

**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, 2022**

OR

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

For the transition period from _____ to _____

Commission file number **001-39189**

UWM HOLDINGS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

84-2124167

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

585 South Boulevard E.

(Address of Principal Executive Offices)

Pontiac, MI

48341

(Zip Code)

(800) 981-8898

Registrant's telephone number, including area code

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

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

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

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

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

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

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

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

As of August 5, 2022, the registrant had 92,575,425 shares of Class A common stock outstanding and 1,502,069,787 shares of Class D common stock outstanding.

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PART I

Item 1. Financial Statements

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

	June 30, 2022	December 31, 2021
Assets	(Unaudited)	
Cash and cash equivalents	\$ 958,656	\$ 731,088
Mortgage loans at fair value	5,332,383	17,473,324
Derivative assets	125,079	67,356
Investment securities at fair value, pledged	125,193	152,263
Accounts receivable, net	350,090	415,691
Mortgage servicing rights	3,736,359	3,314,952
Premises and equipment, net	153,971	151,687
Operating lease right-of-use asset, net (includes \$102,454 and \$104,595 with related parties)	102,533	104,828
Finance lease right-of-use asset (includes \$27,900 and \$28,619 with related parties)	50,179	57,024
Other assets	82,467	60,145
Total assets	\$ 11,016,910	\$ 22,528,358
Liabilities and equity		
Warehouse lines of credit	\$ 4,497,353	\$ 15,954,938
Derivative liabilities	93,958	36,741
Borrowings against investment securities	118,786	118,786
Accounts payable, accrued expenses and other	780,166	1,087,411
Accrued distributions and dividends payable	159,461	9,171
Senior notes	1,982,103	1,980,112
Operating lease liability (includes \$109,732 and \$111,999 with related parties)	109,811	112,231
Finance lease liability (includes \$28,633 and \$29,087 with related parties)	51,370	57,967
Total liabilities	7,793,008	19,357,357
Equity		
Preferred stock, \$0.0001 par value - 100,000,000 shares authorized, none issued and outstanding as of June 30, 2022	—	—
Class A common stock, \$0.0001 par value - 4,000,000,000 shares authorized, 92,539,245 shares issued and outstanding as of June 30, 2022	9	9
Class B common stock, \$0.0001 par value - 1,700,000,000 shares authorized, none issued and outstanding as of June 30, 2022	—	—
Class C common stock, \$0.0001 par value - 1,700,000,000 shares authorized, none issued and outstanding as of June 30, 2022	—	—
Class D common stock, \$0.0001 par value - 1,700,000,000 shares authorized, 1,502,069,787 shares issued and outstanding as of June 30, 2022	150	150
Additional paid-in capital	669	437
Retained earnings	137,955	141,805
Non-controlling interest	3,085,119	3,028,600
Total equity	3,223,902	3,171,001
Total liabilities and equity	\$ 11,016,910	\$ 22,528,358

See accompanying Notes to the Condensed Consolidated Financial Statements.

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

	For the three months ended June 30,		For the six months ended June 30,	
	2022	2021	2022	2021
Revenue				
Loan production income	\$ 296,535	\$ 479,274	\$ 680,406	\$ 1,553,939
Loan servicing income	179,501	145,278	378,066	269,067
Change in fair value of mortgage servicing rights	26,169	(219,104)	198,132	(278,363)
Gain on sale of mortgage servicing rights	—	10	—	4,773
Interest income	62,020	79,194	129,415	125,106
Total revenue, net	564,225	484,652	1,386,019	1,674,522
Expenses				
Salaries, commissions and benefits	138,983	172,951	299,592	386,012
Direct loan production costs	25,757	15,518	52,475	28,680
Marketing, travel, and entertainment	20,625	11,330	33,462	21,825
Depreciation and amortization	11,181	8,353	22,096	15,642
General and administrative	39,909	42,116	78,232	58,894
Servicing costs	44,435	23,067	91,619	43,575
Interest expense	57,559	72,673	117,933	125,663
Other expense/(income)	9,562	(1,530)	17,064	(18,834)
Total expenses	348,011	344,478	712,473	661,457
Earnings before income taxes	216,214	140,174	673,546	1,013,065
Provision for income taxes	769	1,462	4,814	14,348
Net income	215,445	138,712	668,732	998,717
Net income attributable to non-controlling interest	207,079	130,448	638,436	942,468
Net income attributable to UWM Holdings Corporation	\$ 8,366	\$ 8,264	\$ 30,296	\$ 56,249
Earnings per share of Class A common stock (see Note 16):				
Basic	\$ 0.09	\$ 0.08	\$ 0.33	\$ 0.55
Diluted	\$ 0.09	\$ 0.07	\$ 0.32	\$ 0.39
Weighted average shares outstanding:				
Basic	92,533,620	102,760,823	92,374,988	102,908,906
Diluted	92,533,620	1,605,067,478	1,594,444,775	1,605,215,562

See accompanying Notes to the Condensed Consolidated Financial Statements.

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

	Class A Common Stock Shares	Class A Common Stock Amount	Class D Common Stock Shares	Class D Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Non- controlling Interest	Total
Balance, January 1, 2021	—	\$ —	—	\$ —	\$ 24,839	\$ 2,349,441	\$ —	\$ 2,374,280
Cumulative effect of change to fair value accounting for mortgage servicing rights	—	—	—	—	—	3,440	—	3,440
Net income prior to business combination transaction	—	—	—	—	—	183,756	—	183,756
Member distributions to SFS Corp. prior to business combination transaction	—	—	—	—	—	(1,100,000)	—	(1,100,000)
Net proceeds received from business combination transaction	—	—	—	—	—	879,122	—	879,122
Cumulative effect of reorganization post business combination transaction	103,104,205	10	1,502,069,787	150	(24,839)	(2,164,975)	2,189,654	—
Opening net liabilities of Gores Holdings IV, Inc. acquired	—	—	—	—	—	(75,381)	—	(75,381)
Dividend and distribution declared February 3, 2021 and payable April 6, 2021	—	—	—	—	—	(10,310)	(150,207)	(160,517)
Member distributions to SFS Corp. post business combination transaction	—	—	—	—	—	—	(2,913)	(2,913)
Net income subsequent to business combination transaction	—	—	—	—	—	47,985	628,264	676,249
Balance, March 31, 2021	<u>103,104,205</u>	<u>\$ 10</u>	<u>1,502,069,787</u>	<u>\$ 150</u>	<u>\$ —</u>	<u>\$ 113,078</u>	<u>\$ 2,664,798</u>	<u>\$ 2,778,036</u>
Net income	—	—	—	—	—	8,264	130,448	138,712
Dividend and distribution declared June 10, 2021 and payable July 6, 2021	—	—	—	—	—	(10,237)	(150,207)	(160,444)
Member distributions to SFS Corp.	—	—	—	—	—	—	(65,504)	(65,504)
Stock-based compensation expense	5,170	—	—	—	187	—	2,147	2,334
Class A common stock repurchased	(790,599)	—	—	—	—	(403)	(5,745)	(6,148)
Re-measurement of non-controlling interest due to change in parent ownership	—	—	—	—	—	(1,305)	1,305	—
Balance, June 30, 2021	<u><u>102,318,776</u></u>	<u><u>\$ 10</u></u>	<u><u>1,502,069,787</u></u>	<u><u>\$ 150</u></u>	<u><u>\$ 187</u></u>	<u><u>\$ 109,397</u></u>	<u><u>\$ 2,577,242</u></u>	<u><u>\$ 2,686,986</u></u>

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	Class A Common Stock Shares	Class A Common Stock Amount	Class D Common Stock Shares	Class D Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Non- controlling Interest	Total
Balance, January 1, 2022	91,612,305	\$ 9	1,502,069,787	\$ 150	\$ 437	\$ 141,805	\$ 3,028,600	\$ 3,171,001
Net income	—	—	—	—	—	21,930	431,357	453,287
Dividend declared on February 25, 2022 and payable on April 11, 2022	—	—	—	—	—	(9,253)	—	(9,253)
Member distributions to SFS Corp.	—	—	—	—	—	—	(450,621)	(450,621)
Stock-based compensation expense	918,768	—	—	—	105	—	1,723	1,828
Re-measurement of non-controlling interest due to change in parent ownership and other	—	—	—	—	—	(15,648)	15,648	—
Balance, March 31, 2022	92,531,073	\$ 9	1,502,069,787	\$ 150	\$ 542	\$ 138,834	\$ 3,026,707	\$ 3,166,242
Net income	—	—	—	—	—	8,366	207,079	215,445
Dividend declared on June 21, 2022 and payable on July 11, 2022	—	—	—	—	—	(9,254)	—	(9,254)
Member distributions to SFS Corp.	—	—	—	—	—	—	(150,207)	(150,207)
Stock-based compensation expense	8,172	—	—	—	127	—	1,549	1,676
Re-measurement of non-controlling interest due to change in parent ownership and other	—	—	—	—	—	9	(9)	—
Balance, June 30, 2022	92,539,245	\$ 9	1,502,069,787	\$ 150	\$ 669	\$ 137,955	\$ 3,085,119	\$ 3,223,902

See accompanying Notes to the Condensed Consolidated Financial Statements.

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

	For the six months ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 668,732	\$ 998,717
Adjustments to reconcile net income to net cash provided by operating activities:		
Reserve for representations and warranties	13,739	21,661
Capitalization of mortgage servicing rights	(1,058,115)	(1,180,615)
Change in fair value of mortgage servicing rights	(198,132)	278,363
Depreciation and amortization of premises & equipment, finance lease assets and debt issuance costs	24,033	17,065
Stock-based compensation expense	3,504	2,327
Decrease in fair value of investment securities	20,845	—
Decrease in fair value of warrants liability	(6,982)	(18,834)
(Increase) decrease in:		
Mortgage loans at fair value	12,140,942	(4,487,597)
Derivative assets	(57,723)	(14,366)
Other assets	80,239	(74,352)
Increase (decrease) in:		
Derivative liabilities	57,217	16,314
Other liabilities	(327,598)	95,360
Net cash provided by (used in) operating activities	<u>11,360,701</u>	<u>(4,345,957)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of premises and equipment	(15,362)	(32,273)
Net proceeds from sale of mortgage servicing rights	824,196	2,708
Proceeds from principal payments on investment securities	6,083	—
Margin calls on borrowings against investment securities	(12,326)	—
Net cash provided by (used in) investing activities	<u>802,591</u>	<u>(29,565)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings under warehouse lines of credit	(11,457,585)	4,307,814
Repayments of finance lease liabilities	(8,570)	(5,895)
Borrowings under equipment notes payable	—	1,078
Repayments under equipment notes payable	(493)	(25,022)
Borrowings under operating lines of credit	—	79,700
Repayments under operating lines of credit	—	(400,000)
Proceeds from issuance of senior notes	—	700,000
Discount and direct issuance costs on senior notes	—	(7,036)
Proceeds from business combination transaction	—	895,134
Costs incurred related to business combination transaction	—	(11,260)
Dividends paid	(18,425)	(10,310)
Member distributions to SFS Corp.	(450,651)	(1,318,625)
Class A common stock repurchased	—	(5,716)
Net cash (used in) provided by financing activities	<u>(11,935,724)</u>	<u>4,199,862</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>227,568</u>	<u>(175,660)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	<u>731,088</u>	<u>1,223,837</u>
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	<u>\$ 958,656</u>	<u>\$ 1,048,177</u>
SUPPLEMENTAL INFORMATION		
Cash paid for interest	\$ 81,508	\$ 104,515
Cash paid for taxes	—	1,699

See accompanying Notes to the Condensed Consolidated Financial Statements.

