreement, except as may be expressly set forth in the Freddie Mac Acknowledgment Agreement and subject to Freddie Mac's prior written consent.

(i) **Amendment.** Any modification or amendment of this Agreement or any of the Facility Documents must be made in compliance with the Freddie Mac Acknowledgment Agreement.

(j) **Third-Party Beneficiary.** Freddie Mac shall be an express third-party beneficiary of, and entitled to rely upon in all respects, Sections 4.01, 4.02(b) and this 11.14. Such Sections shall not be amended or modified without the prior written consent of Freddie Mac.

(k) **Conflict.** To the extent that any conflict exists or shall be adjudged to exist between the terms and provisions of (i) this Agreement or any of the Facility Documents, and (ii) the Freddie Mac Acknowledgment Agreement, the terms and provisions of the Freddie Mac Acknowledgment Agreement shall govern and control. To the extent that any conflict exists or shall be adjudged to exist between the provisions of (i) this Agreement or any of the Facility Documents and (ii) this Section 11.14, the terms and provisions of this Section 11.14 shall govern and control.

(l) **Facility Documents.** With respect to interpretation of the term "Facility Documents" in this Agreement or any of the other Facility Documents:

(i) The Freddie Mac Acknowledgment Agreement shall not be included within the term "Facility Documents" for purposes of this Section 11.14;

(ii) Any references to the phrase "notwithstanding anything to the contrary herein or in any other Facility Document" (or any similar phrasing) shall be interpreted to mean "notwithstanding anything to the contrary herein or in any other Facility Document (other than the Freddie Mac Acknowledgment Agreement)";

(iii) Inclusion of the Freddie Mac Acknowledgment Agreement within the term "Facility Documents" shall not give to any party hereto any additional rights or remedies in the Freddie Mac Acknowledgment Agreement, nor the ability to assign rights or issue participations in the Freddie Mac Acknowledgment Agreement; and

(iv) The parties hereto shall not use the inclusion of the Freddie Mac Acknowledgment Agreement within the term "Facility Documents" in any way to contest, delay, obstruct, hinder or interfere, directly or indirectly, with rights of Freddie Mac in this Agreement or the Freddie Mac Acknowledgment Agreement or in any way adverse to the interests of Freddie Mac.

Section 11.15 Amendment and Restatement

The terms and provisions of the Existing LSA shall be amended and restated in their entirety by the terms and provisions of this Agreement and shall supersede all provisions of the Existing LSA as of the date hereof. From and after the date hereof, all references made to the Existing LSA in any Facility Document or in any other instrument or document shall, without more, be deemed to refer to this Agreement. The execution, delivery and effectiveness of this Agreement shall not operate as a waiver of any power, remedy or right of the Lender, or constitute a waiver of any provision of, or any past noncompliance with the Existing LSA, or any other documents, instruments and agreements executed or delivered therewith or future noncompliance with any of the Facility Documents or any other documents, instruments and agreements executed or delivered therewith, and shall not operate as a consent to any further or other matter under the Facility Documents. Each party hereto agrees and understands that by entering into and performing its obligations hereunder, this Agreement, as it amends and restates the Existing LSA shall not constitute a novation and shall in no way adversely affect or impair the priority of the Lender's security interest and lien on the Collateral. UWM acknowledges and agrees that all obligations of UWM (including representations and warranties made, and covenants to be performed, prior to the Closing Date) under the Existing LSA will remain outstanding and continue in full force and effect, unpaid, unimpaired and undischarged, and all liens created under the Existing LSA will continue in full force and effect, unimpaired and undischarged having the same perfection and priority for payment and performance of the obligations of UWM as were in place under the Existing LSA.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

UNITED WHOLESALE MORTGAGE, LLC, as Borrower

By: /s/ Alex Elezaj
Name: Alex Elezaj
Title: Executive Vice President, Chief Strategy Officer

CITIBANK, N.A., as Lender

By: /s/ Arunthathi Thievakumaran
Name: Arunthathi Thievakumaran
Title: Vice President
[Loan and Security Agreement (Citi-United Wholesale MSR) (2023)]

SCHEDULE I

DEFINITIONS

1.1 **Definitions.** As used in this Agreement the following terms have the meanings as indicated:

“**Acknowledgement Agreement**” means, with respect to (i) Fannie Mae Servicing Rights, any Acknowledgement Agreement to be entered into by and among Fannie Mae, Borrower, and the applicable secured party, pursuant to which Fannie Mae acknowledges the security interest of the Lender or an agent on behalf of the Lender in the Pledged Servicing Rights arising under the Fannie Mae Servicing Contracts, together with any amendments and addenda thereto, and (ii) Freddie Mac Servicing Contract Rights, the Freddie Mac Acknowledgement Agreement, together with any amendments and addenda thereto.

“**Adjusted Tangible Net Worth**” shall have the meaning set forth in the Pricing Side Letter.

“**Affiliate**” shall mean, with respect to any Person, any other Person which, directly or indirectly, controls, is controlled by, or is under common control with, such Person; provided that with respect to Borrower, “Affiliate” shall exclude First Look Appraisals, LLC and Class Valuation LLC. For purposes of this definition, “control” (together with the correlative meanings of “controlled by” and “under common control with”) means possession, directly or indirectly, of the power (a) to vote 25% or more of the securities (on a fully diluted basis) having ordinary voting power for the directors or managing general partners (or their equivalent) of such Person, or (b) to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract, or otherwise.

“**Agreement**” has the meaning set forth in the **preamble**.

“**Agency**” means each of Fannie Mae, Freddie Mac and Ginnie Mae.

“**Agency Consent Agreements**” shall mean, to the extent related to Pledged Servicing Rights, each of (i) the subordination of interest agreements set forth on **Schedule VII** attached hereto, together with any amendments, modifications or supplements thereto, and (ii) any other applicable agreement entered into among the Borrower and any Agency.

“**Agency Event**” shall mean, with respect to any Subservicer servicing any Pledged Servicing Rights: (1) the failure of the Subservicer to be an approved seller/servicer or its approval shall be revoked, suspended, rescinded, halted, eliminated, withdrawn, annulled, repealed, voided or terminated under the guidelines of each Applicable Agency with respect to which any Eligible Servicing Rights pledged under this Agreement relate, (2) the Subservicer fails to service or subservice, as applicable, in accordance with any Applicable Agency Guide (subject to any cure right provided by the Agency) and the Lender determines in its good faith discretion that such failure is reasonably likely to have a Material Adverse Effect, (3) the Subservicer is terminated as servicer with respect to any Eligible Servicing Rights by any Applicable Agency, or (4) all or a portion of Subservicer’s servicing or subservicing portfolio consisting of loans of any Agency is seized.

“**Agency Financial Covenants**” shall mean the financial covenants applicable to Borrower required by each Agency, as applicable, which covenants are set forth in **Exhibit 6.01(z)** attached hereto.

Schedule I-1

“**Agency Obligations**” means with respect to any mortgage loan associated with a Specified Seller/Servicer ID, or otherwise attributed to Borrower by any Agency (a) any obligation, cost, fee, claim or liability (actual or contingent) of the Borrower in respect of such Mortgage Loan to indemnify the relevant Agency for any losses incurred in respect of any Mortgage Loan that was determined at the time of sale to have been ineligible for sale to the Agency due to a breach of one or more representations and warranties but accepted for purchase subject to any waiver and indemnity obligations, (b) any and all other obligations, costs, fees, claims or liabilities described from time to time as being sold “with recourse” as such term (or terms of similar meaning) are defined in the Applicable Agency Guide, as amended or supplemented from time to time, and any successor publications thereto having the same general contents and purpose and (c) any and all obligations, costs, fees, claims or liabilities (actual or contingent) imposed by any Agency.

“**Alternate Rate**” shall mean, with respect to each Interest Period, (a) the per annum rate of interest of the applicable Benchmark Replacement, determined by Lender for such Interest Period, plus (b) the Applicable Margin.

“**Alternate Rate Loan**” shall mean the Loan at such time as interest thereon accrues at a per annum rate of interest equal to the Alternate Rate.

“**Ancillary Income**” means all money which is due and payable in connection with each Mortgage Loan other than the Servicing Fee and specifically including, without limitation, late charge fees, assignment transfer fees, insufficient funds check charges, amortization schedule fees, interest from escrow accounts and all other incidental fees and charges and any Float Benefit, in each case, to the extent such amounts are allocable to a Mortgage Loan.

“**Anti-Money Laundering Laws**” has the meaning set forth in Section 6.01(u).

“**Anti-Terrorism Laws**” shall mean any Requirements of Law relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering or bribery, and any regulation, order, or directive promulgated, issued or enforced pursuant to such Requirements of Law, all as amended, supplemented or replaced from time to time as applicable to Borrower or its subsidiaries.

"Applicable Agency" means, (i) with respect to Fannie Mae Servicing Rights, Fannie Mae and (ii) with respect to Freddie Mac Servicing Contract Rights, Freddie Mac.

