# 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 ended June 30, 2025**

**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 001-40308**

# FINANCE OF AMERICA COMPANIES INC.

**(Exact name of registrant as specified in its charter)**

| **Delaware** | **85-3474065** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| **5830 Granite Parkway, Suite 400**<br>**Plano, Texas** | **75024** |
| (Address of principal executive offices) | (Zip Code) |

**(877) 202-2666**
**Registrant's telephone number, including area code**

**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 | FOA | 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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | ☒ | Smaller reporting company | ☒ |
| | | Emerging growth company | ☐ |

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 6, 2025, 11,079,270 shares of the registrant's Class A Common Stock, par value $0.0001, and 14 shares of the registrant's Class B Common Stock, par value $0.0001, were issued and outstanding.

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**Forward-Looking Statements**

This Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 (the "Form 10-Q") contains forward-looking statements within the meaning of the "safe harbor" provisions of the United States of America (the "U.S.") Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts or statements of current conditions, but instead represent only our beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the control of Finance of America Companies Inc. (the "Company"). These statements include, but are not limited to, statements related to our expectations regarding our repurchase of Blackstone's equity stake and related transactions and our ability to realize the anticipated benefits of these transactions, the performance of our business, our financial results, our liquidity and capital resources, and other non-historical statements. In some cases, you can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "projects," "predicts," "intends," "plans," "estimates," "budgets," "forecasts," "anticipates," or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties that could cause actual outcomes or results to differ materially from those indicated in these statements, including those risks described below. Given the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the results or conditions described in such statements or our objectives and plans will be achieved. The Company cautions readers not to place undue reliance upon any forward-looking statements, which are current only as of the date of the Form 10-Q. Results for any specified quarter are not necessarily indicative of the results that may be expected for the full year or any future period. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions, or circumstances on which any such statement is based, except as required by law. All subsequent written and oral forward-looking statements concerning the Company or other matters and attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. A number of important factors exist that could cause future results to differ materially from historical performance and these forward-looking statements. In addition to the other information in the Form 10-Q, the following risk factors should be considered carefully in evaluating the Company and our business:

- our ability to (1) expand our customer base and acquire and originate reverse mortgage loans efficiently while maintaining loan origination quality, (2) finance our reverse mortgage portfolio, and (3) profitably securitize or otherwise monetize our reverse mortgage portfolio, all of which will in turn depend upon our ability to manage the unique challenges presented by operating as a unified modern retirement solutions platform;
- our ability to realize the anticipated benefits of the efforts we have undertaken to transition to a unified lending platform and to streamline and enhance our marketing and originations operations and digital capabilities and generally, our ability to operate our business profitably;
- our ability to respond to significant changes in prevailing interest rates and to maintain profitable business operations;
- our geographic market concentration if the economic conditions in our current markets should decline or if our current markets are impacted by natural disasters;
- our ability to achieve anticipated returns from our capital investments in technology;
- our use of estimates in measuring or determining the fair value of the majority of our assets and liabilities, which may require us to write down the value of these assets or write up the value of these liabilities if the estimates prove to be incorrect;
- our ability to prevent cyber intrusions and mitigate cyber risks;
- our Company may be adversely affected by the condition of the U.S. residential mortgage market and other economic, political, business, and/or competitive factors in our business markets and worldwide financial markets, including a sustained period of higher interest rates;
- our ability to manage changes in our licensing status, business relationships, or servicing guidelines with the Government National Mortgage Association ("Ginnie Mae"), the United States Department of Housing and Urban Development ("HUD"), or other governmental entities;
- our ability to obtain sufficient capital and liquidity to meet the financing and operational requirements of our business and our ability to comply with our debt agreements, including warehouse lending facilities, and pay down our substantial debt;
- our ability to repay or refinance our debt on reasonable terms as it becomes due;

- our ability to manage disruptions in the secondary home loan market, including the mortgage-backed securities market;
- our ability to finance and recover costs of our reverse mortgage servicing operations;
- our ability to maintain compliance with the extensive regulations we are subject to, including consumer protection laws applicable to reverse mortgage lenders, which may be highly complex;
- our ability to compete with national banks, which are not subject to state licensing and operational requirements;
- our ability to manage various legal proceedings, federal or state governmental examinations, and enforcement investigations we are subject to from time to time, the results of which are difficult to predict or estimate;
- our continued ability to remain in compliance with the terms of the consent orders issued by the Consumer Financial Protection Bureau, which we assumed in connection with our acquisition of operational assets from American Advisors Group;
- our holding company status and dependency on distributions from Finance of America Equity Capital LLC;
- our ability to comply with the continued listing standards of the New York Stock Exchange (the "NYSE");
- our common stock trading history has been characterized by low trading volume, which may result in an inability to sell your shares at a desired price, if at all;
- our ability to remediate the material weakness in the Company's internal control over financial reporting that has been identified by our management and to otherwise maintain an effective system of internal controls over financial reporting; and
- our "controlled company" status under the NYSE rules, which exempts us from certain corporate governance requirements and affords stockholders fewer protections.

All of these factors are difficult to predict, contain uncertainties that may materially affect actual results, and may be beyond our control. New factors emerge from time to time, and it is not possible for our management to predict all such factors or to assess the effect of each such new factor on our business. Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and any of these statements included herein may prove to be inaccurate. Please refer to "Part I—Item 1A. Risk Factors" and Management's Discussion and Analysis of Financial Condition and Results of Operations, included in the Form 10-Q, and in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the U.S. Securities and Exchange Commission (the "SEC") on March 14, 2025, as amended by Amendment No. 1 to our Annual Report on Form 10-K/A, filed with the SEC on May 20, 2025, for further information on these and other risk factors affecting us, as such factors may be amended and updated from time to time in the Company's subsequent periodic filings with the SEC, which are or will be accessible on the SEC's website at www.sec.gov.

**Additional Information**

To learn more about Finance of America Companies Inc., please visit our investor-oriented website at www.financeofamericacompanies.com and our consumer-oriented website at www.financeofamerica.com. From time to time, we use our investor-oriented website as a channel of distribution of material Company information. We make our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, available free of charge under the Investor Relations section of our investor-oriented website as soon as reasonably practicable after we electronically file the reports with, or furnish them to, the SEC. Our reports, proxy and information statements, and other information filed electronically with the SEC can also be accessed at www.sec.gov.

**PART I - Financial Information**

**Item 1. Financial Statements**

**Finance of America Companies Inc.**
**Condensed Consolidated Statements of Financial Condition**
(in thousands, except share data)

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| | (unaudited) | |
| **ASSETS** | | |
| Cash and cash equivalents | **$ 46,476** | $ 47,383 |
| Restricted cash | **190,176** | 254,585 |
| Loans held for investment, subject to Home Equity Conversion Mortgage-Backed Securities ("HMBS") related obligations, at fair value | **18,858,220** | 18,669,962 |
| Loans held for investment, subject to nonrecourse debt, at fair value | **9,888,492** | 9,288,403 |
| Loans held for investment, at fair value | **634,935** | 520,103 |
| Intangible assets, net | **198,209** | 216,342 |
| Other assets, net | **329,677** | 157,261 |
| Assets of discontinued operations | **1,264** | 2,451 |
| **TOTAL ASSETS** | **$ 30,147,449** | $ 29,156,490 |
| **LIABILITIES AND EQUITY** | | |
| HMBS related obligations, at fair value | **$ 18,643,094** | $ 18,444,370 |
| Nonrecourse debt, at fair value | **9,426,194** | 8,954,068 |
| Other financing lines of credit | **1,076,434** | 918,247 |
| Notes payable, net (includes amounts due to related parties of $162,283 as of both June 30, 2025 and December 31, 2024) | **383,941** | 374,511 |
| Payables and other liabilities | **139,350** | 137,953 |
| Liabilities of discontinued operations | **5,011** | 11,677 |
| **TOTAL LIABILITIES** | **29,674,024** | 28,840,826 |
| Commitments and Contingencies (Note 11) | | |
| **EQUITY** | | |
| Class A Common Stock, $0.0001 par value; 6,000,000,000 shares authorized; 11,502,488 and 10,360,299 shares issued, respectively, and 11,076,638 and 9,934,449 shares outstanding, respectively | **1** | 1 |
| Class B Common Stock, $0.0001 par value; 1,000,000 shares authorized; 14 and 15 shares issued and outstanding, respectively | **—** | — |
| Additional paid-in capital | **959,306** | 954,469 |
| Accumulated deficit | **(633,763)** | (698,895) |
| Accumulated other comprehensive loss | **(283)** | (276) |
| Noncontrolling interest | **148,164** | 60,365 |
| **TOTAL EQUITY** | **473,425** | 315,664 |
| **TOTAL LIABILITIES AND EQUITY** | **$ 30,147,449** | $ 29,156,490 |

*See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)*

The following table presents the assets and liabilities of the Company's consolidated variable interest entities ("VIEs"), which are included in the Condensed Consolidated Statements of Financial Condition above, and excludes retained bonds and beneficial interests that eliminate in consolidation.

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| **ASSETS** | (unaudited) | |
| Restricted cash | **$ 183,849** | $ 248,905 |
| Loans held for investment, subject to nonrecourse debt, at fair value | **9,499,796** | 8,904,303 |
| Loans held for investment, at fair value | **276,450** | 168,641 |
| Other assets, net: | | |
| Loans held for sale - reverse mortgage loans, at fair value | **133,534** | — |
| Other, net | **50,921** | 53,400 |
| **TOTAL ASSETS** | **$ 10,144,550** | $ 9,375,249 |
| | | |
| **LIABILITIES** | | |
| Nonrecourse debt, at fair value | **$ 9,055,755** | $ 8,588,301 |
| Other financing lines of credit | **211,808** | 136,157 |
| Payables and other liabilities | **1,314** | 1,277 |
| **TOTAL LIABILITIES** | **$ 9,268,877** | $ 8,725,735 |
| | | |
| **NET CARRYING VALUE OF ASSETS IN VIEs** | **$ 875,673** | $ 649,514 |

*See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)*

**Finance of America Companies Inc.**
**Condensed Consolidated Statements of Operations (Unaudited)**
(in thousands, except share data)

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| **PORTFOLIO INTEREST INCOME** | | | | |
| Interest income | **$ 481,800** | $ 478,091 | **$ 962,402** | $ 942,070 |
| Interest expense | **(422,336)** | (412,618) | **(832,503)** | (806,422) |
| **NET PORTFOLIO INTEREST INCOME** | **59,464** | 65,473 | **129,899** | 135,648 |
| | | | | |
| **OTHER INCOME (EXPENSE)** | | | | |
| Net origination gains | **56,058** | 40,260 | **102,096** | 79,917 |
| Gain on securitization of home equity conversion mortgage ("HECM") tails, net | **10,855** | 11,031 | **21,336** | 21,757 |
| Fair value changes from model amortization | **(35,456)** | (47,813) | **(76,412)** | (105,421) |
| Fair value changes from market inputs or model assumptions | **94,939** | 11,260 | **183,202** | 24,822 |
| **Net fair value changes on loans and related obligations** | **126,396** | 14,738 | **230,222** | 21,075 |
| Fee income | **6,739** | 8,096 | **13,085** | 14,418 |
| Non-funding interest expense, net | **(15,223)** | (9,268) | **(30,135)** | (17,420) |
| **NET OTHER INCOME (EXPENSE)** | **117,912** | 13,566 | **213,172** | 18,073 |
| | | | | |
| **TOTAL REVENUES** | **177,376** | 79,039 | **343,071** | 153,721 |
| | | | | |
| **EXPENSES** | | | | |
| Salaries, benefits, and related expenses | **36,974** | 35,053 | **70,904** | 74,076 |
| Loan production and portfolio related expenses | **9,462** | 5,662 | **20,792** | 14,275 |
| Loan servicing expenses | **7,525** | 7,632 | **15,266** | 15,850 |
| Marketing and advertising expenses | **12,265** | 10,706 | **22,996** | 19,218 |
| Depreciation and amortization | **9,654** | 9,753 | **19,312** | 19,431 |
| General and administrative expenses | **13,180** | 16,241 | **26,159** | 33,512 |
| **TOTAL EXPENSES** | **89,060** | 85,047 | **175,429** | 176,362 |
| **IMPAIRMENT OF OTHER ASSETS** | **—** | — | **—** | (600) |
| **OTHER, NET** | **(6,361)** | 2,240 | **(3,994)** | 3,693 |
| **NET INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | **81,955** | (3,768) | **163,648** | (19,548) |
| Provision for income taxes from continuing operations | **2,132** | 1,153 | **4,075** | 1,153 |
| **NET INCOME (LOSS) FROM CONTINUING OPERATIONS** | **79,823** | (4,921) | **159,573** | (20,701) |
| **NET LOSS FROM DISCONTINUED OPERATIONS** | **—** | (203) | **(4,750)** | (4,727) |
| **NET INCOME (LOSS)** | **79,823** | (5,124) | **154,823** | (25,428) |
| Net income (loss) from continuing operations attributable to noncontrolling interest | **44,900** | (2,937) | **92,413** | (13,082) |
| Net loss from discontinued operations attributable to noncontrolling interest | **—** | (98) | **(2,722)** | (2,719) |
| **NET INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO CONTROLLING INTEREST** | **34,923** | (1,984) | **67,160** | (7,619) |
| **NET LOSS FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO CONTROLLING INTEREST** | **—** | (105) | **(2,028)** | (2,008) |
| **NET INCOME (LOSS) ATTRIBUTABLE TO CONTROLLING INTEREST** | **$ 34,923** | $ (2,089) | **$ 65,132** | $ (9,627) |

**Finance of America Companies Inc.**
**Condensed Consolidated Statements of Operations (Unaudited)**
(in thousands, except share data)

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| **EARNINGS (LOSS) PER SHARE (Note 16)** | | | | |
| Basic weighted average shares outstanding | **11,041,337** | 9,898,182 | **10,611,689** | 9,773,370 |
| Basic earnings (loss) per share from continuing operations | **$ 3.16** | $ (0.20) | **$ 6.33** | $ (0.78) |
| Basic earnings (loss) per share | **$ 3.16** | $ (0.21) | **$ 6.14** | $ (0.99) |
| Diluted weighted average shares outstanding | **30,137,247** | 23,084,189 | **30,152,054** | 23,013,742 |
| Diluted earnings (loss) per share from continuing operations | **$ 2.13** | $ (0.29) | **$ 4.69** | $ (0.88) |
| Diluted earnings (loss) per share | **$ 2.13** | $ (0.30) | **$ 4.56** | $ (1.06) |

*See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)*

**Finance of America Companies Inc.**
**Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited)**
(in thousands)

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| **NET INCOME (LOSS)** | **$ 79,823** | $ (5,124) | **$ 154,823** | $ (25,428) |
| **COMPREHENSIVE INCOME (LOSS) ITEM:** | | | | |
| Impact of foreign currency translation adjustment | **2** | (30) | **(7)** | (47) |
| **TOTAL COMPREHENSIVE INCOME (LOSS)** | **79,825** | (5,154) | **154,816** | (25,475) |
| Less: Comprehensive income (loss) attributable to noncontrolling interest | **44,901** | (3,052) | **89,687** | (15,828) |
| **COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO CONTROLLING INTEREST** | **$ 34,924** | $ (2,102) | **$ 65,129** | $ (9,647) |

*See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)*

**Finance of America Companies Inc.**
**Condensed Consolidated Statements of Equity (Unaudited)**
(in thousands, except share data)

| | Class A Common Stock | | Class B Common Stock | | | | | Noncontrolling Interest | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Additional Paid-in Capital | Retained Earnings (Accumulated Deficit) | Accumulated Other Comprehensive Income (Loss) | Class A LLC Units | Amount | Total Equity |
| **Balance at March 31, 2025** | **10,711,674** | **$ 1** | **14** | **$ —** | **$ 961,044** | **$ (668,686)** | **$ (285)** | **13,219,379** | **$ 102,812** | **$ 394,886** |
| Net income | — | — | — | — | — | **34,923** | — | — | **44,900** | **79,823** |
| Noncontrolling interest distributions | — | — | — | — | — | — | — | — | **(205)** | **(205)** |
| Equity-based compensation, net | — | — | — | — | **1,990** | — | — | — | **657** | **2,647** |
| Conversion of Class A LLC Units for Class A Common Stock | **25** | — | — | — | — | — | — | **(25)** | — | — |
| Settlement of restricted stock units ("RSUs") | **540,275** | — | — | — | — | — | — | — | — | — |
| Cancellation of shares to fund employee tax withholdings | **(175,336)** | — | — | — | **(3,728)** | — | — | — | — | **(3,728)** |
| Foreign currency translation adjustment | — | — | — | — | — | — | **2** | — | — | **2** |
| **Balance at June 30, 2025** | **11,076,638** | **$ 1** | **14** | **$ —** | **$ 959,306** | **$ (633,763)** | **$ (283)** | **13,219,354** | **$ 148,164** | **$ 473,425** |

*See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)*

**Finance of America Companies Inc.**
**Condensed Consolidated Statements of Equity (Unaudited)**
(in thousands, except share data)

| | Class A Common Stock | | Class B Common Stock | | | | | Noncontrolling Interest | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Additional Paid-in Capital | Accumulated Deficit | Accumulated Other Comprehensive Loss | Class A LLC Units | Amount | Total Equity |
| **Balance at March 31, 2024** | 9,656,175 | $ 1 | 15 | $ — | $ 950,597 | $ (721,921) | $ (266) | 13,288,191 | $ 27,312 | $ 255,723 |
| Net loss | — | — | — | — | — | (2,089) | — | — | (3,035) | (5,124) |
| Equity-based compensation, net | — | — | — | — | 1,595 | — | — | — | — | 1,595 |
| Conversion of Class A LLC Units for Class A Common Stock | 110 | — | — | — | — | — | — | (110) | — | — |
| Settlement of long-term incentive plan ("LTIP") RSUs, net | 102,120 | — | — | — | 210 | — | — | (102,120) | (210) | — |
| Settlement of other RSUs | 278,441 | — | — | — | — | — | — | — | — | — |
| Cancellation of shares to fund employee tax withholdings | (118,653) | — | — | — | (867) | — | — | — | — | (867) |
| Foreign currency translation adjustment | — | — | — | — | — | — | (30) | — | — | (30) |
| **Balance at June 30, 2024** | 9,918,193 | $ 1 | 15 | $ — | $ 951,535 | $ (724,010) | $ (296) | 13,185,961 | $ 24,067 | $ 251,297 |

*See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)*

**Finance of America Companies Inc.**
**Condensed Consolidated Statements of Equity (Unaudited)**
(in thousands, except share data)

| | Class A Common Stock | | Class B Common Stock | | | | | Noncontrolling Interest | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Additional Paid-in Capital | Retained Earnings (Accumulated Deficit) | Accumulated Other Comprehensive Loss | Class A LLC Units | Amount | Total Equity |
| **Balance at December 31, 2024** | **9,934,449** | **$ 1** | **15** | **$ —** | **$ 954,469** | **$ (698,895)** | **$ (276)** | **13,891,768** | **$ 60,365** | **$ 315,664** |
| Net income | — | — | — | — | — | **65,132** | — | — | **89,691** | **154,823** |
| Noncontrolling interest distributions | — | — | — | — | — | — | — | — | **(288)** | **(288)** |
| Equity-based compensation, net | — | — | — | — | **3,490** | — | — | — | **1,314** | **4,804** |
| Conversion of Class A LLC Units for Class A Common Stock | **775,025** | — | — | — | **5,114** | — | — | **(775,025)** | **(5,114)** | — |
| Settlement of RSUs | **543,900** | — | — | — | — | — | — | — | — | — |
| Cancellation of shares to fund employee tax withholdings | **(176,736)** | — | — | — | **(3,767)** | — | — | — | — | **(3,767)** |
| Issuance of Class A LLC Units | — | — | — | — | — | — | — | **102,611** | **2,196** | **2,196** |
| Class B share retirement | — | — | **(1)** | — | — | — | — | — | — | — |
| Foreign currency translation adjustment | — | — | — | — | — | — | **(7)** | — | — | **(7)** |
| **Balance at June 30, 2025** | **11,076,638** | **$ 1** | **14** | **$ —** | **$ 959,306** | **$ (633,763)** | **$ (283)** | **13,219,354** | **$ 148,164** | **$ 473,425** |

*See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)*

**Finance of America Companies Inc.**
**Condensed Consolidated Statements of Equity (Unaudited)**
(in thousands, except share data)

| | Class A Common Stock | | Class B Common Stock | | | | | Noncontrolling Interest | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Additional Paid-in Capital | Accumulated Deficit | Accumulated Other Comprehensive Loss | Class A LLC Units | Amount | Total Equity |
| **Balance at December 31, 2023** | 9,634,074 | $ 1 | 15 | $ — | $ 946,938 | $ (714,383) | $ (249) | 13,297,081 | $ 40,100 | $ 272,407 |
| Net loss | — | — | — | — | — | (9,627) | — | — | (15,801) | (25,428) |
| Equity-based compensation, net | — | — | — | — | 5,364 | — | — | — | — | 5,364 |
| Conversion of Class A LLC Units for Class A Common Stock | 171 | — | — | — | — | — | — | (171) | — | — |
| Settlement of LTIP RSUs, net | 110,949 | — | — | — | 232 | — | — | (110,949) | (232) | — |
| Settlement of other RSUs | 305,625 | — | — | — | — | — | — | — | — | — |
| Cancellation of shares to fund employee tax withholdings | (132,626) | — | — | — | (999) | — | — | — | — | (999) |
| Foreign currency translation adjustment | — | — | — | — | — | — | (47) | — | — | (47) |
| **Balance at June 30, 2024** | 9,918,193 | $ 1 | 15 | $ — | $ 951,535 | $ (724,010) | $ (296) | 13,185,961 | $ 24,067 | $ 251,297 |

*See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)*

**Finance of America Companies Inc.**
**Condensed Consolidated Statements of Cash Flows (Unaudited)**
(in thousands)

| | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|
| **Operating Activities** | | |
| Net income (loss) | **$ 154,823** | $ (25,428) |
| Adjustments to reconcile net income (loss) to net cash used in operating activities | **(343,378)** | (210,813) |
| **Net cash used in operating activities** | **(188,555)** | (236,241) |
| | | |
| **Investing Activities** | | |
| Purchases and originations of loans held for investment | **(1,654,382)** | (1,345,758) |
| Proceeds/payments received on loans held for investment | **1,334,971** | 1,084,082 |
| Purchases and originations of loans held for investment, subject to nonrecourse debt | **(12,721)** | (22,236) |
| Proceeds/payments on loans held for investment, subject to nonrecourse debt | **518,298** | 527,359 |
| Proceeds on sale of mortgage servicing rights ("MSR") | **—** | 5,516 |
| Proceeds from sale of businesses | **—** | 3,000 |
| Other investing activities, net | **(2,694)** | (166) |
| **Net cash provided by investing activities** | **183,472** | 251,797 |
| | | |
| **Financing Activities** | | |
| Proceeds from issuance of HMBS related obligations | **997,188** | 971,926 |
| Payments on HMBS related obligations | **(1,335,250)** | (1,039,423) |
| Proceeds from issuance of nonrecourse debt | **1,557,268** | 1,058,107 |
| Payments on nonrecourse debt | **(1,434,891)** | (1,160,573) |
| Proceeds from other financing lines of credit | **2,683,000** | 2,745,746 |
| Payments on other financing lines of credit | **(2,524,813)** | (2,593,381) |
| Changes in notes payable | **—** | 27,047 |
| Other financing activities, net | **(2,728)** | (3,146) |
| **Net cash provided by (used in) financing activities** | **(60,226)** | 6,303 |
| | | |
| **Effect of exchange rate changes on cash and cash equivalents** | **(7)** | (47) |
| **Net increase (decrease) in cash and cash equivalents and restricted cash** | **(65,316)** | 21,812 |
| **Cash and cash equivalents and restricted cash, beginning of period** | **301,968** | 224,801 |
| **Cash and cash equivalents and restricted cash, end of period** | **$ 236,652** | $ 246,613 |
| | | |
| Cash and cash equivalents | **$ 46,476** | $ 46,509 |
| Restricted cash | **190,176** | 200,104 |
| **Total cash and cash equivalents and restricted cash, end of period** | **$ 236,652** | $ 246,613 |
| | | |
| **Supplementary Cash Flows Information** | | |
| Cash paid for interest | **$ 356,379** | $ 178,646 |
| Loans transferred to loans held for sale, at fair value, from loans held for investment, subject to nonrecourse debt, at fair value | **133,534** | — |
| Loans transferred to loans held for sale, at fair value, from loans held for investment, at fair value | **47,365** | 5,424 |

*See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)*

## 1. Organization and Description of Business

Finance of America Companies Inc. ("we," "us," "our," "FOA," or the "Company") is a financial services holding company which, through its operating subsidiaries, is a leading provider of home equity-based financing solutions for a modern retirement. In addition, FOA offers capital markets and portfolio management capabilities primarily to optimize the distribution of its originated loans to investors.

FOA was incorporated in Delaware on October 9, 2020 and became a publicly-traded company on the NYSE in April 2021, with trading beginning on April 5, 2021 under the ticker symbol "FOA." FOA has a controlling financial interest in Finance of America Equity Capital LLC ("FOA Equity"). FOA Equity owns all of the outstanding equity interests in Finance of America Funding LLC ("FOAF"). FOAF wholly owns Finance of America Holdings LLC ("FAH") and Incenter LLC ("Incenter" and collectively, with FOA Equity, FOAF, and FAH, known as "holding company subsidiaries").

The Company, through its FAH holding company subsidiary, operates a lending company, Finance of America Reverse LLC ("FAR"). Through FAR, the Company originates, purchases, sells, securitizes, and services HECM loans, which are originated pursuant to the Federal Housing Administration (the "FHA") HECM program and are insured by the FHA, and non-agency reverse mortgage loans, which are not insured by the FHA. The Company, through its Incenter holding company subsidiary, has operating service companies (the "operating service subsidiaries" and together with FAR, the "operating subsidiaries") that provide capital markets and portfolio management capabilities.