UWM HOLDINGS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Organization

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

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

Prior to the closing of the business combination with the UWM Entities, SFS Corp. was the sole member of UWM, which had one unit authorized, issued and outstanding. On January 21, 2021, SFS Corp. contributed its equity interest in UWM to Holdings LLC and adopted the Amended and Restated Operating Agreement to admit Holdings LLC as UWM's sole member and its manager. Upon completion of the business combination transaction, (i) Holdings LLC issued approximately 6% of its units (Class A Common Units) to the Company, (ii) SFS Corp. retained approximately 94% of the units (Class B Common Units) in Holdings LLC and accordingly retained approximately 94% of the economic ownership interest of the combined company and (iii) Holdings LLC became a consolidated subsidiary of the Company, as the Company is the sole managing member of Holdings LLC. The economic interest in Holdings LLC owned by SFS Corp. is presented as a non-controlling interest in these condensed consolidated financial statements (see *Note 10 - Non-Controlling Interests* for further information).

Following the consummation of the transactions contemplated by the Business Combination Agreement, the Company is organized in an “Up-C” structure in which UWM (the operating subsidiary) is held directly by Holdings LLC, and the Company’s only material direct asset consists of Class A Common Units in Holdings LLC. The Company’s current capital structure authorizes Class A common stock, Class B common stock, Class C common stock and Class D common stock. The Class A common stock and Class C common stock each provide holders with one vote on all matters submitted to a vote of stockholders, and the Class B common stock and Class D common stock each provide holders with 10 votes on all matters submitted to a vote of stockholders. The holders of Class C common stock and Class D common stock do not have any of the economic rights (including rights to dividends and distributions upon liquidation) provided to holders of Class A common stock and Class B common stock. Immediately following the business combination transaction, there were 103,104,205 shares of Class A common stock outstanding, and 1,502,069,787 shares of non-economic Class D common stock outstanding (all of which were held by SFS Corp.), and no shares of Class B or Class C common stock outstanding. As of June 30, 2022, there were 92,539,245 shares of Class A common stock outstanding and 1,502,069,787 shares of Class D common stock outstanding. Each Holdings LLC Class B Common Unit held by SFS Corp. may be exchanged at the option of the Company, along with its stapled share of Class D common stock, for either, (a) cash or (b) one share of the Company’s Class B common stock (See *Note 10 - Non-Controlling Interests*). Each share of Class B Stock is convertible into one share of Class A Stock upon the transfer or assignment of such share from SFS Corp. to a non-affiliated third-party. Pursuant to the Business Combination Agreement, SFS Corp. is entitled to receive an aggregate of up to 90,761,687 earn-out shares in the form of Class B Common Units in Holdings LLC and Class D common shares upon attainment of certain stock price targets prior to January 2026. There are four different triggering events that affect the number of earn-out shares that will be issued based upon the per share price of Class A common stock ranging from \$13.00 to \$19.00 per share. The Company accounts for the potential earn-out shares as a component of stockholders’ equity in accordance with the applicable guidance in U.S. GAAP. See *Note 16 - Earnings Per Share* for further information.

Basis of Presentation and Consolidation

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

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

Use of Estimates

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

Loans Eligible for Repurchase from Ginnie Mae

When the Company has the unilateral right to repurchase Ginnie Mae pool loans it has previously sold (generally loans that are more than 90 days past due), the previously sold assets are required to be re-recognized on the condensed consolidated balance sheets, regardless of the Company's intent to exercise its option to repurchase. The recognition of previously sold loans does not impact the accounting for the previously recognized mortgage servicing rights (or "MSRs"). At June 30, 2022 and December 31, 2021, the Company had recorded Ginnie Mae pool loans as part of "Mortgage loans at fair value" totaling \$319.0 million and \$563.4 million, respectively, with related purchase liabilities equal to the gross amount of the loan recorded in "Accounts payable, accrued expenses and other" on the condensed consolidated balance sheets. At June 30, 2022 and December 31, 2021, the fair values of the Ginnie Mae pool loans were \$309.6 million and \$555.1 million, reflecting fair value adjustments of \$9.4 million and \$8.3 million, respectively.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes under applicable U.S. GAAP. Our income tax expense, deferred tax assets and liabilities, and reserves for unrecognized tax benefits reflect management's best assessment of estimated current and future taxes to be paid. We are subject to income taxes in the U.S. and various state and local jurisdictions. The tax laws are often complex and may be subject to different interpretations. To determine the financial statement impact of accounting for income taxes, the Company must make assumptions and judgements about how to interpret and apply complex tax laws to numerous transactions and business events, as well as make judgements regarding the timing of when certain items may affect taxable income.

Deferred income taxes arise from temporary differences between the financial statement carrying amount and the tax basis of assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income in the period that includes the enactment date. In evaluating our ability to recover our deferred tax assets within the jurisdiction from which they arise, we consider all available positive and negative evidence including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent results of operations. If based upon all available positive and negative evidence, it is more likely than not that the deferred tax assets will not be realized, and a valuation allowance is established. The valuation

allowance may be reversed in a subsequent reporting period if the Company determines that it is more likely than not that all or part of the deferred tax asset will become realizable.

Our interpretations of tax laws are subject to review and examination by various taxing authorities and jurisdictions where the Company operates, and disputes may occur regarding our view on a tax position. These disputes over interpretations with the various tax authorities may be settled by audit, administrative appeals or adjudication in the court systems of the tax jurisdictions in which the Company operates. We regularly review whether we may be assessed additional income taxes as a result of the resolution of these matters, and the Company records additional reserves as appropriate. In addition, the Company may revise its estimate of income taxes due to changes in income tax laws, legal interpretations, and business strategies. We recognize the financial statement effects of uncertain income tax positions when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. We record interest and penalties related to uncertain tax positions as a component of the income tax provision. See *Note 14 – Income Taxes* for further information.

Tax Receivable Agreement

In connection with the Business Combination Agreement, the Company entered into a Tax Receivable Agreement with SFS Corp. that will obligate the Company to make payments to SFS Corp. of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that the Company actually realizes as a result of (i) certain increases in tax basis resulting from exchanges of Holdings LLC Common Units; (ii) imputed interest deemed to be paid by the Company as a result of payments it makes under the tax receivable agreement; (iii) certain increases in tax basis resulting from payments the Company makes under the tax receivable agreement; and (iv) disproportionate allocations (if any) of tax benefits to the Company which arise from, among other things, the sale of certain assets as a result of section 704(c) of the Internal Revenue Code of 1986. The Company will retain the benefit of the remaining 15% of these tax savings. The Company recognized a liability of approximately \$1.9 million for estimated amounts due under the Tax Receivable Agreement in connection with the business combination transaction. Subsequently, the liability is accounted for as a loss contingency, with changes in the liability measured and recorded when estimated amounts due under the Tax Receivable Agreement are probable and can be reasonably estimated, and reported as part of other expense/(income) in the condensed consolidated statements of operations. During the six months ended June 30, 2022, the Company recorded an additional liability of \$3.2 million, representing 85% of the estimated tax benefits to the Company resulting from sales of MSRs during the first half of 2022. As of June 30, 2022, the total liability recorded for the Tax Receivable Agreement was approximately \$17.1 million.

Related Party Transactions

The Company enters into various transactions with related parties. See *Note 13 – Related Party Transactions* for further information.

Public and Private Warrants

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

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

The Company evaluated the Public and Private Warrants under applicable U.S. GAAP and concluded that they do not meet the criteria to be classified in stockholders' equity due to certain terms of the warrants. Since the Public and Private Warrants meet the definition of derivatives, the Company recorded these warrants as liabilities on the balance sheet at fair value upon the closing of the business combination transaction and subsequently (recorded within "Accounts payable, accrued expenses and other"), with the change in their respective fair values recognized in the condensed consolidated statement of operations (recorded within "Other (income)/expense"). During the three months ended June 30, 2022 and 2021, the Company recognized \$2.8 million and \$1.5 million, respectively, of other income related to the change in fair value of warrants. During

the six months ended June 30, 2022 and 2021, the Company recognized \$7.0 million and \$18.8 million, respectively, of other income related to the change in fair value of warrants.

Stock-Based Compensation

Effective upon the closing of the business combination transaction, the Company adopted the UWM Holdings Corporation 2020 Omnibus Incentive Plan (the "2020 Plan") which was approved by stockholders on January 20, 2021. The 2020 Plan allows for the grant of stock options, restricted stock, restricted stock units ("RSUs"), and stock appreciation rights. Stock-based compensation expense is recognized on a straight-line basis over the requisite service period based on the fair value of the award on the date of grant and is included in "Salaries, commissions and benefits" on the condensed consolidated statements of operations. The Company made a policy election to recognize the effects of forfeitures as they occur. See *Note 15 – Stock-based Compensation* for further information.

Recently Adopted Accounting Pronouncements

In March 2020, the Financial Accounting Standards Board ("FASB") issued ASU 2020-4, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which was subsequently amended by ASU No. 2021-1, *Reference Rate Reform (Topic 848): Scope*, which was issued in January 2021 and will remain effective through December 31, 2022. This guidance provides practical expedients to address existing guidance on contract modifications due to the expected market transition from the London Inter-bank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates, such as the Secured Overnight Financing Rate ("SOFR"). The ASU was effective upon issuance on a prospective basis beginning January 1, 2020 and the Company may elect certain practical expedients as reference rate activities occur. The Company will evaluate its debt and other applicable contracts that are modified in the future to ensure they are eligible for modification relief and apply the practical expedients as needed. The Company does not anticipate this will have a material impact on its condensed consolidated financial statements and related disclosures.

NOTE 2 – MORTGAGE LOANS AT FAIR VALUE

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

(In thousands)	June 30, 2022	December 31, 2021
Mortgage loans, unpaid principal balance	\$ 5,336,456	\$ 17,194,330
Premiums paid on mortgage loans	47,004	238,963
Fair value adjustment	(51,077)	40,031
Mortgage loans at fair value	<u>\$ 5,332,383</u>	<u>\$ 17,473,324</u>

NOTE 3 – DERIVATIVES

The Company enters into interest rate lock commitments ("IRLCs") to originate residential mortgage loans at specified interest rates and terms within a specified period of time with customers who have applied for a loan and may meet certain credit and underwriting criteria. To determine the fair value of the IRLCs, each contract is evaluated based upon its stage in the application, approval and origination process for its likelihood of consummating the transaction (or "pullthrough"). Pullthrough is estimated based on changes in market conditions, loan stage, and actual borrower behavior using a historical analysis of IRLC closing rates. Generally, the further into the process the more likely that the IRLC will convert to a loan. The blended average pullthrough rate was 75% and 86%, as of June 30, 2022 and December 31, 2021, respectively. The Company primarily uses forward loan sale commitments ("FLSCs") to economically hedge the IRLCs.

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

	June 30, 2022			December 31, 2021		
	Fair value		Notional Amount	Fair value		Notional Amount
	Derivative assets	Derivative liabilities		Derivative assets	Derivative liabilities	
IRLCs	\$ 67,783	\$ 19,474	\$ 11,136,192 ^(a)	\$ 24,899	\$ 11,138	\$ 13,450,967 ^(a)
FLSCs	57,296	74,484	15,325,601	42,457	25,603	28,887,178
Total	\$ 125,079	\$ 93,958		\$ 67,356	\$ 36,741	

(a) Adjusted for pullthrough rates of 75% and 86%, respectively.

