

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

(Mark One)

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

For the quarterly period endedJune 30, 2024

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)

84-2124167

(I.R.S. Employer Identification No.)

585 South Boulevard E.

Pontiac,

MI

48341

(Address of Principal Executive Offices)

(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 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 ☒ No ☐

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 ☒ No ☐

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. ☐

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

As of August 2, 2024, the registrant had 95,611,907 shares of Class A common stock outstanding and 1,502,069,787 shares of Class D common stock outstanding.

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PART I

Item 1. Financial Statements

UWM HOLDINGS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except shares and per share amounts)

	June 30, 2024	December 31, 2023
	(Unaudited)	
Assets		
Cash and cash equivalents	\$ 680,153	\$ 497,468
Mortgage loans at fair value	8,236,183	5,449,884
Derivative assets	54,962	33,019
Investment securities at fair value, pledged	105,593	110,352
Accounts receivable, net	516,838	512,070
Mortgage servicing rights	2,650,090	4,026,136
Premises and equipment, net	146,750	146,417
Operating lease right-of-use asset, net (includes \$95,118 and \$97,596 with related parties)	96,474	99,125
Finance lease right-of-use asset (includes \$23,769 and \$24,802 with related parties)	25,061	29,111
Loans eligible for repurchase from Ginnie Mae	279,290	856,856
Other assets	130,247	111,416
Total assets	\$ 12,921,641	\$ 11,871,854
Liabilities and equity		
Warehouse lines of credit	\$ 7,429,591	\$ 4,902,090
Derivative liabilities	26,171	40,781
Secured lines of credit	—	750,000
Borrowings against investment securities	91,406	93,814
Accounts payable, accrued expenses and other	486,138	469,101
Accrued distributions and dividends payable	159,766	159,572
Senior notes	1,990,233	1,988,267
Operating lease liability (includes \$101,891 and \$104,495 with related parties)	103,247	106,024
Finance lease liability (includes \$25,441 and \$26,260 with related parties)	26,787	30,678
Loans eligible for repurchase from Ginnie Mae	279,290	856,856
Total liabilities	10,592,629	9,397,183
Equity		
Preferred stock, \$0.0001 par value - 100,000,000 shares authorized, none issued and outstanding as of June 30, 2024 or December 31, 2023	—	—
Class A common stock, \$0.0001 par value - 4,000,000,000 shares authorized, 95,587,806 and 93,654,269 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	10	10
Class B common stock, \$0.0001 par value - 1,700,000,000 shares authorized, none issued and outstanding as of June 30, 2024 or December 31, 2023	—	—
Class C common stock, \$0.0001 par value - 1,700,000,000 shares authorized, none issued and outstanding as of June 30, 2024 or December 31, 2023	—	—
Class D common stock, \$0.0001 par value - 1,700,000,000 shares authorized, 1,502,069,787 shares issued and outstanding as of June 30, 2024 and December 31, 2023	150	150
Additional paid-in capital	2,305	1,702
Retained earnings	111,021	110,690
Non-controlling interest	2,215,526	2,362,119
Total equity	2,329,012	2,474,671
Total liabilities and equity	\$ 12,921,641	\$ 11,871,854

See accompanying Notes to the Condensed Consolidated Financial Statements.

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

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Revenue				
Loan production income	\$ 357,109	\$ 280,757	\$ 656,063	\$ 486,181
Loan servicing income	143,910	193,220	328,612	411,777
Change in fair value of mortgage servicing rights, net	(115,319)	24,648	(130,882)	(312,639)
Interest income	121,394	88,895	223,257	163,475
Total revenue, net	507,094	587,520	1,077,050	748,794
Expenses				
Salaries, commissions and benefits	160,311	131,380	314,552	252,383
Direct loan production costs	45,485	23,618	76,921	40,101
Marketing, travel, and entertainment	24,438	21,588	43,549	38,798
Depreciation and amortization	11,404	11,441	22,744	23,111
General and administrative	55,051	52,691	95,860	87,310
Servicing costs	25,787	31,658	56,111	68,520
Interest expense	108,651	82,437	207,319	145,721
Other expense (income)	(1,105)	2,703	(1,342)	2,462
Total expenses	430,022	357,516	815,714	658,406
Earnings before income taxes	77,072	230,004	261,336	90,388
Provision for income taxes	786	1,210	4,519	207
Net income	76,286	228,794	256,817	90,181
Net income attributable to non-controlling interest	73,236	221,236	245,037	94,564
Net income (loss) attributable to UWM Holdings Corporation	\$ 3,050	\$ 7,558	\$ 11,780	\$ (4,383)
Earnings (loss) per share of Class A common stock (see Note 17):				
Basic	\$ 0.03	\$ 0.08	\$ 0.12	\$ (0.05)
Diluted	\$ 0.03	\$ 0.08	\$ 0.12	\$ (0.05)
Weighted average shares outstanding:				
Basic	95,387,609	93,107,133	94,876,800	93,014,478
Diluted	95,387,609	93,107,133	94,876,800	93,014,478

See accompanying Notes to the Condensed Consolidated Financial Statements.

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

	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, 2023	92,575,974	\$ 9	1,502,069,787	\$ 150	\$ 903	\$ 142,500	\$ 3,028,131	\$ 3,171,693
Net loss	—	—	—	—	—	(11,941)	(126,672)	(138,613)
Class A common stock dividends	—	—	—	—	—	(9,310)	—	(9,310)
Member distributions to SFS Corp.	—	—	—	—	—	—	(150,207)	(150,207)
Stock-based compensation	525,997	—	—	—	133	—	2,153	2,286
Re-measurement of non-controlling interest due to change in parent ownership and other	—	—	—	—	—	887	(2,194)	(1,307)
Balance, March 31, 2023	93,101,971	\$ 9	1,502,069,787	\$ 150	\$ 1,036	\$ 122,136	\$ 2,751,211	\$ 2,874,542
Net income	—	—	—	—	—	7,558	221,236	228,794
Class A common stock dividends	—	—	—	—	—	(9,310)	—	(9,310)
Member distributions to SFS Corp.	—	—	—	—	—	—	(150,207)	(150,207)
Stock-based compensation	12,907	—	—	—	231	—	3,072	3,303
Re-measurement of non-controlling interest due to change in parent ownership and other	—	—	—	—	—	(5)	5	—
Balance, June 30, 2023	93,114,878	\$ 9	1,502,069,787	\$ 150	\$ 1,267	\$ 120,379	\$ 2,825,317	\$ 2,947,122
Balance, January 1, 2024	93,654,269	\$ 10	1,502,069,787	\$ 150	\$ 1,702	\$ 110,690	\$ 2,362,119	\$ 2,474,671
Net income	—	—	—	—	—	8,730	171,801	180,531
Class A common stock dividends	—	—	—	—	—	(9,495)	—	(9,495)
Member distributions to SFS Corp.	—	—	—	—	—	—	(194,261)	(194,261)
Stock-based compensation	1,291,366	(1)	—	—	383	—	6,131	6,513
Re-measurement of non-controlling interest due to change in parent ownership and other	—	—	—	—	—	2,055	(2,956)	(901)
Balance, March 31, 2024	94,945,635	\$ 9	1,502,069,787	\$ 150	\$ 2,085	\$ 111,980	\$ 2,342,834	\$ 2,457,058
Net income	—	—	—	—	—	3,050	73,236	76,286
Class A common stock dividends	—	—	—	—	—	(9,559)	—	(9,559)
Member distributions to SFS Corp.	—	—	—	—	—	—	(198,464)	(198,464)
Stock-based compensation	642,171	1	—	—	220	—	3,470	3,691
Class A common stock repurchased	—	—	—	—	—	—	—	—
Re-measurement of non-controlling interest due to change in parent ownership and other	—	—	—	—	—	5,550	(5,550)	—
Balance, June 30, 2024	95,587,806	\$ 10	1,502,069,787	\$ 150	\$ 2,305	\$ 111,021	\$ 2,215,526	\$ 2,329,012

See accompanying Notes to the Condensed Consolidated Financial Statements.

UWM HOLDINGS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	For the six months ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 256,817	\$ 90,181
Adjustments to reconcile net income to net cash provided by operating activities:		
Reserve for representations and warranties	23,856	27,630
Capitalization of mortgage servicing rights	(1,218,622)	(1,166,368)
Change in fair value of mortgage servicing rights	158,048	312,639
Depreciation & amortization	23,995	24,831
Stock-based compensation expense	9,813	6,049
Decrease (increase) in fair value of investment securities	879	(1,988)
(Decrease) increase in fair value of warrants liability	(2,425)	3,273
Decrease (increase) in:		
Mortgage loans at fair value	(2,786,299)	865,036
Derivative assets	(21,943)	21,462
Other assets	76,880	41,833
(Decrease) increase in:		
Derivative liabilities	(14,610)	(28,014)
Other liabilities	(26,308)	(47,954)
Net cash (used in) provided by operating activities	(3,519,919)	148,610
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of premises and equipment	(18,897)	(13,288)
Net proceeds from sale of mortgage servicing rights	2,364,199	1,081,647
Proceeds from principal payments on investment securities	3,880	3,653
Margin calls on borrowings against investment securities	(5,295)	(1,304)
Net cash provided by investing activities	2,343,887	1,070,708
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings (repayments) under warehouse lines of credit	2,527,501	(711,201)
Repayments of finance lease liabilities	(3,892)	(7,148)
Repayments under equipment notes payable	—	(558)
Borrowings under secured lines of credit	200,000	750,000
Repayments under secured lines of credit	(950,000)	(1,000,000)
Borrowings against investment securities	185,470	72,253
Repayments of borrowings against investment securities	(187,878)	(72,697)
Dividends paid to Class A common stockholders	(18,860)	(18,568)
Member distributions paid to SFS Corp.	(392,725)	(300,414)
Other financing activities	(899)	(1,307)
Net cash provided by (used in) financing activities	1,358,717	(1,289,640)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	182,685	(70,322)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	497,468	704,898
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	\$ 680,153	\$ 634,576
SUPPLEMENTAL INFORMATION		
Cash paid for interest	\$ 200,009	\$ 114,153
Cash paid (received) for taxes	866	(124)

See accompanying Notes to the Condensed Consolidated Financial Statements.

UWM HOLDINGS CORPORATION
NOTES TO CONDENSED 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 is 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 condensed consolidated financial statements. See *Note 11 - 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. Each Holdings LLC Class B Common Unit, along with its stapled share of Class D common stock (each a, “Paired Interest”), held by SFS Corp. may be exchanged at anytime by SFS Corp. into, at the option of the Company, either, (a) cash or (b) one share of the Company's Class B common stock. Each share of Class B common stock is convertible into one share of Class A common stock upon the transfer or assignment of such share from SFS Corp. to a non-affiliated third-party. See *Note 11 - Non-Controlling Interests* for further information.