## 2. Summary of Significant Accounting Policies

***Basis of Presentation***

The accompanying unaudited condensed consolidated financial statements comprise the financial statements of FOA and its controlled subsidiaries. The condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial statements and pursuant to the accounting and disclosure rules and regulations of the U.S. SEC. The accompanying condensed consolidated financial statements contain all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of its financial condition as of June 30, 2025, its results of operations for the three and six months ended June 30, 2025 and 2024, and its cash flows for the six months ended June 30, 2025 and 2024. The Condensed Consolidated Statement of Financial Condition at December 31, 2024 was derived from audited financial statements but does not contain all of the footnote disclosures from the annual financial statements. Operating results for the interim periods are not necessarily indicative of the results that may be expected for any future period or for the full year. The condensed consolidated financial statements, including the significant accounting policies, should be read in conjunction with the consolidated financial statements and notes as of and for the year ended December 31, 2024 within the Company's Annual Report on Form 10-K, as amended by the Company's Annual Report on Form 10-K/A ("Form 10-K"). The significant accounting policies, together with the other Notes to Condensed Consolidated Financial Statements, are an integral part of the condensed consolidated financial statements.

Beginning with the Company's first quarter 2025 Form 10-Q, Gain on sale and other income from loans held for sale, net, was combined with Fee income in the Condensed Consolidated Statements of Operations due to minimal activity related to the wind-down of business lines that were not part of our unified modern retirement solutions platform.

***Use of Estimates***

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates regarding loans held for investment, subject to HMBS related obligations, loans held for investment, subject to nonrecourse debt, other loans held for investment, HMBS related obligations, and nonrecourse debt are particularly subject to change. Actual results may differ from those estimates and assumptions due to factors such as changes in the economy, interest rates, secondary market pricing, prepayment assumptions, home prices, or discrete events affecting specific borrowers, and such differences could be material.

***Recently Adopted Accounting Guidance***

| Standard | Description | Effective Date | Effect on Consolidated Financial Statements |
|---|---|---|---|
| Accounting Standards Update ("ASU") 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures | In December 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-09 that enhances annual income tax disclosures by requiring consistent categories and greater disaggregation of information in the rate reconciliation, and by requiring disclosure of the amount of income taxes paid disaggregated by federal, state, and foreign taxes, as well as disaggregated by material individual jurisdictions. | January 1, 2025 | This ASU will result in additional income tax disclosures in our Form 10-K, but the Company does not expect it will have a material impact on our consolidated financial statements. |

***Recently Issued Accounting Guidance, Not Yet Adopted as of June 30, 2025***

| Standard | Description | Date of Planned Adoption | Effect on Consolidated Financial Statements |
|---|---|---|---|
| ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses | In November 2024, the FASB issued ASU 2024-03 which is intended to improve disclosures by providing more detailed information about the types of expenses in commonly presented expense captions in the income statement. | For the year ending December 31, 2027 and interim periods beginning in 2028. | This ASU will result in additional expense disclosures, but the Company does not expect it will have a material impact on our consolidated financial statements.<br><br>Adoption of this ASU should be applied on a prospective basis, but retrospective application is permitted. |
| ASU 2024-04, Debt - Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments | In November 2024, the FASB issued ASU 2024-04 which is intended to clarify the requirements for determining whether to account for certain early settlements of convertible debt instruments as induced conversions or extinguishments. | For the year ending December 31, 2026 and interim reporting periods beginning in 2026. | The Company does not expect this ASU will have a material impact on our consolidated financial statements.<br><br>Adoption of this ASU can be applied on a prospective or a retrospective basis. |
| ASU 2025-05, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets | In July 2025, the FASB issued ASU 2025-05 which is intended to provide a practical expedient to measure credit losses on accounts receivable and contract assets. | For the year ending December 31, 2026 and interim reporting periods beginning in 2026. | The Company does not expect this ASU will have a material impact on our consolidated financial statements.<br><br>Adoption of this ASU should be applied on a prospective basis. |

## 3. Discontinued Operations

During the fourth quarter of 2022 and calendar year 2023, the Company entered into a series of transactions, discontinuing certain business lines while enhancing our reverse mortgage loan business, in order to transform our business from a vertically integrated lending and complementary services platform to a unified modern retirement solutions platform. This constituted a strategic shift that has had or will have a major effect on our operations and financial results.

The following table summarizes the major classes of assets and liabilities classified as discontinued operations (in thousands):

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| **Assets** | | |
| Other assets, net | **$ 1,264** | $ 2,451 |
| **Liabilities** | | |
| Payables and other liabilities | **5,011** | 11,677 |

The following table summarizes the major components of net loss from discontinued operations (in thousands):

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| **Expenses** | | | | |
| General and administrative expenses | **$ —** | $ 98 | **$ 4,750** | $ 1,622 |
| **Other, net** | **—** | (105) | **—** | (3,105) |
| **Net loss from discontinued operations before and after income taxes** | **—** | (203) | **(4,750)** | (4,727) |
| Net loss from discontinued operations attributable to noncontrolling interest | **—** | (98) | **(2,722)** | (2,719) |
| **Net loss from discontinued operations attributable to controlling interest** | **$ —** | $ (105) | **$ (2,028)** | $ (2,008) |

There were no material cash flow activities related to discontinued operations for the six months ended June 30, 2025 and 2024.

## 4. Variable Interest Entities and Securitizations

The Company determined that the special purpose entities created in connection with its securitizations are VIEs. A VIE is an entity that has either a total equity investment that is insufficient to permit the entity to finance its activities without additional subordinated financial support or whose equity investors lack the characteristics of a controlling financial interest. A VIE is consolidated by its primary beneficiary, which is the entity that, through its variable interests, has both the power to direct the activities that significantly impact the VIE's economic performance and the obligations to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. From time to time, the Company may purchase securities that were previously issued by consolidated trusts. Under these circumstances, we extinguish the outstanding debt and recognize gains or losses for the difference between the consideration paid and the carrying value of the debt. For the three and six months ended June 30, 2025, the Company recognized gains of $5.1 million and $17.0 million, respectively, on extinguishment of debt related to these purchases. There were no such gains or losses recognized for the three and six months ended June 30, 2024. The gains or losses are recorded in Interest expense in the Condensed Consolidated Statements of Operations.

**Consolidated VIEs**

The Company securitizes certain of its interests in non-agency reverse mortgage loans and HECM buyouts. The transactions provide investors with the ability to invest in a pool of reverse mortgage loans secured by residential properties. The transactions provide the Company with access to liquidity for these assets, ongoing servicing fees, and potential residual returns. The principal and interest on the outstanding certificates are paid using the cash flows from the underlying reverse mortgage loans, which serve as collateral for the debt. The securitizations are callable at or following the optional redemption date as defined in the respective indenture agreements.

The Company has a financing agreement which is structured as a securitization. The special purpose entity created for the purposes of the financing is a VIE which the Company has consolidated, as the Company is the primary beneficiary. The non-agency reverse mortgage loans included in this securitization are recorded in Loans held for investment, at fair value, in the Condensed Consolidated Statements of Financial Condition and the associated debt is recorded in Other financing lines of credit in the Condensed Consolidated Statements of Financial Condition.

During the three months ended June 30, 2025, certain consolidated VIE loans which were previously classified as Loans held for investment, subject to nonrecourse debt, were transferred to Loans held for sale - reverse mortgage loans due to the Company's decision to sell the loans.

During the three and six months ended June 30, 2025 and 2024, the Company redeemed outstanding securitized notes related to certain non-agency reverse mortgage loan securitizations. As part of the redemptions, the Company paid off nonrecourse debt with outstanding balances of $425.7 million and $745.3 million for the three and six months ended June 30, 2025, respectively, and $260.8 million and $661.2 million for the three and six months ended June 30, 2024, respectively. The notes were paid off at par.

*Servicing-Securitized Loans*

In our capacity as servicer of the securitized loans, the Company retains the power to direct the VIE's activities that most significantly impact the VIE's economic performance. The Company also retains certain beneficial interests in these trusts which provide exposure to potential gains and losses based on the performance of the trust. As the Company has both the power to direct the activities that significantly impact the VIE's economic performance and the obligations to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE, the definition of primary beneficiary is met and the trusts are consolidated by the Company.

Certain obligations may arise from the agreements associated with transfers of loans. Under these agreements, the Company may be obligated to repurchase the loans or otherwise indemnify or reimburse the investor for losses incurred due to material breach of contractual representations and warranties. There were no charge-offs associated with these transferred mortgage loans related to the standard securitization representations and warranties obligations for the three and six months ended June 30, 2025 and 2024.

The following table presents the assets and liabilities of the Company's consolidated VIEs, which are included in the Condensed Consolidated Statements of Financial Condition, and excludes intercompany balances, except for retained bonds and beneficial interests (in thousands):

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| **ASSETS** | | |
| Restricted cash | **$ 183,849** | $ 248,905 |
| Loans held for investment, subject to nonrecourse debt, at fair value | **9,499,796** | 8,904,303 |
| Loans held for investment, at fair value | **276,450** | 168,641 |
| Other assets, net: | | |
| Loans held for sale - reverse mortgage loans, at fair value | **133,534** | — |
| Other, net | **50,921** | 53,400 |
| **TOTAL ASSETS** | **$ 10,144,550** | $ 9,375,249 |
| | | |
| **LIABILITIES** | | |
| Nonrecourse debt, at fair value | **$ 9,464,406** | $ 8,947,378 |
| Other financing lines of credit | **211,808** | 136,157 |
| Payables and other liabilities | **1,314** | 1,277 |
| **TOTAL VIE LIABILITIES** | **9,677,528** | 9,084,812 |
| Retained bonds and beneficial interests eliminated in consolidation | **(408,651)** | (359,077) |
| **TOTAL CONSOLIDATED LIABILITIES** | **$ 9,268,877** | $ 8,725,735 |

**Unconsolidated VIEs**

*Transfer of loans accounted for as sales*

The Company securitized certain of its interests in non-agency reverse mortgage loans and in agency-eligible residential mortgage loans. The transactions provided investors with the ability to invest in a pool of mortgage loans secured by residential properties and provided the Company with access to liquidity for these assets and ongoing service fees. The Company's beneficial interest in the securitizations is limited to a 5% retained interest in the trusts. The Company determined that the securitization structures meet the definition of a VIE and concluded that the

Company does not hold a significant variable interest in the securitizations and that the contractual role as servicer is not a variable interest. The transfers of the loans to the VIEs were determined to be sales. The Company derecognized the mortgage loans and did not consolidate the trusts.

The Company's continuing involvement with and exposure to loss from the VIEs includes the carrying value of the retained bonds, the servicing asset recognized in the sale of the loans, servicing advances in the role as servicer, and obligations under representations and warranties contained in the loan sale agreements. Creditors of the VIEs have no recourse to the Company's assets or general credit. The underlying performance of the mortgage loans transferred has a direct impact on the fair values and cash flows of the beneficial interests held and the servicing asset recognized.

*Transfer of loans accounted for as secured borrowings*

The Company securitized certain non-agency mortgage loans where its beneficial interest in the securitizations is limited to a 5% retained interest in the trusts. The Company determined that these securitization structures meet the definition of a VIE and concluded that the Company does not hold a significant variable interest in the securitizations and the Company does not have the power to direct the activities that most significantly affect the economic performance of the VIEs. However, the transfers of the loans to the VIEs were determined not to be sales. As such, the Company continues to recognize the loans and recognized a nonrecourse liability for the proceeds received from third parties for the transfer of the loans. Bonds issued in the securitization that were retained by the Company are not recognized. The Company's continuing involvement with and exposure to loss from the VIEs includes the carrying value of the retained bonds, servicing advances in the role as servicer, and obligations under representations and warranties contained in the loan sale agreements. Creditors of the VIEs have no recourse to the Company's assets or general credit. The underlying performance of the mortgage loans held has a direct impact on the fair values and cash flows of the beneficial interests held.

The tables below present a summary of the unconsolidated VIEs for which the Company holds variable interests (in thousands):

| | **June 30, 2025** | | | |
|---|---|---|---|---|
| | **Carrying value** | | | |
| | **Assets** | **Liabilities** | **Maximum exposure to loss** | **Total assets in VIEs** |
| **Transfers of loans - sale treatment** | | | | |
| Retained interests | **$ 45,669** | **$ —** | **$ 45,669** | **$ 912,073** |
| **Transfers of loans - secured borrowing** | | | | |
| Loans and nonrecourse liability | **400,833** | **381,888** | **18,945** | **400,833** |
| **TOTAL** | **$ 446,502** | **$ 381,888** | **$ 64,614** | **$ 1,312,906** |

| | **December 31, 2024** | | | |
|---|---|---|---|---|
| | **Carrying value** | | | |
| | **Assets** | **Liabilities** | **Maximum exposure to loss** | **Total assets in VIEs** |
| **Transfers of loans - sale treatment** | | | | |
| Retained interests | $ 47,568 | $ — | $ 47,568 | $ 948,364 |
| **Transfers of loans - secured borrowing** | | | | |
| Loans and nonrecourse liability | 393,405 | 374,071 | 19,334 | 393,405 |
| **TOTAL** | $ 440,973 | $ 374,071 | $ 66,902 | $ 1,341,769 |

As of June 30, 2025, there were $0.3 million of mortgage loans transferred by the Company to unconsolidated securitization trusts that are 90 days or more past due. As of December 31, 2024, there were $0.2 million of mortgage loans transferred by the Company to unconsolidated securitization trusts that are 90 days or more past due.

**Issuance of HMBS**

The Company securitizes HECM loans into HMBS, which Ginnie Mae guarantees, and sells the HMBS in the secondary market while retaining the rights to service the HECM loans. The Company determined that HECM loans transferred into HMBS do not meet the requirements of sale accounting and are not derecognized upon date of transfer. As of June 30, 2025, the Company was servicing 2,966 Ginnie Mae loan pools and the weighted average interest rate on the HMBS related obligations was 6.0%. As of December 31, 2024, the Company was servicing 2,835 Ginnie Mae loan pools and the weighted average interest rate on the HMBS related obligations was 6.2%.

## 5. Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is based on the assumptions market participants would use when pricing an asset or liability and follows a fair value hierarchy that prioritizes the information used to develop those assumptions. The fair value hierarchy gives the highest priority to quoted prices available in active markets (i.e., observable inputs) and the lowest priority to data lacking transparency (i.e., unobservable inputs). In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

All aspects of nonperformance risk, including the Company's own credit standing, are considered when measuring the fair value of a liability.

Following is a description of the three levels of the fair value hierarchy:

Level 1 Inputs: Quoted prices for identical instruments in active markets.

Level 2 Inputs: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 Inputs: Instruments with unobservable inputs that are significant to the fair value measurement.

The Company classifies assets and liabilities in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period. There were no transfers into or out of Level 3 within the fair value hierarchy during the three and six months ended June 30, 2025 and 2024.

Following are descriptions of the valuation methodologies used to measure material assets and liabilities at fair value and the details of the valuation models, key inputs to those models, and significant assumptions utilized. Within the assumption tables presented, not meaningful ("NM") refers to a range of inputs that is too broad to provide meaningful information to the user or to an input that has no range and consists of a single data point. Weighted averages are calculated by weighting each input by the relative outstanding balance of the related financial instrument.

| Instrument | Valuation Techniques | Classification of Fair Value Hierarchy |
|---|---|---|
| **Assets** | | |
| **Loans held for investment, subject to HMBS related obligations[(1)]** | | |
| HECM loans - securitized into Ginnie Mae HMBS | These loans are valued utilizing a present value methodology that discounts estimated future cash flows over the life of the loan portfolio using weighted average remaining life ("WAL"), conditional prepayment rate ("CPR"), loss frequency, loss severity, borrower draw, and discount rate assumptions. | Level 3 |
| **Loans held for investment, subject to nonrecourse debt[(1)]** | | |
| Non-agency reverse mortgage loans - securitized | These loans are valued utilizing a present value methodology that discounts estimated future cash flows over the life of the portfolio using WAL, loan-to-value ("LTV"), CPR, loss severity, home price appreciation ("HPA"), and discount rate assumptions. | Level 3 |

| | | |
|---|---|---|
| HECM buyouts - securitized (performing) | These loans are valued utilizing a present value methodology that discounts estimated future cash flows over the life of the portfolio using WAL, CPR, loss severity, and discount rate assumptions. | Level 3 |
| HECM buyouts - securitized (nonperforming) | These loans are valued utilizing a present value methodology that discounts estimated future cash flows over the life of the portfolio using WAL, CPR, loss frequency, loss severity, and discount rate assumptions. | Level 3 |

*(1) The Company aggregates loan portfolios based on the underlying securitization trust and values these loans using these aggregated pools. The range of inputs provided is based on the range of inputs utilized for each securitization trust.*

| | | |
|---|---|---|
| **Loans held for investment** | | |
| Non-agency reverse mortgage loans | The Company values non-agency reverse mortgage loans utilizing a present value methodology that discounts estimated future cash flows over the life of the loan portfolio. The primary assumptions utilized in valuing the loans include WAL, LTV, CPR, loss severity, HPA, and discount rate. | Level 3 |
| HECM buyouts (nonperforming) | The fair value of repurchased loans is based on expected cash proceeds of the liquidation of the underlying properties and expected claim proceeds from HUD. The primary assumptions utilized in valuing nonperforming repurchased loans include WAL, CPR, loss frequency, loss severity, and discount rate.<br><br>Termination proceeds are adjusted for expected loss frequencies and severities to arrive at net proceeds that will be provided upon final resolution, including assignments to the FHA. Historical experience is utilized to estimate the loss rates resulting from scenarios where FHA insurance proceeds are not expected to cover all principal and interest outstanding and, as servicer, the Company is exposed to losses upon resolution of the loan. | Level 3 |
| **Other assets** | | |
| Loans held for sale - reverse mortgage loans | The fair value is based on the value of the underlying loans. These loans are valued based on an expected margin on sale as of June 30, 2025. There were not any reverse mortgage loans held for sale as of December 31, 2024. | Level 3 |
| Retained bonds | Management obtains third-party valuations to assess the reasonableness of the fair value calculations provided by the internal valuation model. The primary assumptions utilized include WAL and discount rate. | Level 3 |
| **Liabilities** | | |
| **HMBS related obligations** | | |
| HMBS related obligations | The fair value is based on the net present value of projected cash flows over the estimated life of the liability. The fair value of the HMBS related obligations also includes the consideration required by a market participant to transfer the HECM and HMBS servicing obligations, including exposure resulting from shortfalls in FHA insurance proceeds as well as assumptions that it believes a market participant would consider in valuing the liability, including, but not limited to, assumptions for repayment, costs to transfer servicing obligations, shortfalls in FHA insurance proceeds, and discount rates. The significant unobservable inputs used in the measurement include WAL, CPR, and discount rates. | Level 3 |
| **Nonrecourse debt** | | |
| Non-agency reverse mortgage loan securitizations and performing/nonperforming HECM securitizations | The fair value is based on the net present value of projected cash flows over the estimated life of the liability. The significant unobservable inputs used in the measurement include WAL, CPR, and discount rates. | Level 3 |

**Deferred purchase price liabilities**

| | | |
|---|---|---|
| Deferred purchase price liabilities | These liabilities are measured based on the estimated amount of indemnified claims associated with the acquisition of certain assets and liabilities from American Advisors Group, now known as Bloom Retirement Holdings Inc. ("AAG/Bloom"), and the closing market price of the Company's publicly-traded stock on the applicable date of the Condensed Consolidated Statements of Financial Condition. | Level 3 |
| Tax Receivable Agreements ("TRA") obligation | The fair value is derived through the use of a discounted cash flow ("DCF") model. The significant unobservable assumptions used in the DCF include the ability to utilize tax attributes based on current tax forecasts, a constant U.S. federal income tax rate, and a discount rate. | Level 3 |

| | June 30, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| **Instrument / Unobservable Inputs** | **Range** | **Weighted Average** | **Range** | **Weighted Average** |
| **Assets** | | | | |
| **Loans held for investment, subject to HMBS related obligations** | | | | |
| WAL (in years) | **NM** | **3.1** | NM | 3.0 |
| CPR | **NM** | **21.0 %** | NM | 21.6 % |
| Loss frequency | **NM** | **4.5 %** | NM | 4.4 % |
| Loss severity | **5.0% - 17.2%** | **5.1 %** | 3.4% - 15.9% | 3.5 % |
| Average draw rate | **NM** | **1.1 %** | NM | 1.1 % |
| Discount rate | **NM** | **4.8 %** | NM | 5.3 % |
| **Loans held for investment, subject to nonrecourse debt:** | | | | |
| **Non-agency reverse mortgage loans - securitized** | | | | |
| WAL (in years) | **NM** | **9.8** | NM | 10.1 |
| LTV | **0.0% - 90.8%** | **47.8 %** | 0.0% - 98.0% | 47.2 % |
| CPR | **NM** | **15.0 %** | NM | 14.8 % |
| Loss severity | **NM** | **10.0 %** | NM | 10.0 % |
| HPA | **(2.0)% - 5.6%** | **3.5 %** | (5.6)% - 8.3% | 3.6 % |
| Discount rate | **NM** | **6.6 %** | NM | 7.0 % |
| **HECM buyouts - securitized (performing)** | | | | |
| WAL (in years) | **NM** | **7.1** | NM | 7.1 |
| CPR | **NM** | **15.2 %** | NM | 15.1 % |
| Loss severity | **5.0% - 17.2%** | **6.2 %** | 3.4% - 15.9% | 4.7 % |
| Discount rate | **NM** | **7.5 %** | NM | 8.0 % |
| **HECM buyouts - securitized (nonperforming)** | | | | |
| WAL (in years) | **NM** | **1.5** | NM | 1.5 |
| CPR | **NM** | **40.4 %** | NM | 40.0 % |
| Loss frequency | **23.1% - 100.0%** | **45.9 %** | 23.1% - 100.0% | 45.6 % |
| Loss severity | **5.0% - 17.2%** | **6.8 %** | 3.4% - 15.9% | 5.2 % |
| Discount rate | **NM** | **7.4 %** | NM | 8.0 % |
| **Loans held for investment:** | | | | |
| **Non-agency reverse mortgage loans** | | | | |
| WAL (in years) | **NM** | **10.6** | NM | 10.5 |
| LTV | **5.3% - 70.4%** | **35.8 %** | 5.9% - 70.6% | 35.1 % |
| CPR | **NM** | **15.6 %** | NM | 16.2 % |
| Loss severity | **NM** | **10.0 %** | NM | 10.0 % |

| | June 30, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| **Instrument / Unobservable Inputs** | **Range** | **Weighted Average** | **Range** | **Weighted Average** |
| HPA | **(2.0)% - 5.6%** | **3.3 %** | (5.6)% - 8.3% | 3.5 % |
| Discount rate | **NM** | **6.6 %** | NM | 7.1 % |
| **HECM buyouts (nonperforming)** | | | | |
| WAL (in years) | **NM** | **1.5** | NM | 1.5 |
| CPR | **NM** | **42.2 %** | NM | 43.8 % |
| Loss frequency | **NM** | **41.3 %** | NM | 47.9 % |
| Loss severity | **5.0% - 17.2%** | **7.4 %** | 3.4% - 15.9% | 10.5 % |
| Discount rate | **NM** | **7.4 %** | NM | 8.0 % |
| **Other assets:** | | | | |
| **Retained bonds** | | | | |
| WAL (in years) | **NM** | **3.3** | NM | 3.5 |
| Discount rate | **(1.6)% - 15.7%** | **7.4 %** | (1.3)% - 15.3% | 7.3 % |
| **Liabilities** | | | | |
| **HMBS related obligations** | | | | |
| WAL (in years) | **NM** | **3.9** | NM | 3.8 |
| CPR | **NM** | **24.4 %** | NM | 24.8 % |
| Discount rate | **NM** | **4.8 %** | NM | 5.2 % |
| **Nonrecourse debt:** | | | | |
| **Non-agency reverse mortgage loan securitizations** | | | | |
| WAL (in years) | **0.2 - 10.7** | **4.1** | 0.1 - 10.9 | 3.7 |
| CPR | **10.2% - 39.4%** | **17.8 %** | NM | 17.3 % |
| Discount rate | **NM** | **6.4 %** | NM | 6.7 % |
| **Performing/nonperforming HECM securitizations** | | | | |
| WAL (in years) | **NM** | **0.5** | NM | 1.0 |
| CPR | **NM** | **20.7 %** | NM | 18.6 % |
| Discount rate | **NM** | **7.8 %** | NM | 7.5 % |
| **Deferred purchase price liabilities:** | | | | |
| **TRA obligation** | | | | |
| Discount rate | **NM** | **32.7 %** | NM | 28.1 % |

***Fair Value of Assets and Liabilities***

The following tables provide a summary of the recognized assets and liabilities that are measured at fair value on a recurring basis (in thousands):

| | June 30, 2025 | | | |
|---|---|---|---|---|
| | **Total Fair Value** | **Level 1** | **Level 2** | **Level 3** |
| **Assets** | | | | |
| Loans held for investment, subject to HMBS related obligations | **$ 18,858,220** | **$ —** | **$ —** | **$ 18,858,220** |
| Loans held for investment, subject to nonrecourse debt | **9,888,492** | **—** | **—** | **9,888,492** |
| Loans held for investment | **634,935** | **—** | **—** | **634,935** |
| Other assets: | | | | |
| Loans held for sale - reverse mortgage loans | **180,899** | **—** | **—** | **180,899** |
| Loans held for sale - residential mortgage loans | **523** | **—** | **523** | **—** |
| Retained bonds | **39,720** | **—** | **—** | **39,720** |
| **Total assets** | **$ 29,602,789** | **$ —** | **$ 523** | **$ 29,602,266** |
| | | | | |
| **Liabilities** | | | | |
| HMBS related obligations | **$ 18,643,094** | **$ —** | **$ —** | **$ 18,643,094** |
| Nonrecourse debt | **9,426,194** | **—** | **—** | **9,426,194** |
| Deferred purchase price liabilities: | | | | |
| Deferred purchase price liabilities | **8,328** | **—** | **—** | **8,328** |
| TRA obligation | **5,111** | **—** | **—** | **5,111** |
| **Total liabilities** | **$ 28,082,727** | **$ —** | **$ —** | **$ 28,082,727** |

