



2019

Velocity Financial, Inc.

CODE OF ETHICS

The purpose of this Code of Ethics is to promote integrity, honesty, and accountability. The Code of Ethics provides all employees with the tools necessary to ethically handle actual or perceived conflicts of interest, and compliance with all applicable laws and regulations.



Velocity Financial, Inc. Code of Ethics

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Code of Ethics

Our Code of Ethics applies to all employees, including officers, as well as directors of Velocity Financial, Inc. Velocity Financial, Inc. (“Velocity” or “Company”) applies to any and all affiliates and subsidiaries of Velocity Financial, Inc.

Purpose

The success of Velocity is dependent on the trust and credibility we earn from our employees, customers, and investors. Velocity earns and maintains this trust and credibility by displaying and promoting integrity, honesty, and accountability. The Code provides all employees with the tools necessary to ethically handle actual or perceived conflicts of interest, and compliance with all applicable laws and regulations. All employees are accountable to adhere to the code and promptly report violations. Additionally, the Code provides guidance on handling issues of ethics, reinforces our culture, and deters wrongdoing.

All employees, officers, and directors are expected to read, know, and understand the Code. Compliance with the code is expected at all times. Employees, officers, and directors are expected to use their own good judgement in conjunction with the guiding principles of the Code, in order to follow the high ethical standards to which Velocity is committed.

The Code is to be utilized in conjunction with the Velocity Commercial Capital Employee Handbook and with any and all policies applicable to employees, officers, and directors of the Company.

Rules of Conduct

It is important to us that all employees maintain proper standards of conduct and observe certain rules to ensure the orderly and efficient operation of our Company. Complying with Company rules does not guarantee continuing employment, because all employees are employed at-will. However, employees who do not comply with company policies, rules, and directives may be disciplined and/or terminated.

It would be impossible to list all possible infractions that may lead to discipline, and we may discipline and/or terminate employees for any reason we deem necessary and appropriate. Some examples of misconduct warranting disciplinary action and/or termination include:

- Theft, misappropriation, or unauthorized possession, removal or use of property, equipment, materials, documents, or records belonging to the Company, a Company customer, or another employee.
- Misuse, falsification or alteration of any employment or Company reports or records, such as job applications, medical or employment history, personnel records, pay records, time records, customer or vendor documents, absence or illness reports, accident reports or injury claims.



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- Unlawful conduct impacting our Company in any manner, whether committed on or off the job.
- Conduct on or off Company premises which adversely affects the Company's services, property, reputation, or goodwill in the community, or interferes with job performance.
- Obtaining confidential information pertaining to the Company or to the customers, employees, or other representatives of the Company without authorization to do so.
- Divulging confidential or proprietary information or trade secrets to any person or entity except in the course of performing duties as an employee of the Company and with the Company's consent.
- Taking or giving bribes or gifts of any nature as an inducement to obtain special treatment, to provide confidential information or to obtain a position or benefit.
- Entering or leaving Company premises or removing any Company information or materials at any time without authorization.
- Refusal to execute Company documents or participate in Company investigations required as a condition of employment.

Conflicts of Interest

Employee Responsibilities –

We recognize your right to engage in lawful outside conduct during non-working hours away from our premises. However, a conflict of interest occurs when your private interests (or the private interests of your immediate family members) interfere with your job responsibilities. You must not place yourself or our Company in a position of conflict. If your lawful off-duty activities create a conflict of interest or prevent you from successfully performing your job duties, we will ask you to choose between terminating the off-duty conduct and resigning from your position with us.

Employees, officers, and Directors of the Company may not take or direct a third party to take a business opportunity that arises through the use of corporate property, information, or position. The only exception is in the case that the Company has been offered the opportunity and turned it down. Corporate property, information, or position may not be used for personal gain. Employees, officers, and Directors are prohibited from competing with the company directly or indirectly.

Gifts

Employee Responsibilities –

You may not give or accept cash or gifts of significant value, loans, expensive entertainment, or anything else that might be expected to influence your conduct with our customers and clients or their families, business associates, vendors, or other persons providing goods or services to us, or other employees or independent contractors of our Company.



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Client Complaints

All employees and officers of the Company are to handle client complaints promptly. All complaints and their respective resolutions, should be thoroughly documented and reported to a supervisor. Complaints and resolutions should be retained for 1 year before being securely destroyed.

Confidential Information

We use our resources to develop confidential information and trade secrets that are essential to our Company, clients, and employees. Our confidential information and trade secrets are developed by our employees as part of their job duties and responsibilities. Because protecting our confidential information and trade secrets is important to us, you are required to sign a Confidential Information Agreement as a condition of your employment.