Pursuant to the Business Combination Agreement, SFS Corp. is entitled to receive earn-out shares, in the form of Paired Interests, to the extent that the volume weighted average per share price of the Company's Class A common stock over any 10 trading days within any 30 trading day period is greater than or equal to \$ 13.00, \$15.00, \$17.00 and \$19.00 per share. Upon achievement of each stock price target, SFS Corp. will be entitled to receive 22,690,421 Paired Interests. 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 17 - 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 has potential indemnification obligations to 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 Officers were 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 Gores Holdings, IV. Pursuant to its obligations under the Business Combination Agreement, to the extent that it is determined that the Gores Directors and Officers are entitled to indemnification, the Company is obligated to indemnify them in connection with these lawsuits. During the second quarter of 2024, the parties tentatively agreed to settle this litigation, subject to negotiation of a final settlement agreement and court approval. A significant portion of the Company's expected indemnification obligations for the settlement are covered by insurance, and the remainder is not expected to be material to the Company.

Basis of Presentation and Consolidation

The condensed consolidated financial statements are unaudited and presented in U.S. dollars. They have been prepared in accordance with U.S. GAAP pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In our opinion, these condensed consolidated financial statements include all normal and recurring adjustments considered necessary for a fair presentation of our results of operations, financial position and cash flows for the periods presented. However, our results of operations for any interim period are not necessarily indicative of the results that may be expected for a full fiscal year or for any other future period.

Use of Estimates

The preparation of condensed 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 condensed consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Loans Eligible for Repurchase from Ginnie Mae

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 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 condensed consolidated balance sheets as 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").

Income Taxes

The Company accounts for income taxes during interim periods by applying an estimated annual effective tax rate to year-to-date earnings (loss) before income taxes to compute the year-to-date tax expense (or benefit). At the end of each interim period, the Company estimates the effective tax rate expected to be applicable for the full fiscal year, adjusted for discrete items, if any, that arise during the period. See *Note 15 – Income Taxes* for further information.

Tax Receivable 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 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; (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 taxable income allocation rules in the United States. The Company will retain the benefit of the remaining 15% of these tax savings.

The Company accounts for liabilities arising from the TRA as a loss contingency recorded within "Accounts payable, accrued expenses and other." Changes in the liability are measured and recorded when estimated amounts due under the TRA are probable and can be reasonably estimated, and reported as part of "Other expense/(income)" in the condensed consolidated statements of operations. See *Note 9 - Accounts Payable, Accrued Expenses and Other* for further information.

Related Party Transactions

The Company enters into various transactions with related parties. See *Note 14 – 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 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 condensed consolidated statement of operations (recorded within "Other expense/(income)").

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, and 67,719,652 shares remained available for issuance under the 2020 Plan as of June 30, 2024. 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 condensed consolidated statements of operations. The Company made a policy election to recognize the effects of forfeitures as they occur. See *Note 16 – Stock-based Compensation* for further information.

Recently Adopted Accounting Standards

In March 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2023-1, *Leases (Topic 842): Common Control Arrangements*, which amends certain provisions of ASU 2016-2, *Leases (Topic 842)*. This guidance requires all lessees in a lease with a lessor under common control to amortize leasehold improvements over the useful life of the common control group and provides new guidance for recognizing a transfer of assets between entities under common control as an adjustment to equity when the lessee no longer controls the use of the underlying asset. There was no impact on the Company's condensed consolidated financial statements from adopting this standard effective the fiscal year beginning January 1, 2024.

Accounting Standards Issued but Not Yet Effective

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 condensed 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 condensed consolidated statements of operations.

(In thousands)	June 30, 2024	December 31, 2023
Mortgage loans, unpaid principal balance	\$ 8,148,121	\$ 5,380,119
Premiums paid on mortgage loans	80,841	55,112
Fair value adjustment	7,221	14,653
Mortgage loans at fair value	<u>\$ 8,236,183</u>	<u>\$ 5,449,884</u>

NOTE 3 – DERIVATIVES

The Company enters into interest rate lock commitments (“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 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 80% and 76% as of June 30, 2024 and December 31, 2023, respectively. The Company primarily uses forward loan sale commitments (“FLSCs”) to economically hedge its pipeline of IRLCs and mortgage loans at fair value. The Company is also exposed to changes in the fair value of its mortgage servicing rights from changes in market interest rates. In the second quarter of 2024, the Company entered into interest rate swap futures to mitigate the interest rate risk associated with its portfolio of mortgage servicing rights. These derivative financial instruments are measured at estimated fair value with changes in fair value recorded in the condensed consolidated statements of operations within “change in fair value of mortgage servicing rights, net.”

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

	June 30, 2024			December 31, 2023		
	Fair value			Fair value		
	Derivative assets	Derivative liabilities	Notional Amount	Derivative assets	Derivative liabilities	Notional Amount
IRLCs	\$ 10,015	\$ 23,298	\$ 9,295,851 ^(a)	\$ 29,623	\$ 2,933	\$ 6,264,727 ^(a)
FLSCs	42,717	2,873	14,483,682	3,396	37,848	10,469,975
Interest rate swap futures	2,230	—	6,682,500	—	—	—
Total	<u>\$ 54,962</u>	<u>\$ 26,171</u>		<u>\$ 33,019</u>	<u>\$ 40,781</u>	

(a) Notional amounts have been adjusted for pullthrough rates of 80% and 76%, respectively.

NOTE 4 – ACCOUNTS RECEIVABLE, NET

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

	June 30, 2024	December 31, 2023
Servicing fees	\$ 150,471	\$ 164,629
Receivables from sales of servicing	143,837	48,936
Margin deposits	116,468	97,109
Servicing advances	90,420	177,021
Origination receivables	18,372	26,426
Derivative settlements receivable	757	1,794
Other receivables	312	753
Provision for current expected credit losses	(3,799)	(4,598)
Total accounts receivable, net	\$ 516,838	\$ 512,070

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 condensed consolidated balance sheets when loans are sold and the associated servicing rights are retained. 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, 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 \$ 189.5 billion and \$299.5 billion at June 30, 2024 and December 31, 2023, 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 three and six months ended June 30, 2024 and 2023 (in thousands):

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Fair value, beginning of period	\$ 3,191,803	\$ 3,974,870	\$ 4,026,136	\$ 4,453,261
Capitalization of MSRs	682,671	640,972	1,218,622	1,166,368
MSR and excess servicing sales	(1,097,932)	(419,732)	(2,481,031)	(1,104,353)
Changes in fair value:				
Due to changes in valuation inputs or assumptions	(38,222)	164,526	102,837	(58,389)
Due to collection/realization of cash flows/other	(88,230)	(136,429)	(216,474)	(232,680)
Fair value, end of period	\$ 2,650,090	\$ 4,224,207	\$ 2,650,090	\$ 4,224,207

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

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Changes in fair value:				
Due to changes in valuation inputs and assumptions	\$ (38,222)	\$ 164,526	\$ 102,837	\$ (58,389)
Due to collection/realization of cash flows and other	(88,230)	(136,429)	(216,474)	(232,680)
Net gain on interest rate swap futures	27,166	—	27,166	—
Net reserves and transaction costs on sales of servicing rights	(16,033)	(3,449)	(44,411)	(21,570)
Changes in fair value of mortgage servicing rights, net	\$ (115,319)	\$ 24,648	\$ (130,882)	\$ (312,639)

During the three months ended June 30, 2024 and 2023, the Company sold MSRs on loans with an aggregate UPB of approximately \$ 65.6 billion and \$27.5 billion, respectively, for proceeds of approximately \$1.0 billion and \$419.8 million, respectively. In addition, during the three months ended June 30, 2024, the Company sold excess servicing cash flows on certain agency loans with a total UPB of approximately \$7.9 billion, for proceeds of approximately \$64.5 million. In connection with these sales, the Company recorded \$ 16.0 million and \$3.4 million, respectively, for its estimated obligation for protection provisions granted to the buyers and transaction costs, which is reflected as part of the change in fair value of MSRs in the condensed consolidated statements of operations. There were no excess servicing cash flow sales during the three months ended June 30, 2023.

During the six months ended June 30, 2024 and 2023, the Company sold MSRs on loans with an aggregate UPB of approximately \$153.5 billion and \$61.8 billion, respectively, for proceeds of approximately \$2.3 billion and \$798.9 million, respectively. In addition, during the six months ended June 30, 2024 and 2023, the Company sold excess servicing cash flows on certain agency loans with a total UPB of approximately \$27.3 billion and \$63.4 billion, respectively, for proceeds of approximately \$215.4 million and \$305.5 million, respectively. In connection with these sales, the Company recorded \$44.4 million and \$21.6 million, respectively, for its estimated obligation for protection provisions granted to the buyers and transaction costs, which is reflected as part of the change in fair value of MSRs in the condensed consolidated statements of operations.