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | **Total Fair Value** | **Level 1** | **Level 2** | **Level 3** |
| **Assets** | | | | |
| Loans held for investment, subject to HMBS related obligations | $ 18,669,962 | $ — | $ — | $ 18,669,962 |
| Loans held for investment, subject to nonrecourse debt | 9,288,403 | — | — | 9,288,403 |
| Loans held for investment | 520,103 | — | — | 520,103 |
| Other assets: | | | | |
| Loans held for sale - residential mortgage loans | 3,454 | — | 3,454 | — |
| Retained bonds | 40,407 | — | — | 40,407 |
| **Total assets** | $ 28,522,329 | $ — | $ 3,454 | $ 28,518,875 |
| | | | | |
| **Liabilities** | | | | |
| HMBS related obligations | $ 18,444,370 | $ — | $ — | $ 18,444,370 |
| Nonrecourse debt | 8,954,068 | — | — | 8,954,068 |
| Deferred purchase price liabilities: | | | | |
| Deferred purchase price liabilities | 13,370 | — | — | 13,370 |
| TRA obligation | 3,314 | — | — | 3,314 |
| **Total liabilities** | $ 27,415,122 | $ — | $ — | $ 27,415,122 |

Level 3 assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (in thousands):

| | Assets | | | |
|---|---|---|---|---|
| **Three months ended June 30, 2025** | **Loans held for investment** | **Loans held for investment, subject to nonrecourse debt** | **Loans held for sale - reverse mortgage loans** | **Retained bonds** |
| Beginning balance | $ 19,443,127 | $ 9,630,150 | $ — | $ 40,334 |
| Total gain included in earnings | 324,063 | 314,315 | — | 223 |
| Purchases, settlements, and transfers: | | | | |
| Purchases and additions | 844,057 | 5,821 | — | — |
| Sales and settlements | (714,439) | (275,741) | — | (837) |
| Transfers in (out) between categories | (403,653) | 213,947 | 180,899 | — |
| Ending balance | $ 19,493,155 | $ 9,888,492 | $ 180,899 | $ 39,720 |

| | Liabilities | | | |
|---|---|---|---|---|
| **Three months ended June 30, 2025** | **HMBS related obligations** | **Nonrecourse debt** | **Deferred purchase price liabilities** | **TRA obligation** |
| Beginning balance | $ (18,590,357) | $ (9,163,399) | $ (7,592) | $ (4,555) |
| Total loss included in earnings | (241,104) | (196,840) | (736) | (556) |
| Purchases, settlements, and transfers: | | | | |
| Purchases and additions | (531,180) | (776,367) | — | — |
| Settlements | 719,547 | 710,412 | — | — |
| Ending balance | $ (18,643,094) | $ (9,426,194) | $ (8,328) | $ (5,111) |

| | Assets | | | |
|---|---|---|---|---|
| **Six months ended June 30, 2025** | **Loans held for investment** | **Loans held for investment, subject to nonrecourse debt** | **Loans held for sale - reverse mortgage loans** | **Retained bonds** |
| Beginning balance | $ 19,190,065 | $ 9,288,403 | $ — | $ 40,407 |
| Total gain included in earnings | 706,232 | 572,218 | — | 1,211 |
| Purchases, settlements, and transfers: | | | | |
| Purchases and additions | 1,654,382 | 12,721 | — | — |
| Sales and settlements | (1,334,971) | (518,298) | — | (1,898) |
| Transfers in (out) between categories | (722,553) | 533,448 | 180,899 | — |
| Ending balance | $ 19,493,155 | $ 9,888,492 | $ 180,899 | $ 39,720 |

| | Liabilities | | | |
|---|---|---|---|---|
| **Six months ended June 30, 2025** | **HMBS related obligations** | **Nonrecourse debt** | **Deferred purchase price liabilities** | **TRA obligation** |
| Beginning balance | $ (18,444,370) | $ (8,954,068) | $ (13,370) | $ (3,314) |
| Total gain (loss) included in earnings | (536,786) | (349,749) | 2,836 | (1,797) |
| Purchases, settlements, and transfers: | | | | |
| Purchases and additions | (997,188) | (1,557,268) | — | — |
| Settlements | 1,335,250 | 1,434,891 | 2,206 | — |
| Ending balance | $ (18,643,094) | $ (9,426,194) | $ (8,328) | $ (5,111) |

| | Assets | | | |
|---|---|---|---|---|
| **Three months ended June 30, 2024** | **Loans held for investment** | **Loans held for investment, subject to nonrecourse debt** | **MSR** | **Retained bonds** |
| Beginning balance | $ 18,586,682 | $ 8,407,602 | $ 783 | $ 42,906 |
| Total gain (loss) included in earnings | 307,350 | 160,306 | — | (171) |
| Purchases, settlements, and transfers: | | | | |
| Purchases and additions | 661,554 | 11,714 | — | — |
| Sales and settlements | (532,732) | (303,460) | (783) | (842) |
| Transfers in (out) between categories | (149,036) | 142,033 | — | — |
| Ending balance | $ 18,873,818 | $ 8,418,195 | $ — | $ 41,893 |

| | Liabilities | | | |
|---|---|---|---|---|
| **Three months ended June 30, 2024** | **HMBS related obligations** | **Nonrecourse debt** | **Deferred purchase price liabilities** | **TRA obligation** |
| Beginning balance | $ (17,827,060) | $ (7,897,896) | $ (2,794) | $ (4,824) |
| Total gain (loss) included in earnings | (206,450) | (166,670) | 823 | 1,121 |
| Purchases, settlements, and transfers: | | | | |
| Purchases and additions | (503,406) | (528,610) | — | — |
| Settlements | 556,684 | 542,468 | 137 | — |
| Ending balance | $ (17,980,232) | $ (8,050,708) | $ (1,834) | $ (3,703) |

| | Assets | | | |
|---|---|---|---|---|
| **Six months ended June 30, 2024** | **Loans held for investment** | **Loans held for investment, subject to nonrecourse debt** | **MSR** | **Retained bonds** |
| Beginning balance | $ 18,123,991 | $ 8,272,393 | $ 6,436 | $ 44,297 |
| Total gain (loss) included in earnings | 911,832 | 219,585 | (920) | (913) |
| Purchases, settlements, and transfers: | | | | |
| Purchases and additions | 1,345,758 | 22,236 | — | — |
| Sales and settlements | (1,084,082) | (527,359) | (5,516) | (1,491) |
| Transfers in (out) between categories | (423,681) | 431,340 | — | — |
| Ending balance | $ 18,873,818 | $ 8,418,195 | $ — | $ 41,893 |

| | Liabilities | | | |
|---|---|---|---|---|
| **Six months ended June 30, 2024** | **HMBS related obligations** | **Nonrecourse debt** | **Deferred purchase price liabilities** | **TRA obligation** |
| Beginning balance | $ (17,353,720) | $ (7,904,200) | $ (4,318) | $ (4,537) |
| Total gain (loss) included in earnings | (694,009) | (248,974) | 2,347 | 834 |
| Purchases, settlements, and transfers: | | | | |
| Purchases and additions | (971,926) | (1,058,107) | — | — |
| Settlements | 1,039,423 | 1,160,573 | 137 | — |
| Ending balance | $ (17,980,232) | $ (8,050,708) | $ (1,834) | $ (3,703) |

***Fair Value Option***

The Company has elected to measure its loans held for investment, loans held for sale, HMBS related obligations, and nonrecourse debt at fair value under the fair value option. The Company elected to apply the provisions of the fair value option to these assets and liabilities in order to align financial reporting presentation with the Company's

operational and risk management strategies. Presented in the table below is the fair value and the unpaid principal balance ("UPB") of financial assets and liabilities for which the Company has elected the fair value option (in thousands):

| | June 30, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| | Fair Value | UPB | Fair Value | UPB |
| **Assets** | | | | |
| Loans held for investment, subject to HMBS related obligations | **$ 18,858,220** | **$ 17,817,676** | $ 18,669,962 | $ 17,652,495 |
| Loans held for investment, subject to nonrecourse debt | **9,888,492** | **9,528,735** | 9,288,403 | 9,218,697 |
| Loans held for investment | **634,935** | **588,440** | 520,103 | 503,949 |
| Other assets: | | | | |
| Loans held for sale - reverse mortgage loans | **180,899** | **162,349** | — | — |
| Loans held for sale - residential mortgage loans | **523** | **685** | 3,454 | 4,331 |
| **Liabilities** | | | | |
| HMBS related obligations | **18,643,094** | **17,817,676** | 18,444,370 | 17,652,495 |
| Nonrecourse debt | **9,426,194** | **9,738,998** | 8,954,068 | 9,363,919 |

The tables below show the total amount of loans held for investment and held for sale that were greater than 90 days past due and on non-accrual status (in thousands):

| **June 30, 2025** | UPB | Fair Value | Difference |
|---|---|---|---|
| Loans held for investment, subject to nonrecourse debt | **$ 12,412** | **$ 275** | **$ (12,137)** |
| Loans held for investment | **11,323** | **9,319** | **(2,004)** |
| Other assets: | | | |
| Loans held for sale - residential mortgage loans | **685** | **523** | **(162)** |
| **Total loans 90 days or more past due and on non-accrual status** | **$ 24,420** | **$ 10,117** | **$ (14,303)** |

| **December 31, 2024** | UPB | Fair Value | Difference |
|---|---|---|---|
| Loans held for investment, subject to nonrecourse debt | $ 32,067 | $ 19,362 | $ (12,705) |
| Loans held for investment | 222 | 155 | (67) |
| Other assets: | | | |
| Loans held for sale - residential mortgage loans | 1,605 | 1,284 | (321) |
| **Total loans 90 days or more past due and on non-accrual status** | $ 33,894 | $ 20,801 | $ (13,093) |

***Fair Value of Other Financial Instruments***

As of June 30, 2025 and December 31, 2024, all financial instruments were either recorded at fair value or the carrying value approximated fair value with the exception of notes payable, net. Notes payable, net, includes our senior unsecured notes due 2025 (the "2025 Unsecured Notes"), senior secured notes due 2026 (the "Senior Secured Notes"), exchangeable senior secured notes due 2029 (the "Exchangeable Secured Notes") (the Senior Secured Notes and the Exchangeable Secured Notes collectively, the "Secured Notes"), and the revolving working capital promissory note agreements (the "Working Capital Promissory Notes"), recorded at the carrying value of $383.9 million and $374.5 million as of June 30, 2025 and December 31, 2024, respectively, and which have a fair value of $449.6 million and $467.9 million as of June 30, 2025 and December 31, 2024, respectively. The Senior Secured Notes have a fair value of $181.5 million and $185.6 million as of June 30, 2025 and December 31, 2024,

respectively, and the Exchangeable Secured Notes have a fair value of $176.9 million and $191.1 million as of June 30, 2025 and December 31, 2024, respectively. The fair value for notes payable, net, was determined using quoted market prices adjusted for accrued interest, which is considered to be a Level 2 input.

For other financial instruments that were not recorded at fair value, such as cash and cash equivalents including restricted cash, promissory notes receivable, and other financing lines of credit, the carrying value approximates fair value due to the short-term nature of such instruments. The fair value of assets and liabilities whose carrying value approximates fair value is determined using Level 3 inputs, with the exception of cash and cash equivalents, including restricted cash, which are Level 1 inputs.

## 6. Reverse Mortgage Loan Portfolio

The table below summarizes the composition and the outstanding UPB of the reverse mortgage loan portfolio serviced by the Company (in thousands):

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| **Reverse mortgage loans held for investment, subject to HMBS related obligations** | **$ 17,817,676** | $ 17,652,495 |
| | | |
| **Reverse mortgage loans held for investment, subject to nonrecourse debt:** | | |
| Non-agency reverse mortgages | **8,937,181** | 8,567,792 |
| Performing HECM buyouts | **212,382** | 210,041 |
| Nonperforming HECM buyouts | **366,761** | 408,614 |
| **Total reverse mortgage loans held for investment, subject to nonrecourse debt** | **9,516,324** | 9,186,447 |
| | | |
| **Reverse mortgage loans held for investment:** | | |
| Non-agency reverse mortgages | **310,528** | 270,956 |
| HECM loans not securitized[(1)] | **101,229** | 101,100 |
| Unpoolable HECM loans[(2)] | **165,360** | 131,671 |
| **Total reverse mortgage loans held for investment[(3)]** | **577,117** | 503,727 |
| | | |
| **Other assets:** | | |
| Loans held for sale - reverse mortgage loans[(3)(4)] | **162,349** | — |
| | | |
| **Total owned reverse mortgage loan portfolio** | **28,073,466** | 27,342,669 |
| Loans reclassified as government guaranteed receivable | **48,888** | 45,773 |
| Loans serviced for others | **87,104** | 88,125 |
| **Total serviced reverse mortgage loan portfolio** | **$ 28,209,458** | $ 27,476,567 |

*[(1)] Loans not securitized primarily represent newly originated loans and poolable tails.*
*[(2)] Unpoolable loans primarily represent loans that have reached 98% of their maximum claim amount ("MCA").*
*[(3)] As of June 30, 2025 and December 31, 2024, there was $597.6 million and $451.3 million, respectively, in UPB in loans pledged as collateral for financing lines of credit.*
*[(4)] During the three months ended June 30, 2025, $119.2 million and $43.1 million in UPB of reverse mortgage loans were transferred from Reverse mortgage loans held for investment, subject to nonrecourse debt, and Reverse mortgage loans held for investment, respectively, to Loans held for sale - reverse mortgage loans.*

The table below summarizes the reverse mortgage loan portfolio owned by the Company by product type (in thousands):

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| Adjustable rate loans | **$ 20,379,928** | $ 19,966,185 |
| Fixed rate loans | **7,693,538** | 7,376,484 |
| **Total owned reverse mortgage loan portfolio** | **$ 28,073,466** | $ 27,342,669 |

As of June 30, 2025 and December 31, 2024, there were $482.4 million and $497.6 million, respectively, of foreclosure proceedings in process, which are included in Loans held for investment, subject to HMBS related obligations, at fair value, Loans held for investment, subject to nonrecourse debt, at fair value, or Loans held for investment, at fair value, in the Condensed Consolidated Statements of Financial Condition, and $3.7 million and $7.1 million, respectively, of foreclosure proceedings in process, which are included in loans serviced for others in the table above.

## 7. Other Assets, Net

Other assets, net, related to continuing operations consisted of the following (in thousands):

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| Loans held for sale, at fair value (Note 5 - Fair Value) | **$ 181,422** | $ 3,454 |
| Government guaranteed receivables | **45,104** | 41,948 |
| Retained bonds, at fair value (Note 5 - Fair Value) | **39,720** | 40,407 |
| Right-of-use assets | **19,074** | 20,533 |
| Receivables, net of allowance of $8,264 and $3,135, respectively | **13,166** | 20,935 |
| Prepaid expenses | **11,375** | 11,998 |
| Fixed assets, net | **3,326** | 3,824 |
| Other | **16,490** | 14,162 |
| **Total other assets, net** | **$ 329,677** | $ 157,261 |

## 8. Nonrecourse Debt, at Fair Value

Nonrecourse debt, at fair value, consisted of the following (in thousands):

| | Issue Date | Final Maturity Date | Interest Rate | Original Issue Amount | June 30, 2025 | December 31, 2024 |
|---|---|---|---|---|---|---|
| Securitization of non-agency reverse mortgage loans | May 2018 - May 2025 | April 2051 - May 2075 | 1.25% - 7.00% | $ 10,340,442 | **$ 8,736,119** | $ 8,304,568 |
| Securitization of performing/nonperforming HECM loans | October 2024 | October 2034 | 4.00% - 6.00% | 705,400 | **620,991** | 677,035 |
| Securitization of commercial loans[1] | N/A | N/A | N/A | N/A | — | 8,245 |
| **Total consolidated VIE nonrecourse debt UPB** | | | | | **9,357,110** | 8,989,848 |
| Nonrecourse loan financing liability[2] | | | | | **381,888** | 374,071 |
| Fair value adjustments | | | | | **(312,804)** | (409,851) |
| **Total nonrecourse debt, at fair value** | | | | | **$ 9,426,194** | $ 8,954,068 |

*[1] The nonrecourse debt associated with the securitization of commercial loans was fully paid off during the three months ended June 30, 2025.*

*(2) Nonrecourse loan financing liability is comprised of nonrecourse debt associated with securitizations of non-agency mortgage loans. As the securitizations were determined to be unconsolidated VIEs and failed sale treatment, the associated nonrecourse debt is accounted for by the Company and presented separately from other nonrecourse debt. Refer to Note 4 - Variable Interest Entities and Securitizations for additional information.*

Future repayment of nonrecourse debt issued by securitization trusts is dependent on the receipt of cash flows from the corresponding encumbered loans receivable. As of June 30, 2025, estimated maturities for nonrecourse debt for the next five years and thereafter are as follows (in thousands):

| ***Year Ending December 31,*** | **Estimated Maturities** |
|---|---|
| Remainder of 2025 | **$ 1,451,705** |
| 2026 | **3,528,625** |
| 2027 | **1,928,454** |
| 2028 | **1,003,506** |
| 2029 | **189,354** |
| Thereafter | **1,637,354** |
| **Total payments on nonrecourse debt** | **$ 9,738,998** |

## 9. Other Financing Lines of Credit

Other financing lines of credit consisted of the following (in thousands):

| | | | | Outstanding borrowings at | |
|---|---|---|---|---|---|
| **Maturity Date** | **Interest Rate** | **Collateral Pledged** | **Total Capacity(1)** | **June 30, 2025** | **December 31, 2024** |
| Reverse Lines: | | | | | |
| September 2025 - October 2026 | Secured Overnight Financing Rate ("SOFR") + applicable margin | First and Second Lien Mortgages | $ 1,165,000 | **$ 572,470** | $ 438,328 |
| Various(2) | Bond accrual rate/SOFR + applicable margin | Mortgage Related Assets | 398,097 | **379,726** | 356,915 |
| October 2027 | SOFR + applicable margin | HECM MSR | 70,000 | **69,231** | 69,231 |
| October 2025 | SOFR + applicable margin | Unsecuritized Tails | 40,000 | **22,596** | 19,947 |
| **Subtotal reverse lines of credit** | | | 1,673,097 | **1,044,023** | 884,421 |
| Mortgage Line: | | | | | |
| Various(2) | Bond accrual rate + applicable margin | Mortgage Related Assets | 32,411 | **32,411** | 33,826 |
| **Total other financing lines of credit** | | | $ 1,705,508 | **$ 1,076,434** | $ 918,247 |

*(1) Capacity is dependent upon maintaining compliance with, or obtaining waivers of, the terms, conditions, and covenants of the respective agreements, including asset-eligibility requirements. Capacity amounts presented are as of June 30, 2025.*
*(2) These lines of credit are tied to the maturity date of the underlying mortgage related assets that have been pledged as collateral.*

As of June 30, 2025 and December 31, 2024, the weighted average interest rate on outstanding financing lines of credit was 7.23% and 7.14%, respectively.

The Company's financing arrangements and credit facilities contain various financial covenants, which primarily relate to required tangible net worth amounts, liquidity reserves, leverage ratios, and profitability.

As of June 30, 2025, the Company was in compliance with all of its financial covenants related to required liquidity reserves, debt service coverage ratio, tangible net worth amounts, and required profitability.

The terms of the Company's financing arrangements and credit facilities contain covenants, and the terms of the Company's government sponsored entities ("GSE")/seller servicer contracts contain requirements that may restrict FOA Equity and its subsidiaries from paying distributions to its members. These restrictions include restrictions on paying distributions whenever the payment of such distributions would cause FOA Equity or its subsidiaries to no longer be in compliance with any of its financial covenants or GSE requirements. Further, FOA Equity is generally

prohibited under Delaware law from making a distribution to a member to the extent that, at the time of the distribution, after giving effect to the distribution, liabilities of FOA Equity (with certain exceptions) exceed the fair value of its assets. Subsidiaries of FOA Equity are generally subject to similar legal limitations on their ability to make distributions to FOA Equity.

The maximum allowable distributions available to the Company are based on the most restrictive financial covenant ratios and are presented in the tables below (in thousands, except for ratios):

| Financial Covenants | Requirement | June 30, 2025 | Maximum Allowable Distribution |
|---|---|---|---|
| FAR | | | |
| Adjusted Tangible Net Worth | **$ 250,000** | **$ 697,057** | **$ 447,057** |
| Liquidity | **40,815** | **44,259** | **3,444** |
| Leverage Ratio | **6:1** | **2.1:1** | **457,753** |
| FAH | | | |
| Adjusted Tangible Net Worth | **$ 200,000** | **$ 684,705** | **$ 484,705** |
| Liquidity | **40,000** | **46,595** | **6,595** |
| Leverage Ratio | **10:1** | **2.4:1** | **522,301** |

| Financial Covenants | Requirement | December 31, 2024 | Maximum Allowable Distribution |
|---|---|---|---|
| FAR | | | |
| Adjusted Tangible Net Worth | $ 250,000 | $ 501,883 | $ 251,883 |
| Liquidity | 40,129 | 45,512 | 5,383 |
| Leverage Ratio | 6:1 | 2.7:1 | 276,823 |
| FAH | | | |
| Adjusted Tangible Net Worth | $ 200,000 | $ 502,744 | $ 302,744 |
| Liquidity | 40,000 | 47,794 | 7,794 |
| Leverage Ratio | 10:1 | 2.9:1 | 355,886 |

## 10. Litigation

The Company's business is subject to legal proceedings, examinations, investigations, and reviews by various federal, state, and local regulatory and enforcement agencies as well as private litigants such as the Company's borrowers or former employees. At any point in time, the Company may have open investigations with regulators or enforcement agencies, including examinations and inquiries related to its loan servicing and origination practices. These matters and other pending or potential future investigations, examinations, inquiries, or lawsuits may lead to administrative or legal proceedings, and possibly result in remedies, including fines, penalties, restitution, alterations in business practices, or additional expenses and collateral costs.

As a litigation or regulatory matter develops, the Company, in conjunction with any outside counsel handling the matter, evaluates on an ongoing basis whether such matter presents a loss contingency that is probable and reasonably estimable. If, at the time of evaluation, the loss contingency is not both probable and reasonably estimable, the matter will continue to be monitored for further developments that would make such loss contingency both probable and reasonably estimable. Once the matter is deemed to be both probable and reasonably estimable, the Company establishes an accrued liability and records a corresponding amount to litigation related expense. The Company will continue to monitor the matter for further developments that could affect the amount of the accrued liability that has been previously established. For certain matters, the Company may determine that a loss is not probable but is reasonably possible or may consider a loss to be probable but cannot calculate a precise estimate of losses. For these matters, the Company may be able to estimate a range of possible loss. In determining whether it is possible to provide an estimate of loss or range of possible loss, the Company reviews and evaluates its material litigation and regulatory matters on an ongoing basis, in conjunction with any outside counsel handling the matter. Based on our assessment of the facts and circumstances, we do not believe any of these matters, individually or in

the aggregate, will have a material adverse effect on our financial position, results of operations, or cash flows in a future period.

The Company is a defendant in three representative lawsuits alleging violations of the California Labor Code and brought pursuant to the California Private Attorneys General Act ("PAGA"). The cases have been coordinated. On November 4, 2022, the court ordered that each of the plaintiffs' individual PAGA claims must be arbitrated and that their representative PAGA claims will be stayed pending a ruling by the California Supreme Court in the third-party case *Adolph v. Uber Technologies, Inc*. On July 17, 2023, the California Supreme Court issued its decision in *Adolph*, ruling that an order compelling arbitration of individual claims does not strip the plaintiff of standing to litigate the representative portion of the PAGA claim. The Company has settled all of the individual arbitration claims for a de minimis amount and is in different stages of the remaining representative PAGA claims. Due to the unpredictable nature of litigation generally, and the wide discretion afforded the Court in awarding civil penalties in PAGA actions, the outcome of these matters cannot be presently determined, and a range of possible losses cannot be reasonably estimated. Although the actions are being vigorously defended, the Company could, in the future, incur judgments or enter into settlements of claims that could have a negative effect on its results of operations in any particular period.

Legal expenses, which include, among other things, settlements and the fees paid to external legal service providers, were $0.8 million and $1.1 million for the three and six months ended June 30, 2025, respectively, and $1.8 million and $2.1 million for the three and six months ended June 30, 2024, respectively. These expenses are included in General and administrative expenses in the Condensed Consolidated Statements of Operations.

## 11. Commitments and Contingencies

***Servicing of Mortgage Loans***

The Company has contracted with third-party providers to perform specified servicing functions on its behalf. These services include maintaining borrower contact, facilitating borrower advances, generating borrower statements, collecting and processing payments of interest and principal, and facilitating loss-mitigation strategies in an attempt to keep defaulted borrowers in their homes. The contracts are generally fixed-term arrangements, with standard notification and transition terms governing termination of such contracts.

For reverse mortgages, defaults on loans leading to foreclosures may occur if borrowers fail to meet maintenance obligations, such as payment of taxes or home insurance premiums. When a default cannot be cured, the sub-servicers manage the foreclosure process and the filing of any insurance claims with HUD. The sub-servicers have responsibility for remitting timely advances and statements to borrowers and timely and accurate claims to HUD, including compliance with local, state, and federal regulatory requirements. Although the Company has outsourced its servicing function, as the issuer, the Company has responsibility for all aspects of servicing of the HECM loans and related HMBS beneficial interests under the terms of the servicing contracts, state laws, and regulations.