"Applicable Agency Guide" shall mean (i) with respect to Fannie Mae, the Fannie Mae Lender Contract, (ii) with respect to Freddie Mac, the Freddie Mac Guide and (iii) with respect to Ginnie Mae, the Ginnie Mae Guide.

"Applicable Law" shall mean as to any Person, any law, treaty, rule or regulation (including the Investment Company Act of 1940, as amended) or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Applicable Margin" shall have the meaning set forth in the Pricing Side Letter.

"Attributed Rate" shall have the meaning set forth in the Pricing Side Letter.

"Available Loan Amount" shall have the meaning set forth in the Pricing Side Letter.

Schedule I-2

"Basel III" means "A Global Regulatory Framework for More Resilient Banks and Banking Systems" developed by the Basel Committee on Banking Supervision (or any successor or similar authority), initially published in December 2010.

"Benchmark" shall mean, (a) initially, the Term SOFR Reference Rate; and (b) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Term SOFR Reference Rate or the then current Benchmark, then the applicable Benchmark Replacement. Notwithstanding anything to the contrary herein, Lender shall have the sole discretion to re-set the Benchmark on a daily basis.

"Benchmark Replacement" shall mean, with respect to any Benchmark Transition Event, the sum of (a) the alternate benchmark rate that has been selected by Lender, giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated syndicated or bilateral credit facilities at such time and (b) the Benchmark Replacement Adjustment; provided that, in no event shall the Benchmark Replacement for any Interest Period be deemed to be less than zero.

"Benchmark Replacement Adjustment" shall mean, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected by Lender giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated syndicated or bilateral credit facilities at such time.

"Benchmark Replacement Date" shall mean the earlier to occur of the following events with respect to the then current Benchmark:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide the Benchmark (or such component thereof); and

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative or non-compliant with or non-aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks; provided that such non-representativeness, non-compliance or non-alignment will be determined by reference to the most recent statement or

publication referenced in such clause (c) and even if any available tenor of such Benchmark (or such component thereof) continues to be provided on such date.

"Benchmark Transition Event" shall mean the occurrence of one or more of the following events with respect to the then-current Benchmark:

Schedule I-3

(a) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or the published component used in the calculation thereof), the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark (or such component), which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component thereof); or

(c) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) announcing that the Benchmark (or such component thereof) is not, or as of a specified future date will not be, representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks.

"Benchmark Unavailability Period" shall mean, unless and until a Benchmark Replacement is implemented with respect to the then-current Benchmark pursuant to Section 2.11(e)(i) (rather than pursuant to Section 2.11(c)), each (if any) Interest Period for which Lender determines that (a) adequate and reasonable means do not exist for ascertaining the component of the Interest Rate based on Term SOFR (or the then-current Benchmark if the Loan is then an Alternate Rate Loan) (including, if the Benchmark is the Term SOFR Reference Rate, that Term SOFR cannot be determined in accordance with the definition thereof) or (b) it is unlawful to use the then-current Benchmark to determine the applicable Interest Rate for any Interest Period.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" has the meaning set forth in the preamble.

"Borrower Funding Request" means the request to fund a Loan on any Funding Date, substantially in the form of Exhibit 2.03, delivered in accordance with Section 2.03.

"Borrowing Base" has the meaning set forth in the Pricing Side Letter.

"Borrowing Base Deficiency" has the meaning set forth in Section 2.08(b).

"Borrowing Base Report" means the borrowing base report, substantially in a format agreed upon between the Borrower and Lender, delivered by the Lender in accordance with Section 2.04.

"Borrowing Base Shortfall Day" has the meaning set forth in Section 2.08(b).

Schedule I-4

"Business Day" means any day other than (i) a Saturday or Sunday, or (ii) a day on which banking institutions in the states of New York, Texas or Michigan are required or authorized by law to be closed.

"Capital Lease Obligations" means, for any Person, all obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) Property to the extent such obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP, and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP.

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests, including, without limitation, limited and general partnership interests, in a person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Cash Equivalents" shall have the meaning set forth in the Pricing Side Letter.

"Change of Control" shall mean, the occurrence of any of the following: (a) any transaction or event as a result of which any "person" or "group" (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act), other than SFS Holding Corp. or Mathew Ishbia, is or becomes the beneficial owner directly or indirectly, of more than 50% of the total voting power of UWM Holdings Corporation; (b) any transaction or event as a result of which (i) UWM Holdings Corporation ceases to serve as the manager of UWM Holdings, LLC or (ii) any Person other than SFS Holding Corp. or UWM Holdings, LLC becomes the sole member of, and/or serves as the sole manager of, Borrower; (c) the sale, transfer, or other disposition of all or substantially all of Borrower's assets (excluding any such action permitted under this Agreement or taken in connection with any securitization transaction or routine sales of Mortgage Loans and Servicing Rights); or (d) the consummation of a merger or consolidation of Borrower with or into another entity or any other corporate reorganization, if more than 50% of the combined voting power or equity interests of the continuing or surviving entity's equity outstanding immediately after such merger, consolidation or such other reorganization is owned by persons who were not equity holders of the Borrower immediately prior to such merger, consolidation or other reorganization.

"Closing Date" means the date on which all of the conditions set out in [Section 5.01](#) are satisfied or waived in writing by Lender.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"COBRA" has the meaning set forth in [Section 6.01\(y\)](#).

"Collateral" has the meaning set forth in [Section 4.01](#).

"Collateral Account" means, as applicable, each account established by the Borrower for the benefit of Fannie Mae, Freddie Mac or Ginnie Mae (as applicable) as currently set forth on Schedule II attached hereto.

"Collateral Account Activity" has the meaning set forth in [Section 7.01\(v\)](#).

"Collateral Reporting Date" has the meaning set forth in [Section 2.03\(a\)](#).

"Collateral Value" shall have the meaning set forth in the Pricing Side Letter.

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"Collection Period" means, with respect to any Monthly Settlement Date, the calendar month most recently ended.

"Committed Amount" shall have the meaning set forth in the Pricing Side Letter.

"Commitment Adjustment Notice" means a notice substantially in the form of Exhibit 2.10(b) attached to the Pricing Side Letter.

"Commitment Fee" shall have the meaning set forth in the Pricing Side Letter.

"Compliance Certificate" means a certificate substantially in the form of Exhibit 7.01 hereto or another form mutually acceptable to Lender and Borrower.

"Confidential Borrower Financials" shall mean, any financial statements and related supporting documents of Borrower which were clearly marked confidential when received by Lender from Borrower or (i) which was presented to a Responsible Officer of the Lender and (ii) would be understood by a reasonable person to be confidential.

"Conforming Changes" shall mean, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Business Day," "Determination Date," "Interest Period," "Payment Date," and "U.S. Government Securities Business Day," timing and frequency of determining rates and making payments of interest, preceding and succeeding business day conventions and other administrative or operational matters) that Lender determines may be appropriate or necessary to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by Lender in a manner substantially consistent with market practice (or, if Lender decides that adoption of any portion of such market practice is not administratively feasible or if Lender determines that no market practice for the administration of any such rate exists, in such other manner of administration as Lender decides is reasonably necessary in connection with the administration of this Agreement and the other Facility Documents).

"Connection Income Taxes" means, with respect to any Lender, Taxes imposed as a result of a present or former connection between such Lender and the jurisdiction imposing such Tax (other than connections arising from such Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Facility Document, or sold or assigned an interest in any Loan or any Facility Document).

"Contractual Obligation" shall mean as to any Person, any material provision of any material agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound or any material provision of any security issued by such Person.

"Covered Entity" shall mean (a) Borrower and each of its Subsidiaries and (b) each Person that, directly or indirectly, is in control of a Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the direct or indirect (x) ownership of, or power to vote, 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for such Person, or (y) power to direct or cause the direction of the management and policies of such Person whether by ownership of equity interests, contract or otherwise.

"Covered Mortgage" shall have the meaning set forth in the Freddie Mac Acknowledgment Agreement.

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"Credit Fee in Yield" – has the meaning set forth in the Glossary to the Freddie Mac Guide.

"Custodial File" means with respect to any Mortgage Loan, a file pertaining to such Mortgage Loan being held by the Custodian that contains the mortgage documents pertaining to such Mortgage Loan.

"Custodian" means any financial institution that holds documents for any of the Mortgage Loans on behalf of the Applicable Agency related thereto.

"Default" means an Event of Default or an Unmatured Event of Default.

"Default Rate" shall have the meaning provided in the Pricing Side Letter.

"Deficiency Threshold" shall have the meaning provided in the Pricing Side Letter.

"Determination Date" shall mean, with respect to any Interest Period, (a) if the Loan is a SOFR Loan, the Periodic Term SOFR Determination Day for such Interest Period, or (b) if the Loan is an Alternate Rate Loan, the date and time determined by Lender in accordance with the Conforming

Changes.