The following table summarizes the loan servicing income recognized during the three and six months ended June 30, 2024 and 2023, respectively (in thousands):

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Contractual servicing fees	\$ 140,193	\$ 189,695	\$ 319,785	\$ 404,451
Late, ancillary and other fees	3,717	3,525	8,827	7,326
Loan servicing income	\$ 143,910	\$ 193,220	\$ 328,612	\$ 411,777

The key unobservable inputs used in determining the fair value of the Company's MSRs were as follows at June 30, 2024 and December 31, 2023, respectively:

	June 30, 2024				December 31, 2023			
	Range		Weighted Average		Range		Weighted Average	
Discount rates	10.0	%	—	16.0	%	11.1	%	11.1
Annual prepayment speeds	4.5	%	—	21.1	%	7.7	%	9.6
Cost of servicing	\$74		—	\$111		\$74		\$84

The hypothetical effect of adverse changes in these key assumptions would result in a decrease in fair values as follows at June 30, 2024 and December 31, 2023, respectively, (in thousands):

	June 30, 2024	December 31, 2023
Discount rate:		
+ 10% adverse change – effect on value	\$ (113,317)	\$ (140,727)
+ 20% adverse change – effect on value	(216,817)	(269,702)
Prepayment speeds:		
+ 10% adverse change – effect on value	\$ (77,306)	\$ (124,651)
+ 20% adverse change – effect on value	(149,662)	(240,082)
Cost of servicing:		
+ 10% adverse change – effect on value	\$ (24,205)	\$ (31,869)
+ 20% adverse change – effect on value	(48,410)	(63,738)

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 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 the table above, the effect of a variation in a particular assumption of the fair value of the MSRs 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, 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 – 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 June 30, 2024 and December 31, 2023, respectively, (in thousands):

Warehouse Lines of Credit ¹	Date of Initial Agreement With Warehouse Lender	Current Agreement Expiration Date	Total Advanced Against Line as of June 30, 2024	Total Advanced Against Line as of December 31, 2023
Master Repurchase Agreement ("MRA") Funding Limits as of June 30, 2024:				
\$1.0 Billion	7/24/2020	8/29/2024	\$ 801,720	\$ 791,760
\$300 Million	2/26/2016	12/19/2024	252,633	271,179
\$1.0 Billion	7/10/2012	1/6/2025	802,632	175,604
\$2.5 Billion	12/31/2014	2/19/2025	1,905,551	1,252,169
\$750 Million	3/7/2019	2/20/2025	666,651	213,556
\$250 Million	4/23/2021	4/23/2025	204,370	103,729
\$500 Million	2/29/2012	5/16/2025	469,008	489,117
\$3.0 Billion	5/9/2019	11/28/2025	1,988,331	1,475,368
\$500 Million	10/30/2020	6/26/2026	173,584	75,691
Early Funding:				
\$600 Million (ASAP + - see below)		No expiration	—	—
\$750 Million (EF - see below)		No expiration	165,111	53,917
			\$ 7,429,591	\$ 4,902,090

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

¹ An aggregate of \$750.0 million of these line amounts is committed as of June 30, 2024.

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 June 30, 2024, no amount was outstanding through the ASAP+ program and \$165.1 million was outstanding through the EF program.

As of June 30, 2024, 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 June 30, 2024.

MSR 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 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 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.

On June 27, 2024, UWM and Citibank, N.A. amended both the Loan and Security Agreement and the warehouse facility agreement between the parties. These amendments increased the combined total uncommitted borrowing capacity of the MSR Facility and the warehouse facility to \$2.0 billion, which can be allocated between the two facilities at UWM's discretion,

and extended the maturity dates to June 26, 2026. All other material terms of these agreements remained the same. As of June 30, 2024, the Company was in compliance with all applicable covenants. No amounts were outstanding under the MSR Facility as of June 30, 2024 and \$ 500.0 million was outstanding under the MSR Facility as of December 31, 2023.

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 as defined in the agreement. On March 20, 2024, UWM entered into the First Amendment to Credit Agreement (the "First Amendment") with Goldman Sachs Bank USA. The First Amendment removed the minimum utilization fee on undrawn amounts and extended the maturity date of the GNMA MSR Facility. All other material terms of the GNMA MSR facility remained the same. As of June 30, 2024, the Company was in compliance with all applicable covenants. The draw period for the GNMA MSR facility ends on March 20, 2026, and the facility has a maturity date of March 20, 2027. No amounts were outstanding under the GNMA MSR facility as of June 30, 2024 and \$250.0 million was outstanding under the GNMA MSR facility as of December 31, 2023.

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

NOTE 7 – OTHER BORROWINGS

Senior Notes

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

Facility Type	Maturity Date	Interest Rate	Outstanding Principal at June 30, 2024	Outstanding Principal at December 31, 2023
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
Total Senior Unsecured Notes			\$ 2,000,000	\$ 2,000,000
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 condensed consolidated balance sheets by \$ 3.0 million and \$4.1 million as of June 30, 2024 and December 31, 2023, respectively.

⁽²⁾ Unamortized debt issuance costs and discounts are presented net against the 2029 Senior Notes reducing the amount reported on the condensed consolidated balance sheets by \$ 4.2 million and \$4.6 million as of June 30, 2024 and December 31, 2023, respectively.

⁽³⁾ Unamortized debt issuance costs and discounts are presented net against the 2027 Senior Notes reducing the amount reported on the condensed consolidated balance sheets by \$ 2.6 million and \$3.0 million as of June 30, 2024 and December 31, 2023, 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 on 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 April 15, 2024, the Company may, at its option, redeem the 20 29 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%, of the principal amount of the 2029 Senior Notes to be redeemed on the redemption date 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, 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.

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 June 30, 2024.

Revolving Credit Facility

On August 8, 2022, UWM entered into 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 had an initial 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 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 June 30, 2024. No amounts were outstanding under the Revolving Credit Facility as of June 30, 2024 or December 31, 2023.

NOTE 8 – 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 production income" and continues to evaluate its on-going exposures in subsequent periods. The reserve is estimated based on the Company's assessment of its 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 Company repurchased \$71.8 million and \$102.9 million in UPB of loans during the three months ended June 30, 2024 and 2023, respectively, and \$ 135.5 million and \$161.5 million in UPB of loans during the six months ended June 30, 2024 and 2023, respectively, related to its representations and warranties obligations.

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

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Balance, beginning of period	\$ 68,222	\$ 57,962	\$ 62,865	\$ 60,495
Additions	13,393	20,103	23,856	27,630
Losses realized, net	(11,072)	(18,972)	(16,178)	(29,032)
Balance, end of period	<u>\$ 70,543</u>	<u>\$ 59,093</u>	<u>\$ 70,543</u>	<u>\$ 59,093</u>

Commitments to Originate Loans

As of June 30, 2024, the Company had agreed to extend credit to potential borrowers for approximately \$ 47.6 billion. These contracts represent off-balance sheet credit risk where the Company may be required, subject to completion of underwriting, to extend credit to these borrowers based on the prevailing interest rates and prices at the time of execution. Commitments to originate loans do not necessarily reflect future cash requirements as some commitments are expected to expire without being drawn upon.

Legal and Regulatory Matters

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 business activities. Based on the Company's assessment of the facts and circumstances associated with these matters, we do not believe any of the legal or regulatory matters with which we are currently involved, individually or in the aggregate, will have a material adverse effect on our financial position, results of operations, or cash flows. However, actual outcomes may differ from those expected and could have a material effect on our financial position, results of operations, or cash flows in a future period.

NOTE 9 - ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER

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

	June 30, 2024	December 31, 2023
Servicing fees payable	\$ 110,283	\$ 99,694
Accrued compensation and benefits	88,635	82,745
Representations and warranties reserve	70,543	62,865
Other accrued expenses	48,115	12,199
Other accounts payable	36,130	43,174
Deferred tax liability	34,419	30,334
Accrued interest and bank fees	30,328	24,985
Investor payables	23,768	25,001
Derivative settlements payable	22,835	64,777
TRA liability	15,674	15,494
Public and Private Warrants	5,408	7,833
Total accounts payable, accrued expenses and other	<u>\$ 486,138</u>	<u>\$ 469,101</u>

NOTE 10 – 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 three and six months ended June 30, 2024 and 2023.

In 2021, UWM began selling some of the mortgage loans that it originates through UWM's private label securitization transactions. There have been no loan sales through UWM's private label securitization transactions 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 condensed consolidated balance sheet as of June 30, 2024 and December 31, 2023. Changes in the fair value of these retained beneficial interests are reported as part of "Other expense (income)" in the condensed 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 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 June 30, 2024, \$103.4 million of the \$105.6 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 \$91.4 million with remaining maturities ranging from approximately one to three months as of June 30, 2024, and interest rates based on SOFR plus a spread. The Company's maximum exposure to loss in these non-consolidated VIEs is limited to the retained beneficial interests in the securitization trusts.

NOTE 11 – 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:

	June 30, 2024		December 31, 2023	
	Common Units	Ownership Percentage	Common Units	Ownership Percentage
UWM Holdings Corporation ownership of Class A Common Units	95,587,806	5.98 %	93,654,269	5.87 %
SFS Corp. ownership of Class B Common Units	1,502,069,787	94.02 %	1,502,069,787	94.13 %
Balance at end of period	1,597,657,593	100.00 %	1,595,724,056	100.0 %

The non-controlling interest holder has the right to exchange its Paired 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 Paired Interests by the non-controlling interest holder will result in a change in ownership and reduce or increase the amount 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 June 30, 2024, SFS Corp. has not exchanged any Paired Interests.

During the six months ended June 30, 2024, the Company issued 1,933,537 shares of Class A common stock, net of withholdings, which primarily related to the vesting of RSUs under its stock-based compensation plan. 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 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 condensed consolidated statement of changes in equity.

NOTE 12 – REGULATORY NET WORTH REQUIREMENTS

Certain secondary market agencies and state regulators require UWM to maintain minimum net worth, capital, and 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 net worth, minimum liquidity, and minimum capital ratio requirements, including those established by USDA, HUD, Ginnie Mae, Freddie Mac and Fannie Mae. As of June 30, 2024, the most restrictive of these requirements require UWM to maintain a minimum net worth of \$547.5 million, minimum liquidity of \$262.3 million, and a minimum capital ratio of 6%. As of June 30, 2024, UWM was in compliance with these net worth, capital ratio, and liquidity requirements.

NOTE 13 – 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:

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 June 30, 2024 or December 31, 2023.

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 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.

FLSCs: The Company enters into forward loan sales commitments to sell certain mortgage loans which are recorded at fair value based on valuation models. The Company's expectation of the amount of its interest rate lock commitments that will ultimately close is a factor in determining the position. The valuation models utilize the fair value of related mortgage loans determined using observable market data, and therefore, the fair value measurements of these commitments are categorized as Level 2.

Interest rate swap futures: The Company has entered into interest rate swap futures to mitigate the interest rate risk associated with its portfolio of mortgage servicing rights. These financial instruments are valued based on quoted prices in an active market and are therefore categorized as Level 1.

Investment securities at fair value, pledged : The Company has previously sold mortgage loans that it originates through the UWM's private label securitization transactions. In executing these securitizations, the Company sells mortgage loans to a securitization trust for cash and, in some cases, retained interests in the trust. The Company has elected the fair value option for subsequently measuring the retained beneficial interests in the securitization trusts. The fair value of these investment securities is primarily based on observable market data and therefore categorized as Level 2.

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 earnings, contractual servicing fee income, and ancillary income and late fees, among others. These estimates are supported by market and economic data collected from various outside sources. These fair value measurements are classified as Level 3.

Public and Private Warrants: The fair value of Public Warrants is based on the price of trades of these securities in active markets and therefore categorized as Level 1. The fair value of the Private Warrants is based on observable market data and therefore categorized as Level 2.