NOTE 4 – ACCOUNTS RECEIVABLE, NET

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

	June 30, 2022	December 31, 2021
Servicing fees	\$ 95,840	\$ 136,981
Servicing advances	80,924	135,117
Derivative settlements receivable	71,262	21,987
Investor receivables	52,635	44,192
Receivables from sale of servicing	37,786	13,503
Origination receivables	15,908	56,569
Warehouse bank receivable	1,065	8,510
Other receivables	177	127
Provision for current expected credit losses	(5,507)	(1,295)
Total Accounts Receivable, Net	\$ 350,090	\$ 415,691

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

NOTE 5 – MORTGAGE SERVICING RIGHTS

Mortgage servicing rights are recognized on the condensed consolidated balance sheets when loans are sold and the associated servicing rights are retained. The Company has elected the fair value option for all current classes of its MSR. The Company determined its classes of MSR based on how the Company manages risk. The Company's MSR are measured at fair value, which is determined using a valuation model that calculates the present value of estimated future net servicing cash flows. The model includes estimates of prepayment speeds, discount rate, cost to service, float earnings, contractual servicing fee income, and ancillary income and late fees, among others. These estimates are supported by market and economic data collected from various outside sources.

The unpaid principal balance of mortgage loans serviced for others approximated \$308.1 billion and \$319.8 billion at June 30, 2022 and December 31, 2021, respectively. Conforming conventional loans serviced by the Company have previously been sold to Fannie Mae and Freddie Mac on a non-recourse basis, whereby credit losses are generally the responsibility of Fannie Mae and Freddie Mac, and not the Company. Loans serviced for Ginnie Mae are insured by the FHA, guaranteed by the VA, or insured by other applicable government programs. While the above guarantees and insurance are the responsibility of those parties, the Company is still subject to potential losses related to its servicing of these loans. Those estimated losses are incorporated into the valuation of MSR.

The following table summarizes changes in the MSR assets for the three and six months ended June 30, 2022 and 2021 (in thousands):

	For the three months ended June 30,		For the six months ended June 30,	
	2022	2021	2022	2021
Fair value, beginning of period	\$ 3,514,102	\$ 2,300,434	\$ 3,314,952	1,760,304
Capitalization of mortgage servicing rights	412,678	581,226	1,058,115	1,180,615
MSR sales	(216,126)	—	(872,796)	—
Changes in fair value:				
Due to changes in valuation inputs or assumptions	176,456	(38,035)	567,436	159,767
Due to collection/realization of cash flows/other	(150,751)	(181,069)	(331,348)	(438,130)
Fair value, end of period	\$ 3,736,359	\$ 2,662,556	\$ 3,736,359	\$ 2,662,556

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

	For the three months ended June 30,		For the six months ended June 30,	
	2022	2021	2022	2021
Changes in fair value:				
Due to changes in valuation inputs and assumptions	\$ 176,456	\$ (38,035)	\$ 567,436	\$ 159,767
Due to collection/realization of cash flows and other	(150,751)	(181,069)	(331,348)	(438,130)
Reserves and transaction costs on sales of servicing rights	464	—	(37,956)	—
Changes in fair value of mortgage servicing rights	\$ 26,169	\$ (219,104)	\$ 198,132	\$ (278,363)

During the six months ended June 30, 2022, the Company sold MSRs on loans with an aggregate UPB of approximately \$72.7 billion for proceeds of approximately \$871.7 million. In connection with the sales of these MSRs, the Company recorded \$38.0 million for its estimated obligation for protection provisions granted to the buyer and transaction costs, which is reflected as part of the change in fair value of MSRs in the condensed consolidated statements of operations.

The following table summarizes the loan servicing income recognized during the three and six months ended June 30, 2022 and 2021, respectively (in thousands):

	For the three months ended June 30,		For the six months ended June 30,	
	2022	2021	2022	2021
Contractual servicing fees	\$ 177,375	\$ 143,947	\$ 373,325	\$ 266,253
Late, ancillary and other fees	2,126	1,331	4,741	2,814
Loan servicing income	\$ 179,501	\$ 145,278	\$ 378,066	\$ 269,067

The key unobservable inputs used in determining the fair value of the Company's MSRs were as follows at June 30, 2022 and December 31, 2021, respectively:

	June 30, 2022		December 31, 2021	
	Range	Weighted Average	Range	Weighted Average
Discount rates	8.5 % — 14.5 %	9.2 %	9.0 % — 14.5 %	9.6 %
Annual prepayment speeds	8.3 % — 18.8 %	9.6 %	8.3 % — 45.4 %	10.5 %
Cost of servicing	\$74 — \$103	\$81	\$74 — \$162	\$81

The hypothetical effect of adverse changes in these key assumptions would result in a decrease in fair values as follows at June 30, 2022 and December 31, 2021, respectively, (in thousands):

	June 30, 2022	December 31, 2021
Discount rate:		
+ 10% adverse change – effect on value	\$ (123,697)	\$ (107,992)
+ 20% adverse change – effect on value	(238,743)	(208,567)
Prepayment speeds:		
+ 10% adverse change – effect on value	\$ (141,043)	\$ (138,807)
+ 20% adverse change – effect on value	(272,149)	(267,964)
Cost of servicing:		
+ 10% adverse change – effect on value	\$ (37,489)	\$ (37,370)
+ 20% adverse change – effect on value	(74,977)	(74,741)

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

NOTE 6 – WAREHOUSE LINES OF CREDIT

The Company had the following warehouse lines of credit with financial institutions as of June 30, 2022 and December 31, 2021, respectively, (in thousands):

Warehouse Lines of Credit ¹	Date of Initial Agreement With Warehouse Lender	Current Agreement Expiration Date	June 30, 2022	December 31, 2021
Master Repurchase Agreement ("MRA") Funding:				
\$200 Million	3/30/2018	9/5/2022	\$ 101,877	\$ 197,976
\$400 Million	8/21/2012	10/20/2022	222,476	372,895
\$300 Million	8/19/2016	11/9/2022	226,252	280,637
\$250 Million	2/26/2016	12/22/2022	193,674	192,614
\$1.0 Billion	7/10/2012	1/9/2023	305,159	963,495
\$2.5 Billion	12/31/2014	2/22/2023	272,092	3,349,395
\$500 Million	3/7/2019	2/22/2023	124,825	1,230,017
\$500 Million	4/23/2021	4/23/2023	131,439	755,539
\$150 Million	2/29/2012	5/23/2023	132,095	144,534
\$1.0 Billion	10/30/2020	5/25/2023	314,909	1,163,447
\$3.0 Billion	5/9/2019	7/28/2023	1,844,768	4,482,245
\$700 Million	7/24/2020	8/30/2023	330,900	673,471
\$150 Million	9/8/2020	9/18/2023	44,533	913,247
Early Funding:				
\$500 Million (ASAP + - see below)		No expiration	120,496	516,889
\$1.5 Billion (EF - see below)		No expiration	131,858	718,537
			<u>\$ 4,497,353</u>	<u>\$ 15,954,938</u>

All interest rates are variable based on a spread to the one-month LIBOR rate.

¹ An aggregate of \$401.0 million of these line amounts is committed as of June 30, 2022.

We are an approved lender for loan early funding facilities with Fannie Mae through its As Soon As Pooled Plus ("ASAP+") program and Freddie Mac through its Early Funding ("EF") program. As an approved lender for these early funding programs, we enter into an agreement to deliver closed and funded one-to-four family residential mortgage loans, each secured by related mortgages and deeds of trust, and receive funding in exchange for such mortgage loans in some cases before the lender has grouped them into pools to be securitized by Fannie Mae or Freddie Mac. All such mortgage loans must adhere to a set of eligibility criteria to be acceptable. As of June 30, 2022, the amount outstanding through the ASAP+ program was approximately \$120.5 million and \$131.9 million was outstanding under the EF program.

In addition to the arrangements with Fannie Mae and Freddie Mac, we are also party to one early funding (or "gestation") line with a financial institution. Through this arrangement, we enter into agreements to deliver certified pools consisting of mortgage loans securitized by Ginnie Mae, Fannie Mae, and/or Freddie Mac, as applicable, for the gestation line. As with the ASAP+ and EF programs, all mortgage loans under this gestation line must adhere to a set of eligibility criteria.

The gestation line has a transaction limit of \$150.0 million, and it is an evergreen agreement with no stated termination or expiration date but can be terminated by either party upon written notice. As of June 30, 2022, no amount was outstanding under this line.

As of June 30, 2022, the Company had pledged mortgage loans at fair value as collateral under the above warehouse lines of credit. The above agreements also contain covenants which include certain financial requirements, including maintenance of minimum tangible net worth, minimum liquidity, maximum debt to net worth ratio, and net income, as defined in the agreements. The Company was in compliance with all debt covenants as of June 30, 2022.

NOTE 7 – SENIOR NOTES

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

Facility Type	Maturity Date	Interest Rate	Outstanding Balance at June 30, 2022	Outstanding Balance at December 31, 2021
2025 Senior unsecured notes ⁽¹⁾	11/15/2025	5.50 %	\$ 800,000	\$ 800,000
2029 Senior unsecured notes ⁽²⁾	04/15/2029	5.50 %	700,000	700,000
2027 Senior unsecured notes ⁽³⁾	06/15/2027	5.75 %	500,000	500,000
Total Senior Unsecured Notes			\$ 2,000,000	\$ 2,000,000
Weighted average interest rate			5.56 %	5.56 %

⁽¹⁾ Unamortized debt issuance costs and discounts are presented net against the 2025 Senior Notes reducing the amount reported on the condensed consolidated balance sheets by \$7.4 million and \$8.5 million as of June 30, 2022 and December 31, 2021, respectively.

⁽²⁾ Unamortized debt issuance costs and discounts are presented net against the 2029 Senior Notes reducing the amount reported on the condensed consolidated balance sheets by \$5.9 million and \$6.4 million as of June 30, 2022 and December 31, 2021, respectively.

⁽³⁾ Unamortized debt issuance costs and discounts are presented net against the 2027 Senior Notes reducing the amount reported on the condensed consolidated balance sheets by \$4.6 million and \$5.0 million as of June 30, 2022 and December 31, 2021, respectively.

On November 3, 2020, the Company's consolidated subsidiary, UWM, issued \$800.0 million in aggregate principal amount of senior unsecured notes due November 15, 2025 (the "2025 Senior Notes"). The 2025 Senior Notes accrue interest at a rate of 5.500% per annum. Interest on the 2025 Senior Notes is due semi-annually on May 15 and November 15 of each year, beginning on May 15, 2021.

On or after November 15, 2022, the Company may, at its option, redeem the 2025 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: November 15, 2022 at 102.750%; November 15, 2023 at 101.375%; or November 15, 2024 until maturity at 100%, of the principal amount of the 2025 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest. Prior to November 15, 2022, the Company may, at its option, redeem up to 40% of the aggregate principal amount of the 2025 Senior Notes originally issued at a redemption price of 105.500% of the principal amount of the 2025 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest with the net proceeds of certain equity offerings. In addition, the Company may, at its option, redeem the 2025 Senior Notes prior to November 15, 2022 at a price equal to 100% of the principal amount redeemed plus a "make-whole" premium, plus accrued and unpaid interest.

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

On or after April 15, 2024, the Company may, at its option, redeem the 2029 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: April 15, 2024 at 102.750%; April 15, 2025 at 101.375%; or April 15, 2026 until maturity at 100%, of the principal amount of the 2029 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest. Prior to April 15, 2024, the Company may, at its option, redeem up to 40% of the aggregate principal amount of the 2029 Senior Notes originally issued at a redemption price of 105.500% of the principal amount of the 2029 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest with the net proceeds of certain equity offerings. In addition, the Company may, at its option, redeem the 2029 Senior Notes prior to April 15, 2024 at a price equal to 100% of the principal amount redeemed plus a "make-whole" premium, plus accrued and unpaid interest.