Additionally, the sub-servicers are responsible for remitting payments to investors, including interest accrued, interest shortfalls, and funding advances such as taxes and home insurance premiums. Advances are typically remitted by the Company to the sub-servicers on a daily basis.

Contractual sub-servicing fees related to sub-servicer arrangements are generally based on a fixed dollar amount per loan and are included in Loan servicing expenses in the Condensed Consolidated Statements of Operations.

***Unfunded Commitments***

The Company is required to fund further borrower advances (where the borrower has not fully drawn down the HECM or non-agency reverse mortgage loan proceeds available) and fund the payment of the borrower's obligation to pay FHA monthly insurance premiums for HECM loans.

The outstanding unfunded commitments available to borrowers related to agency and non-agency reverse mortgage loans were $4.5 billion as of both June 30, 2025 and December 31, 2024. This additional borrowing capacity is primarily in the form of undrawn lines of credit.

The Company also has commitments to purchase loans totaling $1.1 million and $1.7 million as of June 30, 2025 and December 31, 2024, respectively.

***Mandatory Repurchase Obligation***

The Company is required to repurchase reverse mortgage loans out of the Ginnie Mae securitization pools once the outstanding principal balance of the related HECM loan is equal to or greater than 98% of the MCA. Performing repurchased loans are typically conveyed to HUD and nonperforming repurchased loans are generally liquidated in accordance with program requirements. Loans are considered nonperforming upon events including, but not limited to, the death of the mortgagor, the mortgagor no longer occupying the property as their principal residence, or the property taxes or insurance are not being paid.

As an issuer of HMBS, the Company also has the option to repurchase reverse mortgage loans out of the Ginnie Mae securitization pools without prior approval from Ginnie Mae in certain instances. These situations include the borrower requesting an additional advance that causes the outstanding principal balance to be equal to or greater than 98% of the MCA; the borrower's loan becoming due and payable under certain circumstances; the borrower not occupying the home for greater than twelve consecutive months for physical or mental illness, and the home is not the residence of another borrower; or the borrower failing to perform in accordance with the terms of the loan.

For each HECM loan that the Company securitizes into agency HMBS, the Company is required to covenant and warrant to Ginnie Mae, among other things, that the HECM loans related to each participation included in the agency HMBS are eligible under the requirements of the National Housing Act and the Ginnie Mae MBS Guide, and that the Company will take all actions necessary to ensure the HECM loan's continued eligibility. The Ginnie Mae HMBS program requires that the Company removes the participation related to any HECM loan that does not meet the requirements of the Ginnie Mae MBS Guide. In addition to securitizing HECM loans into agency HMBS, the Company may sell HECM loans to third parties, and the agreements with such third parties include standard representations and warranties related to such loans, which if breached, may require the Company to repurchase the HECM loan and/or indemnify the purchaser for losses related to such HECM loans. In the case where the Company repurchases the loan, the Company bears any subsequent credit loss on the loan. To the extent that the Company is required to remove a loan from an agency HMBS, purchase a loan from a third-party, or indemnify a third-party, the potential losses suffered by the Company may be reduced by any recourse the Company has to the originating broker and/or correspondent lender, if applicable, to the extent such entity breached similar or other representations and warranties. Under most circumstances, the Company has the right to require the originating broker/correspondent to repurchase the related loan from the Company and/or indemnify the Company for losses incurred. The Company seeks to manage the risk of repurchase and associated credit exposure through the Company's underwriting and quality assurance practices.

## 12. Income Taxes

The Company's effective tax rate on continuing operations for the three and six months ended June 30, 2025 and 2024 differs from the U.S. federal statutory rate primarily due to the projected mix of earnings or loss attributable to the noncontrolling interest, anticipated state statutory income tax rates, and the impact of discrete tax items, which includes changes in the valuation allowance against net deferred tax assets.

FOA is taxed as a corporation and is subject to U.S. federal, state, and local taxes on the income allocated to it from FOA Equity based upon FOA's economic interest in FOA Equity as well as any stand-alone income it generates. FOA Equity and its disregarded subsidiaries, collectively, are treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a partnership, FOA Equity is not subject to U.S. federal and certain state and local income taxes. FOA Equity's members, including FOA, are liable for U.S. federal, state, and local income taxes based on their allocable share of FOA Equity's pass-through taxable income.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying value of assets and liabilities for financial reporting purposes and the amounts reported for income tax purposes. The Company recognizes deferred tax assets and liabilities for the expected future tax consequences attributable to those temporary differences and the expected benefits of net operating losses and carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

A valuation allowance is provided when it is more likely than not that a portion or all of a deferred tax asset will not be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies, and recent results of operations. As of June 30, 2025, due to current year operating results and forecasted taxable income or losses, management has maintained their assessment that the existing taxable temporary

differences that will reverse through the course of ordinary business will not more-likely-than-not generate sufficient taxable income to utilize the current attributes. Therefore, a valuation allowance for the deferred tax asset in excess of deferred tax liabilities has been maintained. Management also determined that the future sources of taxable income from reversing temporary differences that comprise the investment in FOA Equity deferred tax liability would only be fully realized upon sale of FOA's interest in FOA Equity. Accordingly, the deferred tax liability from investment in FOA Equity has been treated as an indefinite-lived intangible and is limited by the federal net operating loss utilization rules.

Tax positions taken in tax years that remain open under the statute of limitations will be subject to examinations by tax authorities. With few exceptions, the Company is no longer subject to state or local examinations by tax authorities for tax years ended December 31, 2020 or prior.

The One Big Beautiful Bill Act (the "Act") was signed into law on July 4, 2025, introducing significant tax law changes with various effective dates. Provisions that may affect the Company include changes to the timing of deductions for depreciation, research and development expenditures, and interest expense. While the Company is still evaluating the provisions included in the Act, it does not anticipate a significant impact on overall tax expense and will implement the changes in the third quarter of 2025.

## 13. Business Segment Reporting

The following tables are a presentation of financial information by segment (in thousands):

| | For the three months ended June 30, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Retirement Solutions | Portfolio Management | Total Reportable Segments | Corporate and Other | Eliminations | Total |
| **Portfolio interest income** | | | | | | |
| Interest income | $ — | $ 481,800 | $ 481,800 | $ — | $ — | $ 481,800 |
| Interest expense | — | (422,336) | (422,336) | — | — | (422,336) |
| **Net portfolio interest income** | — | 59,464 | 59,464 | — | — | 59,464 |
| | | | | | | |
| **Other income (expense)** | | | | | | |
| Net origination gains | 56,058 | — | 56,058 | — | — | 56,058 |
| Gain on securitization of HECM tails, net | — | 10,855 | 10,855 | — | — | 10,855 |
| Fair value changes from model amortization | — | (35,456) | (35,456) | — | — | (35,456) |
| Fair value changes from market inputs or model assumptions | — | 94,939 | 94,939 | — | — | 94,939 |
| **Net fair value changes on loans and related obligations** | 56,058 | 70,338 | 126,396 | — | — | 126,396 |
| Fee income | 6,289 | 573 | 6,862 | — | (123) | 6,739 |
| Non-funding interest expense, net | — | — | — | (15,223) | — | (15,223) |
| **Net other income (expense)** | 62,347 | 70,911 | 133,258 | (15,223) | (123) | 117,912 |
| | | | | | | |
| **Total revenues** | 62,347 | 130,375 | 192,722 | (15,223) | (123) | 177,376 |
| | | | | | | |
| **Expenses** | | | | | | |
| Salaries, benefits, and related expenses | 23,353 | 3,725 | 27,078 | 9,896 | — | 36,974 |
| Loan production and portfolio related expenses | 1,251 | 8,211 | 9,462 | — | — | 9,462 |
| Loan servicing expenses | — | 7,525 | 7,525 | — | — | 7,525 |
| Marketing and advertising expenses | 12,257 | — | 12,257 | 8 | — | 12,265 |
| Depreciation and amortization | 9,327 | 16 | 9,343 | 311 | — | 9,654 |
| General and administrative expenses | 5,786 | 2,794 | 8,580 | 4,723 | (123) | 13,180 |
| **Total expenses** | 51,974 | 22,271 | 74,245 | 14,938 | (123) | 89,060 |
| **Other, net** | — | — | — | (6,361) | — | (6,361) |
| **Net income (loss) before taxes** | $ 10,373 | $ 108,104 | $ 118,477 | $ (36,522) | $ — | $ 81,955 |
| | | | | | | |
| Total assets | $ 269,423 | $ 29,907,328 | $ 30,176,751 | $ 1,304,444 | $ (1,335,010) | $ 30,146,185 |

| | For the three months ended June 30, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Retirement Solutions | Portfolio Management | Total Reportable Segments | Corporate and Other | Eliminations | Total |
| **Portfolio interest income** | | | | | | |
| Interest income | $ — | $ 478,091 | $ 478,091 | $ — | $ — | $ 478,091 |
| Interest expense | — | (412,618) | (412,618) | — | — | (412,618) |
| **Net portfolio interest income** | — | 65,473 | 65,473 | — | — | 65,473 |
| | | | | | | |
| **Other income (expense)** | | | | | | |
| Net origination gains | 40,260 | — | 40,260 | — | — | 40,260 |
| Gain on securitization of HECM tails, net | — | 11,031 | 11,031 | — | — | 11,031 |
| Fair value changes from model amortization | — | (47,813) | (47,813) | — | — | (47,813) |
| Fair value changes from market inputs or model assumptions | — | 11,260 | 11,260 | — | — | 11,260 |
| **Net fair value changes on loans and related obligations** | 40,260 | (25,522) | 14,738 | — | — | 14,738 |
| Fee income | 6,894 | 1,325 | 8,219 | — | (123) | 8,096 |
| Non-funding interest expense, net | — | — | — | (9,268) | — | (9,268) |
| **Net other income (expense)** | 47,154 | (24,197) | 22,957 | (9,268) | (123) | 13,566 |
| | | | | | | |
| **Total revenues** | 47,154 | 41,276 | 88,430 | (9,268) | (123) | 79,039 |
| | | | | | | |
| **Expenses** | | | | | | |
| Salaries, benefits, and related expenses | 20,949 | 3,929 | 24,878 | 10,175 | — | 35,053 |
| Loan production and portfolio related expenses | 1,100 | 4,562 | 5,662 | — | — | 5,662 |
| Loan servicing expenses | — | 7,632 | 7,632 | — | — | 7,632 |
| Marketing and advertising expenses | 10,676 | 24 | 10,700 | 6 | — | 10,706 |
| Depreciation and amortization | 9,426 | 15 | 9,441 | 312 | — | 9,753 |
| General and administrative expenses | 6,684 | 3,600 | 10,284 | 6,080 | (123) | 16,241 |
| **Total expenses** | 48,835 | 19,762 | 68,597 | 16,573 | (123) | 85,047 |
| **Other, net** | — | — | — | 2,240 | — | 2,240 |
| **Net income (loss) before taxes** | $ (1,681) | $ 21,514 | $ 19,833 | $ (23,601) | $ — | $ (3,768) |
| | | | | | | |
| Total assets | $ 282,516 | $ 27,659,539 | $ 27,942,055 | $ 1,441,787 | $ (1,414,146) | $ 27,969,696 |

| | For the six months ended June 30, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Retirement Solutions | Portfolio Management | Total Reportable Segments | Corporate and Other | Eliminations | Total |
| **Portfolio interest income** | | | | | | |
| Interest income | $ — | $ 962,402 | $ 962,402 | $ — | $ — | $ 962,402 |
| Interest expense | — | (832,503) | (832,503) | — | — | (832,503) |
| **Net portfolio interest income** | — | 129,899 | 129,899 | — | — | 129,899 |
| | | | | | | |
| **Other income (expense)** | | | | | | |
| Net origination gains | 102,096 | — | 102,096 | — | — | 102,096 |
| Gain on securitization of HECM tails, net | — | 21,336 | 21,336 | — | — | 21,336 |
| Fair value changes from model amortization | — | (76,412) | (76,412) | — | — | (76,412) |
| Fair value changes from market inputs or model assumptions | — | 183,202 | 183,202 | — | — | 183,202 |
| **Net fair value changes on loans and related obligations** | 102,096 | 128,126 | 230,222 | — | — | 230,222 |
| Fee income | 11,972 | 1,359 | 13,331 | — | (246) | 13,085 |
| Non-funding interest expense, net | — | — | — | (30,135) | — | (30,135) |
| **Net other income (expense)** | 114,068 | 129,485 | 243,553 | (30,135) | (246) | 213,172 |
| | | | | | | |
| **Total revenues** | 114,068 | 259,384 | 373,452 | (30,135) | (246) | 343,071 |
| | | | | | | |
| **Expenses** | | | | | | |
| Salaries, benefits, and related expenses | 45,205 | 7,357 | 52,562 | 18,342 | — | 70,904 |
| Loan production and portfolio related expenses | 2,777 | 18,015 | 20,792 | — | — | 20,792 |
| Loan servicing expenses | — | 15,266 | 15,266 | — | — | 15,266 |
| Marketing and advertising expenses | 22,987 | — | 22,987 | 9 | — | 22,996 |
| Depreciation and amortization | 18,657 | 34 | 18,691 | 621 | — | 19,312 |
| General and administrative expenses | 10,810 | 5,330 | 16,140 | 10,265 | (246) | 26,159 |
| **Total expenses** | 100,436 | 46,002 | 146,438 | 29,237 | (246) | 175,429 |
| **Other, net** | — | — | — | (3,994) | — | (3,994) |
| **Net income (loss) before taxes** | $ 13,632 | $ 213,382 | $ 227,014 | $ (63,366) | $ — | $ 163,648 |
| | | | | | | |
| Total assets | $ 269,423 | $ 29,907,328 | $ 30,176,751 | $ 1,304,444 | $ (1,335,010) | $ 30,146,185 |

| | For the six months ended June 30, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Retirement Solutions | Portfolio Management | Total Reportable Segments | Corporate and Other | Eliminations | Total |
| **Portfolio interest income** | | | | | | |
| Interest income | $ — | $ 942,070 | $ 942,070 | $ — | $ — | $ 942,070 |
| Interest expense | — | (806,422) | (806,422) | — | — | (806,422) |
| **Net portfolio interest income** | — | 135,648 | 135,648 | — | — | 135,648 |
| | | | | | | |
| **Other income (expense)** | | | | | | |
| Net origination gains | 79,917 | — | 79,917 | — | — | 79,917 |
| Gain on securitization of HECM tails, net | — | 21,757 | 21,757 | — | — | 21,757 |
| Fair value changes from model amortization | — | (105,421) | (105,421) | — | — | (105,421) |
| Fair value changes from market inputs or model assumptions | — | 24,822 | 24,822 | — | — | 24,822 |
| **Net fair value changes on loans and related obligations** | 79,917 | (58,842) | 21,075 | — | — | 21,075 |
| Fee income | 12,946 | 1,718 | 14,664 | — | (246) | 14,418 |
| Non-funding interest expense, net | — | — | — | (17,420) | — | (17,420) |
| **Net other income (expense)** | 92,863 | (57,124) | 35,739 | (17,420) | (246) | 18,073 |
| | | | | | | |
| **Total revenues** | 92,863 | 78,524 | 171,387 | (17,420) | (246) | 153,721 |
| | | | | | | |
| **Expenses** | | | | | | |
| Salaries, benefits, and related expenses | 42,082 | 8,993 | 51,075 | 23,001 | — | 74,076 |
| Loan production and portfolio related expenses | 4,181 | 10,094 | 14,275 | — | — | 14,275 |
| Loan servicing expenses | — | 15,850 | 15,850 | — | — | 15,850 |
| Marketing and advertising expenses | 19,167 | 39 | 19,206 | 12 | — | 19,218 |
| Depreciation and amortization | 18,914 | 23 | 18,937 | 494 | — | 19,431 |
| General and administrative expenses | 13,901 | 7,516 | 21,417 | 12,341 | (246) | 33,512 |
| **Total expenses** | 98,245 | 42,515 | 140,760 | 35,848 | (246) | 176,362 |
| **Impairment of other assets** | — | — | — | (600) | — | (600) |
| **Other, net** | (174) | — | (174) | 3,867 | — | 3,693 |
| **Net income (loss) before taxes** | $ (5,556) | $ 36,009 | $ 30,453 | $ (50,001) | $ — | $ (19,548) |
| | | | | | | |
| Total assets | $ 282,516 | $ 27,659,539 | $ 27,942,055 | $ 1,441,787 | $ (1,414,146) | $ 27,969,696 |

## 14. Liquidity and Capital Requirements

### *Compliance Requirements*

*FAR*

As an issuer of HMBS, FAR is subject to minimum net worth, liquidity, and leverage requirements as well as minimum insurance coverage established by Ginnie Mae.

The minimum net worth required is $5.0 million plus 1% of FAR's outstanding HMBS and unused commitment authority from Ginnie Mae. The liquidity requirement is for 20% of FAR's required net worth to be in the form of cash or cash equivalent assets. The leverage requirement is to maintain a ratio of net worth to total assets of not less than 6%.

As of June 30, 2025, FAR was in compliance with the minimum net worth, liquidity, capitalization levels, and insurance requirements of Ginnie Mae. The minimum net worth required of FAR by Ginnie Mae was $185.5 million

as of June 30, 2025. FAR's actual net worth calculated based on Ginnie Mae guidance was $691.2 million as of June 30, 2025. The minimum liquidity required of FAR by Ginnie Mae was $37.1 million as of June 30, 2025. FAR's actual cash and cash equivalents were $44.3 million as of June 30, 2025. FAR's actual ratio of net worth to total assets was below the Ginnie Mae requirement due to the Company's determination that HECM loans transferred into HMBS as well as its HECM buyout and non-agency reverse mortgage loan securitizations do not meet the requirements of sale accounting and are not derecognized upon date of transfer. Based on this, FAR requested and received a waiver for the minimum outstanding capital requirements from Ginnie Mae. Therefore, FAR was in compliance with all Ginnie Mae requirements.

In addition, FAR is required to maintain both fidelity bond and errors and omissions insurance coverage at tiered levels based on the aggregate UPB of the loans serviced by FAR throughout the year. FAR is required to conduct compliance testing at least quarterly to ensure compliance with the foregoing requirements. As of June 30, 2025, FAR was in compliance with applicable requirements.

*FOA Securities*

Finance of America Securities LLC ("FOA Securities"), one of the operating service subsidiaries of Incenter, operates in a highly regulated environment and is subject to federal and state laws, SEC rules, and Financial Industry Regulatory Authority rules and guidance. Applicable laws and regulations restrict permissible activities and require compliance with a wide range of financial and customer-related protections. The consequences of noncompliance can include substantial monetary and nonmonetary sanctions. In addition, FOA Securities is subject to comprehensive examination by its regulators. These regulators have broad discretion to impose restrictions and limitations on the operations of the Company and to impose sanctions for noncompliance. FOA Securities is subject to the SEC's Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital. FOA Securities computes net capital under the alternative method. Under this method, the required minimum net capital is equal to $250 thousand. As of June 30, 2025, FOA Securities was in compliance with the minimum net capital requirement.

Additionally, FOA Securities claims the exemption provision of Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because FOA Securities' other business activities are limited to (1) proprietary trading; (2) receiving transaction-based compensation for referring securities transactions to other broker-dealers; and (3) participating in distributions of securities (other than firm commitment underwritings) in accordance with the requirements of paragraphs (a) or (b)(2) of Rule 15c2-4.

## 15. Related Party Transactions

*Working Capital Promissory Notes*

The Company has two Working Capital Promissory Notes outstanding with BTO Urban Holdings L.L.C. and Libman Family Holdings, LLC ("LFH"), which are deemed affiliates of the Company. Amounts under the Working Capital Promissory Notes may be re-borrowed and repaid from time to time until the related maturity date. The Working Capital Promissory Notes accrue interest monthly at a rate of 15.0% per annum and mature in August 2025. These notes had outstanding amounts of $85.0 million as of both June 30, 2025 and December 31, 2024, recorded within Notes payable, net, in the Condensed Consolidated Statements of Financial Condition. Additionally, the Company paid $2.1 million and $4.5 million of interest related to the Working Capital Promissory Notes during the three and six months ended June 30, 2025, respectively, and paid $1.6 million and $2.8 million of interest during the three and six months ended June 30, 2024, respectively.

The Working Capital Promissory Notes with BTO Urban Holdings L.L.C. and LFH were repaid and terminated in full subsequent to June 30, 2025. On August 4, 2025, FAR entered into an unsecured revolving working capital promissory note with LFH, providing for an uncommitted revolving facility for general corporate and working capital purposes of up to $20.0 million, which was fully drawn on such date. The unsecured revolving working capital promissory note matures on August 4, 2026. Refer to Note 17 - Subsequent Events for additional information.

*Secured Notes and 2025 Unsecured Notes*

In November 2020, LFH purchased a portion of the 2025 Unsecured Notes. In October 2024, the related party exchanged all of their 2025 Unsecured Notes for Secured Notes.

The Company had $77.3 million of Secured Notes due to LFH as of both June 30, 2025 and December 31, 2024, recorded within Notes payable, net, in the Condensed Consolidated Statements of Financial Condition. Additionally, the Company paid $3.4 million of interest to LFH related to the Secured Notes during the three and six months ended June 30, 2025, and paid $3.0 million of interest related to the 2025 Unsecured Notes during the three and six months ended June 30, 2024.

## 16. Earnings (Loss) Per Share

The following tables reconcile the numerators and denominators used in the computations of both basic and diluted earnings (loss) per share (in thousands, except share data):

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| **Basic earnings (loss) per share:** | | | | |
| **Numerator** | | | | |
| Net income (loss) from continuing operations | **$ 79,823** | $ (4,921) | **$ 159,573** | $ (20,701) |
| Less: Income (loss) from continuing operations attributable to noncontrolling interest[(1)] | **44,900** | (2,937) | **92,413** | (13,082) |
| Net income (loss) from continuing operations attributable to holders of Class A Common Stock - basic | **$ 34,923** | $ (1,984) | **$ 67,160** | $ (7,619) |
| | | | | |
| Net loss from discontinued operations | **$ —** | $ (203) | **$ (4,750)** | $ (4,727) |
| Less: Loss from discontinued operations attributable to noncontrolling interest[(1)] | **—** | (98) | **(2,722)** | (2,719) |
| Net loss from discontinued operations attributable to holders of Class A Common Stock - basic | **$ —** | $ (105) | **$ (2,028)** | $ (2,008) |
| | | | | |
| **Denominator** | | | | |
| Weighted average shares of Class A Common Stock outstanding - basic | **11,041,337** | 9,898,182 | **10,611,689** | 9,773,370 |
| | | | | |
| **Basic earnings (loss) per share** | | | | |
| Continuing operations | **$ 3.16** | $ (0.20) | **$ 6.33** | $ (0.78) |
| Discontinued operations | **—** | (0.01) | **(0.19)** | (0.21) |
| **Basic earnings (loss) per share** | **$ 3.16** | $ (0.21) | **$ 6.14** | $ (0.99) |

*(1) The units of FOA Equity ("Class A LLC Units") held by certain unitholders and AAG/Bloom (collectively, the "Equity Capital Unitholders"), which comprise the noncontrolling interest in the Company, represents a participating security. Therefore, the numerator was adjusted to reduce net income (loss) by the amount of net income (loss) attributable to noncontrolling interest.*

*Additionally, the Class B Common Stock does not participate in earnings or losses of the Company and, therefore, is not a participating security. The Class B Common Stock has not been included in either the basic or diluted earnings (loss) per share calculations.*

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| **Diluted earnings (loss) per share:** | | | | |
| **Numerator** | | | | |
| Net income (loss) from continuing operations attributable to holders of Class A Common Stock - basic | **$ 34,923** | $ (1,984) | **$ 67,160** | $ (7,619) |
| Reallocation of net income (loss) from continuing operations assuming exchange of Class A LLC Units[1] | **23,743** | (4,869) | **58,443** | (12,643) |
| Reallocation of net income (loss) from continuing operations assuming exchange of Exchangeable Secured Notes[2] | **4,319** | — | **12,327** | — |
| Exchangeable Secured Notes interest expense, net[2] | **1,220** | — | **3,511** | — |
| Net income (loss) from continuing operations attributable to holders of Class A Common Stock - diluted | **$ 64,205** | $ (6,853) | **$ 141,441** | $ (20,262) |
| Net loss from discontinued operations attributable to holders of Class A Common Stock - basic | **$ —** | $ (105) | **$ (2,028)** | $ (2,008) |
| Reallocation of net loss from discontinued operations assuming exchange of Class A LLC Units[1] | **—** | (73) | **(1,995)** | (2,034) |
| Net loss from discontinued operations attributable to holders of Class A Common Stock - diluted | **$ —** | $ (178) | **$ (4,023)** | $ (4,042) |
| **Denominator** | | | | |
| Weighted average shares of Class A Common Stock outstanding - basic | **11,041,337** | 9,898,182 | **10,611,689** | 9,773,370 |
| Effect of dilutive securities: | | | | |
| Assumed exchange of weighted average Class A LLC Units for shares of Class A Common Stock[3] | **13,219,364** | 13,186,007 | **13,434,386** | 13,240,372 |
| Assumed exchange of Exchangeable Secured Notes for shares of Class A Common Stock[2] | **5,337,928** | — | **5,337,928** | — |
| Additional dilutive shares under the treasury stock method[4] | **538,618** | — | **768,051** | — |
| Weighted average shares of Class A Common Stock outstanding - diluted[5] | **30,137,247** | 23,084,189 | **30,152,054** | 23,013,742 |
| **Diluted earnings (loss) per share** | | | | |
| Continuing operations | **$ 2.13** | $ (0.29) | **$ 4.69** | $ (0.88) |
| Discontinued operations | **—** | (0.01) | **(0.13)** | (0.18) |
| **Diluted earnings (loss) per share** | **$ 2.13** | $ (0.30) | **$ 4.56** | $ (1.06) |