Our confidential or trade secret information includes financial data, product information, the names and contact information for customers, vendors and other potential customers, technological data, marketing information, and other details of our business. This information may be contained in our written materials or in our electronic databases.

Employees are not to disclose the specifics of our underwriting rules, policies or process in email communications, social media, videos, pod-casts, brochures, presentations, or other mass market communications. Such information is considered confidential and should only be communicated with brokers on a one-to-one basis when they pertain to a specific deal.

You must take great care to protect our trade secrets and other confidential information. You may not disclose any trade secrets or confidential information to third parties, either during or after your employment. You must store all confidential and trade secret information in a manner that protects and maintains the confidentiality of that information.

Technology and Communications Systems

Our technology and communication services, equipment and content (“Communications System”) include mail, electronic mail (“e-mail”), facsimiles, telephones, voicemail, personal computers, laptops, tablets, computer networks, on-line services, Internet connections, computer files, video equipment and tapes, tape recorders and recordings, dictation machines, pagers, cellular phones, PDAs, smart phones, text messages, Internet posts, bulletin boards, and any similar communications or equipment. As technology progresses, there will no doubt be additions.

Our Communications System is our Company property. You have no personal rights and no right of privacy in any use of our Communications System. We will access and monitor every employee’s use of the Communications System, including all content created or stored on it.



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When using our Communications System, you must comply with the following guidelines:

- You are to use the Communications System only for business purposes. Personal use of the Communications System is not permitted, and you should not expect privacy with regard to any unauthorized personal use.
- You may not send or receive personal mail or e-mail with our communications System.
- You may not use our Communications System to harass others, to gossip or bully others, or to send anonymous communications.
- We may access any employee's use of our Communications System at any time; however, you may not access another employee's use of our Communications System without that person's advance permission to do so.
- We have access to your use of the Communications System at all times, and your use of personal passwords does not prevent us from doing so. If you implement personal passwords, you must disclose them to CIO, but you may not disclose your personal passwords to any other employee without the prior approval of CIO.
- You may not tell outside parties that your voicemail or email is private or confidential, since it may be accessed by us or by other employees as necessary.
- You may not install or download any software, Internet add-in, toolbar, software update or other addition to our Communications System without the advance approval of the CIO.
- You may not send our Company information or property to your personal e-mail or other outside location except as required in your job duties, and you may not download Company information or property to any external drive or storage device.

In addition to any disciplinary action that may be imposed, we also may advise legal authorities of any illegal use of our Communications System.

Social Media Policy

Social media refers to blogs, chat rooms, forums, and social networking sites such as Facebook, Twitter, LinkedIn, and YouTube, among others. You have the right to engage in personal social media activities to express your thoughts or promote your ideas, as long as your activities are not performed on working time or by using our Communications System, and do not cause harm to others or conflict with our policies, business, goodwill, or reputation. Employees may use LinkedIn on business time only when it is being used for business marketing purposes.

If you engage in social media activities on your own time, you must comply with the following guidelines as a condition of employment with us:

- Do not disclose our confidential and proprietary information or trade secrets.



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- Do not write or post harassing or offensive material in violation of law or our Company policies.
- Do not unlawfully defame the Company or our personnel, activities, or competitors.
- Do not use or reproduce our logo, website link, or other proprietary Company information, or create a Velocity website or one that could be construed as such, without advance permission of a member of senior management.
- When expressing your opinion or position, you must use your own name and Internet account, not the Company name or Internet account. Your comments or posts must be yours alone, and must not appear to be representative of or approved by our Company.

All employees, officers, and Directors are personally responsible for what they post on social media.

Dealings between employees, officers, and/or Directors and the Company

All employees, officers, and Directors must uphold ethical standards in all dealings between themselves and the Company. All expense reports are to be submitted timely and represent all business expenses accurately, as required by the Travel & Expense Policy. The Travel & Expense Policy requires that all business and travel expenses receive prior approval from a supervisor. Approved business and travel expenses incurred while performing your assigned job duties will be reimbursed by the Company.

All employees and/or officers in possession of a Company Credit Card must sign the Velocity Financial credit card agreement and adhere to the Company's Credit Card and Travel policies.

Health and Safety

The Company has instituted an Injury and Illness Prevention Program, which is separately issued to all employees. Every employee is responsible for observing safety rules and maintaining safe working conditions. We provide the best facilities and safest conditions possible but being alert and using good common sense is essential in preventing accidents.