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

On or after June 15, 2024, the Company may, at its option, redeem the 2027 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: June 15, 2024 at 102.875%; June

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

The indentures governing the 2025, 2029 and 2027 Senior Notes contain operating covenants and restrictions, subject to a number of exceptions and qualifications. The Company was in compliance with the terms of the indentures as of June 30, 2022.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Representations and Warranties Reserve

Loans sold to investors which the Company believes met investor and agency underwriting guidelines at the time of sale may be subject to repurchase by the Company in the event of specific default by the borrower or upon subsequent discovery that underwriting or documentation standards were not explicitly satisfied. The Company may, upon mutual agreement, indemnify the investor against future losses on such loans or be subject to other guaranty requirements and subject to loss. The Company initially records its exposure under such guarantees at estimated fair value upon the sale of the related loan, within "Accounts payable, accrued expenses, and other" as well as within loan production income, and continues to evaluate its on-going exposures in subsequent periods. The reserve is estimated based on the Company's assessment of its contingent and non-contingent obligations, including expected losses, expected frequency, the overall potential remaining exposure, as well as an estimate for a market participant's potential readiness to stand by to perform on such obligations. The Company repurchased \$100.4 million and \$25.4 million in UPB of loans during the three months ended June 30, 2022 and 2021, respectively, and \$188.6 million and \$66.9 million in UPB of loans during the six months ended June 30, 2022 and 2021, respectively, related to its representations and warranties obligations.

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

	For the three months ended June 30,		For the six months ended June 30,	
	2022	2021	2022	2021
Balance, beginning of period	\$ 84,052	\$ 69,297	\$ 86,762	\$ 69,542
Reserve charged to operations	5,977	11,843	13,739	21,661
Losses realized, net	(19,934)	(3,070)	(30,406)	(13,133)
Balance, end of period	\$ 70,095	\$ 78,070	\$ 70,095	\$ 78,070

Commitments to Originate Loans

As of June 30, 2022, the Company had agreed to extend credit to potential borrowers for approximately \$25.3 billion. These contracts represent off balance sheet credit risk where the Company may be required to extend credit to these borrowers based on the prevailing interest rates and prices at the time of execution.

NOTE 9 – VARIABLE INTEREST ENTITIES

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

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

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

The Company's financial position, performance and cash flows effectively represent those of Holdings LLC and its consolidated subsidiaries as of and for the three and six months ended June 30, 2022.

In 2021, UWM began selling some of the mortgage loans that it originates through private label securitization transactions. In executing these transactions, the Company sells mortgage loans to a securitization trust for cash and, in some cases, retained interests in the trust. The securitization entities are funded through the issuance of beneficial interests in the securitized assets. The beneficial interests take the form of trust certificates, some of which are sold to investors and some of which may be retained by the Company due to regulatory requirements. Retained beneficial interests consist of a 5% vertical interest in the assets of the securitization trusts, in order to comply with the risk retention requirements applicable to certain of the Company's securitization transactions. The Company has elected the fair value option for subsequently measuring the retained beneficial interests in the securitization trusts, and these investments are presented as "Investment securities at fair value, pledged" in the condensed consolidated balance sheet as of June 30, 2022 and December 31, 2021. Changes in the fair value of these retained beneficial interests are reported as part of "Other (income)/expense" in the condensed consolidated statements of operations. The Company also retains the servicing rights on the securitized mortgage loans. The Company has accounted for these transactions as sales of financial assets.

The securitization trusts that purchase the mortgage loans from the Company and securitize those mortgage loans are VIEs, and the Company holds variable interests in certain of these entities. Because the Company does not have the obligation to absorb the VIEs' losses or the right to receive benefits from the VIEs that could potentially be significant to the VIEs, the Company is not the primary beneficiary of these securitization trusts and is not required to consolidate these VIEs. The Company separately entered into sale and repurchase agreements for a portion of the retained beneficial interests in the securitization trusts, which have been accounted for as borrowings against investment securities. As of June 30, 2022, \$123.1 million of the \$125.2 million of investment securities at fair value have been pledged as collateral for these borrowings against investment securities. The outstanding principal balance of these borrowings was approximately \$118.8 million with remaining maturities ranging from approximately one to five months as of June 30, 2022, and interest rates based on twelve-month LIBOR plus a spread. The Company's maximum exposure to loss in these non-consolidated VIEs is limited to the retained beneficial interests in the securitization trusts.

NOTE 10 – NON-CONTROLLING INTERESTS

The non-controlling interest balance represents the economic interest in Holdings LLC held by SFS Corp. The following table summarizes the ownership of units in Holdings LLC as of June 30, 2022:

	Common Units	Ownership Percentage
UWM Holdings Corporation ownership of Class A Common Units	92,539,245	5.8 %
SFS Corp. ownership of Class B Common Units	1,502,069,787	94.2 %
Balance at end of period	1,594,609,032	100.0 %

The non-controlling interest holders have the right to exchange Class B Common Units, together with a corresponding number of shares of our Class D common stock or Class C common stock (together referred to as "Stapled Interests"), for, at the Company's option, (i) shares of the Company's Class B common stock or Class A common stock or (ii) cash from a substantially concurrent public offering or private sale (based on the price of the Company's Class A common stock). As such, future exchanges of Stapled Interests by non-controlling interest holders will result in a change in ownership and reduce or increase the amount recorded as non-controlling interest and increase or decrease additional paid-in-capital or retained earnings when Holdings LLC has positive or negative net assets, respectively. As of June 30, 2022, SFS Corp. has not exchanged any Stapled Interests.

During the six months ended June 30, 2022, the Company issued 926,940 shares of Class A common stock which primarily related to the vesting of RSUs under its stock-based compensation plan and grants to the Company's non-employee directors. This resulted in an equivalent increase in the number of Class A Common Units of Holdings LLC held by the Company, and a re-measurement of the non-controlling interest in Holdings LLC due to the change in relative ownership of Holdings LLC with no change in control. The impact of the re-measurement of the non-controlling interest is reflected in the condensed consolidated statement of changes in equity.

NOTE 11 – REGULATORY NET WORTH REQUIREMENTS

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

UWM is required to maintain a minimum net worth, minimum capital ratio and minimum liquidity requirements established by HUD, Ginnie Mae, Freddie Mac and Fannie Mae. As of June 30, 2022, the most restrictive of these requirements require UWM to maintain a minimum net worth of \$772.7 million, liquidity of \$100.1 million and a minimum capital ratio of 6%. At June 30, 2022, UWM was in compliance with these requirements.

NOTE 12 – FAIR VALUE MEASUREMENTS

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

Fair value measurements are classified in the following manner:

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

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

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

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

The following is a description of measurement techniques for items recorded at fair value on a recurring basis. There were no material items recorded at fair value on a nonrecurring basis as of June 30, 2022 or December 31, 2021.

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

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

MSRs: The fair value of MSRs is determined using a valuation model that calculates the present value of estimated future net servicing cash flows. The model includes estimates of prepayment speeds, discount rate, cost to service, float earnings, contractual servicing fee income, and ancillary income and late fees, among others. These estimates are supported by market and economic data collected from various outside sources. These fair value measurements are classified as Level 3.

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

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

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

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

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

Description	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Assets:				
Mortgage loans at fair value	\$ —	\$ 5,332,383	\$ —	\$ 5,332,383
IRLCs	—	—	67,783	67,783
FLSCs	—	57,296	—	57,296
Investment securities at fair value, pledged	—	125,193	—	125,193
Mortgage servicing rights	—	—	3,736,359	3,736,359
Total assets	\$ —	\$ 5,514,872	\$ 3,804,142	\$ 9,319,013
Liabilities:				
IRLCs	\$ —	\$ —	\$ 19,474	\$ 19,474
FLSCs	—	74,484	—	74,484
Public and Private Warrants	1,911	563	—	2,474
Total liabilities	\$ 1,911	\$ 75,047	\$ 19,474	\$ 96,432

Description	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets:				
Mortgage loans at fair value	\$ —	\$ 17,473,324	\$ —	\$ 17,473,324
IRLCs	—	—	24,899	24,899
FLSCs	—	42,457	—	42,457
Investment securities at fair value, pledged	—	152,263	—	152,263
Mortgage servicing rights	—	—	3,314,952	3,314,952
Total assets	\$ —	\$ 17,668,044	\$ 3,339,851	\$ 21,007,895
Liabilities:				
IRLCs	\$ —	\$ —	\$ 11,138	\$ 11,138
FLSCs	—	25,603	—	25,603
Public and Private Warrants	6,286	3,170	—	9,456
Total liabilities	\$ 6,286	\$ 28,773	\$ 11,138	\$ 46,197

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

Unobservable Input - IRLCs	June 30, 2022	December 31, 2021
Pullthrough rate (weighted avg)	75 %	86 %

Refer to *Note 5 - Mortgage Servicing Rights* for further information on the unobservable inputs used in measuring the fair value of the Company's MSRs and for the roll-forward of MSRs for the three and six months ended June 30, 2022.

Level 3 Issuances and Transfers

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

Other Financial Instruments

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

	June 30, 2022		December 31, 2021	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
2025 Senior Notes, due 11/15/25	\$ 792,608	\$ 690,272	\$ 791,513	\$ 820,232
2029 Senior Notes, due 4/15/29	694,058	531,524	693,623	686,623
2027 Senior Notes, due 6/15/27	495,436	403,695	494,976	500,860
	<u>\$ 1,982,102</u>	<u>\$ 1,625,491</u>	<u>\$ 1,980,112</u>	<u>\$ 2,007,715</u>

The fair value of the 2025, 2029 and 2027 Senior Notes was estimated using Level 2 inputs, including observable trading information in inactive markets.

Due to their nature and respective terms (including the variable interest rates on warehouse and operating lines of credit and borrowings against investment securities), the carrying value of cash and cash equivalents, receivables, payables, equipment notes payable, borrowings against investment securities and warehouse and operating lines of credit approximate their fair value as of June 30, 2022 and December 31, 2021, respectively.

NOTE 13 – RELATED PARTY TRANSACTIONS

The Company has engaged in the following significant related party transactions in the three and six months ended June 30, 2022 and 2021:

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

For the three months ended June 30, 2022 and 2021, the Company made payments of approximately \$9.9 million and \$4.3 million, respectively, to various companies related through common ownership. Such payments were comprised of, (i) with respect to the three months ended June 30, 2022 approximately \$9.7 million in rent and other occupancy related fees and \$0.2 million in legal fees, and (ii) with respect to the three months ended June 30, 2021, approximately \$3.7 million in rent and other occupancy related fees, \$0.2 million in legal fees, and \$0.4 million in other general and administrative expenses.

For the six months ended June 30, 2022 and 2021, the Company made payments of approximately \$15.5 million and \$8.5 million, respectively, to various companies related through common ownership. Such related party payments were comprised of, (i) with respect to the six months ended June 30, 2022, approximately \$15.0 million in rent and other occupancy related fees, \$0.3 million in legal fees, and \$0.2 million in other general and administrative expenses and (ii) with respect to the six months ended June 30, 2021, approximately \$7.6 million in rent and other occupancy related fees, \$0.3 million in legal fees, \$0.1 million in direct origination costs and \$0.4 million in other general and administrative expenses.

NOTE 14 – INCOME TAXES

The Company's income tax expense varies from the expense that would be expected based on statutory rates due principally to its organizational structure, under which the net income attributable to the non-controlling interest is not subject to tax.