Financial Instruments - Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following are the major categories of financial assets and liabilities measured at fair value on a recurring basis (in thousands):

Description	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Mortgage loans at fair value	\$ —	\$ 8,236,183	\$ —	\$ 8,236,183
IRLCs	—	—	10,015	10,015
FLSCs	—	42,717	—	42,717
Interest rate swap futures	2,230	—	—	2,230
Investment securities at fair value, pledged	—	105,593	—	105,593
Mortgage servicing rights	—	—	2,650,090	2,650,090
Total assets	\$ 2,230	\$ 8,384,493	\$ 2,660,105	\$ 11,046,828
Liabilities:				
IRLCs	\$ —	\$ —	\$ 23,298	\$ 23,298
FLSCs	—	2,873	—	2,873
Public and Private Warrants	2,445	2,964	—	5,409
Total liabilities	\$ 2,445	\$ 5,837	\$ 23,298	\$ 31,580

Description	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Mortgage loans at fair value	\$ —	\$ 5,449,884	\$ —	\$ 5,449,884
IRLCs	—	—	29,623	29,623
FLSCs	—	3,396	—	3,396
Investment securities at fair value, pledged	—	110,352	—	110,352
Mortgage servicing rights	—	—	4,026,136	4,026,136
Total assets	\$ —	\$ 5,563,632	\$ 4,055,759	\$ 9,619,391
Liabilities:				
IRLCs	\$ —	\$ —	\$ 2,933	\$ 2,933
FLSCs	—	37,848	—	37,848
Public and Private warrants	3,078	4,755	—	7,833
Total liabilities	\$ 3,078	\$ 42,603	\$ 2,933	\$ 48,614

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	June 30, 2024	December 31, 2023
Pullthrough rate (weighted avg.)	80 %	76 %

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 three and six months ended June 30, 2024.

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 condensed 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):

	June 30, 2024		December 31, 2023	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
2025 Senior Notes, due 11/15/25	\$ 796,989	\$ 794,784	\$ 795,894	\$ 795,144
2029 Senior Notes, due 4/15/29	695,808	663,740	695,370	662,396
2027 Senior Notes, due 6/15/27	497,436	488,720	497,003	490,825
	<u>\$ 1,990,233</u>	<u>\$ 1,947,244</u>	<u>\$ 1,988,267</u>	<u>\$ 1,948,365</u>

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, borrowings against investment securities and warehouse and other lines of credit approximate their fair values as of June 30, 2024 and December 31, 2023, respectively.

NOTE 14 – 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. Our executive officers (other than the CEO) may, from time to time, be authorized by the CEO to use the aircraft for 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 three months ended June 30, 2024 and 2023, the Company made net payments of approximately \$ 4.7 million and \$5.8 million, respectively, to various companies related through common ownership. Such related party payments were comprised of, (i) with respect to the three months ended June 30, 2024, approximately \$4.5 million in rent and other occupancy related fees and \$0.2 million in legal fees and (ii) with respect to the three months ended June 30, 2023, approximately \$ 5.6 million in rent and other occupancy related fees and \$0.2 million in legal fees. The Company made payments of \$ 0.1 million to unrelated third parties for pilots and ancillary services related to usage of the aircraft for the three months ended June 30, 2023.

For the six months ended June 30, 2024 and 2023, the Company made net payments of approximately \$ 9.8 million and \$10.7 million, respectively, to various companies related through common ownership. Such related party payments were comprised of, (i) with respect to the six months ended June 30, 2024, approximately \$9.4 million in rent and other occupancy related fees, \$0.3 million in legal fees, and \$0.1 million in other general and administrative expenses and (ii) with respect to the six months ended June 30, 2023, approximately \$10.2 million in rent and other occupancy related fees, \$ 0.3 million in legal fees and \$ 0.2 million in other general and administrative expenses. Additionally, the Company made payments \$0.2 million to unrelated third parties for pilots and ancillary services related to usage of the aircraft for each of the six month periods ended June 30, 2024 and 2023.

UWM entered into a \$500.0 million unsecured Revolving Credit Facility with SFS Corp. as the lender during the third quarter of 2022. Refer to *Note 7 - Other borrowings* for further details.

NOTE 15 – INCOME TAXES

For the three months ended June 30, 2024 and 2023, the Company's effective tax rate was 1.02% and 0.53% respectively. For the six months ended June 30, 2024 and 2023, the Company's effective tax rate was 1.73% and 0.23% respectively. The variations between the Company's effective tax rate and the U.S. statutory rate are primarily due to the portion (approximately 94%) of the Company's earnings attributable to non-controlling interests.

NOTE 16 – STOCK-BASED COMPENSATION

The following is a summary of RSU activity for the three and six months ended June 30, 2024 and 2023:

	For the three months ended June 30,			
	2024		2023	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Unvested - beginning of period	7,500,941	\$ 5.96	3,674,430	\$ 4.64
Granted	1,251,997	6.36	2,680,554	6.00
Vested	(642,171)	6.01	(12,907)	4.92
Forfeited	(227,236)	6.12	(146,673)	4.84
Unvested - end of period	7,883,531	\$ 6.01	6,195,404	\$ 5.20

	For the six months ended June 30,			
	2024		2023	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Unvested - beginning of period	7,867,321	\$ 5.89	4,005,801	\$ 5.30
Granted	2,450,342	6.58	3,266,350	5.70
Vested	(2,068,761)	6.23	(817,608)	7.71
Forfeited	(365,371)	5.91	(259,139)	4.81
Unvested - end of period	7,883,531	\$ 6.01	6,195,404	\$ 5.20

Stock-based compensation expense recognized for the three months ended June 30, 2024 and 2023 was \$ 3.9 million and \$3.7 million, respectively. Stock-based compensation expense recognized for the six months ended June 30, 2024 and 2023 was \$9.8 million and \$6.0 million, respectively. As of June 30, 2024, there was \$ 41.5 million of unrecognized compensation expense related to unvested awards which is expected to be recognized over a weighted average period of 2.7 years. During the six months ended June 30, 2024, the Company granted \$2.5 million RSUs with a weighted average grant date fair value of \$ 6.58, and vesting terms ranging from immediate to four years from the grant date.

NOTE 17 – EARNINGS PER SHARE

The Company 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 of Directors. RSUs awarded as 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 11, Non-Controlling Interests* for a description of the Paired 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.

There was no Class B common stock outstanding as of June 30, 2024 or June 30, 2023.

The following table sets forth the calculation of basic and diluted earnings (loss) per share for the periods ended June 30, 2024 and 2023 (in thousands, except shares and per share amounts):

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Net income	\$ 76,286	\$ 228,794	\$ 256,817	\$ 90,181
Net income attributable to non-controlling interests	73,236	221,236	245,037	94,564
Net income (loss) attributable to UWMC	3,050	7,558	11,780	(4,383)
Numerator:				
Net income (loss) attributable to Class A common shareholders	\$ 3,050	\$ 7,558	\$ 11,780	\$ (4,383)
Net income (loss) attributable to Class A common shareholders - diluted	\$ 3,050	\$ 7,558	\$ 11,780	\$ (4,383)
Denominator:				
Weighted average shares of Class A common stock outstanding - basic	95,387,609	93,107,133	94,876,800	93,014,478
Weighted average shares of Class A common stock outstanding - diluted	95,387,609	93,107,133	94,876,800	93,014,478
Earnings (loss) per share of Class A common stock outstanding - basic	\$ 0.03	\$ 0.08	\$ 0.12	\$ (0.05)
Earnings (loss) per share of Class A common stock outstanding - diluted	\$ 0.03	\$ 0.08	\$ 0.12	\$ (0.05)

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 three and six months ended June 30, 2024 and 2023. 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 three or six months ended June 30, 2024 and 2023. 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 three and six months ended June 30, 2024 and 2023 using the treasury stock method and the impact was either anti-dilutive or immaterial.

NOTE 18 – SUBSEQUENT EVENTS

Subsequent to June 30, 2024, 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 October 10, 2024 to stockholders of record at the close of business on September 19, 2024. Additionally, the Board approved a proportional distribution to SFS Corp. of \$150.2 million which is payable on or about October 10, 2024.

Item 2. 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 condensed consolidated financial statements and the related notes and other information included elsewhere in this Quarterly Report on Form 10-Q (the "Form 10-Q"). 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" included in our Form 10-K filed with the SEC on February 28, 2024. Unless otherwise indicated or the context otherwise requires, when used in this Form 10-Q, the term "UWM" means United Wholesale Mortgage, LLC and "the Company," "we," "our" and "us" refer to UWM Holdings Corporation and our subsidiaries.

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.

Our mortgage origination business derives revenue from originating, processing and underwriting primarily 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. For the three and six months ended June 30, 2024, 89% and 88%, respectively, of the loans we 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 primarily due to loan size. The mortgage origination process generally begins with a borrower entering into an IRLC with us that is arranged by an independent mortgage broker, 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). 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 the majority of the 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. 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 condensed consolidated financial statements for details of recently issued accounting pronouncements and their expected impact on the Company's condensed 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:

- primary gain (loss), which includes the following:
 - the difference between the estimated fair value or sale price of newly originated loans when sold in the secondary market and the purchase price of such originated loans. The purchase price of originated loans includes the loan principal amount, as well as any compensation paid by us to our clients (i.e., the Independent Mortgage Brokers) and any lender credits provided by us to borrowers, offset by discount points (if any) paid by borrowers to us to reduce their interest rate. Primary gain (loss) also includes changes in the estimated fair value of loans from the origination date to the sale date, and any difference between proceeds received upon sale (net of certain fees charged by investors) and the current fair value of a loan when sold into the secondary market. When loans are sold with servicing retained, the estimated fair value of the retained and newly originated MSRs is separately recognized apart from the loan and is moved from the "primary gain (loss)" to the "capitalization of MSRs" components of loan production income;
 - the change in fair value of IRLCs and FLSCs (used to economically hedge IRLCs and loans at fair value from the origination to the sale date) due to changes in estimated fair value, driven primarily by interest rates but also influenced by other valuation assumptions;
- loan origination and certain other fees related to 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; and
- capitalization of MSRs, representing the estimated fair value of newly originated MSRs when loans are sold and the associated servicing rights are retained.

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 (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).

Three and Six Months Ended June 30, 2024 and 2023 Summary

For the three months ended June 30, 2024, we originated \$33.6 billion in loans, which was an increase of \$1.8 billion, or 5.6%, from the \$31.8 billion of originations during the three months ended June 30, 2023. We reported net income of \$76.3 million during the three months ended June 30, 2024, which was a decrease of \$152.5 million, compared to net income of \$228.8 million for the three months ended June 30, 2023. Adjusted EBITDA for the three months ended June 30, 2024 was \$133.1 million as compared to \$125.4 million for the three months ended June 30, 2023. Refer to the "Non-GAAP Financial Measures" section below for a detailed discussion of how we define and calculate Adjusted EBITDA.