"Diligence Expenses" shall have the meaning set forth in Section 7.01(d).

"Disposition" shall mean, with respect to any Person, any sale or other whole or partial conveyance of all or any portion of such Person's Property, or any direct or indirect interest therein to a third party, including the granting of any purchase options, rights of first refusal, rights of first offer or similar rights in respect of any portion of such assets or the subjecting of any portion of such assets to restrictions on transfer.

"Dodd-Frank Act" means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Pub. L. No. 111-203 and any successor statute.

"Dollars" means dollars in lawful money of the United States of America.

"Effective Date" means September 27, 2022.

"Eligible Servicing Rights" means, servicing contract rights held by the Borrower that are appurtenant to Mortgage Loans pooled in securitizations by (a) Fannie Mae and/or (b) Freddie Mac and associated with a Specified Seller/Service ID, which servicing contract rights in each case also satisfy the eligibility criteria set forth in Schedule 6.02.

"Encumbrance" shall have the meaning set forth in the Freddie Mac Acknowledgment Agreement.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" shall mean any Affiliate, whether or not incorporated, that is a member of any group of organizations described in Section 414(b), (c), (m) or (o) of the Code of which Borrower is a member.

"Event of Default" has the meaning set forth in Section 8.01.

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"Excess Yield" means with respect to each Released Excess Yield Mortgage, and each monthly payment period for the pools relating to such Released Excess Yield Mortgage, the interest-rate cash flow that remains after subtracting the sum of (i) the applicable pass-through rate for the related pool multiplied by the unpaid principal balance of such Released Excess Yield Mortgage and divided by 12, (ii) the applicable Credit Fee in Yield payable to Freddie Mac on a monthly basis, (iii) the Minimum Servicing Spread multiplied by the unpaid principal balance of such Released Excess Yield Mortgage divided by 12, and (iv) the maximum amount of any premiums required to be paid by Servicer for any related underlying mortgage lender-purchased mortgage insurance renewal premium.

"Excess Yield Transaction" a transaction in which Servicer sells Excess Yield to Freddie Mac in exchange for the Stripped Interest Certificate, and, to the extent applicable, Servicer agrees to sell the Stripped Interest Certificate to an underwriter who will offer the Stripped Interest Certificate from time to time in negotiated transactions at varying prices either directly or through designated dealers.

"Excluded Taxes" means, with respect to the Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes and branch profits Taxes, in each case, imposed by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of the Lender, in which its applicable lending office is located, or imposed as a result of a present or former connection between such Lender or recipient and the jurisdiction imposing such Tax (other than such connection arising from such Lender or recipient having executed, delivered, become a party to, performed its obligations under, received payment under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document) (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the Borrower is located (c) any withholding tax that is required to be withheld from amounts payable to a Lender that has failed to comply with Section 3.02(d), (d) any backup withholding tax that is required by the Code to be withheld from amounts payable to a Lender that has failed to comply with Section 3.02(d), (e) in the case of a Lender, any United States withholding tax that (i) is required to be imposed on amounts payable to such Lender pursuant to the laws in force at the time such Lender becomes a party hereto, or (ii) results from the designation a new lending office, except to the extent that such Lender (or its assignor, if any) was entitled, at the time of designation

of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 3.02(a)(ii) and (f) withholding Taxes imposed under FATCA.

"Executive Order" shall mean Executive Order 13224 -- Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism.

"EYT Notice" shall have the meaning set forth in Section 2.08(c).

"Facility" means the loan facility provided to the Borrower by the Lender pursuant to this Agreement.

"Facility Documents" means, subject to Section 11.14(l), this Agreement, the Note, the Pricing Side Letter, each Subservicer Acknowledgment Agreement, each Acknowledgement Agreement, each Subservicing Agreement and all notices, certificates, financing statements and other documents to be executed and delivered by the Borrower in connection with the transactions contemplated by this Agreement.

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"Fannie Mae" means Fannie Mae, also known as The Federal National Mortgage Association, or any successor thereto.

"Fannie Mae Guides" means the Fannie Mae Selling Guide and the Fannie Mae Servicing Guide, as amended from time to time, and any related announcements, directives and correspondence issued by Fannie Mae.

"Fannie Mae Lender Contract" means, the "Lender Contract" as defined in the Fannie Mae Guides.

"Fannie Mae Servicing Rights" means all Servicing Rights that are Eligible Servicing Rights with respect to Fannie Mae.

"Fannie Mae Stop-Loss Cap" shall have the meaning set forth in the Pricing Side Letter.

"Fannie Mae Stop-Loss Cap Failure" shall have the meaning set forth in the Pricing Side Letter.

"Fannie Mae Stop-Loss Cap Failure Borrowing Base Deficiency" shall have the meaning set forth in the Pricing Side Letter.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Body entered into in connection with the implementation of the foregoing.

"Federal Reserve Board" shall mean the Board of Governors of the Federal Reserve System of the United States.

"Financial Covenants" shall have the meaning set forth in the Pricing Side Letter.

"Financial Sponsor" means any Person, including any Subsidiary of such Person, whose principal business activity is acquiring, holding and selling investments (including controlling interests) in otherwise unrelated companies that are each distinct legal entities with separate management, books and records and bank accounts, whose operations are not integrated with one another and whose financial condition and creditworthiness are independent of the other companies so owned by such Person.

"Float Benefit" means the net economic benefit resulting from investments of funds representing escrow and custodial deposits held for the account of the Borrower, or the Applicable Agency relating to the Mortgage Loans.

"Foreign Lender" means any successor or assignee of Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States of America, each State and Commonwealth thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Freddie Mac" means The Federal Home Loan Mortgage Corporation, its successors and permitted assigns.

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"Freddie Mac Acknowledgment Agreement" means the Acknowledgment Agreement, dated as of September 30, 2022, entered into among Borrower, Lender and Freddie Mac, as amended or modified from time to time.

"Freddie Mac Claims Cap Amount" shall have the meaning set forth in the Pricing Side Letter.

"Freddie Mac Claims Cap Failure" shall have the meaning set forth in the Pricing Side Letter.

"Freddie Mac Claims Cap Failure Borrowing Base Deficiency" shall have the meaning set forth in the Pricing Side Letter.

"Freddie Mac Guide" means the Freddie Mac Single-Family Seller/Servicer Guide, as it may be modified, amended or supplemented from time to time.

"Freddie Mac Mortgage Loans" means those Mortgage Loans owned or guaranteed by Freddie Mac.

"Freddie Mac Purchase Documents" has the meaning given to the term "Purchase Documents" in the Freddie Mac Guide.

"Freddie Mac Requirements" means the Freddie Mac Acknowledgment Agreement, the Freddie Mac Servicing Contract, the Freddie Mac Guide and the other Freddie Mac Purchase Documents, in each case, together with any amendments, modifications or supplements thereto.

"Freddie Mac Servicing Contract" means the unitary, indivisible master servicing contract comprising all the rights, duties, obligations, representations, warranties, covenants and agreements between Borrower and Freddie Mac, as set forth in the Freddie Mac Purchase Documents.

"Freddie Mac Servicing Contract Rights" means the indivisible, conditional, non-delegable right and obligation of the Borrower to perform servicing of the Mortgage Loans for Freddie Mac in accordance with, subject to, and under the Freddie Mac Servicing Contract.

"Freddie Mac's Superior Interest" means (i) the first-priority and continuing security interest of Freddie Mac in the Freddie Mac Collateral (as defined in the Freddie Mac Acknowledgment Agreement), and (ii) all rights, powers, interests, and prerogatives of Freddie Mac under the Freddie Mac Requirements.

"Freddie Mac VPC Agreement" means any bulk or flow purchase Voluntary Partial Cancellation of Servicing Contract Rights Agreement by and between Freddie Mac and Borrower, whether currently in effect or executed in the future, whereby Borrower relinquishes Servicing Contract Rights to Freddie Mac, as amended or modified from time to time.

"Funding Date" shall mean the date on which Lender makes any Loan hereunder.

"Funding Notice Date" means the date on which Borrower shall deliver a Borrower Funding Request, which shall be no later than (i) [***] Business Day prior to any Funding Date in which no new Eligible Servicing Rights are being added to the Collateral and (ii) [***] Business Days prior to each Funding Date where new Eligible Servicing Rights are to be added to the Collateral.

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"GAAP" shall mean United States Generally Accepted Accounting Principles inclusive of, but not limited to, applicable statements of Financial Accounting Standards issued by the Financial Accounting Standards Board, its predecessors and successors and SEC Staff Accounting Guidance as in effect from time to time applied on a consistent basis.

"Ginnie Mae" means Ginnie Mae, formerly known as The Government National Mortgage Association, or any successor thereto.

"Ginnie Mae Guides" shall mean the Ginnie Mae Handbook 5500.3 and all amendments and additions thereto.

"Governing Document" shall mean, as applicable, each limited liability company agreement, limited partnership agreement, operating agreement, trust agreement, articles or certificate of incorporation or formation, by-laws and/or any other document governing the formation, operation and existence of any Person.