[1] *For the three and six months ended June 30, 2025 and 2024, this adjustment assumes the reallocation of noncontrolling interest income (loss), on an after-tax basis, due to the assumed exchange of all Class A LLC Units outstanding for shares of Class A Common Stock in FOA as of the beginning of the period following the if-converted method for calculating diluted earnings (loss) per share.*

[2] *As the Exchangeable Secured Notes are considered participating securities, the Company calculates diluted earnings per share for the assumed exchange of Exchangeable Secured Notes for shares of Class A Common Stock in FOA using the more dilutive of either the if-converted method or the two-class method.*

*The numerator includes a reallocation of net income (loss) from continuing operations attributable to the controlling interest assuming an exchange of the Exchangeable Secured Notes for shares of Class A Common Stock in FOA as of the beginning of the reporting period. Additionally, interest expense attributable to the controlling interest for the Exchangeable Secured Notes, including amortization of debt discount and issuance costs, and net of income tax effects, is added back to the continuing operations numerator in calculating diluted earnings per share, if dilutive.*

*The Company in its discretion may elect to settle any exchange of the Exchangeable Secured Notes in part or in whole by delivering the cash value of the shares of Class A Common Stock otherwise deliverable upon such exchange. If dilutive, the denominator in the diluted earnings per share calculation assumes that all of the Exchangeable Secured Notes were converted into Class A Common Stock in FOA at the beginning of the reporting period.*

*(3) The exchange agreement between FOA, FOA Equity, and Equity Capital Unitholders (the "Exchange Agreement") allows for the exchange of Class A LLC Units held by Equity Capital Unitholders, representing the noncontrolling interest, on a one-for-one basis for shares of Class A Common Stock in FOA. For the three and six months ended June 30, 2025 and 2024, the diluted weighted average shares outstanding of Class A Common Stock includes the effects of the if-converted method to reflect the provisions of the Exchange Agreement and assumes the Class A LLC Units held by Equity Capital Unitholders, representing the noncontrolling interest, exchange their Class A LLC Units on a one-for-one basis for shares of Class A Common Stock in FOA.*

*(4) The Company had 538,618 and 768,051 potentially dilutive shares, under the treasury stock method, from RSUs for the three and six months ended June 30, 2025, respectively, and no potentially dilutive shares, under the treasury stock method, from RSUs for the three and six months ended June 30, 2024.*

*(5) As part of the acquisition of certain assets and liabilities from AAG/Bloom, there were originally two forms of contingently issuable Class A LLC Units: 705,841 Class A LLC Units that were equity classified and indemnity holdback units totaling up to 714,226 Class A LLC Units that were originally liability classified.*

*In accordance with Accounting Standards Codification 260, Earnings Per Share, ("ASC 260") these Class A LLC Units were not included in the diluted weighted average shares outstanding of Class A Common Stock for the three and six months ended June 30, 2024.*

*On October 29, 2024, FOA Equity issued 705,841 Class A LLC Units to AAG/Bloom in accordance with the terms of the asset purchase agreement. For the three and six months ended June 30, 2025, the diluted weighted average shares outstanding of Class A Common Stock includes the effects of the if-converted method and assumes any Class A LLC Units held by AAG/Bloom were exchanged on a one-for-one basis for shares of Class A Common Stock in FOA.*

*On March 31, 2025, related to the indemnity holdback units, FOA Equity issued 102,611 Class A LLC Units to AAG/Bloom in accordance with the terms of the asset purchase agreement. For the three and six months ended June 30, 2025, the diluted weighted average shares outstanding of Class A Common Stock includes the effects of the if-converted method and assumes any Class A LLC Units held by AAG/Bloom were exchanged on a one-for-one basis for shares of Class A Common Stock in FOA at the beginning of the reporting period.*

*The remaining Class A LLC Units that may be issued to AAG/Bloom on March 31, 2026 is dependent on the dollar amount of indemnified claims FOA pays out on behalf of AAG/Bloom related to litigation liabilities and indemnifiable loan losses. In accordance with ASC 260, these Class A LLC Units are not included in the diluted weighted average shares outstanding of Class A Common Stock for the three and six months ended June 30, 2025 and 2024.*

## 17. Subsequent Events

***Repurchase Agreement***

On August 4, 2025, the Company entered into a repurchase agreement (the "Repurchase Agreement") with FOA Equity, Blackstone Tactical Opportunities Associates - NQ L.L.C., BTO Urban Holdings L.L.C., Blackstone Family Tactical Opportunities Investment Partnership - NQ ESC L.P., and BTO Urban Holdings II L.P. (collectively, the "Blackstone Investor"). Pursuant to the Repurchase Agreement, the Company will purchase (the "Repurchase") all of the Blackstone Investor's shares of Class A Common Stock of the Company, Class B Common Stock of the Company, Class A LLC Units of FOA Equity, and rights to receive shares of Class A Common Stock and Class A LLC Units pursuant to the Transaction Agreement, dated as of October 12, 2020 (the "Earnout Rights" and, together with such shares of Class A Common Stock, shares of Class B Common Stock, and Class A LLC Units, the "Sold Equity"), and the TRA dated April 1, 2021 between the Company and the Blackstone Investor will be terminated. Each share of Class A Common Stock and each Class A LLC Unit will be purchased for $10.00 per share or Class A LLC Unit, and the shares of Class B Common Stock and Earnout Rights will be purchased for no consideration, for total consideration of $80,298,170. The closing of the Repurchase is subject to, among other customary conditions, the receipt of a customary opinion and, absent the Company's prior written consent, may not occur prior to the date that is 105 days after the entry into the Repurchase Agreement.

The Repurchase Agreement includes certain interim operating covenants during the pendency of the Repurchase Agreement. The Repurchase Agreement also contains certain termination rights for the Company and the Blackstone Investor, including the right of the Blackstone Investor to terminate the Repurchase Agreement if the Repurchase has not been consummated prior to December 6, 2025 and the right of the Company to terminate the Repurchase Agreement if the Repurchase has not been consummated prior to February 28, 2026. In addition, if the Repurchase has not been consummated prior to December 6, 2025, the Blackstone Investor will have the right to transfer its Sold Equity to unaffiliated third parties, and any Sold Equity so transferred will reduce the amount repurchased by the Company under the Repurchase Agreement.

***Convertible Note Purchase Agreements***

On August 4, 2025, the Company entered into convertible note purchase agreements with certain existing institutional investors, providing for the purchase of an aggregate of $40.0 million of a new series of unsecured convertible promissory notes (the "New Notes"). The New Notes, funded and issued on August 4, 2025, mature on August 4, 2028, have a 0% coupon rate, and are convertible, in whole or in part, at the option of the Company or the holder into shares of Class A Common Stock at $18.00 per share for the first year following the issuance date or $19.00 per share starting one year from the issuance date, in each case, subject to customary adjustments.

***Consent Support Agreement and Amendment to Pledge and Security Agreement***

In order to permit the transactions under the Repurchase Agreement, on August 4, 2025, FOA Equity, FOAF, certain of their direct and indirect subsidiaries who act as guarantors, and a requisite majority of holders of FOAF's Senior Secured Notes due 2026 and the Exchangeable Secured Notes due 2029 entered into a consent support agreement to support and achieve the consummation of certain amendments which, once effective will provide that $60 million of the principal amount of the Senior Secured Notes will mature on the stated maturity date of November 30, 2026, with FOAF retaining the option to extend the remaining principal balance to the extended maturity date of November 30, 2027, and to provide for required uses of net proceeds from certain of the Additional Collateral (as defined below).

Concurrently, on August 4, 2025, FOA Equity, FOAF, and certain of their direct and indirect subsidiaries who act as guarantors, together with U.S. Bank Trust Company, National Association, as collateral trustee, entered into the first amendment to the Pledge and Security Agreement, dated October 31, 2024, to provide for liens on certain additional collateral to secure the Senior Secured Notes and the Exchangeable Secured Notes, including certain residual proceeds, equity interests, and call rights related to securitizations of the MSR of FAR or any of its affiliates relating to home equity conversion mortgages pooled in Ginnie Mae HECM securities (the "Additional Collateral"). The Additional Collateral will be automatically released on the earlier of February 28, 2026, if the intended supplemental indentures governing the Senior Secured Notes and Exchangeable Secured Notes have not been executed, or at payment in full of the non-extendable Senior Secured Notes on November 30, 2026.

***Working Capital Agreement***

On August 4, 2025 (following a maturity date extension from August 1, 2025 to August 5, 2025), the Working Capital Promissory Notes by and between FOA Equity, BTO Urban Holdings L.L.C., and LFH, were repaid and terminated in full in accordance with the terms of the Working Capital Promissory Notes. As a result of the termination, the Senior Secured Notes and the Exchangeable Secured Notes have a first priority security interest in the collateral securing such notes.

Additionally, on August 4, 2025, FAR entered into an unsecured revolving working capital promissory note with LFH, (the "LFH Facility"), providing for an uncommitted revolving facility for general corporate and working capital purposes of up to $20 million, which was fully drawn on such date. The LFH Facility is not guaranteed by any other entity and matures on August 4, 2026. The LFH Facility contains certain covenants and customary events of default.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion of our financial condition and results of operations should be read together with our condensed consolidated financial statements and related notes. This discussion and analysis contains forward-looking statements that involve risk, uncertainties, and assumptions. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors. Unless the context otherwise requires, all references in this section to "we," "us," "our," "FOA," or the "Company" refer to Finance of America Companies Inc. and its consolidated subsidiaries. References to "FOA Equity" are to Finance of America Equity Capital LLC, a Delaware limited liability company, that the Company controls in an "UP-C" structure.*

### Overview

Finance of America Companies Inc. is a financial services holding company which, through its operating subsidiaries, is a leading provider of home equity-based financing solutions for a modern retirement. In addition, FOA offers capital markets and portfolio management capabilities primarily to optimize the distribution of its originated loans to investors.

FOA was incorporated in Delaware on October 9, 2020 and became a publicly-traded company on the New York Stock Exchange in April 2021, with trading beginning on April 5, 2021 under the ticker symbol "FOA." FOA has a controlling financial interest in FOA Equity. FOA Equity owns all of the outstanding equity interests in Finance of America Funding LLC ("FOAF"). FOAF wholly owns Finance of America Holdings LLC ("FAH") and Incenter LLC ("Incenter" and collectively, with FOA Equity, FOAF, and FAH, known as "holding company subsidiaries"). FAH is the parent of a lending company, Finance of America Reverse LLC ("FAR"), while Incenter is the parent of operating service companies that provide capital markets and portfolio management capabilities.

Our strategy and long-term growth initiatives are built upon a few key fundamental factors:

- We are focused on growing our core retirement solutions business, which benefits from demographic and economic tailwinds. We believe we can continue to enhance, expand, and more effectively dispatch our innovative suite of home equity-based financing solutions to help senior homeowners achieve their retirement goals.
- We distribute our products through multiple channels and utilize flexible technology platforms in order to scale our business and manage costs efficiently.
- We connect borrowers with investors. Our consumer-facing business leaders interface directly with the investor-facing professionals in our Portfolio Management segment, facilitating the development of attractive lending solutions for our customers with the confidence that the loans we generate can be efficiently and profitably sold to a deep pool of investors, either directly via whole-loan sales or indirectly via the issuance and sale of mortgage-backed securities. We seek to programmatically and profitably monetize our loans through sale or securitization, which minimizes capital at risk, while often retaining a future performance-based participation interest in the underlying cash flows of our monetized loans.

Through FAR, the Company originates, purchases, sells, securitizes, and services (in partnership with third-party subservicers) home equity conversion mortgage ("HECM") loans, which are originated pursuant to the Federal Housing Administration (the "FHA") HECM program and are insured by the FHA, and non-agency reverse mortgage loans, which are not insured by the FHA. We have launched several non-agency reverse mortgage loan products to serve the United States of America (the "U.S.") senior population and have plans for additional innovative products to satisfy this vast and largely underserved market. For example, we launched a non-agency second lien reverse mortgage loan product, second in priority behind the first lien of an existing traditional forward mortgage loan or home equity line of credit collateralized by the same mortgaged property. In 2024 and continuing in 2025, we invested more capital and resources into the second lien product, including marketing and digital efforts, in order to expand its reach through a leading broker-facing platform and expansion of the product to additional states. The launch and expansion of the second lien product has enabled us to serve borrowers who already have and desire to maintain a low-rate primary mortgage but want the convenience of a flexible second lien with no required monthly principal and interest payments, exemplifying our commitment to meet and serve new kinds of borrowers whose needs are not satisfied by existing available products. We are a leader in this market and we are focused on developing and offering products for borrowers with interest in using a reverse mortgage loan as a retirement planning tool, which we believe will continue to increase our addressable customer base and ultimately raise our origination volumes.

We originate loans through a retail channel (consisting primarily of a centralized retail platform) and a third-party originator ("TPO") channel (consisting primarily of a network of mortgage-brokers). In 2024 and continuing in 2025, we took steps to streamline and enhance our marketing and originations operations and digital capabilities. We transitioned our sales teams onto one loan origination system, making our origination operations more efficient, and unified under the single brand name "Finance of America," creating a recognizable identity that clarifies the Company's offerings in the market. This unification also included our recently introduced new brand platform, "A Better Way with FOA," along with a national advertising campaign. Additionally, we recently launched our digital borrower experience for our non-agency second lien reverse mortgage loan product that empowers customers with the ability to obtain credit pre-qualification on their own terms and at their own pace. Our digital innovation strategy is designed to deliver financial services to seniors in a way that is both modern and user friendly. We will continue building a digital channel that supplements our existing lines of business and leverages automated digital tools to improve efficiency and the overall ease of transacting. We are similarly engaging in efforts to refine the systems used by our mortgage-broker partners to improve the efficiency and ease of originations via our TPO channel. We believe these efforts will increase brand and product recognition and awareness within the addressable market of U.S. seniors and among mortgage-brokers, make our marketing efforts and originations processes more efficient and less costly, improve the originations experience for borrowers and mortgage-broker partners, expand the number and depth of our relationships with borrowers and mortgage-broker partners, and ultimately raise our origination volumes.

Our Portfolio Management segment provides structuring and product development expertise as well as broker/dealer and institutional asset management capabilities, which facilitates innovation and the successful monetization of our loans. We securitize HECM loans into Home Equity Conversion Mortgage-Backed Securities ("HMBS"), which the Government National Mortgage Association ("Ginnie Mae") guarantees, and sell the HMBS in the secondary market while retaining the rights to service the HECM loans. When HECM loans are not eligible for securitization into HMBS or are required to be bought out of a pool of HECM loans previously securitized into an HMBS, we convey the HECM loan to the United States Department of Housing and Urban Development ("HUD") or liquidate them in accordance with program requirements, securitize them into privately placed mortgage-backed securities, or hold them for investment. In November 2024, Ginnie Mae announced the finalized term sheet for its HMBS 2.0 program expected to be implemented later in 2025. Once implemented, the HMBS 2.0 program will enable us to securitize into HMBS additional HECM loans that are required to be bought out of pools of HECM loans securitized pursuant to Ginnie Mae's existing HMBS program or otherwise not eligible for securitization pursuant to Ginnie Mae's existing HMBS program (subject to expanded eligibility parameters applicable to the HMBS 2.0 program), increasing the HECM loans that we are able to securitize into HMBS. We both securitize non-agency reverse mortgage loans into mortgage-backed securities sold to investors and sell them as whole loans to investors. We may also decide to strategically hold certain non-agency reverse mortgage loans for investment. The capabilities provided by the Portfolio Management segment allowed us to complete several issuances and sales of mortgage-backed securities backed by our loan products in 2024 and the first half of 2025, including our first issuance and sale of mortgage-backed securities backed exclusively by our non-agency second lien reverse mortgage loan product, demonstrating the high quality and liquidity of the loan products we originate, the deep relationships we have with our investors, and the resilience of our business model in many economic environments.

**Business Trends and Conditions**

There are several key factors and trends affecting our results of operations. A summary of key factors impacting our revenues include:

- prevailing interest rates which impact loan origination volume, with declining interest rates generally leading to increases in volume, and an increasing interest rate environment generally leading to decreases in volume;
- housing market trends which also impact loan origination volume, with an appreciating housing market typically leading to higher loan origination volume, and a housing market with decreasing values typically leading to lower loan origination volume;
- demographic and housing stock trends which impact the addressable market size;
- movement of market interest rates and yields required by investors, with the increasing of market interest rates and yields generally having negative impacts on the fair value of our financial assets, and the decreasing of market interest rates and yields generally having positive impacts on the fair value of our financial assets;

- increases or decreases in default status of loans and prepayment speeds; and
- broad economic factors such as the strength and stability of the overall economy, including sustained higher or lower interest rates, inflation, the unemployment level, real estate values, and trade and tax policies.

Other factors that may affect our cost base include trends in salaries and benefits costs, sales commissions, loan production and servicing costs, marketing and advertising, technology, rent, legal, compliance, and other general and administrative costs. Management continually monitors these costs through operating plans.

**Other Recent Events**

The U.S. Federal Reserve's monetary policies and the federal government's recent tariff policies may have an impact on economic conditions relevant to our business, including real estate values and prevailing mortgage rates, however, the extent of the impact remains uncertain. Higher interest rates generally lead to lower mortgage transaction volumes, increased competition, and lower profit margins. Volatility in market conditions resulting from the foregoing policies may cause credit spreads to widen, which reduces, among other things, availability of credit to our Company on favorable terms, liquidity in the market, the fair value of the assets on our balance sheet, and price transparency of real estate-related or asset-backed assets.

Our Company is actively monitoring these events and their effects on the Company's financial condition, liquidity, operations, industry, and workforce. These continuing economic impacts may cause additional volatility in the financial markets and may have an adverse effect on the Company's results of future operations, financial position, intangible assets, and liquidity in 2025 and beyond. See the Results of Operations section below.

For further discussion on the potential impacts of the Federal Reserve's monetary policies and macroeconomic conditions, see "Risks Related to the Business of the Company" and "Our business is significantly impacted by changes in interest rates. Changes in prevailing interest rates due to U.S. monetary policies or other macroeconomic conditions that affect interest rates may have a detrimental effect on our operations, financial performance, and earnings," as well as "Risks Related to Our Lending Business" and "Our loan origination and servicing revenues are highly dependent on macroeconomic and U.S. residential real estate market conditions" under the section entitled "Item 1A. Risk Factors" in our Annual Report on Form 10-K ("Form 10-K") for the year ended December 31, 2024, filed with the U.S. Securities and Exchange Commission (the "SEC") on March 14, 2025, as amended by Amendment No. 1 to our Annual Report on Form 10-K/A, filed with the SEC on May 20, 2025. Such risk factors may be amended or updated in our subsequent periodic reports filed with the SEC.

**Results of Operations**

***Overview***

The following tables present selected financial data for the three and six months ended June 30, 2025 and 2024.

***Consolidated Results***

The following table summarizes our consolidated operating results from continuing operations (in thousands):

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| **Portfolio interest income:** | | | | |
| Interest income | **$ 481,800** | $ 478,091 | **$ 962,402** | $ 942,070 |
| Interest expense | **(422,336)** | (412,618) | **(832,503)** | (806,422) |
| **Net portfolio interest income** | **59,464** | 65,473 | **129,899** | 135,648 |
| **Other income (expense):** | | | | |
| Net origination gains | **56,058** | 40,260 | **102,096** | 79,917 |
| Gain on securitization of HECM tails, net | **10,855** | 11,031 | **21,336** | 21,757 |
| Fair value changes from model amortization | **(35,456)** | (47,813) | **(76,412)** | (105,421) |
| Fair value changes from market inputs or model assumptions | **94,939** | 11,260 | **183,202** | 24,822 |
| **Net fair value changes on loans and related obligations** | **126,396** | 14,738 | **230,222** | 21,075 |
| Fee income | **6,739** | 8,096 | **13,085** | 14,418 |
| Non-funding interest expense, net | **(15,223)** | (9,268) | **(30,135)** | (17,420) |
| **Net other income (expense)** | **117,912** | 13,566 | **213,172** | 18,073 |
| **Total revenues** | **177,376** | 79,039 | **343,071** | 153,721 |
| **Expenses** | | | | |
| Salaries, benefits, and related expenses | **36,974** | 35,053 | **70,904** | 74,076 |
| Loan production and portfolio related expenses | **9,462** | 5,662 | **20,792** | 14,275 |
| Loan servicing expenses | **7,525** | 7,632 | **15,266** | 15,850 |
| Marketing and advertising expenses | **12,265** | 10,706 | **22,996** | 19,218 |
| Depreciation and amortization | **9,654** | 9,753 | **19,312** | 19,431 |
| General and administrative expenses | **13,180** | 16,241 | **26,159** | 33,512 |
| **Total expenses** | **89,060** | 85,047 | **175,429** | 176,362 |
| **Impairment of other assets** | **—** | — | **—** | (600) |
| **Other, net** | **(6,361)** | 2,240 | **(3,994)** | 3,693 |
| **NET INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES** | **$ 81,955** | $ (3,768) | **$ 163,648** | $ (19,548) |

*Net interest income*

All of our financial instruments, with the exception of our notes payable, are either recorded at fair value or the carrying value approximated fair value. The interest recognized on these financial instruments is recorded in Interest income or Interest expense in the Condensed Consolidated Statements of Operations. The interest on our notes payable is recorded in Non-funding interest expense, net, in the Condensed Consolidated Statements of Operations. We evaluate net interest income through an evaluation of all components of interest income and interest expense.

The following table provides an analysis of all components of net interest income (in thousands):

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| **Interest income:** | | | | |
| Interest income on mortgage loans | **$ 478,321** | $ 474,251 | **$ 955,923** | $ 934,285 |
| Other interest income | **3,479** | 3,840 | **6,479** | 7,785 |
| **Total portfolio interest income** | **481,800** | 478,091 | **962,402** | 942,070 |
| **Interest expense:** | | | | |
| Interest expense on HMBS and nonrecourse obligations[(1)] | **(400,468)** | (393,504) | **(793,371)** | (767,240) |
| Interest expense on other financing lines of credit | **(21,868)** | (19,114) | **(39,132)** | (39,182) |
| **Total portfolio interest expense** | **(422,336)** | (412,618) | **(832,503)** | (806,422) |
| **Net portfolio interest income** | **59,464** | 65,473 | **129,899** | 135,648 |
| **Non-funding interest expense, net** | **(15,223)** | (9,268) | **(30,135)** | (17,420) |
| **Net interest income** | **$ 44,241** | $ 56,205 | **$ 99,764** | $ 118,228 |

[(1)] *Interest expense on HMBS and nonrecourse obligations also includes gains or losses on extinguishment of debt related to the purchase of securities that were previously issued by consolidated trusts.*

*For the three months ended June 30, 2025 versus the three months ended June 30, 2024*

Net income (loss) from continuing operations before income taxes improved $85.7 million primarily as a result of the following:

- Net origination gains increased $15.8 million as a result of higher reverse mortgage loan origination volumes and higher margins. We recognized $56.1 million in net origination gains on loan originations of $602.3 million for the three months ended June 30, 2025 compared to $40.3 million in net origination gains on loan originations of $446.6 million for the comparable 2024 period.
- Fair value changes from model amortization improved $12.4 million primarily due to a higher modeled yield on a larger portfolio during the three months ended June 30, 2025 compared to the 2024 period. Net portfolio interest income decreased $6.0 million due to higher cost of funds within our securitized financing portfolio, which was partially offset by a gain on extinguishment of debt related to the purchase of securities that were previously issued by consolidated trusts.
- Fair value changes from market inputs or model assumptions increased $83.7 million primarily due to lower market interest rates, which generated higher net fair value gains during the three months ended June 30, 2025 compared to the 2024 period. Refer to Note 5 - Fair Value in the Notes to Condensed Consolidated Financial Statements for additional information regarding the key inputs, assumptions, and valuation techniques impacting the value of our loans and related obligations.
- Non-funding interest expense, net, increased $6.0 million during the three months ended June 30, 2025 compared to the 2024 period primarily due to the discount amortization expense related to the exchange of our senior notes that occurred on October 31, 2024, as well as increased cost of funds on our working capital promissory notes.
- Total expenses increased $4.0 million primarily due to an increase in loan portfolio related expenses due to increased securitization expenses, an increase in marketing and advertising expenses related to brand marketing and our digital innovation strategy, and increases in variable compensation as a result of higher loan production during the three months ended June 30, 2025 compared to the 2024 period. This was partially offset by decreases in general and administrative expenses due to continued cost-cutting initiatives that align expenses with our unified modern retirement solutions platform.
- Other, net, changed $8.6 million primarily due to valuation changes in certain non-operating assets and deferred purchase price liabilities.

*For the six months ended June 30, 2025 versus the six months ended June 30, 2024*

Net income (loss) from continuing operations before income taxes improved $183.2 million primarily as a result of the following:

- Net origination gains increased $22.2 million as a result of higher reverse mortgage loan origination volumes, partially offset by lower margins due to changes in channel mix. We recognized $102.1 million in net origination gains on loan originations of $1.2 billion for the six months ended June 30, 2025 compared to $79.9 million in net origination gains on loan originations of $870.0 million for the comparable 2024 period.
- Fair value changes from model amortization improved $29.0 million primarily due to a higher modeled yield on a larger portfolio during the six months ended June 30, 2025 compared to the 2024 period. Net portfolio interest income decreased $5.7 million due to higher cost of funds within our securitized financing portfolio, which was partially offset by gains on extinguishment of debt related to the purchases of securities that were previously issued by consolidated trusts.
- Fair value changes from market inputs or model assumptions increased $158.4 million primarily due to lower market interest rates, which generated higher net fair value gains during the six months ended June 30, 2025 compared to the 2024 period. Refer to Note 5 - Fair Value in the Notes to Condensed Consolidated Financial Statements for additional information regarding the key inputs, assumptions, and valuation techniques impacting the value of our loans and related obligations.
- Non-funding interest expense, net, increased $12.7 million during the six months ended June 30, 2025 compared to the 2024 period primarily due to the discount amortization expense related to the exchange of our senior notes that occurred on October 31, 2024, as well as increased cost of funds on our working capital promissory notes.
- Total expenses decreased $0.9 million primarily due to decreases in general and administrative expenses due to continued cost-cutting initiatives that align expenses with our unified modern retirement solutions platform, as well as decreases in salaries, benefits, and related expenses related to a reduction in average headcount during the six months ended June 30, 2025 compared to the 2024 period. This was partially offset by an increase in loan portfolio related expenses due to increased securitization expenses, an increase in marketing and advertising expenses related to brand marketing and our digital innovation strategy, and an increase in variable compensation as a result of higher loan production.
- Other, net, changed $7.7 million primarily due to valuation changes in certain non-operating assets and deferred purchase price liabilities.