For the six months ended June 30, 2024, we originated \$61.3 billion in loans, which was an increase of \$7.1 billion, or 13.1%, from the \$54.2 billion of originations during the six months ended June 30, 2023. We reported net income of \$256.8 million during the six months ended June 30, 2024, which was an increase of \$166.6 million, compared to net income of \$90.2 million for the six months ended June 30, 2023. Adjusted EBITDA for the six months ended June 30, 2024 was \$234.6 million as compared to \$266.4 million for the six months ended June 30, 2023. 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 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, net, 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 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 three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Net income	\$ 76,286	\$ 228,794	\$ 256,817	\$ 90,181
Interest expense on non-funding debt	31,951	42,756	72,194	85,459
Provision for income taxes	786	1,210	4,519	207
Depreciation and amortization	11,404	11,441	22,744	23,111
Stock-based compensation expense	3,937	3,567	9,813	6,049
Change in fair value of MSRs due to valuation inputs or assumptions, net ⁽¹⁾	11,056	(164,526)	(130,003)	58,389
Deferred compensation, net ⁽²⁾	(1,169)	(564)	(106)	517
Change in fair value of Public and Private Warrants ⁽³⁾	(1,739)	1,175	(2,425)	3,273
Change in Tax Receivable Agreement liability ⁽⁴⁾	—	915	180	1,165
Change in fair value of investment securities ⁽⁵⁾	634	612	903	(1,977)
Adjusted EBITDA	\$ 133,146	\$ 125,380	\$ 234,636	\$ 266,374

(1) Reflects the change ((increase)/decrease) in fair value of MSRs due to changes in valuation inputs or assumptions, net of gains or losses on interest rate swap futures. Refer to *Note 5 - Mortgage Servicing Rights* to the condensed consolidated financial statements.

(2) Reflects management incentive bonuses under our long-term incentive plan that are accrued when earned, net of cash payments.

(3) Reflects the change ((increase)/(decrease)) in the fair value of the Public and Private Warrants.

(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 condensed consolidated financial statements for additional information related to the Tax Receivable Agreement.

(5) Reflects the change ((increase)/decrease) in the fair value of the retained investment securities.

Results of Operations for the Three and Six Months Ended June 30, 2024 and 2023

(\$ in thousands)	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Revenue				
Loan production income	\$ 357,109	\$ 280,757	\$ 656,063	\$ 486,181
Loan servicing income	143,910	193,220	328,612	411,777
Change in fair value of mortgage servicing rights, net	(115,319)	24,648	(130,882)	(312,639)
Interest income	121,394	88,895	223,257	163,475
Total revenue, net	507,094	587,520	1,077,050	748,794
Expenses				
Salaries, commissions and benefits	160,311	131,380	314,552	252,383
Direct loan production costs	45,485	23,618	76,921	40,101
Marketing, travel, and entertainment	24,438	21,588	43,549	38,798
Depreciation and amortization	11,404	11,441	22,744	23,111
General and administrative	55,051	52,691	95,860	87,310
Servicing costs	25,787	31,658	56,111	68,520
Interest expense	108,651	82,437	207,319	145,721
Other expense (income)	(1,105)	2,703	(1,342)	2,462
Total expenses	430,022	357,516	815,714	658,406
Earnings before income taxes	77,072	230,004	261,336	90,388
Provision for income taxes	786	1,210	4,519	207
Net income	76,286	228,794	256,817	90,181
Net income attributable to non-controlling interest	73,236	221,236	245,037	94,564
Net income (loss) attributable to UWM Holdings Corporation	\$ 3,050	\$ 7,558	\$ 11,780	\$ (4,383)

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 three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Loan origination volume by type				
Purchase:				
Conventional	\$ 15,650,022	\$ 17,607,736	\$ 27,810,129	\$ 30,577,702
Government	8,298,147	9,184,089	15,866,072	14,807,139
Jumbo and other ⁽¹⁾	3,224,482	1,243,350	5,617,879	1,896,130
Total purchase	\$ 27,172,651	\$ 28,035,175	\$ 49,294,080	\$ 47,280,971
Refinance:				
Conventional	\$ 2,506,853	\$ 2,113,172	\$ 4,223,134	\$ 3,983,083
Government	2,573,514	1,336,350	5,231,055	2,278,125
Jumbo and other ⁽¹⁾	1,375,975	362,103	2,511,259	639,635
Total refinance	6,456,342	3,811,625	11,965,448	6,900,843
Total loan origination volume	\$ 33,628,993	\$ 31,846,800	\$ 61,259,528	\$ 54,181,814
Portfolio metrics				
Average loan amount	\$ 383	\$ 377	\$ 378	\$ 371
Weighted average loan-to-value ratio	81.87 %	83.31 %	82.09 %	83.39 %
Weighted average credit score	739	739	737	738
Weighted average note rate	6.89 %	6.31 %	6.77 %	6.27 %
Percentage of loans sold				
To GSEs/GNMA	89 %	96 %	88 %	96 %
To other counterparties	11 %	4 %	12 %	4 %
Servicing-retained	92 %	99 %	91 %	98 %
Servicing-released	8 %	1 %	9 %	2 %

⁽¹⁾ Comprised of non-agency jumbo products, construction loans, and non-qualified mortgage products, including home equity lines of credit ("HELOCs") (which in many instances are second liens).

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

(\$ in thousands)	For the three months ended June 30,		Change	Change
	2024	2023	\$	%
Primary loss	\$ (423,728)	\$ (422,209)	\$ (1,519)	0.4 %
Loan origination fees	111,560	71,097	40,463	56.9 %
Provision for representation and warranty obligations	(13,394)	(9,103)	(4,291)	47.1 %
Capitalization of MSR	682,671	640,972	41,699	6.5 %
Loan production income	\$ 357,109	\$ 280,757	\$ 76,352	27.2 %
Gain margin ⁽¹⁾	1.06 %	0.88 %	0.18 %	

(\$ in thousands)	For the six months ended June 30,		Change	Change
	2024	2023	\$	%
Primary loss	\$ (737,826)	\$ (785,634)	\$ 47,808	(6.1) %
Loan origination fees	199,123	122,077	77,046	63.1 %
Provision for representation and warranty obligations	(23,856)	(16,630)	(7,226)	43.5 %
Capitalization of MSR	1,218,622	1,166,368	52,254	4.5 %
Loan production income	\$ 656,063	\$ 486,181	\$ 169,882	34.9 %
Gain margin ⁽¹⁾	1.07 %	0.90 %	0.17 %	

(1) Represents total loan production income divided by total loan origination volume for the applicable period.

MSRs are an element of the total fair value of originated mortgage loans recognized as part of primary gain (loss) upon loan origination, and are separately recognized and moved between the primary gain (loss) and capitalization of MSRs components of loan production income upon sale of a loan with servicing retained. These components of total loan production income are primarily impacted by market pricing competition, loan production volume, the estimated fair value of MSRs, and the effectiveness of our pipeline hedging strategies, which can be impacted by changes in market interest rates between the lock date and the date a loan is sold into the secondary market.

The net total of primary loss and capitalization of MSRs increased approximately \$40.2 million for the three months ended June 30, 2024 as compared to the same period in 2023. This increase was primarily due to an increase in loan production volume of \$1.8 billion, or 5.6%, from \$31.8 billion to \$33.6 billion during the three months ended June 30, 2024, as compared to the same period in 2023, and pricing impacts, as we transitioned to more targeted pricing initiatives in 2024, following more broad-based programs in 2023.

The provision for representations and warranties obligations increased by \$4.3 million for the three months ended June 30, 2024 as compared to the same period in 2023, due to an increase in expected loss rates and the increase in loan production volume. Loan origination fees increased by approximately \$40.5 million for the three months ended June 30, 2024 as compared to the same period in 2023, due to the increase in loan production volume and increases in certain per loan origination and other fees.

The increase in production volume was due to higher refinance activity, despite the higher primary mortgage interest rate environment, partially offset by a slight decrease in purchase volume.

The net total of primary loss and capitalization of MSRs increased approximately \$100.1 million for the six months ended June 30, 2024 as compared to the same period in 2023. This increase was primarily due to an increase in loan production volume of \$7.1 billion, or 13.1%, from \$54.2 billion to \$61.3 billion during the six months ended June 30, 2024, as compared to the same period in 2023, and pricing impacts, as we transitioned to more targeted pricing initiatives in 2024, following more broad-based programs in the first half of 2023.

The provision for representations and warranties obligations increased by \$7.2 million for the six months ended June 30, 2024 as compared to the same period in 2023, due to an increase in expected loss rates and the increase in loan production volume. Loan origination fees increased by approximately \$77.0 million for the six months ended June 30, 2024 as compared to the same period in 2023, due to increases in certain per loan origination and other fees and the increase in loan production volume.

The increase in production volume was due to higher refinance and purchase volume, despite the higher interest rate environment.

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):

(\$ in thousands)	For the three months ended June 30,		Change	
	2024	2023	\$	%
Contractual servicing fees	\$ 140,193	\$ 189,695	\$ (49,502)	(26.1)%
Late, ancillary and other fees	3,717	3,525	192	5.4 %
Loan servicing income	\$ 143,910	\$ 193,220	\$ (49,310)	(25.5)%
Servicing costs	25,787	31,658	(5,871)	(18.5)%

(\$ in thousands)	For the six months ended June 30,		Change	
	2024	2023	\$	%
Contractual servicing fees	\$ 319,785	\$ 404,451	\$ (84,666)	(20.9)%
Late, ancillary and other fees	8,827	7,326	1,501	20.5 %
Loan servicing income	\$ 328,612	\$ 411,777	\$ (83,165)	(20.2)%
Servicing costs	56,111	68,520	(12,409)	(18.1)%

(\$ in thousands)	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Average UPB of loans serviced	\$ 204,422,940	\$ 296,944,806	\$ 232,327,862	\$ 306,506,708
Average number of loans serviced	634,679	916,298	716,197	946,510
Weighted average servicing fee as of period end	0.2924 %	0.2898 %	0.2924 %	0.2898 %

Loan servicing income was \$143.9 million for the three months ended June 30, 2024, a decrease of \$49.3 million, or 25.5%, as compared to \$193.2 million for the three months ended June 30, 2023. The decrease in loan servicing income during the three months ended June 30, 2024 was primarily driven by a decline in the average servicing portfolio, partially offset by higher average servicing fees.