"Governmental Action" means all permits, authorizations, registrations, consents, approvals, waivers, exceptions, variances, orders, decrees, licenses, exemptions, publications, filings, notices to and declarations of or with, or required by, any Governmental Authority, or required by any Legal Requirement.

"Governmental Authority" shall mean with respect to any Person, any nation or government, any state or other political subdivision, agency or instrumentality thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any court or arbitrator having jurisdiction over such Person, any of its Affiliates or Subsidiaries or any of its properties.

"Guarantee" means, as to any Person, any obligation of such Person directly or indirectly guaranteeing any Indebtedness of any other Person or in any manner providing for the payment of any Indebtedness of any other Person or otherwise protecting the holder of such Indebtedness against loss (whether by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, or to take-or-pay or otherwise); provided that the term "Guarantee" shall not include (a) endorsements for collection or deposit in the ordinary course of business, or (b) obligations to make servicing advances for delinquent taxes and insurance or other obligations in respect of a Mortgage Loan or mortgaged property, to the extent required by Borrower. The amount of any Guarantee of a Person shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith. The terms "Guarantee" and "Guaranteed" used as verbs shall have correlative meanings.

"HUD" means the United States Department of Housing and Urban Development, or any successor thereto.

"Indebtedness" shall mean, for any Person: (a) obligations created, issued or incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of Property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such Property from such Person); (b) obligations of such Person to pay the deferred purchase or acquisition price of Property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business so long as such trade accounts payable are payable and paid within ninety (90) days of the date the respective goods are delivered or the respective services are rendered; (c) indebtedness of others secured by a Lien on the Property of such Person, whether or not the respective indebtedness so secured has been assumed by such Person; (d) obligations (contingent

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or otherwise) of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for account of such Person; (e) Capital Lease Obligations of such Person; (f) payment obligations of such Person under repurchase agreements, single seller financing facilities, servicing advance financing facilities, warehouse facilities and other lines of credit; (g) indebtedness of others Guaranteed on a recourse or partial recourse basis by such Person; (h) all obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person; (i) indebtedness of general partnerships of which such Person is a general partner; and (j) any other indebtedness of such Person by a note, bond, debenture or similar instrument; provided that such Indebtedness shall exclude any non-recourse debt or obligation; provided, that "Indebtedness" shall not include Non-Recourse Debt.

"Indemnified Amounts" has the meaning set forth in [Section 10.01](#).

"Indemnified Party" has the meaning set forth in [Section 10.01](#).

"Indemnified Taxes" means Taxes other than (i) Excluded Taxes and (ii) Other Taxes.

"Initial Borrower Funding Request" means the request to fund the Loan on the Initial Funding Date, substantially in the form of Exhibit 2.03, delivered in accordance with Section 2.03.

"Initial Borrowing Base Report" means the initial borrowing base report delivered by the Lender in accordance with Section 2.04 based on the information set forth in the related Servicing Schedule with respect to the Collateral then pledged to Lender hereunder.

"Initial Funding Date" means the Funding Date on which the first Loan is made pursuant to this Agreement, as specified in the Initial Borrower Funding Request.

"Insolvency Event" shall mean, as to any Person, the occurrence of any of the following events: (1) such Person files a voluntary petition in bankruptcy, seeks relief under any provision of any Insolvency Law or consents to the filing of any petition against it under any such law; (2) a proceeding shall have been instituted by such Person in a court having jurisdiction in the premises seeking a decree or order for relief in respect of such Person in an involuntary case under any applicable Insolvency Law, or for the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator, conservator or other similar official of such Person, or for any substantial part of its Property, or for the winding-up or liquidation of its affairs, (3) a proceeding shall have been instituted against such Person in a court having jurisdiction in the premises seeking a decree or order for relief in respect of such Person in an involuntary case under any applicable Insolvency Law, or for the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator, conservator or other similar official of such Person, or for any substantial part of its Property, or for the winding-up or liquidation of its affairs and such Person shall have failed to obtain a relief (including, without limitation, a dismissal) or a stay of such involuntary proceeding within [***] days, (4) the admission in writing by such Person of its inability to pay its debts as they become due, (5) such Person consents to the appointment of or taking possession by a custodian, receiver, conservator, trustee, liquidator, sequestrator or similar official, of all or any part of its Property or any custodian, receiver, conservator, trustee, liquidator, sequestrator or similar official takes possession of all or any part of the Property of such Person; (6) such Person makes an assignment for the benefit of any of its creditors; or (7) such Person generally fails to pay its debts as they become due.

"Insolvency Law" shall mean any bankruptcy, reorganization, moratorium, delinquency, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction in effect at any time during the term of this Agreement.

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"Interest Rate" shall have the meaning set forth in the Pricing Side Letter.

"Interest Period" means, for any Loan, (i) an initial period beginning on the Funding Date for such Loan and ending on the last day of the calendar month in which such Funding Date occurs; and (ii) subsequent consecutive periods thereafter, beginning on the first day of each subsequent calendar month and ending on the earlier of (x) the last day of the same calendar month in which such Interest Period began and (y) the Loan Repayment Date.

"Investment Company Act" means the Investment Company Act of 1940, as amended, together with the rules and regulations promulgated thereunder.

"Lender" means Citibank, N.A.

"Lien" means with respect to any property or asset of any Person (a) any mortgage, lien, pledge, charge or other security interest or encumbrance of any kind in respect of such property or asset or (b) the interest of a vendor or lessor arising out of the acquisition of or agreement to acquire such property or asset under any conditional sale agreement, lease purchase agreement or other title retention agreement, and in each case, other than the interest of the Applicable Agency's rights and interests in the related Eligible Servicing Rights.

"Liquidity" shall have the meaning set forth in the Pricing Side Letter.

"Loan Repayment Date" shall mean, the earliest to occur of (i) September 26, 2023, (ii) a Change of Control of the Borrower, or (iii) if such day is not a Business Day, the immediately preceding Business Day, or such earlier date as may be notified by Lender in accordance with Section 8.02(a).

"Loans" has the meaning set forth in Section 2.01.

"Margin Call" has the meaning set forth in Section 2.08.

"Margin Deficit" has the meaning set forth in the Master Repurchase Agreement.

"Market Value" shall have the meaning set forth in the Pricing Side Letter.

"Master Repurchase Agreement" shall mean that certain master repurchase agreement, dated as of October 30, 2020, among Lender, as buyer, Borrower, as a seller, and United Shore Repo Seller 3 LLC, as a seller.

"Material Adverse Effect" shall mean a material adverse effect on (a) the business, operations or financial condition of the Borrower, taken as a whole, (b) the ability of the Borrower to perform its obligations under any of the Facility Documents to which it is a party, (c) the validity or enforceability of any of the Facility Documents, (d) the rights and remedies of Lender under any of the Facility Documents, (e) a material portion of the Collateral or (f) the validity, perfection or enforceability of Lender's security interest in the Collateral.

"MBS" means Mortgage Backed Security.

"Minimum Servicing Spread" means as applicable to each Released Excess Yield Mortgage, on a per annum basis, an amount equal to 0.25% (25 basis points).

"Monthly Settlement Date" means the 18th day of each calendar month or, if such 18th is not a Business Day, the first Business Day thereafter, or such other date occurring at least once

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each month as may be agreed to by the Borrower and Lender, commencing in the month immediately following the month in which the initial Loan is funded.

"Moody's" means Moody's Investors Service, Inc. or its successor in interest.

"Mortgage" means a mortgage, mortgage deed, deed of trust, or other instrument creating a first lien on or first priority security interest in an estate in fee simple in real property securing a Mortgage Note including any riders, assumption agreements or modifications relating thereto.

"Mortgage File" means, with respect to any Mortgage Loan, a file or files pertaining to such Mortgage Loan that contains the mortgage documents pertaining to such Mortgage Loan and incorporated herein by reference, and any additional mortgage documents pertaining to such Mortgage Loan required by the Applicable Agency Guide.

"Mortgage Loan" means any mortgage loan serviced by the Borrower pursuant to any Servicing Contracts.

"Mortgage Note" means note or other evidence of indebtedness of a Mortgagor secured by a Mortgage pertaining to a Mortgage Loan.

"Mortgagor" means the obligor on a Mortgage Note.

"Multiemployer Plan" shall mean a multiemployer plan defined as such in Section 3(37) of ERISA to which contributions have been or are required to be made by either Borrower or any ERISA Affiliate or as to which either Borrower or any ERISA Affiliate has any actual or potential liability or obligation and that is covered by Title IV of ERISA.

"MV Criteria" shall have the meaning set forth in the Pricing Side Letter.

"Net Income" shall have the meaning set forth in the Pricing Side Letter.

"Net Worth" shall have the meaning set forth in the Pricing side Letter.

"Non-Recourse Debt" means liabilities for which the assets securing such obligations are the only source of repayment.