**Our Segments**

Our business operates through two reportable segments: Retirement Solutions and Portfolio Management. A description of the business conducted by each of these segments is provided below.

***Retirement Solutions***

Our Retirement Solutions segment conducts all of our Company’s loan origination activity, including the origination and acquisition of HECM and non-agency reverse mortgage loans through both the retail and TPO channels. The Retirement Solutions segment generates revenue from fees earned at the time of loan origination as well as from the initial estimate of net origination gains, with all originated loans accounted for at fair value. Once originated, the loans are transferred to our Portfolio Management segment, and any future fair value adjustments, including interest earned, on these originated loans are reflected in the revenues of our Portfolio Management segment until final disposition.

***Portfolio Management***

Our Portfolio Management segment provides product development, loan securitization, loan sales, risk management, servicing oversight, and asset management services to the Company. Our Portfolio Management team acts as the connector between borrowers and investors. The direct connections to investors, provided by our Financial Industry Regulatory Authority registered broker-dealer, allow us to innovate and manage risk through better price and product discovery. Given our scale, we are able to work directly with investors and, where appropriate, retain assets on the balance sheet for attractive return opportunities. These retained investments are a source of growing and

recurring interest and other servicing-related income. The Portfolio Management segment primarily generates revenue from the net interest income and fair value changes on portfolio assets, monetized through securitization, sale, or other financing of those assets.

See the Segment Results section below and Note 13 - Business Segment Reporting in the Notes to Condensed Consolidated Financial Statements for additional financial information about our segments.

**Segment Results**

Revenues and fees are directly attributed to their respective segments at the time services are performed. Revenues generated on inter-segment services performed are valued based on estimated market value. Expenses directly attributable to the operating segments are expensed as incurred. Other expenses are allocated to individual segments based on the estimated value of services performed, total revenue contributions, personnel headcount, or the equity invested in each segment based on the type of expense allocated. The allocation methodology is reviewed annually. There were no changes to methodology during the three and six months ended June 30, 2025 and 2024. Expenses for enterprise-level general overhead, such as executive administration, are not allocated to the business segments.

***Retirement Solutions Segment***

The following table summarizes our Retirement Solutions segment's results (in thousands):

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| Net origination gains | **$ 56,058** | $ 40,260 | **$ 102,096** | $ 79,917 |
| Fee income | **6,289** | 6,894 | **11,972** | 12,946 |
| **Total revenues** | **62,347** | 47,154 | **114,068** | 92,863 |
| **Total expenses** | **51,974** | 48,835 | **100,436** | 98,245 |
| **Other, net** | **—** | — | **—** | (174) |
| **NET INCOME (LOSS) BEFORE INCOME TAXES** | **$ 10,373** | $ (1,681) | **$ 13,632** | $ (5,556) |

***Key Metrics***

The following table provides a summary of our Retirement Solutions segment's key metrics (in thousands, except units):

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| **Reverse mortgage loan origination volume** | | | | |
| Loan origination volume[(1)] | **$ 602,279** | $ 446,561 | **$ 1,162,957** | $ 870,014 |
| Loan origination volume - tails[(2)] | **229,260** | 247,392 | **465,780** | 509,096 |
| **Total loan origination volume** | **$ 831,539** | $ 693,953 | **$ 1,628,737** | $ 1,379,110 |
| Total reverse mortgage loan origination volume - units[(1)] | **2,488** | 2,169 | **4,772** | 4,205 |
| | | | | |
| **Reverse mortgage loan origination volume - by channel[(1)]** | | | | |
| TPO | **$ 398,489** | $ 257,588 | **$ 783,045** | $ 514,774 |
| Retail | **203,790** | 188,973 | **379,912** | 355,240 |
| **Total reverse mortgage loan origination volume** | **$ 602,279** | $ 446,561 | **$ 1,162,957** | $ 870,014 |

*(1) Loan origination volumes consist of initial reverse mortgage loan borrowing amounts.*
*(2) Tails consist of subsequent borrower draws, mortgage insurance premiums, service fees, and other advances, which we are able to subsequently securitize.*

***Revenues***

In the table below is a summary of the components of our Retirement Solutions segment's total revenues (in thousands):

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| **Net origination gains:** | | | | |
| TPO | **$ 52,299** | $ 31,466 | **$ 96,963** | $ 62,817 |
| Retail | **22,076** | 19,812 | **40,215** | 38,324 |
| Acquisition costs | **(18,317)** | (11,018) | **(35,082)** | (21,224) |
| **Total net origination gains** | **56,058** | 40,260 | **102,096** | 79,917 |
| **Fee income** | **6,289** | 6,894 | **11,972** | 12,946 |
| **Total revenues** | **$ 62,347** | $ 47,154 | **$ 114,068** | $ 92,863 |

*For the three months ended June 30, 2025 versus the three months ended June 30, 2024*

Total revenues increased $15.2 million or 32.2% as a result of the following:

- Net origination gains increased $15.8 million or 39.2% as a result of higher reverse mortgage loan origination volumes and higher margins. We originated $602.3 million of reverse mortgage loans for the three months ended June 30, 2025, an increase of 34.9%, compared to $446.6 million for the comparable 2024 period. During the three months ended June 30, 2025, the weighted average margin on reverse mortgage loan production was 9.31% compared to 9.02% in 2024, an increase of 0.29%.

*For the six months ended June 30, 2025 versus the six months ended June 30, 2024*

Total revenues increased $21.2 million or 22.8% as a result of the following:

- Net origination gains increased $22.2 million or 27.8% as a result of higher reverse mortgage loan origination volumes, partially offset by lower margins due to changes in channel mix. We originated $1.2 billion of reverse mortgage loans for the six months ended June 30, 2025, an increase of 33.7%, compared to $870.0 million for the comparable 2024 period. During the six months ended June 30, 2025, the weighted average margin on reverse mortgage loan production was 8.78% compared to 9.19% in 2024, a decrease of 0.41%.

***Expenses***

In the table below is a summary of the components of our Retirement Solutions segment's total expenses (in thousands):

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| Salaries | **$ 14,725** | $ 13,693 | **$ 29,067** | $ 27,603 |
| Commissions and bonuses | **6,196** | 4,085 | **11,120** | 8,810 |
| Other salary related expenses | **2,432** | 3,171 | **5,018** | 5,669 |
| **Total salaries, benefits, and related expenses** | **23,353** | 20,949 | **45,205** | 42,082 |
| | | | | |
| **Loan production expenses** | **1,251** | 1,100 | **2,777** | 4,181 |
| **Marketing and advertising expenses** | **12,257** | 10,676 | **22,987** | 19,167 |
| **Depreciation and amortization** | **9,327** | 9,426 | **18,657** | 18,914 |
| **General and administrative expenses** | **5,786** | 6,684 | **10,810** | 13,901 |
| **Total expenses** | **$ 51,974** | $ 48,835 | **$ 100,436** | $ 98,245 |

*For the three months ended June 30, 2025 versus the three months ended June 30, 2024*

Total expenses increased $3.1 million or 6.4% as a result of the following:

- Total salaries, benefits, and related expenses increased $2.4 million or 11.5% primarily due to increases in variable compensation as a result of higher loan production and increases in technology resources, partially offset by a decrease in average headcount during the three months ended June 30, 2025 when compared to the 2024 period.
- Marketing and advertising expenses increased $1.6 million related to brand marketing and our digital innovation strategy, which was partially offset by a decrease in General and administrative expenses of $0.9 million primarily due to continued cost-cutting measures during the three months ended June 30, 2025 when compared to the 2024 period.

*For the six months ended June 30, 2025 versus the six months ended June 30, 2024*

Total expenses increased $2.2 million or 2.2% as a result of the following:

- Total salaries, benefits, and related expenses increased $3.1 million or 7.4% primarily due to increases in variable compensation as a result of higher loan production and increases in technology resources, partially offset by a decrease in average headcount during the six months ended June 30, 2025 when compared to the 2024 period.
- Marketing and advertising expenses increased $3.8 million related to brand marketing and our digital innovation strategy, which was partially offset by a decrease in General and administrative expenses of $3.1 million primarily due to continued cost-cutting measures during the six months ended June 30, 2025 when compared to the 2024 period.

***Portfolio Management Segment***

The following table summarizes our Portfolio Management segment's results (in thousands):

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| **Portfolio interest income:** | | | | |
| Interest income | **$ 481,800** | $ 478,091 | **$ 962,402** | $ 942,070 |
| Interest expense | **(422,336)** | (412,618) | **(832,503)** | (806,422) |
| **Net portfolio interest income** | **59,464** | 65,473 | **129,899** | 135,648 |
| | | | | |
| **Other income (expense):** | | | | |
| Gain on securitization of HECM tails, net | **10,855** | 11,031 | **21,336** | 21,757 |
| Fair value changes from model amortization | **(35,456)** | (47,813) | **(76,412)** | (105,421) |
| Fair value changes from market inputs or model assumptions | **94,939** | 11,260 | **183,202** | 24,822 |
| **Net fair value changes on loans and related obligations** | **70,338** | (25,522) | **128,126** | (58,842) |
| Fee income | **573** | 1,325 | **1,359** | 1,718 |
| **Net other income (expense)** | **70,911** | (24,197) | **129,485** | (57,124) |
| **Total revenues** | **130,375** | 41,276 | **259,384** | 78,524 |
| **Total expenses** | **22,271** | 19,762 | **46,002** | 42,515 |
| **NET INCOME BEFORE INCOME TAXES** | **$ 108,104** | $ 21,514 | **$ 213,382** | $ 36,009 |

***Key Metrics***

The following table provides a summary of the assets and liabilities in our Portfolio Management segment (in thousands):

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| Cash and cash equivalents | **$ 30,339** | $ 29,355 |
| Restricted cash | **189,926** | 254,335 |
| Loans held for investment, subject to HMBS related obligations, at fair value | **18,858,220** | 18,669,962 |
| Loans held for investment, subject to nonrecourse debt, at fair value | **9,888,492** | 9,288,403 |
| Loans held for investment, at fair value | **634,935** | 520,103 |
| Other assets, net | **305,416** | 115,120 |
| **Total earning assets** | **29,907,328** | 28,877,278 |
| | | |
| HMBS related obligations, at fair value | **18,643,094** | 18,444,370 |
| Nonrecourse debt, at fair value | **9,426,194** | 8,954,068 |
| Other financing lines of credit | **1,076,434** | 918,247 |
| Payables and other liabilities | **38,224** | 55,746 |
| **Total financing of portfolio** | **29,183,946** | 28,372,431 |
| | | |
| **Net carrying value of earning assets** | **$ 723,382** | $ 504,847 |

The following tables provide a summary of our Portfolio Management segment's key metrics (dollars in thousands):

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| **Reverse Mortgage Loans** | | |
| Active unpaid principal balance ("UPB") | **$ 27,104,358** | $ 26,477,354 |
| Due and payable | **534,228** | 415,400 |
| Foreclosure | **486,067** | 504,675 |
| Claims pending | **84,805** | 79,138 |
| **Ending UPB** | **$ 28,209,458** | $ 27,476,567 |
| Loan count | **89,245** | 90,340 |
| Average UPB | **$ 316** | $ 304 |
| Weighted average coupon | **6.94 %** | 7.11 % |
| Weighted average age (in months) | **48** | 45 |
| Percentage of UPB in foreclosure | **1.7 %** | 1.8 % |

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| **Capital Markets Transactions** | | | | |
| Number of securitizations | **2** | 2 | **3** | 4 |
| Notes issued | **$ 856,566** | $ 587,150 | **$ 1,733,258** | $ 1,306,663 |

***Revenues***

In the table below is a summary of the components of our Portfolio Management segment's total revenues (in thousands):

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| **Portfolio interest income:** | | | | |
| Interest income | **$ 481,800** | $ 478,091 | **$ 962,402** | $ 942,070 |
| Interest expense | **(422,336)** | (412,618) | **(832,503)** | (806,422) |
| **Net portfolio interest income** | **59,464** | 65,473 | **129,899** | 135,648 |
| | | | | |
| **Other income (expense):** | | | | |
| Gain on securitization of HECM tails, net | **10,855** | 11,031 | **21,336** | 21,757 |
| Fair value changes from model amortization | **(35,456)** | (47,813) | **(76,412)** | (105,421) |
| Fair value changes from market inputs or model assumptions | **94,939** | 11,260 | **183,202** | 24,822 |
| **Net fair value changes on loans and related obligations** | **70,338** | (25,522) | **128,126** | (58,842) |
| Fee income | **573** | 1,325 | **1,359** | 1,718 |
| **Net other income (expense)** | **70,911** | (24,197) | **129,485** | (57,124) |
| **Total revenues** | **$ 130,375** | $ 41,276 | **$ 259,384** | $ 78,524 |

The majority of our financial instruments are valued utilizing a process that combines the use of a discounted cash flow ("DCF") model and analysis of current market data to arrive at an estimate of fair value. The cash flow assumptions and prepayment and repayment assumptions used in the model are based on various factors, with the key assumptions being prepayment and repayment speeds, credit loss frequencies and severity, and discount rate assumptions. The changes in fair value due to portfolio runoff and realization of modeled income and expenses are recorded in Fair value changes from model amortization in the Condensed Consolidated Statements of Operations, and other fair value changes are recorded in Fair value changes from market inputs or model assumptions in the Condensed Consolidated Statements of Operations. The interest recognized on these financial instruments is recorded in Interest income or Interest expense in the Condensed Consolidated Statements of Operations.

The following table provides an analysis of all components of net portfolio interest income (in thousands):

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| **Interest income:** | | | | |
| Interest income on mortgage loans | **$ 478,321** | $ 474,251 | **$ 955,923** | $ 934,285 |
| Other interest income | **3,479** | 3,840 | **6,479** | 7,785 |
| **Total portfolio interest income** | **481,800** | 478,091 | **962,402** | 942,070 |
| **Interest expense:** | | | | |
| Interest expense on HMBS and nonrecourse obligations[(1)] | **(400,468)** | (393,504) | **(793,371)** | (767,240) |
| Interest expense on other financing lines of credit | **(21,868)** | (19,114) | **(39,132)** | (39,182) |
| **Total portfolio interest expense** | **(422,336)** | (412,618) | **(832,503)** | (806,422) |
| **Net portfolio interest income** | **$ 59,464** | $ 65,473 | **$ 129,899** | $ 135,648 |

[(1)] *Interest expense on HMBS and nonrecourse obligations also includes gains or losses on extinguishment of debt related to the purchase of securities that were previously issued by consolidated trusts.*

*For the three months ended June 30, 2025 versus the three months ended June 30, 2024*

Total revenues increased $89.1 million as a result of the following:

- Fair value changes from model amortization improved $12.4 million primarily due to a higher modeled yield on a larger portfolio during the three months ended June 30, 2025 compared to the 2024 period. Net portfolio interest income decreased $6.0 million due to higher cost of funds within our securitized financing portfolio, which was partially offset by a gain on extinguishment of debt related to the purchase of securities that were previously issued by consolidated trusts.
- Fair value changes from market inputs or model assumptions increased $83.7 million primarily due to lower market interest rates and yield volatility, which generated higher net fair value gains during the three months ended June 30, 2025 compared to the 2024 period. Refer to Note 5 - Fair Value in the Notes to Condensed Consolidated Financial Statements for additional information regarding the key inputs, assumptions, and valuation techniques impacting the value of our loans and related obligations.

*For the six months ended June 30, 2025 versus the six months ended June 30, 2024*

Total revenues increased $180.9 million as a result of the following:

- Fair value changes from model amortization improved $29.0 million primarily due to a higher modeled yield on a larger portfolio during the six months ended June 30, 2025 compared to the 2024 period. Net portfolio interest income decreased $5.7 million due to higher cost of funds within our securitized financing portfolio, which was partially offset by gains on extinguishment of debt related to the purchases of securities that were previously issued by consolidated trusts.
- Fair value changes from market inputs or model assumptions increased $158.4 million primarily due to lower market interest rates, which generated higher net fair value gains during the six months ended June 30, 2025 compared to the 2024 period. Refer to Note 5 - Fair Value in the Notes to Condensed Consolidated Financial Statements for additional information regarding the key inputs, assumptions, and valuation techniques impacting the value of our loans and related obligations.

***Expenses***

In the table below is a summary of the components of our Portfolio Management segment's total expenses (in thousands):

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| Salaries | **$ 2,899** | $ 2,906 | **$ 5,705** | $ 5,863 |
| Commissions and bonuses | **469** | 590 | **911** | 1,634 |
| Other salary related expenses | **357** | 433 | **741** | 1,496 |
| **Total salaries, benefits, and related expenses** | **3,725** | 3,929 | **7,357** | 8,993 |
| | | | | |
| **Loan portfolio related expenses** | **8,211** | 4,562 | **18,015** | 10,094 |
| **Loan servicing expenses** | **7,525** | 7,632 | **15,266** | 15,850 |
| **Marketing and advertising expenses** | **—** | 24 | **—** | 39 |
| **Depreciation and amortization** | **16** | 15 | **34** | 23 |
| **General and administrative expenses** | **2,794** | 3,600 | **5,330** | 7,516 |
| **Total expenses** | **$ 22,271** | $ 19,762 | **$ 46,002** | $ 42,515 |

*For the three months ended June 30, 2025 versus the three months ended June 30, 2024*

Total expenses increased $2.5 million or 12.7% as a result of the following:

- Loan portfolio related expenses increased $3.6 million due to increased securitization expenses during the three months ended June 30, 2025 compared to the 2024 period.

- General and administrative expenses decreased $0.8 million or 22.4% primarily due to continued cost-cutting initiatives that align expenses with our unified modern retirement solutions platform during the three months ended June 30, 2025 when compared to the 2024 period.

*For the six months ended June 30, 2025 versus the six months ended June 30, 2024*

Total expenses increased $3.5 million or 8.2% as a result of the following:

- Salaries, benefits, and related expenses decreased $1.6 million or 18.2% primarily due to a decrease in average headcount and continued cost-cutting initiatives that align expenses with our unified modern retirement solutions platform during the six months ended June 30, 2025 when compared to the 2024 period. Average headcount was 60 for the six months ended June 30, 2025 compared to 68 for the 2024 period.
- Loan portfolio related expenses increased $7.9 million due to increased securitization expenses during the six months ended June 30, 2025 compared to the 2024 period.
- General and administrative expenses decreased $2.2 million or 29.1% primarily due to continued cost-cutting initiatives that align expenses with our unified modern retirement solutions platform during the six months ended June 30, 2025 when compared to the 2024 period.

***Corporate and Other***

Corporate and Other consists of our corporate services groups. These groups support our operating segments, and the cost of services directly supporting the operating segments are allocated to those operating segments on a cost-of-service basis. Enterprise-focused Corporate and Other expenses that are not incurred in direct support of the operating segments are kept unallocated within Corporate and Other.

The following table summarizes Corporate and Other results (in thousands):

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| Non-funding interest expense, net | **$ (15,223)** | $ (9,268) | **$ (30,135)** | $ (17,420) |
| **Total revenues** | **(15,223)** | (9,268) | **(30,135)** | (17,420) |
| **Total expenses** | **14,938** | 16,573 | **29,237** | 35,848 |
| **Impairment of other assets** | **—** | — | **—** | (600) |
| **Other, net** | **(6,361)** | 2,240 | **(3,994)** | 3,867 |
| **NET LOSS BEFORE INCOME TAXES** | **$ (36,522)** | $ (23,601) | **$ (63,366)** | $ (50,001) |

In the table below is a summary of the components of Corporate and Other total expenses (in thousands):

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| Salaries and bonuses | **$ 14,202** | $ 12,842 | **$ 26,974** | $ 27,570 |
| Other salary related expenses | **2,150** | 2,542 | **4,280** | 5,850 |
| Shared services - payroll allocations | **(6,456)** | (5,209) | **(12,912)** | (10,419) |
| **Total salaries, benefits, and related expenses** | **9,896** | 10,175 | **18,342** | 23,001 |
| | | | | |
| **Marketing and advertising expenses** | **8** | 6 | **9** | 12 |
| **Depreciation and amortization** | **311** | 312 | **621** | 494 |
| | | | | |
| Communications and data processing and other expenses | **4,542** | 6,136 | **10,187** | 13,276 |
| Professional and consulting fees | **3,517** | 3,485 | **6,750** | 6,146 |
| Shared services - general and administrative allocations | **(3,336)** | (3,541) | **(6,672)** | (7,081) |
| **Total general and administrative expenses** | **4,723** | 6,080 | **10,265** | 12,341 |
| | | | | |
| **Total expenses** | **$ 14,938** | $ 16,573 | **$ 29,237** | $ 35,848 |

*For the three months ended June 30, 2025 versus the three months ended June 30, 2024*

Total revenues worsened by $6.0 million as a result of the following:

- Non-funding interest expense, net, increased $6.0 million during the three months ended June 30, 2025 compared to the 2024 period primarily due to the discount amortization expense related to the exchange of our senior notes that occurred on October 31, 2024, as well as increased cost of funds on our working capital promissory notes.

Total expenses decreased $1.6 million or 9.9% as a result of the following:

- General and administrative expenses, net of shared services allocations, decreased $1.4 million or 22.3% primarily due to continued cost-cutting initiatives that align expenses with our unified modern retirement solutions platform during the three months ended June 30, 2025 when compared to the 2024 period.

Other, net, changed $8.6 million primarily due to valuation changes in certain non-operating assets and deferred purchase price liabilities.

*For the six months ended June 30, 2025 versus the six months ended June 30, 2024*

Total revenues worsened by $12.7 million as a result of the following:

- Non-funding interest expense, net, increased $12.7 million during the six months ended June 30, 2025 compared to the 2024 period primarily due to the discount amortization expense related to the exchange of our senior notes that occurred on October 31, 2024, as well as increased cost of funds on our working capital promissory notes.

Total expenses decreased $6.6 million or 18.4% as a result of the following:

- Salaries, benefits, and related expenses, net of shared services allocations, decreased $4.7 million or 20.3% for the six months ended June 30, 2025 when compared to the 2024 period as the Company continued our focus on cost-cutting initiatives that align expenses with our unified modern retirement solutions platform. Average onshore headcount declined from 267 for the six months ended June 30, 2024 to 239 for the six months ended June 30, 2025.
- General and administrative expenses, net of shared services allocations, decreased $2.1 million or 16.8% primarily due to continued cost-cutting initiatives that align expenses with our unified modern retirement solutions platform during the six months ended June 30, 2025 when compared to the 2024 period.

Other, net, changed $7.9 million primarily due to valuation changes in certain non-operating assets and deferred purchase price liabilities.

**Non-GAAP Financial Measures**

The Company's management evaluates performance of the Company through the use of certain non-GAAP financial measures, including adjusted net income (loss), adjusted earnings before interest, taxes, depreciation, and amortization ("EBITDA"), adjusted earnings (loss) per share, and tangible equity.

The presentation of non-GAAP measures is used to enhance investors' understanding of certain aspects of our financial performance. This discussion is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Management believes these key financial measures provide an additional view of our performance over the long-term and provide useful information that we use in order to maintain and grow our business.

These non-GAAP financial measures should not be considered as an alternative to net income (loss), operating cash flows, or any other performance measures determined in accordance with U.S. GAAP. Adjusted net income (loss), adjusted EBITDA, adjusted earnings (loss) per share, and tangible equity have important limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. Some of the limitations of these metrics are: (i) cash expenditures for future contractual commitments; (ii) cash requirements for working capital needs; (iii) cash requirements for certain tax payments; and (iv) all non-cash income/expense items.

Because of these limitations, adjusted net income (loss), adjusted EBITDA, adjusted earnings (loss) per share, and tangible equity should not be considered as measures of discretionary cash available to us to invest in the growth of our business or distribute to shareholders. We compensate for these limitations by relying primarily on our U.S. GAAP results and using our non-GAAP financial measures only as a supplement. Users of our condensed consolidated financial statements are cautioned not to place undue reliance on our non-GAAP financial measures.

***Change in Non-GAAP Measures***

Prior to the third quarter of 2024, the Company's adjusted net income (loss), adjusted EBITDA, and adjusted earnings (loss) per share were adjusted for equity-based compensation for only the Replacement Restricted Stock Units ("RSUs") and Earnout Right RSUs. Beginning with the third quarter of 2024, the Company revised our definitions of adjusted net income (loss), adjusted EBITDA, and adjusted earnings (loss) per share to now adjust for all equity-based compensation in the aforementioned non-GAAP measures. As a result of the change, prior period amounts have been recast to reflect the updated presentation.

Subsequent to granting the Replacement RSUs and Earnout Right RSUs, the Company has granted other equity-based awards. As these awards are non-cash expenses that are not directly correlated with operating results, the Company believes that analysts, investors, and other users of the financial statements may find this change beneficial when analyzing our operating performance and comparability to peers. As a result of the change, adjusted net loss decreased $1.2 million and $1.9 million for the three and six months ended June 30, 2024, respectively, from what was previously reported. The change also resulted in a decrease to adjusted loss per share of $0.05 and $0.08 for the three and six months ended June 30, 2024, respectively, from what was previously reported.