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

The tax provision for interim periods is determined using an estimate of the Company's annual effective tax rate, adjusted for discrete items, if any, that arise during the period. Each quarter, the Company updates its estimate of its annual effective tax rate, and if the estimated annual effective tax rate changes, the Company makes a cumulative adjustment in such period. The quarterly tax provision and estimate of the Company's annual effective tax rate are subject to variation due to several factors including variability in pre-tax income (or loss), the mix of jurisdictions to which such income relates, changes in how the Company conducts business, and tax law developments.

For the three months ended June 30, 2022 and 2021, the Company's effective tax rate was 0.36% and 1.04%, respectively. For the six months ended June 30, 2022 and 2021, the Company's effective tax rate was 0.71% and 1.42%, respectively. The variations between the Company's effective tax rate and the U.S. statutory rate are primarily due to the portion (approximately 94%) of the Company's earnings attributable to non-controlling interests, and the fact that the Company's interest in Holdings LLC was acquired as part of the business combination transaction on January 21, 2021.

The Company recognizes deferred tax assets to the extent it believes these assets are more-likely-than-not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent results of operations.

The Company recognizes uncertain income tax positions when it is not more-likely-than-not that a tax position will be sustained upon examination. As of June 30, 2022, the Company has not recognized any uncertain tax positions. The Company accrues interest and penalties related to uncertain tax positions as a component of the income tax provision. No interest or penalties were recognized in income tax expense for the three and six months ended June 30, 2022 or 2021. The Company may be subject to potential examination by U.S. federal or state jurisdiction authorities in the areas of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income amounts in various tax jurisdictions and compliance with U.S. federal or state tax laws. Both 2019 and 2020 remain open under applicable statute of limitations with relevant taxing authorities.

NOTE 15 – STOCK-BASED COMPENSATION

Pursuant to the 2020 Plan, the Company reserved a total of 80,000,000 shares of common stock for issuance of stock-based compensation awards. The Company's Compensation Committee approved, effective April 2, 2021, the issuance of 3.2 million restricted stock units to the Company's team members. These restricted stock units had an aggregate grant date fair value of approximately \$25.2 million. The restricted stock units vest over three years, 33% on each of February 1, 2022 and 2023 and 34% on February 1, 2024. In addition, the Company granted shares to non-employee directors during second quarters of both 2021 and 2022 that were fully vested upon grant.

The following is a summary of RSU activity for the three and six months ended June 30, 2022:

	For the three months ended June 30, 2022		For the six months ended June 30, 2022	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Unvested - beginning of period	1,826,136	\$ 7.75	2,812,320	\$ 7.75
Granted	7,508	4.13	7,508	4.13
Vested	(8,172)	4.42	(926,940)	7.72
Forfeited	(79,796)	7.75	(147,212)	7.75
Unvested - end of period	1,745,676		1,745,676	

The following is a summary of RSU activity for the three and six months ended June 30, 2021:

	For the three and six months ended June 30, 2021	
	Shares	Weighted Average Grant Date Fair Value
Unvested - beginning of period	—	\$ —
Granted	3,193,420	7.75
Vested	(5,170)	7.75
Forfeited	(112,005)	7.75
Unvested-end of period	3,076,245	

Stock-based compensation expense recognized for the three months ended June 30, 2022 and 2021 was \$1.7 million and \$2.3 million, respectively. Stock-based compensation expense recognized for the six months ended June 30, 2022 was \$3.5 million. As of June 30, 2022, there was \$10.8 million of unrecognized compensation expense related to unvested awards which is expected to be recognized over a weighted average period of 1.7 years.

NOTE 16 – EARNINGS PER SHARE

As of June 30, 2022, the Company had two classes of economic shares authorized - Class A and Class B common stock. The Company applies the two-class method for calculating earnings per share for Class A common stock and Class B common stock. In applying the two-class method, the Company allocates undistributed earnings equally on a per share basis between Class A and Class B common stock. According to the Company's certificate of incorporation, the holders of the Class A and Class B common stock are entitled to participate in earnings equally on a per-share basis, as if all shares of common stock were of a single class, and in such dividends as may be declared by the board of directors. RSUs awarded as part of the Company's stock compensation plan are included in weighted-average Class A shares outstanding in the calculation of basic earnings per share once the RSUs are vested and shares are issued.

Basic earnings per share of Class A common stock and Class B common stock is computed by dividing net income attributable to UWM Holdings Corporation by the weighted-average number of shares of Class A common stock and Class B common stock outstanding during the period. Diluted earnings per share of Class A common stock and Class B common stock is computed by dividing net income by the weighted-average number of shares of Class A common stock or Class B common stock, respectively, outstanding adjusted to give effect to potentially dilutive securities. See *Note 10, Non-Controlling Interests* for a description of the Stapled Interests. Refer to *Note 1 - Organization, Basis of Presentation and Summary of Significant Accounting Policies* - for additional information related to the Company's capital structure.

Earnings per share for the six months ended June 30, 2021 is based on earnings for the period from January 21, 2021 to June 30, 2021, which represents the period in which the Company had outstanding Class A common stock. There was no Class B common stock outstanding as of June 30, 2022 or June 30, 2021.

The following table sets forth the calculation of basic and diluted earnings per share for the three and six month periods ended June 30, 2022 and 2021 (in thousands, except shares and per share amounts):

	For the three months ended June 30,		For the six months ended June 30,	
	2022	2021	2022	2021
Net income	\$ 215,445	\$ 138,712	\$ 668,732	\$ 998,717
Net income attributable to non-controlling interests	207,079	130,448	638,436	942,468
Net income attributable to UWMC	8,366	8,264	30,296	56,249
Numerator:				
Net income attributable to Class A common shareholders	\$ 8,366	\$ 8,264	\$ 30,296	\$ 56,249
Net income attributable to Class A common shareholders - diluted	\$ 8,366	\$ 106,824	\$ 515,712	\$ 630,992
Denominator:				
Weighted average shares of Class A common stock outstanding - basic	92,533,620	102,760,823	92,374,988	102,908,906
Weighted average shares of Class A common stock outstanding - diluted	92,533,620	1,605,067,478	1,594,444,775	1,605,215,562
Earnings per share of Class A common stock outstanding - basic	\$ 0.09	\$ 0.08	\$ 0.33	\$ 0.55
Earnings per share of Class A common stock outstanding - diluted	\$ 0.09	\$ 0.07	\$ 0.32	\$ 0.39

For purposes of calculating diluted earnings per share, it was assumed that the 1,502,069,787 shares of Class D common stock were exchanged for Class B common stock and converted to Class A common stock under the if-converted method, and it was determined that the conversion would be anti-dilutive for the three months ended June 30, 2022 and dilutive for the six months ended June 30, 2022. Under the if-converted method, all of the Company's net income for the applicable periods is attributable to Class A common shareholders. The net income of the Company under the if-converted method is calculated using a blended statutory effective tax rate.

The Public and Private Warrants were not in the money and the triggering events for the issuance of earn-out shares were not met during the three or six months ended June 30, 2022 or 2021. Therefore, these potentially dilutive securities were excluded from the computation of diluted earnings per share. Unvested RSUs have been considered in the calculations of diluted earnings per share for the three and six months ended June 30, 2022 and 2021 using the treasury stock method and the impact was either anti-dilutive or immaterial.

NOTE 17 – SUBSEQUENT EVENTS

Subsequent to June 30, 2022, the Company entered into agreements to sell MSRs with an aggregate UPB of approximately \$28.5 billion for proceeds of approximately \$359.0 million.

Subsequent to June 30, 2022, the Board declared a cash dividend of \$0.10 per share on the outstanding shares of Class A common stock. The dividend is payable on October 10, 2022 to stockholders of record at the close of business on September 20, 2022. Additionally, the Board approved a proportional distribution to SFS Corp. of \$150.2 million which is payable on October 10, 2022.

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

The Revolving Credit Agreement contains certain financial and operating covenants and restrictions, subject to a number of exceptions and qualifications, and the availability of funds under the Revolving Credit Facility is subject to our continued compliance with these covenants. The covenants include restrictions on our ability to (1) incur additional non-funding indebtedness unless either (y) the Fixed Charge Coverage Ratio (as defined in the Revolving Credit Agreement) is no less than 3.0 to 1.0 or (z) the Debt-to-Equity Ratio (as defined in the Revolving Credit Agreement) does not exceed 2.0 to 1.0,

(2) merge, consolidate or sell assets, (3) make restricted payments, including distributions, (4) enter into transactions with affiliates, (5) enter into sale and leaseback transactions and (6) incur liens securing indebtedness.

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

The following management's discussion and analysis of our financial condition and results of operations should be read in conjunction with, and is qualified in its entirety by reference to, our condensed consolidated financial statements and the related notes and other information included elsewhere in this Quarterly Report on Form 10-Q (the "Form 10-Q"). This discussion and analysis contains forward-looking statements that involve risks and uncertainties which could cause our actual results to differ materially from those anticipated in these forward-looking statements, including, but not limited to, risks and uncertainties discussed under the heading "Cautionary Note Regarding Forward-Looking Statements," in this report and in Part I. Item 1A. "Risk Factors" included in our Form 10-K filed with the SEC on March 1, 2022. Unless otherwise indicated or the context otherwise requires, when used in this Form 10-Q, the term "UWM" means United Wholesale Mortgage, LLC and "the Company," "we," "our" and "us" refer to UWM Holdings Corporation and our subsidiaries.

Business Overview

We are the second largest direct residential mortgage lender and the largest wholesale mortgage lender in the U.S., originating mortgage loans exclusively through the wholesale channel. With approximately 7,000 team members as of June 30, 2022 and a culture of continuous innovation of technology and enhanced client experience, we lead our market by building upon our proprietary and exclusively licensed technology platforms, superior service and focused partnership with the independent mortgage broker community. We originate primarily conforming and government loans across all 50 states and the District of Columbia. For the last seven years, including the year ended December 31, 2021, we have been the largest wholesale mortgage lender in the U.S. by closed loan volume, with approximately 35% market share of the wholesale channel for the three months ended March 31, 2022 (based on the most recent data released by Inside Mortgage Finance).

Our mortgage origination business derives revenue from originating, processing and underwriting primarily Government-sponsored enterprises ("GSE") conforming mortgage loans, along with FHA, USDA and VA mortgage loans, which are subsequently pooled and sold in the secondary market. During the second quarter of 2021, we began selling pools of originated mortgage loans through private label securitization transactions. The mortgage origination process generally begins with a borrower entering into an IRLC with us that is arranged by an independent mortgage advisor, pursuant to which we have committed to enter into a mortgage at specified interest rates and terms within a specified period of time with a borrower who has applied for a loan and met certain credit and underwriting criteria. As we have committed to providing a mortgage loan at a specific interest rate, we hedge that risk by selling forward-settling mortgage-backed securities and FLSCs in the To Be Announced ("TBA") market. When the mortgage loan is closed, we fund the loan with approximately 2-3%, on average, of our own funds and the remainder with funds drawn under one of our warehouse facilities (except when we opt to "self-warehouse" in which case we use our cash to fund the entire loan). At that point, the mortgage loan is legally owned by our warehouse facility lender and is subject to our repurchase right (other than when we self-warehouse). When we have identified a pool of mortgage loans to sell to the agencies, non-governmental entities, or through our private label securitization transactions, we repurchase loans not already owned by us from our warehouse lender and sell the pool of mortgage loans into the secondary market, but in most instances retain the mortgage servicing rights, or MSR, associated with those loans. We retain MSR for a period of time depending on business and liquidity considerations. When we sell MSR, we typically sell them in the bulk MSR secondary market.