"Note" means the promissory note of the Borrower issued to the Lender, in substantially the form of Exhibit 2.02(a), as amended from time to time, and any replacement thereof or substitution therefor.

"Obligations" means the Outstanding Aggregate Loan Amount, all accrued and unpaid interest thereon, any servicing, subservicing, termination, deboarding, exit or similar fees and amounts (if any) paid by Lender and all other amounts payable by the Borrower to the Lender pursuant to this Agreement, the Note or any other Facility Document.

"Official Body" means any central bank or any accounting board or authority (whether or not part of a government) which is responsible for the establishment or interpretation of national or international accounting principles, in each case whether foreign or domestic.

"Opinion of Counsel" means a written opinion of counsel, reasonably acceptable to each Person to whom such opinion is addressed.

"Optional Prepayment Date" has the meaning set forth in Section 2.09.

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"Other Taxes" means all present or future stamp or documentary taxes or any other excise or property taxes arising from any payment made hereunder or under any other Facility Document or from the execution, delivery or enforcement of this Loan Agreement or any other Facility Document.

"Outstanding Aggregate Loan Amount" means, at any time, the aggregate principal amount of the Loans funded by the Lender, minus the aggregate amount of payments received by the Lender prior to such time and applied to reduce the principal amount of the Loans.

"Partial Release (Excess Yield)" means, with respect to an Excess Yield Transaction, that certain separate Partial Release document, executed and delivered by Lender in favor of Freddie Mac, dated effective as of the Excess Yield Transaction Date, which evidences, inter alia, the full release by Lender of its Security Interest in, to, and under the Released Excess Yield.

"Participant" has the meaning set forth in Section 9.04.

"Participant Register" has the meaning specified in Section 9.04.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Periodic Term SOFR Determination Day" shall have the meaning set forth in the definition of "Term SOFR."

"Person" means any individual, corporation, estate, partnership, limited liability company, limited liability partnership, joint venture, association, joint-stock company, business trust, trust, unincorporated organization, government or any agency or political subdivision thereof, or other entity of a similar nature.

"Plan" shall mean an employee benefit or other plan established or maintained by Borrower or any ERISA Affiliate and that is either covered by Title IV of ERISA or is subject to the minimum funding standards under section 412 of the Code or section 303 of ERISA, other than a Multiemployer Plan.

"Pledged Servicing Rights" means any Eligible Servicing Rights with respect to which the Lender's security interest has not been released by Lender. For the avoidance of doubt Pledged Servicing Rights does not include any Excess Yield.

"Pool" means a group of Mortgage Loans, which are the security for a mortgage-backed security issued by an Applicable Agency or any part of a whole loan portfolio of an Applicable Agency.

"Pre-Default Diligence Cap" shall have the meaning set forth in the Pricing Side Letter.

"Prepayment Notice" means a notice substantially in the form of Exhibit 2.09.

"Pricing Side Letter" means that certain pricing side letter, dated September 27, 2022, between Citibank, N.A. and United Wholesale Mortgage, LLC.

"Prime Rate" shall mean rate of interest published in The Wall Street Journal from time to time as the "Prime rate" for the U.S. If more than one such "Prime rate" is published in The Wall Street Journal for a day, the average of such "Prime rates" shall be used, and such average shall be rounded up to the nearest 1/100th of one percent (0.01%). If The Wall Street Journal ceases to publish the "Prime rate" for the U.S., Lender shall select an equivalent publication that

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publishes such "Prime rate," and if such "Prime rates" are no longer generally published or are limited, regulated or administered by a governmental or quasigovernmental body, then Lender shall select a comparable interest rate index. Notwithstanding the foregoing, in no event will the Prime Rate be deemed to be less than zero.

"Prohibited Jurisdiction" means, any country or jurisdiction, from time to time, that is the subject of a prohibition order (or any similar order or directive), sanctions or restrictions promulgated or administered by any Governmental Authority of the United States.

"Prohibited Person" shall mean any Person:

- (i) listed in the Annex to the Executive Order, or otherwise subject to the provisions of, the Executive Order;
- (ii) that is owned or controlled by, or acting for or on behalf of, any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order;
- (iii) with whom Lender is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including the Executive Order;
- (iv) that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order;
- (v) that is named as a "specially designated national and blocked person" on the most current list published by the OFAC at its official website, <http://www.treas.gov/ofac/t11sdn.pdf> or at any replacement website or other replacement official publication of such list; or
- (vi) that is an Affiliate of a Person listed above.

"Property" shall mean any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

"Register" has the meaning set forth in Section 9.02.

"Related Escrow Account Balances" means the balance, on the related Funding Date, of any escrow or impound accounts maintained by the Borrower which relate to any Mortgage Loan, including, without limitation, items escrowed for mortgage insurance, property taxes (either real or personal), hazard insurance, flood insurance, ground rents, or any other escrow or impound items required by any Mortgage Note or Mortgage, reduced by any unpaid real estate taxes or insurance premiums required to be paid by the Borrower, with respect to which amounts have been escrowed by the related Mortgagor.

"Related Principal and Interest Custodial Accounts" means all principal and interest custodial accounts maintained by the Borrower that relate to any Mortgage Loan or Pool.

"Released Excess Yield Mortgages" means those Covered Mortgages which, as of the Excess Yield Transaction Date, are listed on Schedule I attached to the Partial Release (Excess Yield).

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"Relevant Governmental Body" shall mean the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"Reportable Compliance Event" shall mean that any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint or similar charging instrument, arraigned, or custodially detained in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations is in actual or probable violation of any Anti-Terrorism Law.

"Reportable Event" shall mean any of the events set forth in Section 4043(b) of ERISA, other than those events as to which the thirty day notice period is waived (provided that a failure to meet the minimum funding standard of Section 412 of the Code or Sections 302 or 303 of ERISA, including, without limitation, the failure to make on or before its due date a required installment under Section 430(j) of the Code or Section 303(j) of ERISA, shall be a reportable event regardless of the issuance of any waivers in accordance with Section 412(d) of the Code).

"Requirement(s) of Law" means, with respect to any Person or any of its property, the certificate of incorporation or articles of association and by-laws, certificate of limited partnership, limited partnership agreement or other organizational or governing documents of such Person, and any law, treaty, rule or regulation, or determination of any arbitrator or Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject, whether Federal, state or local (including, without limitation, usury laws, the Federal Truth in Lending Act and retail installment sales acts).

"Responsible Officer" or **"Financial Authorized Officer"** means (a) with respect to the Borrower, the chief executive officer, president, chief financial officer, treasurer, senior, vice or assistant vice president, assistant treasurer, secretary or assistant secretary of the Borrower, or any other officer having substantially the same authority and responsibility; provided, that with respect specifically to the obligations of the Borrower set forth in Section 6.01(i) and Section 7.01(h) hereof, only the chief financial officer, treasurer, assistant treasurer, or comptroller of the Borrower shall be deemed to be a Responsible Officer; and (b) with respect to the Lender, a lending officer charged with responsibility for the day to day management of the relationship of such institution with the Borrower.

"Restricted Payment" shall mean with respect to any Person, collectively, all dividends or other distributions of any nature (cash, securities, assets or otherwise), and all payments, by virtue of redemption or otherwise, on any class of equity securities (including, warrants, options or rights therefor) issued by such Person, which may hereafter be authorized or outstanding and any distribution in respect of any of the foregoing, whether directly or indirectly other than payments made in the ordinary course solely for the purpose of originating, servicing, subservicing and/or administering Mortgage Loans.

"Retained Citi Covered Mortgage" means any Covered Mortgage, from and after the Excess Yield Transaction Date, which is (a) not a Released Excess Yield Mortgage, or (b) a Released Excess Yield Mortgage, but only to the extent of the Servicer's Servicing Contract Rights to the Minimum Servicing Spread related to such Released Excess Yield Mortgage. For the avoidance of doubt, Lender shall not have any interest in, or Encumbrance on, the Released Excess Yield pertaining to any Released Excess Yield Mortgage.

"S&P" means Standard & Poor's, a division of The McGraw Hill Companies, Inc.

Schedule I-17

"Sanctioned Country" has the meaning set forth in Section 6.01(v).

"Sanctioned Person" has the meaning set forth in Section 6.01(v).

"Sanctions" has the meaning set forth in Section 6.01(v).

“Servicer” means Borrower in its capacity as servicer of any Mortgage Loans.

“Servicing Contracts” means (i) with respect to all Fannie Mae Servicing Rights, the Fannie Mae Lender Contract, (ii) with respect to all Freddie Mac Servicing Contract Rights, the Freddie Mac Servicing Contract and (iii) any other agreement in any form between the Borrower and any Applicable Agency with respect to the servicing of any Pools regarding the Applicable Agency, in each case as such agreements may be amended, amended and restated, supplemented or otherwise modified from time to time.

“Servicing Fee” means the total amount of the fee payable to the Servicer as compensation for subservicing and administering the Mortgage Loans.