Servicing costs decreased \$5.9 million for the three months ended June 30, 2024 as compared to the same period in 2023 primarily as a result of a decline in the average servicing portfolio.

Loan servicing income was \$328.6 million for the six months ended June 30, 2024, a decrease of \$83.2 million, or 20.2%, as compared to \$411.8 million for the six months ended June 30, 2023. The decrease in loan servicing income during the six months ended June 30, 2024 was primarily driven by a decline in the average servicing portfolio, partially offset by higher average servicing fees.

Servicing costs decreased \$12.4 million for the six months ended June 30, 2024 as compared to the same period in 2023 primarily as a result of a decline in the average servicing portfolio.

As of the dates presented below, our portfolio of loans serviced for others consisted of the following:

(\$ in thousands)	June 30, 2024	December 31, 2023
UPB of loans serviced	\$ 189,482,798	\$ 299,456,189
Number of loans serviced	593,376	905,129
MSR portfolio delinquency count (60+ days) as % of total	1.12 %	1.15 %
Weighted average note rate	4.31 %	4.43 %
Weighted average service fee	0.2924 %	0.3029 %

Change in Fair Value of Mortgage Servicing Rights, Net

The change in fair value of MSRs was a net decrease of \$115.3 million for the three months ended June 30, 2024 as compared with a net increase of \$24.6 million for the three months ended June 30, 2023. The net decrease in fair value of MSRs for the three months ended June 30, 2024 was primarily attributable to a decline in fair value of approximately \$88.2 million due to realization of cash flows, decay, and other (including loans paid in full), a decrease in fair value of approximately \$38.2 million due to changes in valuation inputs and assumptions and approximately \$16.0 million of net reserves and transaction costs for bulk MSR sales and sales of excess servicing cash flows, partially offset by a \$27.2 million gain on interest rate swap futures that we entered into during the second quarter of 2024. The net increase in fair value for the three months ended June 30, 2023 of approximately \$24.6 million was attributable to an increase of approximately \$164.5 million resulting from changes in valuation inputs and assumptions, primarily due to changes in market interest rates, partially offset by a decline of approximately \$136.4 million due to realization of cash flows, decay, and other (including loans paid in full) and approximately \$3.4 million of net reserves and transaction costs for bulk MSR sales and sales of excess servicing cash flows.

The change in fair value of MSRs was a net decrease of \$130.9 million for the six months ended June 30, 2024 as compared with a net decrease of \$312.6 million for the six months ended June 30, 2023. The net decrease in fair value of MSRs for the six months ended June 30, 2024 was primarily attributable to a decline in fair value of approximately \$216.5 million due to realization of cash flows, decay, and other (including loans paid in full) and approximately \$44.4 million of net reserves and transaction costs for bulk MSR sales and sales of excess servicing cash flows, partially offset by an increase in fair value of approximately \$102.8 million due to changes in valuation inputs and assumptions, mainly as a result of increases in market interest rates and a \$27.2 million gain on interest rate swap futures. The net decrease in fair value for the six months ended June 30, 2023 of approximately \$312.6 million was attributable to a decline of approximately \$232.7 million due to realization of cash flows, decay, and other (including loans paid in full), a decrease of approximately \$58.4 million resulting from changes in valuation inputs and assumptions, primarily due to changes in market interest rates, and approximately \$21.6 million of net reserves and transaction costs for bulk MSR sales and sales of excess servicing cash flows.

Interest income and Interest expense

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

(\$ in thousands)	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Interest income	\$ 121,394	\$ 88,895	\$ 223,257	\$ 163,475
Less: Interest expense on funding facilities	76,700	39,681	135,125	60,262
Net interest income	\$ 44,694	\$ 49,214	\$ 88,132	\$ 103,213
Interest expense on non-funding debt	\$ 31,951	\$ 42,756	\$ 72,194	\$ 85,459
Total interest expense	108,651	82,437	207,319	145,721

Net interest income (interest income less interest expense on funding facilities) was \$44.7 million for the three months ended June 30, 2024, a decrease of \$4.5 million, or 9%, as compared to \$49.2 million for the three months ended June 30, 2023, as a result of an increase in interest income, offset by a higher increase in interest expense on funding facilities. Interest income increased due to higher average balances of mortgage loans at fair value and higher average note rates on mortgage loans at fair value. Interest expense on funding facilities increased due to higher average warehouse balances and higher interest rates on warehouse facilities, all of which are variable based on short-term interest rate benchmarks (which were higher in the second quarter of 2024) plus a spread, partially offset by higher credits from warehouse lenders on custodial and other deposits.

Interest expense on non-funding debt was \$32.0 million for the three months ended June 30, 2024, a decrease from \$42.8 million for the three months ended June 30, 2023, primarily due to a decrease in average borrowings on the MSR facilities.

Net interest income (interest income less interest expense on funding facilities) was \$88.1 million for the six months ended June 30, 2024, a decrease of \$15.1 million, or 15%, as compared to \$103.2 million for the six months ended June 30, 2023, as a result of an increase in interest income, offset by a higher increase in interest expense on funding facilities. The increase in interest income and interest expense on funding facilities increased due to the same reasons mentioned in the three month analysis above.

Interest expense on non-funding debt was \$72.2 million for the six months ended June 30, 2024, a decrease from \$85.5 million for the six months ended June 30, 2023, due to the same reasons mentioned in the three month analysis above.

Other costs

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

(\$ in thousands)	For the three months ended June 30,		Change \$	Change %
	2024	2023		
Salaries, commissions and benefits	\$ 160,311	\$ 131,380	\$ 28,931	22.0 %
Direct loan production costs	45,485	23,618	21,867	92.6 %
Marketing, travel, and entertainment	24,438	21,588	2,850	13.2 %
Depreciation and amortization	11,404	11,441	(37)	(0.3)%
General and administrative	55,051	52,691	2,360	4.5 %
Other expense (income)	(1,105)	2,703	(3,808)	(140.9)%
Other costs	\$ 295,584	\$ 243,421	\$ 52,163	21.4 %

	For the six months ended June 30,		Change \$	Change %
	2024	2023		
Salaries, commissions and benefits	\$ 314,552	\$ 252,383	\$ 62,169	24.6 %
Direct loan production costs	76,921	40,101	36,820	91.8 %
Marketing, travel, and entertainment	43,549	38,798	4,751	12.2 %
Depreciation and amortization	22,744	23,111	(367)	(1.6)%
General and administrative	95,860	87,310	8,550	9.8 %
Other expense (income)	(1,342)	2,462	(3,804)	(154.5)%
Other costs	\$ 552,284	\$ 444,165	\$ 108,119	24.3 %

Other costs were \$295.6 million for the three months ended June 30, 2024, an increase of \$52.2 million, or 21.4%, as compared to \$243.4 million for the three months ended June 30, 2023. This increase was primarily due to an increase in salaries, commissions and benefits of \$28.9 million, or 22.0%, primarily due to an increase in average team member count as we prepare for anticipated increases in production volume, and an increase in direct loan production costs of \$21.9 million, primarily due to costs associated with our free credit report program (launched in the second quarter of 2024) and a down payment assistance program (launched late in the second quarter of 2023) as well as the increased loan production volume.

Other costs were \$552.3 million for the six months ended June 30, 2024, an increase of \$108.1 million, or 24.3%, as compared to \$444.2 million for the six months ended June 30, 2023. This increase was primarily due to an increase in salaries, commissions and benefits of \$62.2 million, or 24.6%, primarily due to an increase in average team member count, as we prepare for anticipated increases in production volume. Direct loan production costs increased \$36.8 million, primarily due to costs associated with our free credit report program (launched in the second quarter of 2024) and a down payment assistance program (launched late in the second quarter of 2023) as well as the increased loan production volume.

Income Taxes

We recorded a \$.8 million provision for income taxes during the three months ended June 30, 2024, compared to a provision for income taxes of \$1.2 million for the three months ended June 30, 2023. The decrease in income tax provision for the three months ended June 30, 2024, as compared to the same period in 2023, was primarily due to the decrease in pre-tax income attributable to the Company.

We recorded a \$4.5 million provision for income taxes during the six months ended June 30, 2024, compared to a provision for income taxes of \$.2 million for the six months ended June 30, 2023. The increase in income tax provision for the six months ended June 30, 2024, as compared to the same period in 2023, was primarily due to the increase in pre-tax income attributable to the Company.

Net income

Net income was \$76.3 million for the three months ended June 30, 2024, an decrease of \$152.5 million or 66.7%, as compared to net income of \$228.8 million for the three months ended June 30, 2023. The decrease in net income was primarily the result of a decrease in total revenue, net of \$80.4 million and an increase in total expenses (including income taxes) of \$72.1 million, as further described above.

Net income attributable to the Company of \$3.1 million and \$7.6 million for the three months ended June 30, 2024 and 2023, respectively, includes the net income of UWM attributable to the Company due to its approximate 6% ownership interest in Holdings LLC for these periods.

Net income was \$256.8 million for the six months ended June 30, 2024, an increase of \$166.6 million or 184.8%, as compared to net income of \$90.2 million for the six months ended June 30, 2023. The increase in net income was primarily the result of an increase in total revenue, net of \$328.3 million, partially offset by an increase in total expenses (including income taxes) of \$161.6 million, as further described above.

Net income attributable to the Company of \$11.8 million and net loss attributable to the Company of \$4.4 million for the six months ended June 30, 2024 and 2023, respectively, includes the net income (loss) of UWM attributable to the Company due to its approximate 6% ownership interest in Holdings LLC for these periods.

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 and certain other fees related to the origination of a loan;
 - servicing fee income;
 - interest income on mortgage loans; and
 - sale of 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, including our obligations under the Tax Receivable Agreement that we entered into with SFS Corp. at the time of the business combination.

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, available borrowing capacity 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.

We currently believe that our cash on hand, as well as the sources of liquidity described above, will be sufficient to maintain our current operations and fund our loan originations capital commitments for the next twelve months.

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 sale, we earn interest income from the borrower on the 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.