***Adjusted Net Income (Loss)***

We define adjusted net income (loss) as net income (loss) from continuing operations adjusted for:

1. Income taxes
2. Changes in fair value of loans and securities held for investment and related obligations due to market inputs or model assumptions, deferred purchase price obligations, contingent earnout, warrant liability, and the exchange of our senior notes.
3. Amortization or impairment of intangibles and impairment of certain other long-lived assets.
4. Equity-based compensation, excluding forfeitures and accelerations associated with restructuring activities, which are included in certain non-recurring costs.
5. Certain non-recurring costs and adjustments that management believes should be excluded as these do not relate to a recurring part of the core business operations. These items include amounts recognized for

settlement of legal and regulatory matters, acquisition or divestiture-related expenses, and other one-time charges.

6. Income tax benefit (provision) adjustments to apply an effective combined corporate tax rate to adjusted net income (loss) before income taxes.

Management considers adjusted net income (loss) important in evaluating our Company as a whole. This supplemental metric is utilized by our management team to assess the underlying key drivers and operational performance of the continuing operations of the business. In addition, analysts, investors, and creditors may use this measure when analyzing our operating performance and comparability to peers. Adjusted net income (loss) is not a presentation made in accordance with U.S. GAAP, and our definition and use of this measure may vary from other companies in our industry.

Adjusted net income (loss) provides visibility to the underlying operating performance by excluding the impact of certain items that management does not believe are representative of our core earnings. Adjusted net income (loss) may also include other adjustments, as applicable, based upon facts and circumstances, consistent with our intent of providing a supplemental means of evaluating our operating performance.

***Adjusted EBITDA***

We define adjusted EBITDA as net income (loss) from continuing operations adjusted for:

1. Income taxes
2. Changes in fair value of loans and securities held for investment and related obligations due to market inputs or model assumptions, deferred purchase price obligations, contingent earnout, warrant liability, and the exchange of our senior notes.
3. Amortization or impairment of intangibles and impairment of certain other long-lived assets.
4. Equity-based compensation, excluding forfeitures and accelerations associated with restructuring activities, which are included in certain non-recurring costs.
5. Certain non-recurring costs and adjustments that management believes should be excluded as these do not relate to a recurring part of the core business operations. These items include amounts recognized for settlement of legal and regulatory matters, acquisition or divestiture-related expenses, and other one-time charges.
6. Depreciation
7. Interest expense on non-funding debt, excluding amortization of the discount related to our senior notes.

Management considers adjusted EBITDA important in evaluating the Company as a whole. This supplemental metric is utilized by our management team to assess the underlying key drivers and operational performance of the continuing operations of the business. In addition, analysts, investors, and creditors may use this measure when analyzing our operating performance and comparability to peers. Adjusted EBITDA is not a presentation made in accordance with U.S. GAAP, and our definition and use of this measure may vary from other companies in our industry.

Adjusted EBITDA provides visibility to the underlying operating performance by excluding the impact of certain items that management does not believe are representative of our core earnings. Adjusted EBITDA may also include other adjustments, as applicable, based upon facts and circumstances, consistent with our intent of providing a supplemental means of evaluating our operating performance.

***Adjusted Earnings (Loss) Per Share***

We define adjusted earnings (loss) per share as adjusted net income (loss) (defined above) plus interest expense on the exchangeable senior secured notes, net of a tax effect, if dilutive, divided by the weighted average shares outstanding, which includes outstanding Class A Common Stock plus the units of FOA Equity (“Class A LLC Units”) owned by the noncontrolling interest on an if-converted basis, the exchange of the exchangeable senior secured notes on an if-converted basis if they are dilutive, and any shares under the treasury stock method.

Management considers adjusted earnings (loss) per share important in evaluating the Company as a whole. This supplemental metric is utilized by our management team to assess the underlying key drivers and operational performance of the continuing operations of the business. In addition, analysts, investors, and creditors may use this measure when analyzing our operating performance and comparability to peers. Adjusted earnings (loss) per share is

not a presentation made in accordance with U.S. GAAP, and our definition and use of this measure may vary from other companies in our industry.

***Tangible Equity***

We define tangible equity as total equity less intangible assets, net. Management uses this metric to evaluate the Company's capital strength exclusive of intangible assets. We believe this measure is useful to analysts, investors, and creditors as it provides additional insight into the underlying equity position of the business. Tangible equity is not a presentation made in accordance with U.S. GAAP, and our definition and use of this measure may vary from other companies in our industry.

Tangible equity provides visibility to the underlying capital position by excluding the impact of certain items that management does not believe are representative of our core equity base. Tangible equity may also include other adjustments, as applicable, based upon facts and circumstances, consistent with our intent of providing a supplemental means of evaluating our financial strength.

***Reconciliation to GAAP***

The following table provides a reconciliation of net income (loss) from continuing operations to adjusted net income (loss) and adjusted EBITDA, as well as adjusted earnings (loss) per share and tangible equity (in thousands, except for share data):

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2024 | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|---|---|
| **Reconciliation of net income (loss) from continuing operations to adjusted net income (loss) and adjusted EBITDA** | | | | |
| Net income (loss) from continuing operations | **$ 79,823** | $ (4,921) | **$ 159,573** | $ (20,701) |
| Add back: Provision for income taxes | **(2,132)** | (1,153) | **(4,075)** | (1,153) |
| Net income (loss) from continuing operations before income taxes | **81,955** | (3,768) | **163,648** | (19,548) |
| Adjustments for: | | | | |
| Changes in fair value[(1)] | **(75,514)** | (8,633) | **(151,324)** | (17,550) |
| Amortization or impairment of intangibles and impairment of other assets | **9,297** | 9,296 | **18,594** | 19,194 |
| Equity-based compensation | **2,647** | 1,595 | **4,804** | 5,576 |
| Certain non-recurring costs | **717** | 1,723 | **924** | 3,697 |
| **Adjusted net income (loss) before income taxes** | **19,102** | 213 | **36,646** | (8,631) |
| Benefit (provision) for income taxes | **(5,066)** | (140) | **(9,680)** | 1,997 |
| **Adjusted net income (loss)** | **14,036** | 73 | **26,966** | (6,634) |
| Provision (benefit) for income taxes | **5,066** | 140 | **9,680** | (1,997) |
| Depreciation | **357** | 457 | **718** | 837 |
| Interest expense on non-funding debt | **10,878** | 9,606 | **21,940** | 18,079 |
| **Adjusted EBITDA** | **$ 30,337** | $ 10,276 | **$ 59,304** | $ 10,285 |
| | | | | |
| **GAAP PER SHARE MEASURES** | | | | |
| Net income (loss) from continuing operations attributable to controlling interest | **$ 34,923** | $ (1,984) | **$ 67,160** | $ (7,619) |
| Basic weighted average shares outstanding | **11,041,337** | 9,898,182 | **10,611,689** | 9,773,370 |
| **Basic earnings (loss) per share from continuing operations** | **$ 3.16** | $ (0.20) | **$ 6.33** | $ (0.78) |
| If-converted method net income (loss) from continuing operations | **$ 64,205** | $ (6,853) | **$ 141,441** | $ (20,262) |
| Diluted weighted average shares outstanding | **30,137,247** | 23,084,189 | **30,152,054** | 23,013,742 |
| **Diluted earnings (loss) per share from continuing operations** | **$ 2.13** | $ (0.29) | **$ 4.69** | $ (0.88) |
| | | | | |
| **NON-GAAP PER SHARE MEASURES** | | | | |
| Adjusted net income (loss) | **$ 14,036** | $ 73 | **$ 26,966** | $ (6,634) |
| Exchangeable senior secured notes interest expense[(2)] | **2,650** | — | **5,259** | — |
| **Total** | **$ 16,686** | $ 73 | **$ 32,225** | $ (6,634) |
| Weighted average shares outstanding | **30,137,247** | 23,084,189 | **30,152,054** | 23,013,742 |
| **Adjusted earnings (loss) per share** | **$ 0.55** | $ — | **$ 1.07** | $ (0.29) |

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| Total equity | **$ 473,425** | $ 315,664 |
| Less: Intangible assets, net | **198,209** | 216,342 |
| **Tangible equity** | **$ 275,216** | $ 99,322 |

(1) *Changes in fair value* - The adjustment for changes in fair value includes changes in fair value of loans and securities held for investment and related obligations due to market inputs or model assumptions, deferred purchase price obligations, contingent earnout, warrant liability, and the exchange of our senior notes.

*Changes in fair value of loans and securities held for investment and related obligations due to market inputs or model assumptions* - This adjustment relates to changes in the significant market or model input components of the fair value for loans and securities held for investment and related obligations. We include an adjustment for the significant market or model input components of the change in fair value because, while based on real observable and/or predicted changes in drivers of the valuation of assets, they may be mismatched in any given period with the actual change in the underlying economics or when they will be realized in actual cash flows. Changes in fair value of loans and securities held for investment and related obligations include changes in fair value and related hedge gains and losses for the following:

1. Loans held for investment, subject to HMBS related obligations, at fair value;
2. Loans held for investment, subject to nonrecourse debt, at fair value;
3. Loans held for investment, at fair value;
4. Retained bonds, at fair value;
5. HMBS related obligations, at fair value; and
6. Nonrecourse debt, at fair value.

The adjustment for changes in fair value of loans and securities held for investment and related obligations due to market inputs or model assumptions is calculated based on changes in fair value associated with the above assets and liabilities calculated in accordance with U.S. GAAP, excluding the period-to-date estimated impact of the change in fair value attributable to current period additions and the change in fair value attributable to post-origination loan advances, accretion, and model amortization (i.e., portfolio run-off), net of hedge gains and losses, and any securitization expenses incurred in securitizing our mortgage loans held for investment, subject to nonrecourse debt. This adjustment represents changes in accounting estimates that are measured in accordance with U.S. GAAP. Actual results may differ from those estimates and assumptions due to factors such as changes in the economy, interest rates, secondary market pricing, prepayment assumptions, home prices, or discrete events affecting specific borrowers, and such differences could be material. Accordingly, this number should be understood as an estimate, and the actual adjustment could vary if our modeling is incorrect.

*Change in fair value of deferred purchase price obligations* - We are obligated to pay contingent consideration to sellers of acquired businesses based on future performance of acquired businesses (earnouts) as well as realization of tax benefits from certain exchanges of Class A LLC Units into Class A Common Stock (Tax Receivable Agreements ("TRA") obligation). Change in fair value of deferred purchase price obligations represents gains or losses due to changes in the estimated fair value of expected payouts as a result of changes in various assumptions, including future performance, FOA stock price, timing and realization of tax benefits, and discount rates.

*Change in fair value of contingent earnout* - We are entitled to receive certain contingent consideration from the buyers of our disposed businesses based on future performance of those businesses. Change in fair value of contingent earnout represents gains or losses due to changes in the estimated fair value of expected payouts as a result of changes in various assumptions, including future performance and discount rates.

*Change in fair value of the warrant liability* - The adjustment to the warrant liability is based on the change in its measured fair value. Although the change in fair value of the warrant liability is a recurring part of our business, the change in fair value is unrealized, and we believe the adjustment is appropriate as the fair value fluctuations from period to period may make it difficult to analyze core-operating trends.

*Change in fair value related to the exchange of our senior notes* - We accounted for the exchange of our senior notes as an extinguishment of the senior unsecured notes and the issuance of the senior secured notes and exchangeable senior secured notes (collectively, the "Secured Notes"). The Secured Notes were initially recorded at fair value and this adjustment is the amortization of the Secured Notes discount.

[(2)] *Exchangeable senior secured notes interest expense* - The adjustment for exchangeable senior secured notes interest expense includes interest expense on our exchangeable senior secured notes, excluding amortization of the discount related to the notes, net of an income tax benefit adjustment to apply an effective combined corporate tax rate to the expense.

**Liquidity and Capital Resources**

FOA is a holding company and has no material assets other than its direct and indirect ownership of Class A LLC Units. FOA has no independent means of generating revenue. FOA Equity may make distributions to its holders of Class A LLC Units, including FOA, in an amount sufficient to cover all applicable taxes at assumed tax rates, payments under the TRA obligation, and dividends, if any, declared by FOA. Deterioration in the financial condition, earnings, or cash flow of FOA Equity and its subsidiaries for any reason could limit or impair FOA Equity's ability to make such distributions. In addition, FOA Equity is generally prohibited under Delaware law from making a distribution to a member to the extent that, at the time of the distribution, after giving effect to the distribution, liabilities of FOA Equity (with certain exceptions) exceed the fair value of its assets. Subsidiaries of FOA Equity are generally subject to similar legal limitations on their ability to make distributions to FOA Equity. Further, our existing financing arrangements include, and any financing arrangement that we enter into in the future may include, restrictions that impact FOA Equity's ability to make distributions to FOA.

Our cash flows from operations, borrowing availability, and overall liquidity are subject to risks and uncertainties. We may not be able to obtain additional liquidity on reasonable terms, or at all. Additionally, our liquidity and our ability to meet our obligations and fund our capital requirements are dependent on our future financial performance, which is subject to general economic, financial, and other factors that are beyond our control. Accordingly, our business may not generate sufficient cash flow from operations and future borrowings may not be available from additional indebtedness or otherwise to meet our liquidity needs. If we decide to pursue one or more significant acquisitions, we may incur additional debt or sell additional equity to finance such acquisitions, which would result in additional expenses or dilution.

***Sources and Uses of Cash***

Our primary sources of funds for liquidity include: (i) payments received from the sale or securitization of loans; (ii) proceeds from payments on our outstanding participating interests in loans; and (iii) advances on warehouse facilities, other secured borrowings, and our senior and working capital promissory notes.

Our primary uses of funds for liquidity include: (i) funding of borrower advances and draws on outstanding loans; (ii) originations of loans; (iii) payment of operating expenses; and (iv) repayment of borrowings and repurchases or redemptions of outstanding indebtedness.

Our cash flow from operating activities when combined with net proceeds from our portfolio financing activities, as well as capacity through existing facilities, provide adequate resources to fund our anticipated ongoing cash requirements. We rely on these facilities to fund operating activities. As the facilities mature, management believes it will either renew existing facilities or obtain sufficient additional lines of credit. Future debt maturities will be funded with cash and cash equivalents, cash flow from operating activities including portfolio investing and financing activities, and, if necessary, future access to capital markets. We continue to optimize the use of balance sheet cash to avoid unnecessary interest carrying costs.

***Cash Flows***

The following table presents amounts from our Condensed Consolidated Statements of Cash Flows (in thousands):

| | For the six months ended June 30, 2025 | For the six months ended June 30, 2024 |
|---|---|---|
| **Net cash provided by (used in):** | | |
| Operating activities | **$ (188,555)** | $ (236,241) |
| Investing activities | **183,472** | 251,797 |
| Financing activities | **(60,226)** | 6,303 |
| **Effect of exchange rate changes on cash and cash equivalents** | **(7)** | (47) |
| **Net increase (decrease) in cash and cash equivalents and restricted cash** | **$ (65,316)** | $ 21,812 |
| Net increase (decrease) in cash and cash equivalents | **$ (907)** | $ 27 |
| Net increase (decrease) in restricted cash | **(64,409)** | 21,785 |

Our cash and cash equivalents and restricted cash decreased by $65.3 million for the six months ended June 30, 2025 compared to an increase of $21.8 million during the comparable period in 2024. Our cash and cash equivalents, excluding restricted cash, decreased $0.9 million for the six months ended June 30, 2025 and stayed relatively consistent during the comparable period in 2024.

*Operating Cash Flow*

Cash flows from operating activities improved by $47.7 million for the six months ended June 30, 2025 compared to the corresponding 2024 period. The improvement was primarily attributable to changes in payables and other liabilities.

*Investing Cash Flow*

The decrease of $68.3 million in cash flows from our investing activities during the six months ended June 30, 2025 compared to the 2024 period was primarily attributable to a $57.7 million increase in cash used for purchases and originations of loans held for investment, net of proceeds/payments, and a decrease of $5.5 million in proceeds on the sale of mortgage servicing rights (“MSR”).

*Financing Cash Flow*

The decrease of $66.5 million in cash flows from our financing activities during the six months ended June 30, 2025 compared to the 2024 period was primarily driven by a $270.6 million increase in payments on HMBS related obligations, net of proceeds, and a $27.0 million decrease in proceeds related to our notes payable. This was partially offset by a $224.8 million increase in proceeds from issuance of nonrecourse debt, net of payments, and a $5.8 million increase in proceeds from other financing lines of credit, net of payments.

***Financial Covenants***

Our credit facilities contain various financial covenants, which primarily relate to required tangible net worth amounts, liquidity reserves, leverage ratios, and profitability. These covenants are measured at FAH or FAR. The Company was in compliance with the financial covenants as of June 30, 2025. Refer to Note 9 - Other Financing Lines of Credit in the Notes to Condensed Consolidated Financial Statements for additional information.

***Compliance Requirements***

As an issuer of HMBS, FAR is subject to minimum net worth, liquidity, and leverage requirements as well as minimum insurance coverage established and defined by Ginnie Mae as follows:

*Minimum Net Worth*

- $5.0 million plus 1% of FAR’s outstanding HMBS and unused commitment authority from Ginnie Mae.
- Adjusted net worth is defined as total equity less certain unacceptable assets, including affiliate receivables.

*Minimum Liquidity*

- Maintain liquid assets equal to at least 20% of the minimum net worth required for a HMBS issuer.

*Minimum Leverage Ratio*

- Maintain a ratio of adjusted net worth to total assets greater than 6%.

As of June 30, 2025, FAR was in compliance with the minimum net worth, liquidity, capitalization levels, and insurance requirements of Ginnie Mae. FAR's actual ratio of adjusted net worth to total assets was below the Ginnie Mae requirement due to the Company's determination that HECM loans transferred into HMBS as well as its HECM buyout and non-agency reverse mortgage loan securitizations do not meet the requirements of sale accounting and are not derecognized upon date of transfer. As a result, the Company accounts for HECM loans transferred into HMBS as well as its HECM buyout and non-agency reverse mortgage loan securitizations as secured borrowings and continues to recognize the loans as held for investment, subject to HMBS related obligations or nonrecourse debt, along with the corresponding liability for the HMBS related obligations or nonrecourse debt. Based on this, FAR requested and received a waiver for the minimum outstanding capital requirements from Ginnie Mae. Therefore, FAR was in compliance with all Ginnie Mae requirements.

In addition, FAR is required to maintain both fidelity bond and errors and omissions insurance coverage at tiered levels based on the aggregate UPB of the loans serviced by FAR throughout the year. FAR is required to conduct compliance testing at least quarterly to ensure compliance with the foregoing requirements. As of June 30, 2025, FAR was in compliance with applicable requirements.

Refer to Note 14 - Liquidity and Capital Requirements in the Notes to Condensed Consolidated Financial Statements for additional information.

**Summary of Certain Indebtedness**

The following description is a summary of certain material provisions of our outstanding indebtedness. As of June 30, 2025, our debt obligations were $29.5 billion. This summary does not restate the terms of our outstanding indebtedness in its entirety, nor does it describe all of the material terms of our indebtedness.

***HMBS Related Obligations***

FAR is an approved issuer of HMBS that are guaranteed by Ginnie Mae and collateralized by participation interests in HECM loans insured by the FHA. We originate HECM loans insured by the FHA. Participations in the HECM loans are pooled into HMBS, which are sold into the secondary market with servicing rights retained. We have determined that loan transfers in the HMBS program do not meet the participating interest requirements because of the servicing requirements in the product that require the issuer/servicer to absorb some level of interest rate risk, cash flow timing risk, and incidental credit risk due to the buyout of HECM assets as discussed below. As a result, the transfers of the HECM loans do not qualify for sale accounting, and we, therefore, account for these transfers as secured financings. Holders of participating interests in the HMBS have no recourse against assets other than the underlying HECM loans, remittances, or collateral on those loans while they are in the securitization pools, except for standard representations and warranties and our contractual obligation to service the HECM loans and the HMBS.

Remittances received on the reverse mortgage loans, proceeds received from the sale of real estate owned, and our funds used to repurchase reverse mortgage loans are used to reduce the HMBS related obligations by making payments to the securitization pools, which then remit the payments to the beneficial interest holders of the HMBS. The maturity of the HMBS related obligations is directly affected by the liquidation of the reverse mortgage loans or liquidation of real estate owned properties and events of default as stipulated in the reverse mortgage loan agreements with borrowers. As an HMBS issuer, FAR assumes certain obligations related to each security it issues. The most significant obligation is the requirement to purchase loans out of the Ginnie Mae securitization pools once they reach certain limits set at loan origination for the maximum UPB allowed. Performing repurchased loans are generally conveyed to HUD, and nonperforming repurchased loans are generally liquidated in accordance with program requirements.

As of June 30, 2025, we had HMBS related obligations of $18.6 billion and HECM loans pledged as collateral to the pools of $18.9 billion, both carried at fair value.

Additionally, as the servicer of reverse mortgage loans, we are obligated to fund additional borrowing capacity primarily in the form of undrawn lines of credit on floating rate reverse mortgage loans. We rely upon certain of our warehouse financing arrangements and our operating cash flows to fund these additional borrowings on a short-term basis prior to securitization. The additional borrowings are generally securitized within 30 days after funding. The obligation to fund these additional borrowings could have a significant impact on our liquidity.

***Nonrecourse Debt***

We securitize and issue interests in pools of loans that are not eligible for the Ginnie Mae securitization program, which include non-agency reverse mortgage loans and HECM buyouts. The transactions provide investors with the ability to invest in these pools of assets. The transactions provide us with access to liquidity for these assets, ongoing servicing fees, and potential residual returns for the residual securities we retain at the time of securitization. The transactions are structured as secured borrowings with the loan assets and liabilities, respectively, typically included in the Condensed Consolidated Statements of Financial Condition as Loans held for investment, subject to nonrecourse debt, at fair value, and Nonrecourse debt, at fair value. As of June 30, 2025, we had nonrecourse debt-related borrowings of $9.4 billion and loans pledged as collateral for the nonrecourse debt of $10.0 billion, both carried at fair value.

Refer to Note 8 - Nonrecourse Debt, at Fair Value, in the Notes to Condensed Consolidated Financial Statements for additional information.

***Other Financing Lines of Credit***

*Reverse Mortgage Warehouse Facilities*

As of June 30, 2025, we had $1.2 billion in warehouse lines of credit capacity collateralized by first and second lien mortgages with a $572.5 million aggregate principal amount drawn through nine funding facility arrangements with eight active lenders. These facilities are generally structured as master repurchase agreements under which ownership of the related eligible loans is temporarily transferred to a lender, as participation arrangements pursuant to which the lender acquires a participation interest in the related eligible loans, or as loan and security agreements under which eligible loans are pledged to the lender as collateral. The funds advanced to us are generally repaid using the proceeds from the sale or securitization of the loans to, or pursuant to, programs sponsored by Ginnie Mae or private secondary market investors, although prior payment may be required based on, among other things, certain breaches of representations and warranties or other events of default.

When we draw on these facilities, we generally must transfer and/or pledge eligible loans to the lender and comply with various financial and other covenants. The facilities generally have one-year terms and expire at various times during 2025 and 2026. Under the facilities, loans are generally transferred and/or pledged at an advance rate less than the principal balance of the loans (the “haircut”), which serves as the primary credit enhancement for the lender. Since the advances to us are generally for less than 100% of the principal balance of the loans, we are required to use working capital to fund the remaining portion of the principal balance of the loans. Upon expiration, management believes it will either renew its existing facilities or obtain sufficient additional lines of credit. The interest rate on all outstanding facilities is the Secured Overnight Financing Rate, plus applicable margin.

The following table presents additional information about our warehouse facilities as of June 30, 2025 (in thousands):

| Reverse Warehouse Facilities | Maturity Date | Total Capacity | Outstanding Balance |
|---|---|---|---|
| Committed | October 2025 - September 2026 | $ 425,000 | **$ 367,411** |
| Uncommitted | September 2025 - October 2026 | 740,000 | **205,059** |
| **Total reverse warehouse facilities** | | $ 1,165,000 | **$ 572,470** |

With respect to each of our warehouse facilities, we pay certain up-front and/or ongoing fees which can be based on our utilization of the facility. In some instances, loans held by a lender for a contractual period exceeding 45 to 60 calendar days after we originate such loans are subject to additional fees and interest rates.

Certain of our warehouse facilities contain sub-limits for “wet” loans, which allow us to finance loans for a minimal period of time prior to delivery of the note collateral to the lender. “Wet” loans are loans for which the collateral custodian has not yet received the related loan documentation. “Dry” loans are loans for which all the sale documentation has been completed at the time of funding. “Wet” loans are held by a lender for a contractual period, typically between five and ten business days and are subject to a reduction in the advance amount.

Interest is generally payable at the time the loan is settled off the line or monthly in arrears and the principal is payable upon receipt of loan sale or securitization proceeds or transfer of a loan to another line of credit. The

facilities may also require the outstanding principal to be repaid if a loan remains on the line longer than a contractual period of time, which generally ranges from 45 to 365 calendar days.

Loans financed under certain of our warehouse facilities are subject to changes in fair value and margin calls. The fair value of our loans depends on a variety of economic conditions, including interest rates and market demand for loans. Under certain facilities, if the fair value of the underlying loans declines below the outstanding asset balance on such loans or if the UPB of such loans falls below a threshold related to the repurchase price for such loans, we could be required to (i) repay cash in an amount that cures the margin deficit or (ii) supply additional eligible assets or rights as collateral for the underlying loans to compensate for the margin deficit. Certain warehouse facilities allow for the remittance of cash back to us if the value of the loan exceeds the principal balance.

Our warehouse facilities require our borrowing subsidiaries to comply with various customary operating and financial covenants, including, without limitation, the following tests:

- minimum tangible or adjusted tangible net worth;
- minimum liquidity or minimum liquid assets;
- maximum leverage ratio of total liabilities (which may include off-balance sheet liabilities) or indebtedness to tangible or adjusted tangible net worth; and
- minimum profitability.