“Servicing Rights” means with respect to each Mortgage Loan (other than Freddie Mac Mortgage Loans), all of the Borrower’s right, title and interest in, to and under the related Servicing Contract, whether now or hereafter existing, acquired or created, whether or not yet accrued, earned, due or payable, as well as all other present and future right and interest under such Servicing Contract, including, without limitation, the indivisible, conditional and non-delegable right (i) to service the Mortgage Loans under the related Servicing Contracts, (ii) to receive the Servicing Fee income payable after the related Funding Date (including without limitation, any Uncollected Fees), (iii) to any and all Ancillary Income received after the related Funding Date, (iv) to hold and administer the Related Escrow Account Balances, (v) to hold and administer, in accordance with the related Servicing Contract, the Related Principal and Interest Custodial Account, the Custodial File, and the Mortgage File arising from or connected to the servicing or subservicing of such Mortgage Loan under this Agreement, and (vi) all proceeds, income, profits, rents and products of any of the foregoing including, without limitation, all of the Borrower’s rights to proceeds of any sale or other disposition of the Servicing Rights. With respect to Freddie Mac Mortgage Loans, “Servicing Rights” means the Freddie Mac Servicing Contract Rights. For the avoidance of doubt, as to Freddie Mac Mortgage Loans, Servicing Contract Rights and Servicing Rights does not include Excess Yield.

“Servicing Schedule” shall mean an electronically delivered schedule delivered by the Borrower to Lender or its designee (including any Person identified on Schedule 7.01(i)) in accordance with [Section 2.03\(a\)](#), and otherwise from time to time on a monthly basis or as otherwise requested by Lender with respect to all Collateral pledged or to be pledged to Lender hereunder; it being understood that Lender shall limit such requests to one occurrence per calendar month; provided that Borrower shall update the Servicing Schedule as an when required under [Sections 2.03](#) and [4.05](#) in connection with the pledge of additional Eligible Servicing Rights or any release of Pledged Servicing Rights, as applicable. Each Servicing Schedule shall contain updated information with respect to the Collateral and all Agency Obligations as of the date of delivery of such Servicing Schedule.

“SOFR” shall mean a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator” shall mean the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

Schedule I-18

“SOFR Loan” shall mean the Loan at such time as interest thereon accrues at a rate of interest equal to the SOFR Rate.

“SOFR Rate” shall mean the sum of (a) Term SOFR applicable to such Interest Period and (b) the Applicable Margin.

“Solvent” has the meaning set forth in [Section 6.01\(g\)](#).

“Specified Seller/Servicer ID” shall mean each Seller/Servicer ID identified pursuant to an Acknowledgment Agreement with the Applicable Agency, if any.

“Subservicer” shall mean (i) Cenlar FSB or (ii) any Person engaged by the Borrower, with the written consent of Lender (not to be unreasonably delayed, conditioned or withheld), to subservice the Mortgage Loans, together with its permitted successors and assigns.

“Subservicing Agreement” means any subservicing agreement between Borrower and any Subservicer to the extent of any Subservicer other than Borrower.

“Subservicer Termination Event” means (i) the occurrence of an Insolvency Event with respect to any Subservicer or (ii) the occurrence of an Agency Event with respect to any Subservicer, (iii) an event that entitles Borrower to terminate a Subservicer for cause (subject to any cure right(s) that may exist under the Subservicing Agreement unless the default is of such a type as to be incapable of being cured) under the Subservicing

Agreement and (iv) a Subservicer's audited annual financial statements or the notes thereto or other opinions or conclusions stated therein shall be qualified or limited by reference to the status of such Subservicer, as a "going concern" or a reference of similar import or shall indicate that such Subservicer, is insolvent.

"**Subsidiary**" means a corporation of which a Person and/or its other Subsidiaries own, directly or indirectly, such number of outstanding shares as have more than 50% of the ordinary voting power for the election of directors.

"**Tangible Net Worth**" shall have the meaning set forth in the Pricing Side Letter.

"**Taxes**" shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"**Term SOFR**" shall mean, with respect to each day in an Interest Period, the Term SOFR Reference Rate determined daily for a one-month period on such day (such day, the "Periodic Term SOFR Determination Day"), as such rate is published by the Term SOFR Administrator; provided, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for a one-month period has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for a one-month period as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for a one-month period was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day. Notwithstanding the foregoing, in no event will Term SOFR be deemed to be less than zero.

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"**Term SOFR Administrator**" shall mean CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by Lender in its reasonable discretion).

"**Term SOFR Reference Rate**" shall mean the one-month forward-looking term rate based on SOFR, currently identified on the CME Group's website at <https://www.cmegroup.com/market-data/cme-group-benchmark-administration/term-sofr.html>.

"**Total Indebtedness**" shall have the meaning set forth in the Pricing Side Letter.

"**TNW Threshold**" shall have the meaning set forth in the Pricing Side Letter.

"**UCC**" means the Uniform Commercial Code as in effect on the date hereof in the State of New York; provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, "Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

"**Uncollected Fees**" means with respect to any Mortgage Loan, any accrued late charges, insufficient funds fees, assumption fees, and other fees charged to Mortgagors in connection with the servicing or subservicing of such Mortgage Loan which have not been collected by the Borrower or Subservicer as of the related Funding Date.

"**Uncommitted Amount**" shall have the meaning set forth in the Pricing Side Letter.

"**Unmatured Event of Default**" means any event that, with the giving of notice or lapse of time, or both, would become an Event of Default.

"**Valuation Agent**" shall mean a qualified, unaffiliated third party (acceptable to Lender in its sole reasonable discretion including but not limited to any independent third party appointed by the Lender in its sole reasonable discretion pursuant to Section 7.01(d)) that specializes in establishing a fair market value of servicing portfolios with respect to mortgage loans substantially similar to the mortgage loans originated, serviced or acquired by the Borrower.

"**Valuation Assumptions**" shall have the meaning set forth in the Pricing Side Letter.

"VPC Servicing Transfer Date" has the meaning given to such term in the Freddie Mac VPC Agreement.

"Voting Stock" means, with respect to any person, such person's Capital Stock having the right to vote for election of directors (or the equivalent thereof) of such person under ordinary circumstances.

"Unadjusted Benchmark Replacement" shall mean the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

"U.S. Government Securities Business Day" shall mean any day except for (a) a Saturday, (b) a Sunday, or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

Schedule I-20

SCHEDULE 5.01

CONDITIONS PRECEDENT TO THE EFFECTIVENESS OF THIS AGREEMENT

- (a) This Agreement duly executed by the parties hereto;
- (b) The Note duly executed by the Borrower;
- (c) The Pricing Side Letter duly executed by the parties thereto;
- (d) Reserved;
- (e) Reserved;
- (f) Reserved;
- (g) An Opinion of Counsel with respect to the Borrower, delivered by outside counsel acceptable to the Lender in its reasonable discretion, opining as to: New York enforceability, corporate matters and non-contravention, security interest creation and perfection, no material litigation, and the Investment Company Act of 1940;
- (h) No event shall have occurred which could cause a Material Adverse Effect;
- (i) Borrower has not received any notice by any Agency or Government Authority that could reasonably be expected to have a Material Adverse Effect;
- (j) A separate power of attorney of Borrower with respect to the powers described in Section 4.04 substantially in the form attached hereto as Exhibit 4.04;
- (k) Lender shall have received evidence of Borrower's insurance pursuant to Section 7.01(q); and
- (l) Lender shall have received a Commitment Adjustment Notice with respect to this Agreement and the Master Repurchase Agreement in the form attached to the Pricing Side Letter as Exhibit 2.10(b).