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

New Accounting Pronouncements Not Yet Effective

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

Components of Revenue

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

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

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

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

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

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

Components of operating expenses

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

Three and Six Months Ended June 30, 2022 and 2021 Summary

For the three months ended June 30, 2022, we originated \$29.9 billion in residential mortgage loans, which was a decrease of \$29.3 billion, or 50%, from the three months ended June 30, 2021. We generated \$215.4 million of net income during the three months ended June 30, 2022, which was an increase of \$76.7 million, or 55.3%, compared to net income of \$138.7 million for the three months ended June 30, 2021. Adjusted EBITDA for the three months ended June 30, 2022 was \$95.0 million as compared to \$209.7 million for the three months ended June 30, 2021. Refer to the "*Non-GAAP Financial Measures*" section below for a detailed discussion of how we define and calculate Adjusted EBITDA.

For the six months ended June 30, 2022, we originated \$68.7 billion in residential mortgage loans, which was a decrease of \$39.6 billion, or 37%, from the six months ended June 30, 2021. We generated \$668.7 million of net income during the six months ended June 30, 2022, which was a decrease of \$330.0 million, or 33.0%, compared to net income of \$998.7 million for the six months ended June 30, 2021. Adjusted EBITDA for the six months ended June 30, 2022 was \$223.4 million as compared to \$921.1 million for the six months ended June 30, 2021. Refer to the "*Non-GAAP Financial Measures*" section below for a detailed discussion of how we define and calculate Adjusted EBITDA.

Non-GAAP Financial Measures

To provide investors with information in addition to our results as determined by U.S. GAAP, we disclose Adjusted EBITDA as a non-GAAP measure, which our management believes provides useful information on our performance to investors. This measure is not a measurement of our financial performance under U.S. GAAP, and it may not be comparable to a similarly titled measure reported by other companies. Adjusted EBITDA has limitations as an analytical tool, and it should not be considered in isolation or as an alternative to revenue, net income or any other performance measures derived in accordance with U.S. GAAP or as an alternative to cash flows from operating activities as a measure of our liquidity.

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

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

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

(\$ in thousands)	For the three months ended June 30,		For the six months ended June 30,	
	2022	2021	2022	2021
Net income	\$ 215,445	\$ 138,712	\$ 668,732	\$ 998,717
Interest expense on non-funding debt	29,692	22,292	59,250	38,635
Provision for income taxes	769	1,462	4,814	14,348
Depreciation and amortization	11,181	8,353	22,096	15,642
Stock-based compensation expense	1,676	2,327	3,504	2,327
Change in fair value of MSRs due to valuation inputs or assumptions ⁽¹⁾	(176,456)	38,035	(567,436)	(159,767)
Deferred compensation, net ⁽²⁾	3,125	—	15,377	30,000
Change in fair value of Public and Private Warrants ⁽³⁾	(2,850)	(1,530)	(6,982)	(18,834)
Change in Tax Receivable Agreement liability ⁽⁴⁾	2,500	—	3,200	—
Change in fair value of investment securities ⁽⁵⁾	9,912	—	20,846	—
Adjusted EBITDA	\$ 94,994	\$ 209,651	\$ 223,401	\$ 921,068

(1) Reflects the change ((increase)/decrease) in fair value due to changes in valuation inputs or assumptions, including discount rates and prepayment speed assumptions, primarily due to changes in market interest rates. Refer to *Note 5 - Mortgage Servicing Rights* to the condensed consolidated financial statements.

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

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

(4) Reflects the change (increase/(decrease)) in the Tax Receivable Agreement liability. Refer to *Note 1 - Organization, Basis of Presentation and Summary of Significant Accounting Policies* to the condensed consolidated financial statements for additional information related to the Tax Receivable Agreement.

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

Results of Operations for the Three and Six Months Ended June 30, 2022 and 2021

(\$ in thousands)	For the three months ended June 30,		For the six months ended June 30,	
	2022	2021	2022	2021
Revenue				
Loan production income	\$ 296,535	\$ 479,274	\$ 680,406	\$ 1,553,939
Loan servicing income	179,501	145,278	378,066	269,067
Change in fair value of mortgage servicing rights	26,169	(219,104)	198,132	(278,363)
Gain on sale of mortgage servicing rights	—	10	—	4,773
Interest income	62,020	79,194	129,415	125,106
Total revenue, net	564,225	484,652	1,386,019	1,674,522
Expenses				
Salaries, commissions and benefits	138,983	172,951	299,592	386,012
Direct loan production costs	25,757	15,518	52,475	28,680
Marketing, travel, and entertainment	20,625	11,330	33,462	21,825
Depreciation and amortization	11,181	8,353	22,096	15,642
General and administrative	39,909	42,116	78,232	58,894
Servicing costs	44,435	23,067	91,619	43,575
Interest expense	57,559	72,673	117,933	125,663
Other expense/(income)	9,562	(1,530)	17,064	(18,834)
Total expenses	348,011	344,478	712,473	661,457
Earnings before income taxes	216,214	140,174	673,546	1,013,065
Provision for income taxes	769	1,462	4,814	14,348
Net income	215,445	138,712	668,732	998,717
Net income attributable to non-controlling interest	207,079	130,448	638,436	942,468
Net income attributable to UWM Holdings Corporation	\$ 8,366	\$ 8,264	\$ 30,296	\$ 56,249

Loan production income

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

Loan Production Data: (\$ in thousands)	For the three months ended June 30,		For the six months ended June 30,	
	2022	2021	2022	2021
Loan origination volume by type				
Conventional conforming	\$ 19,780,243	\$ 47,582,473	\$ 48,162,227	\$ 91,516,744
FHA/VA/USDA	7,553,455	5,739,370	15,235,401	10,880,628
Non-agency	2,548,111	5,888,904	5,296,510	5,907,614
Total loan origination volume	\$ 29,881,809	\$ 59,210,747	\$ 68,694,138	\$ 108,304,986
Portfolio metrics				
Average loan amount	\$ 377	\$ 353	\$ 369	\$ 335
Weighted average loan-to-value ratio	80.06 %	71.78 %	77.24 %	70.87 %
Weighted average credit score	737	752	740	754
Weighted average note rate	4.83 %	2.98 %	4.05 %	2.87 %
Percentage of loans sold				
To GSEs	92 %	87 %	93 %	93 %
To other counterparties	8 %	13 %	7 %	7 %
Servicing-retained	95 %	100 %	97 %	100 %
Servicing-released	5 %	— %	3 %	— %

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

(\$ in thousands)	For the three months ended June 30,		Change \$	Change %
	2022	2021		
Primary gain (loss)	\$ (173,691)	\$ (211,694)	\$ 38,003	(18.0)%
Loan origination fees	63,525	121,585	(58,060)	(47.8)%
Provision for representation and warranty obligations	(5,977)	(11,843)	5,866	(49.5)%
Capitalization of MSR's	412,678	581,226	(168,548)	(29.0)%
Loan production income	\$ 296,535	\$ 479,274	\$ (182,739)	(38.1)%

(\$ in thousands)	For the six months ended June 30,		Change \$	Change %
	2022	2021		
Primary gain (loss)	\$ (513,659)	\$ 160,991	\$ (674,650)	(419.1)%
Loan origination fees	149,689	233,994	(84,305)	(36.0)%
Provision for representation and warranty obligations	(13,739)	(21,661)	7,922	(36.6)%
Capitalization of MSR's	1,058,115	1,180,615	(122,500)	(10.4)%
Loan production income	\$ 680,406	\$ 1,553,939	\$ (873,533)	(56.2)%

Loan production income was \$296.5 million for the three months ended June 30, 2022, a decrease of \$182.7 million, or 38.1%, as compared to \$479.3 million for the three months ended June 30, 2021. The decrease in loan production income was primarily driven by a decrease in loan production volume, offset partially by an increase in gain margin. Loan production volume decreased \$29.3 billion, or 50%, from \$59.2 billion to \$29.9 billion during the three months ended June 30, 2022, as compared to the same period in 2021. The decline in loan production volume was primarily driven by a rising interest rate environment during the period as well as increased marketplace competition. Gain margin increased by 18 basis points, from 81 basis points for the three months ended June 30, 2021 to 99 basis points for the same period in 2022. The increase in gain margin was due, in part, to a slight increase in the primary/secondary mortgage interest rate spread, and higher MSR capitalization rates resulting from the rising interest rate environment.

Loan production income was \$680.4 million for the six months ended June 30, 2022, a decrease of \$873.5 million, or 56.2%, as compared to \$1.55 billion for the six months ended June 30, 2021. The decrease in loan production income was primarily driven by a decrease in loan production volume, along with a decrease of 44 basis points in gain margin, from 143 basis points for the six months ended June 30, 2021 to 99 basis points for the same period in 2022. Loan production volume decreased \$39.6 billion, or 37%, from \$108.3 billion to \$68.7 billion during the six months ended June 30, 2022, as compared to the same period in 2021. The decline in loan production volume from the prior year period was due to the same reasons mentioned in the three months analysis. The decrease in gain margin was due to a decline in the primary/secondary mortgage interest rate spread, as well as increased marketplace competition, partially offset by higher MSR capitalization rates resulting from the rising interest rate environment.

Loan servicing income

The table below summarizes loan servicing income for each of the periods presented:

(\$ in thousands)	For the three months ended June 30,		Change \$	Change %
	2022	2021		
Contractual servicing fees	\$ 177,375	\$ 143,947	\$ 33,428	23.2 %
Late, ancillary and other fees	2,126	1,331	795	59.7 %
Loan servicing income	\$ 179,501	\$ 145,278	\$ 34,223	23.6 %

(\$ in thousands)	For the six months ended June 30,		Change \$	Change %
	2022	2021		
Contractual servicing fees	\$ 373,325	\$ 266,253	\$ 107,072	40.2 %
Late, ancillary and other fees	4,741	2,814	1,927	68.5 %
Loan servicing income	\$ 378,066	\$ 269,067	\$ 108,999	40.5 %

(\$ in thousands)	For the three months ended June 30,		For the six months ended June 30,	
	2022	2021	2022	2021
Average UPB of loans serviced	\$ 301,939,370	\$ 238,976,884	\$ 310,612,659	\$ 221,709,217
Average number of loans serviced	940,716	774,055	970,580	717,008

Loan servicing income was \$179.5 million for the three months ended June 30, 2022, an increase of \$34.2 million, or 23.6%, as compared to \$145.3 million for the three months ended June 30, 2021. The increase in loan servicing income during the three months ended June 30, 2022 was primarily driven by the increased average servicing portfolio.

Loan servicing income was \$378.1 million for the six months ended June 30, 2022, an increase of \$109.0 million, or 40.5%, as compared to \$269.1 million for the six months ended June 30, 2021. The increase in loan servicing income during the six months ended June 30, 2022 was primarily driven by the increased average servicing portfolio.

For the periods presented below, our loan servicing portfolio consisted of the following:

(\$ in thousands)	June 30, 2022	December 31, 2021
UPB of loans serviced	308,093,311	319,807,457
Number of loans serviced	958,310	1,017,027
MSR portfolio delinquency count (60+ days) as % of total	0.69 %	0.81 %
Weighted average note rate	3.19 %	2.94 %
Weighted average service fee	0.2664 %	0.2624 %

Change in Fair Value of Mortgage Servicing Rights

The change in fair value of MSR was a net increase of \$26.2 million for the three months ended June 30, 2022 as compared with a net decrease of \$219.1 million for the three months ended June 30, 2021. The change in fair value for the three months ended June 30, 2022 was primarily attributable to an increase of approximately \$176.5 million due to changes in valuation inputs/assumptions, mainly as a result of higher interest rates, partially offset by a decline in fair value of approximately \$150.8 million due to realization of cash flows and decay (including loans paid in full). The decline in fair value for the three months ended June 30, 2021 of \$219.1 million was attributable to declines of approximately \$181.1 million due to realization of cash flows and decay (including loans paid in full), and approximately \$38.0 million due to changes in valuation inputs/assumptions.