In the event we fail to comply with the covenants contained in any of our warehouse lines of credit, or otherwise were to default under the terms of such agreements, we may be restricted from paying dividends, reducing or retiring our equity interests, making investments, or incurring more debt.

*Other Secured Lines of Credit*

As of June 30, 2025, we collectively had $540.5 million in additional secured facilities with $504.0 million aggregate principal amount drawn through credit agreements or master repurchase agreements with six funding facility arrangements and five active lenders. These facilities are secured by, among other things, eligible asset-backed securities, HECM MSR, and unsecuritized tails. In certain instances, these assets are subject to existing first lien warehouse financing, in which case these facilities (i.e., mezzanine facilities) are secured by the equity in these assets exceeding first lien warehouse financing. These facilities are generally structured as master repurchase agreements under which ownership of the related eligible assets is temporarily transferred to a lender. The funds advanced to us are generally repaid using the proceeds from the sale or securitization of the underlying assets or distribution from underlying securities, although prior payment may be required based on, among other things, certain breaches of representations and warranties or other events of default.

When we draw on these facilities, we generally must transfer and pledge eligible assets to the lender and comply with various financial and other covenants. Under our facilities, we generally transfer the assets at a haircut, which serves as the primary credit enhancement for the lender.

The following table presents additional information about our other secured lines of credit as of June 30, 2025 (in thousands):

| Other Secured Lines of Credit | Maturity Date | Total Capacity | Outstanding Balance |
|---|---|---|---|
| Committed | Various[(1)] | $ 500,508 | **$ 481,368** |
| Uncommitted | October 2025 | 40,000 | **22,596** |
| **Total other secured lines of credit** | | $ 540,508 | **$ 503,964** |

*[(1)] These lines of credit are tied to the maturity date of the underlying mortgage related assets or HECM MSR that have been pledged as collateral.*

We pay certain up-front and ongoing fees based on our utilization with respect to many of these facilities. We pay commitment fees based upon the limit of the facility and unused fees are paid if utilization falls below a certain amount.

Interest is payable either at the time the loan or securities are settled off the line or monthly in arrears, and principal is payable upon receipt of asset sale or securitization proceeds, principal distributions on the underlying pledged securities or transfer of assets to another line of credit, and upon the maturity of the facility.

Under these facilities, we are generally required to comply with various customary operating and financial covenants. The financial covenants are similar to those under the warehouse lines of credit. The Company was in compliance with all financial covenants as of June 30, 2025.

Refer to Note 9 - Other Financing Lines of Credit in the Notes to Condensed Consolidated Financial Statements for additional information.

***Notes Payable***

*Senior Notes Exchange*

On November 5, 2020, FOAF issued $350 million aggregate principal amount of senior unsecured notes due November 15, 2025 (the "2025 Unsecured Notes"). On October 31, 2024 (the "Issue Date"), FOAF completed an exchange with certain existing noteholders of the 2025 Unsecured Notes. Existing noteholders, representing 97.892% of the aggregate principal amount outstanding of the 2025 Unsecured Notes, exchanged their respective 2025 Unsecured Notes in consideration for (i) the issuance of (a) $195,783,947 of FOAF's new 7.875% Senior Secured Notes due November 30, 2026 (the "Senior Secured Notes"), with FOAF's option to extend until November 30, 2027, (b) $146,793,000 of FOAF's new 10.000% Exchangeable Senior Secured Notes due November 30, 2029 (the "Exchangeable Secured Notes"), and (ii) cash consideration of $856,555.

*Senior Secured Notes*

The Senior Secured Notes will mature on November 30, 2026 (the "Scheduled Maturity Date"), with FOAF's option to extend until November 30, 2027 (the "Extended Maturity Date"). On August 4, 2025, FOA Equity, FOAF, certain of their direct and indirect subsidiaries who act as guarantors, and a requisite majority of holders of FOAF's Senior Secured Notes and Exchangeable Secured Notes entered into a consent support agreement to support and achieve the consummation of certain amendments which, once effective will provide that $60 million of the principal amount of the Senior Secured Notes will mature on the Scheduled Maturity Date with FOAF retaining the option to extend the remaining principal balance to the Extended Maturity Date.

The Senior Secured Notes bear interest at a rate of 7.875% per year until the first anniversary of the Issue Date and 8.875% per year from the first anniversary of the Issue Date to the Scheduled Maturity Date. If FOAF elects the extension, the Senior Secured Notes will bear interest at a rate of 9.875% per year from the Scheduled Maturity Date until the Extended Maturity Date. FOAF will pay interest semi-annually in arrears on May 30 and November 30 of each year, beginning on November 30, 2024.

FOAF is required to partially prepay in cash, by means of a redemption, a portion of the outstanding principal amount of the Senior Secured Notes on November 15, 2025 in an amount equal to $0.23 per $1.00 principal amount of Senior Secured Notes outstanding. The Senior Secured Notes will not be redeemable at FOAF's option at any time.

*Exchangeable Secured Notes*

The Exchangeable Secured Notes will mature on November 30, 2029 and bear interest at a rate of 10.000% per year, payable semi-annually in arrears on May 30 and November 30 of each year, beginning on November 30, 2024. The Exchangeable Secured Notes are exchangeable into shares of the Company's Class A Common Stock. The exchange rate is initially 36.36364 shares of Class A Common Stock per $1,000 principal amount of Exchangeable Secured Notes, which is equivalent to an initial exchange price of $27.50 per share of Class A Common Stock. Holders of the Exchangeable Secured Notes have the right to exchange all or any portion of their Exchangeable Secured Notes at their option, at any time prior to the close of business on the second scheduled trading day immediately preceding November 30, 2029. The Exchangeable Secured Notes will not be redeemable at FOAF's option at any time, except in certain limited circumstances.

The Company was in compliance with all required covenants related to the Secured Notes as of June 30, 2025.

*2025 Unsecured Notes*

The 2025 Unsecured Notes bear interest at a rate of 7.875% per year, payable semi-annually in arrears on May 15 and November 15.

In November 2020, Libman Family Holdings, LLC, purchased a portion of the 2025 Unsecured Notes. In October 2024, the related party exchanged all of their 2025 Unsecured Notes for Secured Notes.

*Working Capital Promissory Notes*

The Company has two Revolving Working Capital Promissory Note Agreements (the "Working Capital Promissory Notes") outstanding with BTO Urban Holdings L.L.C. and Libman Family Holdings, LLC ("LFH"), which are deemed affiliates of the Company. Amounts under the Working Capital Promissory Notes may be re-borrowed and repaid from time to time until the related maturity date. The Working Capital Promissory Notes accrue interest monthly at a rate of 15.0% per annum and mature in August 2025.

The Working Capital Promissory Notes with BTO Urban Holdings L.L.C. and LFH were repaid and terminated in full subsequent to June 30, 2025. On August 4, 2025, FAR entered into an unsecured revolving working capital promissory note with LFH, providing for an uncommitted revolving facility for general corporate and working capital purposes of up to $20.0 million, which was fully drawn on such date. The unsecured revolving working capital promissory note matures on August 4, 2026. Refer to Note 17 - Subsequent Events in the Notes to Condensed Consolidated Financial Statements for additional information.

**Contractual Obligations and Commitments**

The following table provides a summary of contractual obligations as of June 30, 2025 (in thousands):

| | Total | Less than 1 year | 1 - 3 years | 3 - 5 years | More than 5 years |
|---|---|---|---|---|---|
| **Contractual cash obligations:** | | | | | |
| Nonrecourse debt | **$ 9,738,998** | **$ 3,216,018** | **$ 4,194,520** | **$ 1,100,446** | **$ 1,228,014** |
| Warehouse lines of credit | **572,470** | **261,184** | **311,286** | **—** | **—** |
| Other secured lines of credit | **503,964** | **25,996** | **77,460** | **—** | **400,508** |
| Notes payable[(1)] | **434,955** | **137,408** | **150,754** | **146,793** | **—** |
| Operating leases | **34,718** | **5,381** | **9,401** | **6,753** | **13,183** |
| **Total** | **$ 11,285,105** | **$ 3,645,987** | **$ 4,743,421** | **$ 1,253,992** | **$ 1,641,705** |

[(1)] *Amounts exclude the unamortized debt discount and issuance costs. The Working Capital Promissory Notes with BTO Urban Holdings L.L.C. and LFH were repaid and terminated in full subsequent to June 30, 2025. On August 4, 2025, FAR entered into an unsecured revolving working capital promissory note with LFH, providing for an uncommitted revolving facility for general corporate and working capital purposes of up to $20.0 million, which was fully drawn on such date. The unsecured revolving working capital promissory note matures on August 4, 2026. Refer to Note 17 - Subsequent Events in the Notes to Condensed Consolidated Financial Statements for additional information.*

In addition to the above contractual obligations, we have also been involved with securitizations of HECM loans, which were structured as secured borrowings. These structures resulted in us carrying the securitized loans in the Condensed Consolidated Statements of Financial Condition and recognizing the asset-backed certificates acquired by third parties as HMBS related obligations. The timing of the principal payments on this nonrecourse debt is dependent on the payments received on the underlying mortgage loans and liquidation of real estate owned properties. The outstanding principal balance of loans held for investment, subject to HMBS related obligations, was $17.8 billion as of June 30, 2025.

The Company's TRA obligation will require payments to be made that may be significant and are not reflected in the contractual obligations table above.

We are also required to fund borrower draws on certain loans. These unfunded commitments are not included in the table above. Refer to Note 11 - Commitments and Contingencies in the Notes to Condensed Consolidated Financial Statements for additional information.

**Critical Accounting Estimates**

For a description of our critical accounting estimates, see the Form 10-K filed with the SEC on March 14, 2025, as amended by the Form 10-K/A filed with the SEC on May 20, 2025.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Our principal market risk is interest rate risk, primarily to changes in long-term U.S. Treasury rates and mortgage interest rates due to their impact on mortgage-related assets. Changes in short-term interest rates will also have an impact on our financing lines of credit.

***Interest Rate Risk***

Changes in interest rates will, in general, impact our operating segments as follows:

*Retirement Solutions*

- an increase in prevailing interest rates could adversely affect our loan origination volume as new loans or refinancing an existing loan will be less attractive to borrowers.

*Portfolio Management*

- an increase in interest rates could generate an increase in delinquency, default, and foreclosure rates resulting in an increase in both servicing costs and interest expense on our outstanding debt.
- an increase in interest rates will lead to a higher cost of funds on our financing lines of credit.
- an increase in interest rates and market spreads may cause a reduction in the fair value of our long-term assets.
- a decrease in interest rates may increase prepayment speeds of our long-term assets which could lead to a reduction in the fair value of our long-term assets.

Earnings on our held for investment assets depend largely on our interest rate spread, represented by the relationship between the yield on our interest-earning assets, primarily securitized assets, and the cost of our interest-bearing liabilities, primarily securitized borrowings. Interest rate spreads are impacted by several factors, including forward interest rates, general economic factors, and the quality of the loans in our portfolio.

***Sensitivity Analysis***

We utilize a sensitivity analysis to assess our market risk associated with changes in interest rates. This sensitivity analysis attempts to assess the potential impact to earnings based on hypothetical changes in interest rates.

We estimate the fair value of the outstanding mortgage loans and related liabilities using a process that combines the use of a DCF model and analysis of current market data. The cash flow assumptions used in the model are based on various factors. Refer to Note 5 - Fair Value in the Notes to Condensed Consolidated Financial Statements for additional information regarding the key inputs, assumptions, and valuation techniques utilized to measure fair value.

Our total market risk is impacted by a variety of other factors including market spreads 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.

The sensitivities presented are hypothetical and should be evaluated with care. The effect on fair value of a 25 bps variation in assumptions generally cannot be determined because the relationship of the change in assumptions to the fair value may not be linear. Additionally, the impact of a variation in a particular assumption on the fair value is calculated while holding other assumptions constant. In reality, changes in one factor may lead to changes in other factors, which could impact the hypothetical effects.

The following table summarizes the estimated change in the fair value of our significant assets and liabilities sensitive to interest rates as of June 30, 2025 (in thousands):

| | Down 25 bps | Up 25 bps |
|---|---|---|
| **Increase (decrease) in assets** | | |
| Loans held for investment, subject to HMBS related obligations | **$ 30,375** | **$ (30,494)** |
| Loans held for investment, subject to nonrecourse debt | **141,113** | **(137,641)** |
| Loans held for investment | **5,676** | **(5,571)** |
| **Total assets** | **$ 177,164** | **$ (173,706)** |
| | | |
| **Increase (decrease) in liabilities** | | |
| HMBS related obligations | **$ 26,109** | **$ (26,074)** |
| Nonrecourse debt | **63,304** | **(62,258)** |
| **Total liabilities** | **$ 89,413** | **$ (88,332)** |

**Item 4. 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 Securities Exchange Act of 1934, as amended (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 our reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

We do not expect that our disclosure controls and procedures will prevent all errors and all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all disclosure controls and procedures, no evaluation of disclosure controls and procedures can provide absolute assurance that we have detected all of our control deficiencies and instances of fraud, if any. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

*Evaluation of Disclosure Controls and Procedures*

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q (the "Form 10-Q"). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2025, our disclosure controls and procedures were not effective due to the material weakness in internal control over financial reporting discussed below.

*Material Weakness in Internal Control Over Financial Reporting*

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that a reasonable possibility exists that a material misstatement of our annual or interim financial statements could not be prevented or detected on a timely basis.

As previously reported, in May 2025, errors were identified in the classification and presentation of amounts associated with certain nonrecourse securitization transactions in the Company's Consolidated Statements of Cash Flows and the related disclosures within the Notes to Consolidated Financial Statements for the year ended December 31, 2024, and quarterly unaudited condensed consolidated financial statements for the quarterly periods ended September 30, 2024, June 30, 2024, and March 31, 2024. Due to the material errors in the classification and presentation of the Company's Consolidated Statements of Cash Flows and the related disclosures within the Notes to Consolidated Financial Statements, management concluded that a material weakness in our internal control over financial reporting existed as of December 31, 2024.

We identified the control over the preparation and review of the consolidated cash flow statements did not operate effectively in order to prevent or detect the material errors in the classification and presentation of cash flow activities with respect to nonrecourse securitization transactions. As described below, management has made progress towards remediating the material weakness, but the enhanced control will need a period of continued operating effectiveness execution to demonstrate remediation. As such, management has concluded that the material weakness continued to exist as of June 30, 2025.

Notwithstanding this material weakness, based on the additional analysis and other post-closing procedures performed, the Company believes the interim unaudited condensed consolidated financial statements and other financial information included in this Form 10-Q, are fairly presented, in all material respects, in conformity with GAAP.

*Plan of Remediation of Material Weakness in Internal Control Over Financial Reporting*

As previously described in Item 9A of our Annual Report on Form 10-K/A for the year ended December 31, 2024, we developed a plan to remediate the material weakness which includes the following activities:

a. Enhance control documentation to strengthen the control operating effectiveness and execution consistency of the control over cash flow statement presentation related to nonrecourse debt securitization transactions.
b. Enhance understanding of requirements of Accounting Standards Codification 230, Cash Flows, through additional training of accounting and financial reporting personnel responsible for preparing and reviewing the consolidated statement of cash flows.

Management is committed to remediating the material weakness in a timely fashion. Management believes it has made substantial progress towards remediating the material weakness, subject to continuous management testing of the operating effectiveness of this internal control. Given the steps outlined above, management believes such efforts will effectively remediate the material weakness, however, these actions are subject to ongoing management evaluation, and the Company will need a period of execution to demonstrate remediation. Management will continually assess the effectiveness of the remediation efforts and may determine to take additional measures to address control deficiencies or modify the remediation plan described above. The Company is committed to the continuous improvement of its internal control over financial reporting and will continue to diligently review its internal control over financial reporting.

*Changes in Internal Control Over Financial Reporting*

Other than the remediation efforts described above in this Item 4, there has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2025, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## Part II - Other Information

### Item 1. Legal Proceedings

The information required with respect to this Part II, Item 1 can be found under Note 10 - Litigation in the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q and is incorporated by reference herein.

### Item 1A. Risk Factors

In addition to the other information included in this Form 10-Q, you should carefully consider the factors discussed in "Item 1A. Risk Factors" included in the Form 10-K/A, as well as the factors identified under "Forward-Looking Statements" prior to the beginning of Part I, Item 1 of this Form 10-Q and the items identified in "Other Recent Events" within Part I, Item 2 of this Form 10-Q and as may be updated in subsequent filings with the SEC, which could materially affect the Company's business, financial condition, or future results. The risks described in the Form 10-K/A and this Form 10-Q are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, or operating results. Except as set forth below, there have been no material changes to the risk factors included in the Form 10-K/A.

**The Repurchase may not be completed on the terms or timeline currently contemplated or at all, which could adversely affect our stock price, business, financial condition, and results of operations.**

As previously disclosed, on August 4, 2025, the Company entered into the Repurchase Agreement, pursuant to which the Company will purchase all of the Blackstone Investor's shares of Class A Common Stock, shares of Class B Common Stock, Class A LLC Units, and rights to receive shares of Class A Common Stock and Class A LLC Units pursuant to the Transaction Agreement, dated as of October 12, 2020, filed as Exhibit 2.1 of this Form 10-Q (the "Earnout Rights" and, together with such shares of Class A Common Stock, shares of Class B Common Stock, and Class A LLC Units, the "Sold Equity"). Each share of Class A Common Stock and each Class A LLC Unit will be purchased for $10.00 per share or Class A LLC Unit, and the shares of Class B Common Stock and Earnout Rights will be purchased for no consideration, for total consideration of $80,298,170. The closing of the Repurchase is subject to the satisfaction of various conditions, including, among other things: (i) the receipt of a customary opinion; (ii) the accuracy of the other party's representations and warranties (subject to certain materiality qualifiers); (iii) the other party's compliance in all material respects with its pre-closing covenants; and (iv) the absence of any law that enjoins, restrains, or otherwise prohibits or makes illegal the consummation of the Repurchase. While it is currently anticipated that the Repurchase will be consummated in the fourth quarter of 2025, there can be no assurance that the foregoing conditions will be satisfied in a timely manner or at all, or that an effect, event, development, or change will not transpire that could delay or prevent these conditions from being satisfied.

If the Repurchase is not consummated for any reason, the trading price of our common stock may decline to the extent that the market price of the common stock reflects positive market assumptions that the Repurchase will be consummated and the related benefits will be realized. We may also be subject to additional risks if the Repurchase is not completed, including incurring substantial costs related to the Repurchase, such as legal, accounting, valuation advisory, and other professional services fees that have already been incurred or will continue to be incurred until closing, and reputational harm including relationships with investors, customers, and business partners due to the adverse perception of any failure to successfully complete the Repurchase.

Further, the Blackstone Investor may terminate the Repurchase Agreement if the Repurchase has not been consummated by December 6, 2025 (the "Initial Outside Date"), and we may also terminate the Repurchase Agreement if the Repurchase has not been consummated by February 28, 2026 (the "Extended Outside Date"). In addition, the parties may terminate the Repurchase Agreement (i) by mutual written consent; (ii) if any governmental entity has issued a final and non-appealable order, decree or ruling, or taken any other final and non-appealable action restraining, enjoining, or otherwise prohibiting the Repurchase; or (iii) if the other party has breached its representations or warranties or covenants or agreements in a way that would prevent satisfaction of a closing condition and such breach cannot be cured (if capable of being cured) within 30 days following the receipt of written notice of such breach. In addition, in the event the closing of the Repurchase has not been consummated by the Initial Outside Date, the Blackstone Investor may sell up to all of the Sold Equity to one or more third parties,

in which case the Company would not be able to purchase the Sold Equity sold to such third parties. As a result, the occurrence of the aforementioned items could adversely affect our stock price, business, financial condition, and results of operations.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

None.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

**Trading Plans**

During the quarter ended June 30, 2025, none of our directors or Section 16 officers informed us of the adoption, modification, or termination of a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (in each case, as defined in Item 408(a) of Regulation S-K).

**Item 6. Exhibits**

| | | Incorporated by Reference | | | Filed or Furnished Herewith |
|---|---|---|---|---|---|
| **Exhibit Number** | **Description** | **Form** | **Exhibit** | **Filing Date** | |
| 2.1 | Transaction Agreement, dated as of October 12, 2020, by and among Replay Acquisition Corp., Finance of America Equity Capital LLC, Finance of America Companies Inc., RPLY Merger Sub LLC, RPLY BLKR Merger Sub LLC, Blackstone Tactical Opportunities Fund (Urban Feeder) – NQ L.P., Blackstone Tactical Opportunities Associates – NQ L.L.C., the Sellers identified therein, and the Seller Representatives identified therein. | 8-K | 2.1 | 4/7/2021 | |
| 2.2 | Letter Agreement, dated April 1, 2021, by and among the Seller Representatives identified therein and Replay Acquisition Corp. | 8-K | 2.2 | 4/7/2021 | |
| 2.3 | Letter Agreement, dated April 5, 2021, by and among the Seller Representatives identified therein, Replay Acquisition LLC, and Finance of America Equity Capital LLC. | 8-K | 2.3 | 4/7/2021 | |
| 2.4 | Letter Agreement, dated March 31, 2021, by and among Libman Family Holdings, LLC, The Mortgage Opportunity Group LLC, BTO Urban Holdings L.L.C., BTO Urban Holdings II L.P., and Blackstone Family Tactical Opportunities Investment Partnership – NQ – ESC L.P. | 8-K | 2.4 | 4/7/2021 | |
| 3.1 | Amended and Restated Certificate of Incorporation of Finance of America Companies Inc. | 8-K | 3.2 | 4/7/2021 | |
| 3.2 | Certificate of Amendment to Amended and Restated Certificate of Incorporation of Finance of America Companies Inc. | 8-K | 3.1 | 7/26/2024 | |
| 3.3 | Amended and Restated Bylaws of Finance of America Companies Inc. | 8-K | 3.3 | 4/7/2021 | |
| 4.1 | Form of unsecured convertible promissory note (included as Annex A to Exhibit 10.2). | 8-K | 4.1 | 8/5/2025 | |

| | | | | | |
|---|---|---|---|---|---|
| 10.1 | Repurchase Agreement, dated August 4, 2025, by and among Finance of America Companies Inc., Finance of America Equity Capital LLC, Blackstone Tactical Opportunities Associates – NQ L.L.C., BTO Urban Holdings L.L.C., Blackstone Family Tactical Opportunities Investment Partnership - NQ ESC L.P. and BTO Urban Holdings II L.P. | 8-K | 10.1 | 8/5/2025 | |
| 10.2 | Form of Convertible Note Purchase Agreement. | 8-K | 10.2 | 8/5/2025 | |
| 10.3 | Consent Support Agreement, dated as of August 4, 2025, by and among Finance of America Funding LLC, Finance of America Equity Capital LLC, Finance of America Holdings LLC, Incenter LLC, Finance of America Mortgage LLC, Finance of America Reverse LLC, and MM Risk Retention LLC, and certain consenting noteholders. | 8-K | 10.3 | 8/5/2025 | |
| 10.4 | First Amendment to Pledge and Security Agreement, dated as of August 4, 2025, by and among Finance of America Funding LLC, U.S. Bank Trust Company, National Association, as collateral trustee, and the other grantors party thereto (with conformed Pledge and Security Agreement annexed thereto). | 8-K | 10.4 | 8/5/2025 | |
| 31.1 | Certificate of Graham A. Fleming, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | | | | X |
| 31.2 | Certificate of Matthew A. Engel, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | | | | X |
| 32.1 | Certificate of Graham A. Fleming, Chief Executive Officer, pursuant to Section 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. | | | | X |
| 32.2 | Certificate of Matthew A. Engel, Chief Financial Officer, pursuant to Section 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. | | | | X |
| 101.INS | Inline 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. | | | | X |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document. | | | | X |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document. | | | | X |
| 101.DEF | Inline XBRL Taxonomy Definition Linkbase Document. | | | | X |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document. | | | | X |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document. | | | | X |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document). | | | | X |

Certain agreements and other documents filed as exhibits to this Form 10-Q contain representations and warranties that the parties thereto made to each other. These representations and warranties have been made solely for the benefit of the other parties to such agreements and may have been qualified by certain information that has been disclosed to the other parties to such agreements and other documents and that may not be reflected in such agreements and other documents. In addition, these representations and warranties may be intended as a way of allocating risks among parties if the statements contained therein prove to be incorrect, rather than as actual statements of fact. Accordingly, there can be no reliance on any such representations and warranties as characterizations of the actual state of facts. Moreover, information concerning the subject matter of any such representations and warranties may have changed since the date of such agreements and other documents.

**SIGNATURES**

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

**Finance of America Companies Inc.**

Date: August 11, 2025

By: /s/ Matthew A. Engel

Matthew A. Engel
Chief Financial Officer
(Principal Financial Officer)

**Exhibit 31.1**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**

I, Graham A. Fleming, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 of Finance of America Companies Inc.;

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 control 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 the 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 control 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 control over financial reporting.

Date: August 11, 2025

/s/ Graham A. Fleming

Graham A. Fleming
Chief Executive Officer
**(Principal Executive Officer)**

**Exhibit 31.2**

**CERTIFICATION OF CHIEF FINANCIAL OFFICER**

I, Matthew A. Engel, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 of Finance of America Companies Inc.;

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 control 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 the 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 control 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 control over financial reporting.

Date: August 11, 2025

/s/ Matthew A. Engel

Matthew A. Engel
Chief Financial Officer
**(Principal Financial Officer)**

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY**
**ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Finance of America Companies Inc. (the "Company") for the quarterly period ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Graham A. Fleming, Chief Executive Officer, 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 Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 11, 2025

/s/ Graham A. Fleming
Graham A. Fleming
Chief Executive Officer
**(Principal Executive Officer)**

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY**
**ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Finance of America Companies Inc. (the "Company") for the quarterly period ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew A. Engel, Chief Financial Officer, 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 Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 11, 2025

/s/ Matthew A. Engel
Matthew A. Engel
Chief Financial Officer
**(Principal Financial Officer)**