Schedule 5.01-1

Exhibit 7.01

SCHEDULE 5.02

CONDITIONS PRECEDENT TO EACH LOAN

(including, with respect to paragraphs (b)-(e) inclusive,
to the automatic continuation of a Loan upon the conclusion of an Interest Period)

- (a) The Lender shall have received a duly executed copy of the Borrower Funding Request for such Loan in accordance with Section 2.03;
- (b) The making of such Loan, and the application of the proceeds thereof, shall not result in the Outstanding Aggregate Loan Amount exceeding the lesser of (i) the Borrowing Base and (ii) the then current Committed Amount plus the Uncommitted Amount;
- (c) The making of such Loan, and the application of the proceeds thereof, shall not result in a Borrowing Base Deficiency;
- (d) On the applicable Funding Date, the following statements shall be true (and the Borrower by delivering such Borrower Funding Request shall be deemed to have certified that):
 - (i) the representations and warranties set forth in Article VI are true and correct on and as of such day as though made on and as of such day and shall be deemed to have been made on such day (except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case, such representation or warranty shall have true and correct as of such date);
 - (ii) the Borrower is in compliance with all covenants set forth in Article VII;
 - (iii) all conditions precedent to the making of such Loan have been satisfied;
 - (iv) no Default or Event of Default has occurred and is continuing, or would result from such Loans; and
 - (v) all of the Servicing Rights included in the most recently delivered Servicing Schedule are Eligible Servicing Rights, except for any non-qualifying Servicing Rights listed as such therein, have been identified on such Servicing Schedule;
- (e) The amount of the any Loan shall be not less than \$500,000;
- (f) The Lender shall have received (i) with respect to the Initial Borrower Funding Request, the initial Servicing Schedule with respect to all Collateral to be pledged on the initial Funding Date; and (ii) with respect to any subsequent Borrower Funding Request, an updated Servicing Schedule with respect to all Collateral to be pledged on the related Funding Date on or prior to time required by Section 2.03;
- (g) All Facility Documents shall continue to be in full force and effect;
- (h) The Borrower shall have delivered to the Lender with respect to each Agency, a report prepared by Borrower regarding such Agency listing all outstanding Agency Obligations, fees, costs, claims and liabilities of the Borrower to such Agency, whether under any Servicing Contract or otherwise as and when required pursuant to Section 2.03, which report shall contain be in form and substance as set forth in Section 7.01(x);

Exhibit 5.02-1

-
- (i) Borrower shall have paid to Lender all fees and expenses due and owing to Lender in accordance with this Agreement and any other Facility Document including, without limitation the amount of any Commitment Fees then due and owing, and all of Lender's attorney fees and expenses and due diligence and valuation expenses then due and owing;
 - (j) The Loan Repayment Date shall not have occurred;
 - (k) Borrower shall have provided Lender with copies of any ESS Transaction Documents prior to the related Subordination Agreement Effective Date;

(l) Except with respect to a Funding Notice Date, Lender shall have received any other information requested by Lender with respect to the Eligible Servicing Rights;

(m) To the extent that a Stop-Loss Cap Failure has occurred and is continuing, (i) Borrower shall have delivered to Lender an updated Agency Obligations report in accordance with Section 7.01(r), (ii) Lender shall have recalculated the Borrowing Base based on such updated Agency Obligations report and (iii) any resulting Borrowing Base Deficiency has been cured; and

(n) Notwithstanding anything contained herein to the contrary; Borrower shall have until October 7, 2022 to deliver the opinions requested in Section 5.01(g) to Lender.

Exhibit 5.02-2 98

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements Statement No. 333-252422 on Form S-1 and Registration Statement No. 333-254621 on Form S-8 of our reports dated March 1, 2023 February 28, 2024, relating to the financial statements of UWM Holdings Corporation and the effectiveness of UWM Holdings Corporation's internal control over financial reporting appearing in this the Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

/s/ Deloitte & Touche LLP

Detroit, Michigan

March 1, 2023 February 28, 2024

Exhibit 31.1

CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mathew Ishbia, certify that:

1. I have reviewed this Annual Report on Form 10-K of UWM Holdings Corporation (the "Registrant")
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

- d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Date: **March 1, 2023** February 28, 2024

By: /s/ Mathew Ishbia

Mathew Ishbia

Chairman, President and Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Andrew Hubacker, certify that:

1. I have reviewed this Annual Report on Form 10-K of UWM Holdings Corporation (the "Registrant")
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Date: March 1, 2023 February 28, 2024

By: /s/ Andrew Hubacker

Andrew Hubacker

Executive Vice President, Chief Financial Officer and Chief Accounting Officer
(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mathew Ishbia, President, Chief Executive Officer and Chairman of UWM Holdings Corporation (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Annual Report on Form 10-K of the Company for the year ended December 31, 2022 December 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of the Company.

Date: March 1, 2023 February 28, 2024

By: /s/ Mathew Ishbia

Mathew Ishbia

Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Andrew Hubacker, Executive Vice President and Chief Financial Officer and Chief Accounting Officer of UWM Holdings Corporation (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Annual Report on Form 10-K of the Company for the year ended December 31, 2022 December 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of the Company.

Date: March 1, 2023 February 28, 2024

By: /s/ Andrew Hubacker

Andrew Hubacker

Executive Vice President, Chief Financial Officer and Chief Accounting Officer
(Principal Financial Officer)

UWM Holdings Corporation
Executive Officer Clawback Policy

Adopted by the Compensation Committee of the Board on November 1, 2023 (the "Adoption Date")

I. Purpose

This Executive Officer Clawback Policy describes the circumstances under which Covered Persons of UWM Holdings Corporation and any of its direct or indirect subsidiaries (the "Company") will be required to repay or return Erroneously-Awarded Compensation to the Company.

This Policy and any terms used in this Policy shall be construed in accordance with any SEC regulations promulgated to comply with Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules adopted by NYSE.

Each Covered Person of the Company shall sign an Acknowledgement and Agreement to the Policy in the form attached hereto as Exhibit A as a condition to his or her participation in any of the Company's incentive-based compensation programs.

II. Definitions

For purposes of this Policy, the following capitalized terms shall have the meaning set forth below:

- (a) **"Accounting Restatement"** shall mean an accounting restatement (i) due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (a "Big R" restatement), or (ii) that corrects an error that is not material to previously issued financial statements, but would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a "little r" restatement).
- (b) **"Board"** shall mean the Board of Directors of the Company.
- (c) **"Clawback-Eligible Incentive Compensation"** shall mean, in connection with an Accounting Restatement, any Incentive-Based Compensation Received by a Covered Person (regardless of whether such Covered Person was serving at the time that Erroneously-Awarded Compensation is required to be repaid) (i) on or after October 2, 2023, (ii) after beginning service as a Covered Person, (iii) while the Company has a class of securities listed on a national securities exchange or national securities association and (iv) during the Clawback Period.
- (d) **"Clawback Period"** shall mean, with respect to any Accounting Restatement, the three completed fiscal years immediately preceding the Restatement Date and any transition period (that results from a change in the Company's fiscal year) of less than nine months within or immediately following those three completed fiscal years.
- (e) **"Committee"** shall mean Company's committee of independent directors that is responsible for executive compensation decisions; provided, however, if the Company does not have a committee of solely independent directors responsible for executive compensation decisions, then all actions required to be taken by the Committee shall be made by a majority of the independent directors serving on the Board.
- (f) **"Compensation Committee"** shall mean the Compensation Committee of the Board, whether or not it then meets the criteria of "Committee" as defined in this Policy.
- (g) **"Covered Person"** shall mean any person who is, or was at any time, during the Clawback Period, an Executive Officer of the Company. For the avoidance of doubt, Covered Person may include a former Executive Officer who left the Company, retired or transitioned to a non-Executive Officer role (including after serving as an Executive Officer in an interim capacity) during the Clawback Period.

- (h) **"Erroneously-Awarded Compensation"** shall mean the amount of Clawback-Eligible Incentive Compensation that exceeds the amount of Incentive-Based Compensation that otherwise would have been Received had it been determined based on the restated amounts. This amount must be computed without

regard to any taxes paid.

- (i) **"Executive Officer"** shall mean the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person (including an officer of the Company's parent(s) or subsidiaries) who performs similar policy-making functions for the Company. For the sake of clarity, at a minimum, all persons who would be executive officers pursuant to Item 401(b) of Regulation S-K shall be deemed "Executive Officers".
- (j) **"Financial Reporting Measures"** shall mean measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and all other measures that are derived wholly or in part from such measures. For purposes of this Policy, Financial Reporting Measures shall include stock price and total shareholder return (and any measures that are derived wholly or in part from stock price or total shareholder return).
- (k) **"Incentive-Based Compensation"** shall have the meaning set forth in Section III below.
- (l) **"NYSE"** shall mean the New York Stock Exchange.
- (m) **"Policy"** shall mean this Executive Officer Clawback Policy, as the same may be amended and/or restated from time to time.
- (n) **"Received"** shall mean Incentive-Based Compensation received, or deemed to be received, in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation is attained, even if the payment or grant occurs after the fiscal period.
- (o) **"Repayment Agreement"** shall have the meaning set forth in Section V below.
- (p) **"Restatement Date"** shall mean the earlier of (i) the date the Board, a committee of the Board or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date that a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.
- (q) **"SARs"** shall mean stock appreciation rights.
- (r) **"SEC"** shall mean the U.S. Securities and Exchange Commission.

III. **Incentive-Based Compensation**

"Incentive-Based Compensation" shall mean any compensation that is granted, earned or vested wholly or in part upon the attainment of a Financial Reporting Measure.

For purposes of this Policy, specific examples of Incentive-Based Compensation include, but are not limited to:

- Non-equity incentive plan awards that are earned, wholly or in part, based on satisfaction of a Financial Reporting Measure performance goal;
- Bonuses paid from a "bonus pool," the size of which is determined, wholly or in part, based on satisfaction of a Financial Reporting Measure performance goal;
- Other cash awards based on satisfaction of a Financial Reporting Measure performance goal;
- Restricted stock, restricted stock units ("RSUs"), performance-based restricted stock units ("PRSUs"), stock options and SARs that are granted or become vested, wholly or in part, on satisfaction of a Financial Reporting Measure performance goal; and

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- Proceeds received upon the sale of shares acquired through an incentive plan that were granted or vested based, wholly or in part, on satisfaction of a Financial Reporting Measure performance goal.