The change in fair value of MSR was a net increase of \$198.1 million for the six months ended June 30, 2022 as compared with a net decrease of \$278.4 million for the six months ended June 30, 2021. The change in fair value for the six months ended June 30, 2022 was primarily attributable to an increase of approximately \$567.4 million due to changes in valuation inputs/assumptions, mainly as a result of higher interest rates, partially offset by a decline in fair value of approximately \$331.3 million due to realization of cash flows and decay and approximately \$38.4 million of reserves and transaction costs for bulk MSR sales. The net decrease in fair value for the six months ended June 30, 2021 of approximately \$278.4 million, was attributable to declines of approximately \$438.1 million due to realization of cash flows and decay (including loans paid in full), offset by an increase of approximately \$159.8 million resulting from changes in valuation inputs/assumptions, such as changes in interest rates.

Interest income

Interest income was \$62.0 million for the three months ended June 30, 2022, a decrease of \$17.2 million, or 21.7%, as compared to \$79.2 million for the three months ended June 30, 2021. This decrease was primarily driven by decreases in the average balances of mortgage loans at fair value, partially offset by increased interest rates year over year.

Interest income was \$129.4 million for the six months ended June 30, 2022, an increase of \$4.3 million, or 3%, as compared to \$125.1 million for the six months ended June 30, 2021. This increase was primarily driven by increases in interest rates year over year, partially offset by the decrease in average balances of mortgage loans at fair value.

Expenses

Expenses for the periods presented were as follows:

	For the three months ended June 30,		Change \$	Change %
	2022	2021		
Salaries, commissions and benefits	\$ 138,983	\$ 172,951	\$ (33,968)	(19.6)%
Direct loan production costs	25,757	15,518	10,239	66.0 %
Marketing, travel, and entertainment	20,625	11,330	9,295	82.0 %
Depreciation and amortization	11,181	8,353	2,828	33.9 %
General and administrative	39,909	42,116	(2,207)	(5.2)%
Servicing costs	44,435	23,067	21,368	92.6 %
Interest expense	57,559	72,673	(15,114)	(20.8)%
Other (income)/expense	9,562	(1,530)	11,092	(725.0)%
Total expenses	\$ 348,011	\$ 344,478	\$ 3,533	1.0 %

	For the six months ended June 30,		Change \$	Change %
	2022	2021		
Salaries, commissions and benefits	\$ 299,592	\$ 386,012	\$ (86,420)	(22.4)%
Direct loan production costs	52,475	28,680	23,795	83.0 %
Marketing, travel, and entertainment	33,462	21,825	11,637	53.3 %
Depreciation and amortization	22,096	15,642	6,454	41.3 %
General and administrative	78,232	58,894	19,338	32.8 %
Servicing costs	91,619	43,575	48,044	110.3 %
Interest expense	117,933	125,663	(7,730)	(6.2)%
Other (income)/expense	17,064	(18,834)	35,898	(190.6)%
Total expenses	\$ 712,473	\$ 661,457	\$ 51,016	7.7 %

Total expenses

Total expenses were \$348.0 million for the three months ended June 30, 2022, an increase of \$3.5 million, or 1.0%, as compared to \$344.5 million for the three months ended June 30, 2021. The increase was primarily due to an increase in servicing costs of \$21.4 million, resulting from the increase in the average servicing portfolio and additional loss mitigation expenses. Other (income)/expense increased \$11.1 million, primarily due to a decline in the fair value of investment securities retained from the private label securitization transactions executed during the second half of 2021. Direct loan production costs increased \$10.2 million, primarily due to a change in presentation whereby certain loan origination fees are being presented on a gross basis (within loan production income and direct loan production costs) beginning in the fourth quarter of 2021. Marketing, travel and entertainment expenses increased \$9.3 million, due to increased broker promotions, advertising and brand marketing costs. These increases were partially offset by a decrease in salaries, commissions and benefits of \$34.0 million, or 19.6%, resulting from decreases in incentive compensation (primarily bonuses and commissions), attributable to decreased loan production and a decrease in average headcount arising from normal attrition. Interest expense decreased \$15.1 million primarily due to the lower interest expense on warehouse borrowings from decreased loan production and loans at fair value, partially offset by increases in interest expense on the \$500.0 million of 2027 Senior Notes issued in November 2021.

Total expenses were \$712.5 million for the six months ended June 30, 2022, an increase of \$51.0 million, or 7.7%, as compared to \$661.5 million for the six months ended June 30, 2021. The increase was primarily attributable to an increase in servicing costs of \$48.0 million due to the same reasons mentioned above. Other (income)/expense increased \$35.9 million, primarily due to decline in fair value of retained investment securities and a smaller decline in the fair value of the Public and Private Warrants. General and administrative expenses increased \$19.3 million, primarily as a result of a reduction of a contingency reserve which was recorded in the six months ended June 30, 2021. Direct loan production costs increased \$23.8 million due primarily to the same reasons mentioned above. Marketing, travel and entertainment expenses increased \$11.6 million for the same reasons mentioned above. These increases in expenses were partially offset by a decrease in salaries, commissions and benefits of \$86.4 million, or 22.4%, primarily attributable to the same reasons mentioned in the above analysis, and a decrease in interest expense of \$7.7 million due to the lower interest expense on warehouse borrowings from decreased loan production and loans at fair value.

Income Taxes

We recorded a \$0.8 million provision for income taxes during the three months ended June 30, 2022 compared to a provision for income taxes of \$1.5 million for the three months ended June 30, 2021. We recorded a \$4.8 million provision for income taxes during the six months ended June 30, 2022, compared to a provision for income taxes of \$14.3 million for the six

months ended June 30, 2021. The decreases in income tax provision year-over-year were primarily due to the decreases in pre-tax income attributable to the Company.

Net income

Net income was \$215.4 million for the three months ended June 30, 2022, an increase of \$76.7 million or 55.3%, as compared to \$138.7 million for the three months ended June 30, 2021. The increase in net income was primarily the result of the increase in total revenue, net of \$79.6 million, partially offset by a net increase in total expenses (including income taxes) of \$2.8 million, as further described above.

Net income was \$668.7 million for the six months ended June 30, 2022, a decrease of \$330.0 million or 33.0%, as compared to \$998.7 million for the six months ended June 30, 2021. The decrease in net income was primarily the result of a decrease in total revenue, net of \$288.5 million, and a net increase in total expenses (including income taxes) of \$41.5 million, as further described above.

Net income attributable to the Company of \$8.4 million and \$30.3 million for the three and six months ended June 30, 2022, respectively, and net income attributable to the Company of \$8.3 million for the three months ended June 30, 2021 reflects the net income of UWM attributable to the Company due to its approximate 6% ownership interest in Holdings LLC for these respective periods. Net income attributable to the Company of \$56.2 million for the six months ended June 30, 2021 reflects the net income of UWM attributable to the Company due to its approximate 6% ownership interest in Holdings LLC for the period from January 21, 2021 through June 30, 2021.

Liquidity and Capital Resources

Overview

Historically, our primary sources of liquidity have included:

- borrowings including under our warehouse facilities and other financing facilities;
- cash flow from operations and investing activities, including:
 - sale or securitization of loans into the secondary market;
 - loan origination fees;
 - servicing fee income;
 - interest income on mortgage loans; and
 - sale of MSRs.

Historically, our primary uses of funds have included:

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

We are also subject to contingencies which may have a significant impact on the use of our cash.

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

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

Loan Funding Facilities

Warehouse facilities

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

When we sell or securitize a pool of loans, the proceeds we receive from the sale or securitization of the loans are used to pay back the amounts we owe on the warehouse facilities. The remaining funds received then become available to be re-advanced to originate additional loans. We are dependent on the cash generated from the sale or securitization of loans to fund future loans and repay borrowings under our warehouse facilities. Delays or failures to sell or securitize loans in the secondary market could have an adverse effect on our liquidity position.

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

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

Warehouse lenders generally conduct daily evaluations of the adequacy of the underlying collateral for the warehouse loans based on the fair value of the mortgage loans. As the loans are generally financed at 97% to 98% of principal balance and our loans are typically outstanding on warehouse lines for short periods (e.g., less than one month), significant increases in market interest rates would be required for us to experience margin calls from a majority of our warehouse lenders. When considering the full fair value of the loans, the required decline is even more significant. Typically, we do not receive margin calls on a majority of our warehouse lines. Four of our warehouse lines advance based on the fair value of the loans, rather than principal balance. For those lines, we exchange collateral for modest changes in value. As of June 30, 2022, there were no outstanding exchanges of collateral.

The amount owed and outstanding on our warehouse facilities fluctuates based on our origination volume, the amount of time it takes us to sell the loans we originate, our cash on hand, and our ability to obtain additional financing. From time to time, we will increase or decrease the size of the lines to reflect anticipated increases or decreases in volume, strategies regarding the timing of sales of mortgages to the GSEs or secondary markets and costs associated with not utilizing the lines. We reserve the right to arrange for the early payment of outstanding loans and advances from time to time. As of June 30, 2022, the self-warehouse amount was \$221.8 million. As we accumulate loans, a significant portion of our total warehouse facilities may be utilized to fund loans.

The table below reflects the current line amounts of our principal warehouse facilities and the amounts advanced against those lines as of June 30, 2022:

Facility Type	Collateral	Line Amount as of June 30, 2022 ¹	Date of Initial Agreement With Warehouse Lender	Current Agreement Expiration Date	Total Advanced Against Line as of June 30, 2022 (in thousands)
MRA Funding:					
Master Repurchase Agreement	Mortgage Loans	\$200 Million	3/30/2018	9/5/2022	\$ 101,877
Master Repurchase Agreement	Mortgage Loans	\$400 Million	8/21/2012	10/20/2022	222,476
Master Repurchase Agreement	Mortgage Loans	\$300 Million	8/19/2016	11/9/2022	226,252
Master Repurchase Agreement	Mortgage Loans	\$250 Million	2/26/2016	12/22/2022	193,674
Master Repurchase Agreement	Mortgage Loans	\$1.0 Billion	7/10/2012	1/9/2023	305,159
Master Repurchase Agreement	Mortgage Loans	\$2.5 Billion	12/31/2014	2/22/2023	272,092
Master Repurchase Agreement	Mortgage Loans	\$500 Million	3/7/2019	2/22/2023	124,825
Master Repurchase Agreement	Mortgage Loans	\$500 Million	4/23/2021	4/23/2023	131,439
Master Repurchase Agreement	Mortgage Loans	\$150 Million	2/29/2012	5/23/2023	132,095
Master Repurchase Agreement	Mortgage Loans	\$1.0 Billion	10/30/2020	5/25/2023	314,909
Master Repurchase Agreement	Mortgage Loans	\$3.0 Billion	5/9/2019	7/28/2023	1,844,768
Master Repurchase Agreement	Mortgage Loans	\$700 Million	7/24/2020	8/30/2023	330,900
Master Repurchase Agreement	Mortgage Loans	\$150 Million	9/8/2020	9/18/2023	44,533
Early Funding:					
Master Repurchase Agreement	Mortgage Loans	\$500 Million (ASAP+ - see below)		No expiration	120,496
Master Repurchase Agreement	Mortgage Loans	\$1.5 Billion (EF - see below)		No expiration	131,858
					\$ 4,497,353

¹ An aggregate of \$401.0 million of these line amounts is committed as of June 30, 2022.