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-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 generally 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 advance based on the fair value of the loans, rather than the principal balance. For those lines, we exchange collateral for modest changes in value. As of June 30, 2024, 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 June 30, 2024:

		Line Amount as of June 30, 2024 ¹	Date of Initial Agreement With Warehouse Lender	Current Agreement Expiration Date	Total Advanced Against Line as of June 30, 2024 (in thousands)
Facility Type	Collateral				
MRA Funding:					
Master Repurchase Agreement	Mortgage Loans	\$1.0 Billion	7/24/2020	8/29/2024	\$ 801,720
Master Repurchase Agreement	Mortgage Loans	\$300 Million	2/26/2016	12/19/2024	252,633
Master Repurchase Agreement	Mortgage Loans	\$1.0 Billion	7/10/2012	1/6/2025	802,632
Master Repurchase Agreement	Mortgage Loans	\$2.5 Billion	12/31/2014	2/19/2025	1,905,551
Master Repurchase Agreement	Mortgage Loans	\$750 Million	3/7/2019	2/20/2025	666,651
Master Repurchase Agreement	Mortgage Loans	\$250 Million	4/23/2021	4/23/2025	204,370
Master Repurchase Agreement	Mortgage Loans	\$500 Million	2/29/2012	5/16/2025	469,008
Master Repurchase Agreement	Mortgage Loans	\$3.0 Billion	5/9/2019	11/28/2025	1,988,331
Master Repurchase Agreement	Mortgage Loans	\$500 Million	10/30/2020	6/26/2026	173,584
Early Funding:					
Master Repurchase Agreement	Mortgage Loans	\$600 Million (ASAP+ - see below)		No expiration	—
Master Repurchase Agreement	Mortgage Loans	\$750 Million (EF - see below)		No expiration	165,111
					\$ 7,429,591

¹ An aggregate of \$750 million of these line amounts is committed as of June 30, 2024.

Early Funding Programs

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 June 30, 2024, no amount was outstanding under the ASAP+ program and \$165.1 million was outstanding through the EF program.

Covenants

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) profitability. 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 June 30, 2024.

Other Financing Facilities

Senior Notes

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. 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 distributed the remainder to SFS Corp. for tax distributions.

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%, of the principal amount of the 2025 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest.

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. We used a portion of the proceeds from the issuance of the 2029 Senior Notes to pay off and terminate a line of credit that was in place at the time of issuance, and the remainder for general corporate purposes.

Beginning on 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%, of the principal amount of the 2029 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest.

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. We used the proceeds from the issuance of the 2027 Senior Notes for general corporate purposes.

Beginning on 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%, of the principal amount of the 2027 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest.

The indentures governing the 2025 Senior Notes, the 2029 Senior Notes, and the 2027 Senior Notes contain certain operating covenants and restrictions, 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 Ratio (as defined in the applicable indenture) does not exceed 2.0 to 1.0, (2) merge, consolidate or sell assets, (3) make restricted payments, including distributions, (4) enter into transactions with affiliates, (5) enter into sale and leaseback transactions and (6) incur liens securing indebtedness. We were in compliance with the terms of these indentures as of June 30, 2024.

MSR Facilities

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 up to \$1.5 billion of uncommitted borrowing capacity to finance the origination, acquisition or holding of certain mortgage servicing rights (the "Citi MSR Facility"). The Citi 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 Citi MSR Facility are based on the fair market value of the collateral, and borrowings under the Citi MSR Facility bear interest based on one-month term SOFR plus an applicable margin.

The Citi 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 June 30, 2024, we were in compliance with all applicable covenants.

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 transactions for the sale of excess servicing cash flows (as discussed below) whereby Citibank will release its security interest in that portion of the collateral.

On June 27, 2024, UWM and Citibank, N.A. amended both the Loan and Security Agreement and the warehouse facility agreement between the parties. These amendments increased the combined total uncommitted borrowing capacity of the MSR Facility and the warehouse facility to \$2.0 billion, which can be allocated between the two facilities at UWM's discretion, and extended the maturity dates to June 26, 2026. All other material terms of these agreements remained the same. As of June 30, 2024, the Company was in compliance with all applicable covenants. No amounts were outstanding under the MSR Facility as of June 30, 2024.

On March 20, 2023, our 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, as well as mandatory curtailments, 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. On March 20, 2024, UWM entered into the First Amendment to Credit Agreement with Goldman Sachs Bank USA. The First Amendment removed the minimum utilization fee on undrawn amounts and extended the maturity date of the GNMA MSR Facility to March 20, 2027. All other material terms of the GNMA MSR facility remained the same. The draw period for the GNMA MSR facility ends on March 20, 2026. As of June 30, 2024, no amounts was outstanding under the GNMA MSR facility.

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 June 30, 2024, we were in compliance with all applicable covenants.

Revolving Credit Facility

On August 8, 2022, UWM entered into 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 had an initial 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 the availability of funds under the Revolving Credit Facility is subject to our continued compliance with these covenants. We were in compliance with these covenants as of June 30, 2024. No amounts were outstanding under the Revolving Credit Facility as of June 30, 2024.

Borrowings Against Investment Securities

In 2021, our consolidated subsidiary, UWM, began selling some of the mortgage loans that it originates through UWM's private label securitization transactions. In executing these transactions, UWM 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 UWM due to regulatory requirements. UWM entered into sale and repurchase agreements for a portion of the retained beneficial interests in the securitization trusts established to facilitate its private label securitization transactions which have been accounted for as borrowings against investment securities. As of June 30, 2024, we had \$91.4 million outstanding under individual trades executed pursuant to a master repurchase agreement with a counterparty which is collateralized by the investment securities (beneficial interests in the trusts) that we retained due to regulatory requirements. The borrowings against investment securities have remaining terms ranging from one to three months as of June 30, 2024, and interest rates based on SOFR plus a spread. We intend to renew these sale and repurchase agreements upon their maturity during the required holding period for the retained investment securities.

The counterparty under these sale and repurchase agreements conducts daily evaluations of the adequacy of the underlying collateral based on the fair value of the retained investment securities less specified haircuts. These investment securities are financed on average at approximately 73% of the outstanding principal balance, and exchanges of cash collateral are required if the fair value of the retained investment securities, less the haircut, is less than the principal balance plus accrued interest on the secured borrowings. As of June 30, 2024, we had delivered \$5.3 million of collateral to the counterparty under these sale and repurchase agreements.

Finance Leases

As of June 30, 2024, our finance lease liabilities were \$26.8 million, \$25.4 million of which relates to leases with related parties. The Company's financing lease agreements have remaining terms ranging from approximately three months to twelve years.

Cash flow data for the six months ended June 30, 2024 and 2023

(\$ in thousands)	For the six months ended June 30,	
	2024	2023
Net cash (used in) provided by operating activities	\$ (3,519,919)	\$ 148,610
Net cash provided by investing activities	2,343,887	1,070,708
Net cash provided by (used in) financing activities	1,358,717	(1,289,640)
Net increase (decrease) in cash and cash equivalents	\$ 182,685	\$ (70,322)
Cash and cash equivalents at the end of the period	680,153	634,576

Net cash (used in) provided by operating activities

Net cash used in operating activities was \$3.52 billion for the six months ended June 30, 2024 compared to net cash provided by operating activities of \$148.6 million for the same period in 2023. The decrease in cash flows from operating activities year-over-year was primarily driven by the increase in mortgage loans at fair value for the six month period ended June 30, 2024, as compared to a decrease in mortgage loans at fair value for the comparable period in 2023.

Net cash provided by investing activities

Net cash provided by investing activities was \$2.34 billion for the six months ended June 30, 2024 compared to \$1.07 billion of net cash provided by investing activities for the same period in 2023. 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 flows.

Net cash provided by (used in) financing activities

Net cash provided by financing activities was \$1.36 billion for the six months ended June 30, 2024 compared to cash used in financing activities of \$1.29 billion for the same period in 2023. Net cash provided by financing activities for the six-months ended June 30, 2024 was primarily driven by net borrowings under warehouse lines of credit (due to the increase in mortgage loans at fair value), partially offset by net repayments on our MSR facilities, member distributions (including tax distributions) and dividends. Net cash used in financing activities for the six-months ended June 30, 2023 was primarily driven by net repayments under warehouse lines of credit (due to the decrease in mortgage loans at fair value), along with net repayments on our MSR facilities, member distributions and dividends.

Contractual Obligations
Cash requirements from contractual and other obligations

As of June 30, 2024, our material cash requirements from known contractual and other obligations include interest and principal payments under our Senior Notes, principal payments under our borrowings against investment securities, interest and principal payments under our MSR Facility and GNMA MSR Facility, payments under our financing and operating lease agreements, and required tax distributions to SFS Corp. There have been no other material changes in the cash requirements from known contractual and other obligations since December 31, 2023.

During the second quarter of 2024, the Board declared a dividend of \$0.10 per share of Class A common stock for an aggregate \$9.4 million. Concurrently with this declaration, the Board, in its capacity as the Manager of Holdings LLC, under the Holdings LLC Second Amended and Restated Operating Agreement, approved a proportional distribution of \$150.2 million from Holdings LLC to SFS Corp. with respect to Class B Units of Holdings LLC. The dividend and the distributions were paid on July 11, 2024.

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.

The sources of funds needed to satisfy these cash requirements include cash flows from operations and investing activities, including cash flows from sales of MSRs and excess servicing cash flows, sale or securitization of loans into the secondary market, loan origination fees and certain other fees related to the origination of a loan, servicing fee income, and interest income on mortgage loans.

Repurchase and indemnification obligations

Loans sold to investors, which we believe 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. We establish a reserve which is estimated based on an assessment of our 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 8 - Commitments and Contingencies* to the condensed consolidated financial statements for further information.

Interest rate lock commitments, loan sale and forward commitments

In the normal course of business, we are party to financial instruments with off-balance sheet risk. These financial instruments include commitments to extend credit to borrowers at either fixed or floating interest rates. IRLCs are binding agreements to lend to a borrower at a specified interest rate within a specified period of time as long as there is no violation of conditions established in the contract. Forward commitments generally have fixed expiration dates or other termination clauses which may require payment of a fee. As many of the commitments expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. In addition, we have contracts to sell loans into the secondary market at specified future dates (commitments to sell loans), and forward commitments to sell MBS at specified future dates and interest rates. The blended average pullthrough rate was 80% and 76% as of June 30, 2024 and December 31, 2023, respectively.

Following is a summary of the notional amounts of commitments as of dates indicated:

(\$ in thousands)	June 30, 2024	December 31, 2023
Interest rate lock commitments—fixed rate (a)	\$ 9,295,295	\$ 6,258,801
Interest rate lock commitments—variable rate (a)	556	5,926
Commitments to sell loans	3,226,228	2,501,298
Forward commitments to sell mortgage-backed securities	11,257,454	7,968,677

(a) Adjusted for pullthrough rates of 80% and 76%, respectively.

As of June 30, 2024, we had sold \$1.7 billion 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 July 2024.