For purposes of this Policy, Incentive-Based Compensation excludes:

- Base salaries (except with respect to any salary increases earned, wholly or in part, based on satisfaction of a Financial Reporting Measure performance goal);
- Bonuses paid solely at the discretion of the Committee or Board that are not paid from a "bonus pool" that is determined by satisfying a Financial Reporting Measure performance goal;
- Bonuses paid solely upon satisfying one or more subjective standards and/or completion of a specified employment period;
- Non-equity incentive plan awards earned solely upon satisfying one or more strategic measures or operational measures; and
- Equity awards that vest solely based on the passage of time and/or satisfaction of one or more non-Financial Reporting Measures.

IV. **Determination and Calculation of Erroneously-Awarded Compensation**

In the event of an Accounting Restatement, the Committee shall promptly determine the amount of any Erroneously-Awarded Compensation for each Covered Person in connection with such Accounting Restatement and shall promptly thereafter provide each Covered Person with a written notice containing the amount of Erroneously-Awarded Compensation and a demand for repayment or return, as applicable (the "Notice").

- (a) **Cash Awards.** With respect to cash awards, the Erroneously-Awarded Compensation is the difference between the amount of the cash award (whether payable as a lump sum or over time) that was Received and the amount that should have been received applying the restated Financial Reporting Measure.
- (b) **Cash Awards Paid From Bonus Pools.** With respect to cash awards paid from bonus pools, the Erroneously-Awarded Compensation is the pro rata portion of any deficiency that results from the aggregate bonus pool that is reduced based on applying the restated Financial Reporting Measure.
- (c) **Equity Awards.** With respect to equity awards, if the shares, RSUs, PRSUs, options or SARs are still held at the time of recovery, the Erroneously-Awarded Compensation is the number of such securities Received in excess of the number that should have been received applying the restated Financial Reporting Measure (or the value of that excess number). If the RSUs, PRSUs, options or SARs have vested or been exercised, as the case may be, but the underlying shares have not been sold, the Erroneously-Awarded Compensation is the number of shares underlying the excess RSUs, PRSUs, options or SARs (or the value thereof). If the underlying shares have already been sold, then the Committee shall determine the amount which most reasonably estimates the Erroneously-Awarded Compensation.
- (d) **Compensation Based on Stock Price or Total Shareholder Return.** For Incentive-Based Compensation based on (or derived from) stock price or total shareholder return, where the amount of Erroneously-Awarded Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement, the amount shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received (in which case, the Committee shall maintain documentation of such determination of that reasonable estimate and provide such documentation to NYSE in accordance with applicable listing standards).

V. **Recovery of Erroneously-Awarded Compensation**

Once the Committee has determined the amount of Erroneously-Awarded Compensation recoverable from the applicable Covered Person, the Committee shall take all necessary actions to recover the Erroneously-Awarded Compensation reasonably promptly following delivery of the Notice to a Covered

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Person. Unless otherwise determined by the Committee, the Committee shall pursue the recovery of Erroneously-Awarded Compensation in accordance with the below:

- (a) **Cash Awards.** With respect to cash awards, the Committee shall either (i) require the Covered Person to repay the Erroneously-Awarded Compensation in a lump sum in cash (or such property as the Committee agrees to accept with a value equal to such Erroneously-Awarded Compensation) or (ii) if approved by the Committee, enter into a Repayment Agreement in accordance with subsection (d) below.
- (b) **Unvested Equity Awards.** With respect to those equity awards that have not yet vested or been exercised, the Committee shall take all necessary action to cancel, or otherwise cause to be forfeited, the awards in the amount of the Erroneously-Awarded Compensation.
- (c) **Vested Equity Awards.** With respect to those equity awards that have vested and the underlying shares have not been sold, the Committee shall take all necessary action to cause the Covered Person to deliver and surrender the underlying shares in the amount of the Erroneously-Awarded Compensation.

In the event that the Covered Person has sold any underlying shares, the Committee shall either (i) require the Covered Person to repay the Erroneously-Awarded Compensation in a lump sum in cash (or such property as the Committee agrees to accept with a value equal to such Erroneously-Awarded Compensation) or (ii) if approved by the Committee, enter into a Repayment Agreement in accordance with subsection (d) below.

- (d) **Repayment Agreement.** To the extent approved by the Committee, the Company shall enter into an agreement (in a form reasonably acceptable to the Committee) with the Covered Person for the repayment of the Erroneously-Awarded Compensation as promptly as possible without unreasonable economic hardship to the Covered Person based upon the particular facts and circumstances (a “Repayment Agreement”).
- (e) **Effect of Non-Repayment.** To the extent that a Covered Person fails to repay all Erroneously-Awarded Compensation to the Company when due (as determined in accordance with this Policy), the Company shall, or shall cause one or more other members of the Company to, take all actions reasonable and appropriate to recover such Erroneously-Awarded Compensation from the applicable Covered Person.

The Committee shall have broad discretion to determine the appropriate means of recovery of Erroneously-Awarded Compensation based on all applicable facts and circumstances and taking into account the time value of money and the cost to shareholders of delaying recovery. However, in no event may the Company accept an amount that is less than the amount of Erroneously-Awarded Compensation in satisfaction of a Covered Person's obligations hereunder.

VI. Discretionary Recovery

Notwithstanding anything herein to the contrary, the Company shall not be required to take action to recover Erroneously-Awarded Compensation if any one of the following conditions are met and the Committee determines that recovery would be impracticable:

- (i) The direct expenses paid to a third party to assist in enforcing this Policy against a Covered Person would exceed the amount to be recovered, after the Company has made a reasonable attempt to recover the applicable Erroneously-Awarded Compensation, documented such attempts and provided such documentation to NYSE;
- (ii) Recovery would violate home country law where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recover any amount of Erroneously-Awarded Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to NYSE, that recovery would result in such a violation and a copy of the opinion is provided to NYSE; or

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- (iii) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

VII. Reporting and Disclosure Requirements

The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the federal securities laws, including the disclosure required by the applicable filings required to be made with the SEC.

VIII. Effective Date

This Policy shall apply to any Incentive-Based Compensation Received on or after October 2, 2023.

IX. No Indemnification

The Company shall not indemnify any Covered Person against the loss of Erroneously-Awarded Compensation and shall not pay, or reimburse any Covered Persons for premiums, for any insurance policy to fund such Covered Person's potential recovery obligations.

X. Administration

The Committee has the sole discretion to administer this Policy and ensure compliance with NYSE Rules and any other applicable law, regulation, rule or interpretation of the SEC or NYSE promulgated or issued in connection therewith. Actions of the Committee pursuant to this Policy shall be taken by the vote of a majority of its members. The Committee shall, subject to the provisions of this Policy, make such determinations and interpretations and take such actions as it deems necessary, appropriate or advisable. All determinations and interpretations made by the Committee shall be final, binding and conclusive.

XI. Amendment; Termination

The Compensation Committee may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary, including as and when it determines that it is legally required by any federal securities laws, SEC rule or the rules of any national securities exchange or national securities association on which the Company's securities are then listed. The Board may terminate this Policy at any time. Notwithstanding anything in this Section XI to the contrary, no amendment or termination of this Policy shall be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate any federal securities laws, SEC rule, or the rules of any national securities exchange or national securities association on which the Company's securities are then listed.

XII. Other Recoupment Rights; No Additional Payments

The Compensation Committee intends that this Policy will be applied to the fullest extent of the law. The Compensation Committee may require that any employment agreement, equity award agreement or any other agreement entered into on or after the Adoption Date shall, as a condition to the grant of any benefit thereunder, require a Covered Person to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other rights under applicable law, regulation or rule or pursuant to the terms of any similar policy in any employment agreement, equity plan, equity award agreement or similar arrangement and any other legal remedies available to the Company. However, this Policy shall not provide for recovery of Incentive-Based Compensation that the Company has already recovered pursuant to Section 304 of the Sarbanes-Oxley Act or other recovery obligations.

XIII. Successors

This Policy shall be binding and enforceable against all Covered Persons and their beneficiaries, heirs, executors, administrators or other legal representatives.

Exhibit A

ACKNOWLEDGEMENT AND AGREEMENT TO THE EXECUTIVE OFFICER CLAWBACK POLICY OF UWM HOLDINGS CORPORATION

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of UWM Holdings Corporation Executive Officer Clawback Policy (the "Policy"). Capitalized terms used but not otherwise defined in this Acknowledgement Form (this "Acknowledgement Form") shall have the meanings ascribed to such terms in the Policy.

By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with the Company. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously-Awarded Compensation (as defined in the Policy) to the Company to the extent required by, and in a manner permitted by, the Policy.

Signature

Name

Date

DISCLAIMER

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