Fair Employment Practices

The Company provides equal opportunity employment opportunities to all qualified applicants and employees without regard to actual or perceived race, religious creed (including religious dress or grooming practices), color, sex, sex stereotype, pregnancy, childbirth or related medical conditions (including breast feeding), age (40 years or over), sexual orientation, gender, gender identification and expression, transgender status, transitioning employees, physical or mental disability, medical condition (including cancer), genetic characteristics, genetic information, family care, marital status, enrollment in any public assistance program, status as military, a veteran or qualified disabled veteran, status as an unpaid intern or volunteer, ancestry, citizenship, national origin, protected medical leaves (including a request for or approval of leave under the Family and Medical Leave Act or the California Family Rights Act), domestic violence victim status, political affiliation, or any other classification protected by law, as



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well as the perception that anyone has any of those protected characteristics, or is associated with a person who has or is perceived as having any of those protected characteristics

We are committed to maintaining a work environment which is free from discrimination and harassment. An applicant or employee may not be harassed for any of the above protected classification, or any other classification protected under applicable law.

Our anti-harassment policy applies to everyone involved in the operation of the Company and sets a standard of expected behavior for all persons working in or with our Company. Harassment by any employee, officer, Director, independent contractor of the Company, or by any outside persons in contact with our employees and independent contractors (including our customers, potential customers, vendors, delivery persons, etc.).

Any incidences of harassment or witnessed harassment must be immediately reported by written or oral complaint to your supervisor, any other supervisor, or Human Resources. All personnel must fully cooperate in the investigation process. A harassment victim and/or witness may not be discouraged or prevented from using our complaint procedure to report harassing conduct or from participating in the investigation.

We will inform the complainant, the accused, and any other involved persons about the general results of our investigation. Any employee who is found to have discriminated against or harassed another employee is subject to discipline up to and including termination.

No individual will suffer retaliation for filing a complaint or participating in an investigation. The Company will not tolerate or permit retaliation against a complainant by management, employees, independent contractors, or other persons.

Compliance and Reporting

Guidance-

Employees, officers, and Directors are encouraged to seek guidance from supervisors, managers, or other appropriate personnel when in doubt about the best course of action to take in a particular situation. In most cases, questions regarding the Code should be brought to the attention of the Company's Human Resources Director.

Reporting Violations-

Ethics related concerns should be reported to your manager, the Human Resources Director, or may be anonymously reported to "website", "email address", or "phone number". If an employee, officer, or Director knows of or suspects a violation of the Code, or of any and all applicable laws and regulations, her or she must report the violation immediately.



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All reports are to be kept confidential, to the extent practical, except where disclosure is required to investigate a report or is mandated by law. The Company does not permit retaliation of any kind for good faith reports of violations or possible violations.

Investigations –

Code of Ethics violations reported to the Company will be promptly and thoroughly investigated. No person reporting a violation is to conduct an investigation of his or her own. Employees, officers, and Directors are expected to cooperate fully with any investigation made by the Company into reported violations.

Sanctions-

Employees or officers who violate this Code may be subject to disciplinary actions up to and including termination of employment. Employees or officers who direct or approve of any conduct in violation of the Code, or who have knowledge of such conduct but do not promptly report it may also be subject to disciplinary action, up to and including termination of employment. A Director who violates the Code or directs or approves conduct in violation of the Code will be subject to action as determined by the Board.

Violations of some provisions of this code are illegal any may potentially subject the employee, officer, or Director to civil and/or criminal liability.

Open Door Policy –

Suggestions for improving our policies, practices, and procedures are always welcome. At some time, you may have a complaint, suggestion, or question about your job, your working conditions, or the treatment you are receiving. Your complaints, questions, and suggestions are important to us.

If you have an issue that concerns you, please talk to your supervisor or Human Resources or any member of the management team. If you feel that your concern has not received appropriate attention, please raise the issue with another member of management. We cannot guarantee that every problem will be resolved to your satisfaction. However, we value your observations and you should feel free to raise issues of concern, in good faith, without fear of retaliation.

Reporting Code of Ethics Violations

Perceived ethics violations may be confidentially and anonymously reported to the Velocity Financial Inc. Ethics Reporting Hotline by phoning (844) 811-7368 or accessing the online reporting tool at www.velocityfinancialinc.ethicspoint.com from your internet browser.

Amendments to the Velocity Financial Inc. Code of Ethics

The Company reserves the right to amend, alter, or terminate this Code at any time for any reason.