Critical Accounting Estimates and Use of Significant Estimates

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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. We have identified certain accounting estimates as being critical because they require management's judgement to make difficult, subjective or complex judgements about matters that are uncertain. Actual results could differ and the use of other assumptions or estimates could result in material differences in our condensed consolidated financial statements. Our critical accounting policies and estimates relate to accounting for mortgage loans held at fair value and revenue recognition, mortgage servicing rights, derivative financial instruments and representations and warranties reserve. There were no significant changes to our policies, methodologies, or processes used in applying our critical accounting estimates from what was described in our 2023 Annual Report on Form 10-K.

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:

- our financial 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;
- the impact of interest rate 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 commitments to originate loans and its impact on our future cash requirements;
- 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 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 facilities, and Revolving Credit Facility;
- the impact of litigation on our financial position;
- the sufficiency of our insurance coverage;
- our repurchase and indemnification obligations for loans sold to investors and other contractual 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 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 access, and increase, warehouse lines to meet our anticipated growth;
 - 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 Broker 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 described in Item 1A - Risk Factors in our 2023 Annual Report on Form 10-K, as well as those described from time to time in our other filings with the 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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In 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 and counterparty risk.

Interest rate risk

We are subject to interest rate risk which may impact our origination volume and associated revenue, MSR valuations, IRLCs and mortgage loans at fair value valuations, and the net interest margin derived from our funding facilities. The fair value of MSRs is driven primarily by interest rates, which impact expected prepayments. In periods of rising interest rates, the fair value of the MSRs generally increases as expected prepayments decrease, consequently extending the estimated life of the MSRs, and estimated float earnings increase, resulting in expected increases in cash flows. In a declining interest rate environment, the fair value of MSRs generally decreases as expected prepayments increase consequently truncating the estimated life of the MSRs, and estimated float earnings decrease, resulting in expected decreases in cash flows. Because origination volumes tend to increase in declining interest rate environments and decrease in increasing rate environments, we believe that our origination business provides a natural hedge to servicing. We periodically evaluate our overall interest rate risk management strategy with respect to MSRs, which includes consideration of our natural business model hedge, regular sales of MSRs and excess servicing cash flows, and at times entering into financial instruments to mitigate the interest rate risk associated with all or a portion of our MSR portfolio.

Our IRLCs 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 changes in interest rates. Because substantially all of our production is deliverable to Fannie Mae, Freddie Mac, and Ginnie Mae, we predominately utilize forward agency or Ginnie Mae To Be Announced ("TBA") securities as our primary hedge instrument. The TBA 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.

We assess our market risk based on changes in interest rates utilizing a sensitivity analysis. The sensitivity analysis measures the potential impact on fair values based on hypothetical changes (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 markets. There are certain limitations inherent in the sensitivity analysis presented, 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 June 30, 2024 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 generally cannot be extrapolated 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, MSRs, IRLCs, FLSCs, and interest rate swap futures as of June 30, 2024 given hypothetical instantaneous parallel shifts in the yield curve. Actual results could differ materially.

(\$ in thousands)	June 30, 2024	
	Down 25 bps	Up 25 bps
Increase (decrease) in assets		
Mortgage loans at fair value	\$ 51,265	\$ (57,548)
MSRs	(92,665)	93,920
IRLCs	57,055	(68,464)
Interest rate swap futures	97,969	(95,890)
Total change in assets	\$ 113,624	\$ (127,982)
Increase (decrease) in liabilities		
FLSCs	\$ (111,861)	\$ 122,862
Total change in liabilities	\$ (111,861)	\$ 122,862

Credit risk

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 three and six months ended June 30, 2024, our originated loans had a weighted average loan to value ratio of 81.87% and 82.09%, and a weighted average FICO score of 739 and 737. For the three and six months ended June 30, 2023, our originated loans had a weighted average loan to value ratio of 83.31% and 83.39%, and a weighted average FICO score of 739 and 738.

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 should either party's exposure exceed a predetermined contractual limit. Such margin requirements limit our overall 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 three or six months ended June 30, 2024 or June 30, 2023.

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.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or

submitted under the Exchange Act is accumulated and communicated to management, including our Principal Executive Officer and Principal Financial Officer, to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Principal Executive Officer and Principal Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2024. Based upon their evaluation, our Principal Executive Officer and Principal 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.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. 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, monetary damages, attorneys' fees and injunctive relief. UWM filed a renewed motion to dismiss on September 7, 2021. On July 27, 2022, the Magistrate Judge assigned to consider 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 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 filed a motion to dismiss the 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 the complaint be dismissed on all counts. The plaintiffs filed objections to the Magistrate's report, and UWM filed a response to such objections. On June 6, 2024, Okavage filed a motion for leave to file second supplemental complaint and on June 20, 2024, UWM filed a response opposing such motion.

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. On March 18, 2022, UWM filed a motion to dismiss AML's counterclaims, and on December 22, 2022, the court granted UWM's motion in large part, dismissing all of AML's counterclaims except for its declaratory judgment claim, and AML filed a motion for reconsideration of the court's order. On March 8, 2023, AML filed an amended counterclaim, which was also dismissed on March 29, 2024. On April 12, 2024, AML filed a motion for reconsideration. On May 6, 2024, AML filed a motion for leave to file a supplemental counterclaim, to which UWM filed a response on May 20, 2024. On June 12, 2024, UWM filed a motion to amend the complaint to include Mortgage MoneyLine ("MML"), Shawn Nevin, and Dean Lob, to which AML filed a response on June 26, 2024. Shawn Nevin is the Chief Executive Officer and a director of AML, as well as a founding director of MML. Dean Lob is AML's Secretary and Chief Financial Officer, as well as a founding director of MML.

On April 2, 2024, a complaint was filed in the U.S. District Court for the Eastern District of Michigan against UWM, the Company, SFS Corp., and Mat Ishbia, individually (collectively, the "UWM Defendants") by Therisa D. Escue, et al. (collectively, the "Plaintiffs"). The Plaintiffs seek class certification, monetary damages, attorneys' fees and equitable and injunctive relief. The Plaintiffs allege, among other things, that for mortgage loans originated through UWM, UWM improperly influenced mortgage brokers in its network to steer prospective borrowers to obtain their mortgage loans from UWM at pricing and subject to fees substantially in excess of that charged by competitors, and that such mortgage brokers did not act independently but instead were captive to UWM. The UWM Defendants deny the allegations in the complaint and believe the allegations are without merit. On June 21, 2024, the UWM Defendants filed a motion to dismiss in the case.

Item 5. Other Information

Rule 10b5-1 Trading Plans

During the three months ended June 30, 2024, none of our officers (as defined in Rule 16a-1(f) of the Exchange Act) or directors adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 1.01 Entry into a Material Definitive Agreement

On June 27, 2024, United Wholesale Mortgage, LLC, entered into an amendment to both the Amended and Restated Loan and Security Agreement, dated as of September 30, 2022, by and between United Wholesale Mortgage, LLC and Citibank, N.A. and the warehouse facility agreement between the parties to (i) extend the loan repayment date to June 26, 2026 and (ii) increase the aggregate uncommitted amount of the total facility from \$1.5 billion to \$2 billion, which can be allocated between the two facilities at UWM's discretion. The MSR facility provides uncommitted borrowing capacity to finance the origination, acquisition or holding of certain mortgage servicing rights. All other material terms of the Amended and Restated Loan and Security Agreement remained the same.

Item 6. Exhibits and Financial Statement Schedules

Exhibit Number	Description
10.22.2%#	Amendment No. 6 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)
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
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 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.

SIGNATURE

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: August 6, 2024

By: /s/ Andrew Hubacker
Andrew Hubacker
Executive Vice President, Chief Financial Officer and Chief Accounting Officer

AMENDMENT NUMBER SIX
to the
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT
Dated as of September 30, 2022,
among
UNITED WHOLESALE MORTGAGE, LLC,
and
CITIBANK, N.A.

This AMENDMENT NUMBER SIX (this "Amendment") is made this 27th day of June, 2024, 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 "Amendment Effective Date"), Schedule I of the Original Loan and Security Agreement is hereby amended by deleting the definition of "Loan Repayment Date" in its entirety and replacing it with the following:

"Loan Repayment Date" shall mean, the earliest to occur of (i) June 26, 2026, (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).

Section 2. Conditions Precedent; Effectiveness. This Amendment shall become effective on the date on which Lender shall have received and Borrower shall have completed, or shall have caused to be completed the following conditions (such date, the "Amendment Effective Date"):

- (a) counterparts hereof duly executed by each of the parties hereto;

- (b) counterparts of that certain Amendment No. 4 to the Amended and Restated Pricing Side Letter, duly executed by each of the parties thereto;
- (c) counterparts of that certain Amended and Restated Promissory Note, duly executed by each of the parties thereto; and
- (d) delivery of a Commitment Adjustment Notice.

Section 3. 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 4. 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) 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 Facility Documents to which it is a party;
- (b) each of this Amendment, the Loan and Security Agreement and the other Facility 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;
- (c) each representation and warranty of it contained in the Loan and Security Agreement and the other Facility Documents to which it is a party is true and correct and is hereby restated and affirmed;
- (d) each covenant and each other agreement of it contained in the Loan and Security Agreement and the other Facility Documents to which it is a party is hereby restated and affirmed; and
- (e) no Default or Event of Default has occurred and is continuing under the Loan and Security Agreement or any other Facility Document.

Section 5. 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 6. 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 Facility Document, and this Amendment and each other Facility Document shall be enforced to the fullest extent permitted by law.

Section 7. 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 8. 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 9. 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 FACILITY DOCUMENT, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE EXCLUSIVE 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 10. **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 FACILITY DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 11. **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 12. **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 Facility 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.

[Signature Pages Follow]

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/ Andrew Hubacker
Name: Andrew Hubacker
Title: EVP, Chief Financial Officer

CITIBANK, N.A., as Lender

By: /s/ Arunthathi Theivakumaran
Name: Arunthathi Theivakumaran
Title: Vice President

**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 Quarterly Report on Form 10-Q 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: August 6, 2024

By: /s/ Mathew Ishbia

Mathew Ishbia

Chairman, President and Chief Executive Officer

(Principal Executive Officer)

**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 Quarterly Report on Form 10-Q 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: August 6, 2024

By: /s/ Andrew Hubacker

Andrew Hubacker

Executive Vice President, Chief Financial Officer and Chief Accounting Officer
(Principal Financial Officer)

**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 Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (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: August 6, 2024

By: /s/ Mathew Ishbia

Mathew Ishbia

Chairman, President and Chief Executive Officer

(Principal Executive Officer)

**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 Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (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: August 6, 2024

By: /s/ Andrew Hubacker

Andrew Hubacker

Executive Vice President, Chief Financial Officer and Chief Accounting Officer
(Principal Financial Officer)