Early Funding Programs

We are an approved lender for loan early funding facilities with Fannie Mae through its As Soon As Pooled Plus (“ASAP+”) program and Freddie Mac through its Early Funding (“EF”) program. As an approved lender for these early funding programs, we enter into an agreement to deliver closed and funded one-to-four family residential mortgage loans, each secured by related mortgages and deeds of trust, and receive funding in exchange for such mortgage loans in some cases before the lender has grouped them into pools to be securitized by Fannie Mae or Freddie Mac. All such mortgage loans must adhere to a set of eligibility criteria to be acceptable. As of June 30, 2022, the amount outstanding through the ASAP+ program was approximately \$120.5 million and \$131.9 million was outstanding under the EF program.

In addition to the arrangements with Fannie Mae and Freddie Mac, we are also party to one early funding (or “gestation”) line with a financial institution. Through this arrangement, we enter into agreements to deliver certified pools consisting of mortgage loans securitized by Ginnie Mae, Fannie Mae, and/or Freddie Mac, as applicable, for the gestation line. As with the ASAP+ and EF programs, all mortgage loans under this gestation line must adhere to a set of eligibility criteria.

The gestation line has a transaction limit of \$150.0 million, and it is an evergreen agreement with no stated termination or expiration date that can be terminated by either party upon written notice. As of June 30, 2022, no amount was outstanding under this line.

Covenants

Our warehouse facilities also generally require us to comply with certain operating and financial covenants and the availability of funds under these facilities is subject to, among other conditions, our continued compliance with these covenants. These financial covenants include, but are not limited to, maintaining (i) a certain minimum tangible net worth, (ii) minimum liquidity, (iii) a maximum ratio of total liabilities or total debt to tangible net worth, and (iv) pre-tax net income requirements. A breach of these covenants can result in an event of default under these facilities and as such would allow the lenders to pursue certain remedies. In addition, each of these facilities, as well as our unsecured lines of credit, includes cross default or cross acceleration provisions that could result in all facilities terminating if an event of default or acceleration of maturity occurs under any facility. We were in compliance with all covenants under these facilities as of June 30, 2022.

Other Financing Facilities

Senior Notes

On November 3, 2020, our consolidated subsidiary, UWM, issued \$800.0 million in aggregate principal amount of senior unsecured notes due November 15, 2025 (the “2025 Senior Notes”). The 2025 Senior Notes accrue interest at a rate of 5.500% per annum. Interest on the 2025 Senior Notes is due semi-annually on May 15 and November 15 of each year, beginning on May 15, 2021. We used approximately \$500.0 million of the net proceeds from the offering of 2025 Senior Notes for general corporate purposes to fund future growth and distributed the remainder to SFS Corp. for tax distributions.

On or after November 15, 2022, we may, at our option, redeem the 2025 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: November 15, 2022 at 102.750%; November 15, 2023 at 101.375%; or November 15, 2024 until maturity at 100.000%, of the principal amount of the 2025 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest. Prior to November 15, 2022, we may, at our option, redeem up to 40% of the aggregate principal amount of the 2025 Senior Notes originally issued at a redemption price of 105.500% of the principal amount of the 2025 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest with the net proceeds of certain equity offerings. In addition, we may, at our option, redeem the 2025 Senior Notes prior to November 15, 2022 at a price equal to 100% of the principal amount redeemed plus a “make-whole” premium, plus accrued and unpaid interest.

On April 7, 2021, our consolidated subsidiary, UWM, issued \$700.0 million in aggregate principal amount of senior unsecured notes due April 15, 2029 (the “2029 Senior Notes”). The 2029 Senior Notes accrue interest at a rate of 5.500% per annum. Interest on the 2029 Senior Notes is due semi-annually on April 15 and October 15 of each year, beginning on October 15, 2021. We used a portion of the proceeds from the issuance of the 2029 Senior Notes to pay off and terminate the \$400.0 million line of credit, effective April 20, 2021, and the remainder for general corporate purposes.

On or after April 15, 2024, we may, at our option, redeem the 2029 Senior Notes in whole or in part during the twelve-month period beginning on the following dates at the following redemption prices: April 15, 2024 at 102.750%; April 15, 2025 at 101.375%; or April 15, 2026 until maturity at 100.000%, of the principal amount of the 2029 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest. Prior to April 15, 2024, we may, at our option, redeem up to 40% of the aggregate principal amount of the 2029 Senior Notes originally issued at a redemption price of 105.500% of the principal amount of the 2029 Senior Notes to be redeemed on the redemption date plus accrued and unpaid interest with the net proceeds of certain equity offerings. In addition, we may, at our option, redeem the 2029 Senior Notes prior to April 15, 2024 at a price equal to 100% of the principal amount redeemed plus a “make-whole” premium, plus accrued and unpaid interest.

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

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

The indentures governing the 2025 Senior Notes, the 2029 Senior Notes, and the 2027 Senior Notes contain certain operating covenants and restrictions, subject to a number of exceptions and qualifications, including restrictions on our ability to (1) incur additional non-funding indebtedness unless either (y) the Fixed Charge Coverage Ratio (as defined in the applicable indenture) is no less than 3.0 to 1.0 or (z) the Debt-to-Equity Ratio (as defined in the applicable indenture) does not exceed 2.0 to 1.0, (2) merge, consolidate or sell assets, (3) make restricted payments, including distributions, (4) enter into transactions with affiliates, (5) enter into sale and leaseback transactions and (6) incur liens securing indebtedness. We were in compliance with the terms of these indentures as of June 30, 2022.

Revolving Credit Facility

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

The Revolving Credit Agreement contains certain financial and operating covenants and restrictions, subject to a number of exceptions and qualifications, and the availability of funds under the Revolving Credit Facility is subject to our continued compliance with these covenants. The covenants include restrictions on our ability to (1) incur additional non-funding indebtedness unless either (y) the Fixed Charge Coverage Ratio (as defined in the Revolving Credit Agreement) is no less than 3.0 to 1.0 or (z) the Debt-to-Equity Ratio (as defined in the Revolving Credit Agreement) does not exceed 2.0 to 1.0, (2) merge, consolidate or sell assets, (3) make restricted payments, including distributions, (4) enter into transactions with affiliates, (5) enter into sale and leaseback transactions and (6) incur liens securing indebtedness.

Borrowings Against Investment Securities

In 2021, the Company's consolidated subsidiary, UWM, began selling some of the mortgage loans that it originates through private label securitization transactions. In executing these transactions, the Company sells mortgage loans to a securitization trust for cash and, in some cases, retained interests in the trust. The securitization entities are funded through the issuance of beneficial interests in the securitized assets. The beneficial interests take the form of trust certificates, some of which are sold to investors and some of which may be retained by the Company due to regulatory requirements. The Company entered into sale and repurchase agreements for a portion of the retained beneficial interests in the securitization trusts established to facilitate its private label securitization transactions which have been accounted for as borrowings against investment securities. As of June 30, 2022, we had \$118.8 million outstanding under individual trades executed pursuant to a master repurchase agreement with a counterparty which is collateralized by the investment securities (beneficial interests in the trusts) that we retained due to regulatory requirements. The borrowings against investment securities have remaining terms ranging from one to five months as of June 30, 2022, and interest rates based on twelve-month LIBOR plus a spread. We intend to renew these sale and repurchase agreements upon their maturity during the required holding period for the retained investment securities.

The counterparty under these sale and repurchase agreements conducts daily evaluations of the adequacy of the underlying collateral based on the fair value of the retained investment securities less specified haircuts. These investment securities are financed on average at approximately 80% of the outstanding principal balance, and exchanges of cash collateral are required if the fair value of the retained investment securities less the haircut is less than the principal balance plus accrued interest on the secured borrowings. As of June 30, 2022, the Company had delivered \$12.3 million of collateral to the counterparty under these sale and repurchase agreements.

Finance Leases

As of June 30, 2022, our finance lease liabilities were \$51.4 million, \$28.6 million of which relates to leases with related parties. The Company's financing lease agreements have remaining terms ranging from approximately three months to fourteen years.

Cash flow data for the six months ended June 30, 2022 and 2021

(\$ in thousands)	For the six months ended June 30,	
	2022	2021
Net cash provided by (used in) operating activities	\$ 11,360,701	\$ (4,345,957)
Net cash provided by (used in) investing activities	802,591	(29,565)
Net cash (used in) provided by financing activities	(11,935,724)	4,199,862
Net increase in cash and cash equivalents	\$ 227,568	\$ (175,660)
Cash and cash equivalents at the end of the period	958,656	1,048,177

Net cash provided by (used in) operating activities

Net cash provided by operating activities was \$11.36 billion for the six months ended June 30, 2022 compared to net cash used in operating activities of \$4.35 billion for the same period in 2021. The increase in cash flows from operating activities was primarily driven by the decrease in mortgage loans at fair value for the six months ended June 30, 2022, as compared to the increase in mortgage loans and fair value for the six months ended June 30, 2021, partially offset by a decrease in net income in for the six months ended June 30, 2022 compared to the six months ended June 30, 2021, adjusted for non-cash items. The early roll-out of increased conforming loan size limits and the aggregation of loans for private label securitization transactions materially increased mortgage loans at fair value as of December 31, 2021, which were sold in early January 2022, returning the mortgage loans at fair value balance to a more normalized level as of June 30, 2022.

Net cash provided by (used in) investing activities

Net cash provided by investing activities was \$802.6 million for the six months ended June 30, 2022 compared to \$29.6 million of net cash used in investing activities for the same period in 2021. The increase in cash flows provided by investing activities was primarily driven by an increase in proceeds from the sales of MSRs.

Net cash (used in) provided by financing activities

Net cash used in financing activities was \$11.94 billion for the six months ended June 30, 2022 compared to cash provided by financing activities of \$4.20 billion for the same period in 2021. The change year over year was primarily driven by a net decrease in borrowings under the warehouse lines of credit for the six months ended June 30, 2022, driven by the decrease in loans at fair value, as compared to a net increase in borrowings under the warehouse lines of credit for the six months ended June 30, 2021 due to the increase in loans at fair value. The six months ended June 30, 2021 also included the impacts of the business combination transaction (net proceeds and distributions to SFS Corp.), proceeds from the issuance of the 2029 Senior Notes and the repayment of the secured line of credit.

The early roll-out of increased conforming loan size limits and the aggregation of loans for private label securitization transactions materially increased the warehouse line of credit balances as of December 31, 2021, which were paid down in early January 2022 in connection with the sale of the mortgage loans, returning these balances to more normalized levels as of June 30, 2022.

Contractual Obligations

Cash requirements from contractual and other obligations

As of June 30, 2022, our material cash requirements from known contractual and other obligations include interest and principal payments under our Senior Notes, principal payments under our borrowings against investment securities, and payments under our financing and operating lease agreements. There have been no material changes in the cash requirements from known contractual and other obligations since December 31, 2021.

During the second quarter of 2022, the Board declared a dividend of \$0.10 per share of Class A Common Stock for an aggregate of \$9.3 million. Concurrently with this declaration, the Board, in its capacity as the Manager of Holdings LLC, under the Holdings LLC Second Amended and Restated Operating Agreement, approved a proportional distribution of \$150.2 million from Holdings LLC to SFS Corp. with respect to the Class B Units of Holdings LLC. The dividend and the distribution were paid on July 11, 2022.

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

Repurchase and indemnification obligations

Loans sold to investors which we believe met investor and agency underwriting guidelines at the time of sale may be subject to repurchase in the event of specific default by the borrower or subsequent discovery that underwriting or documentation standards were not explicitly satisfied. We establish a reserve which is estimated based on our assessment of its contingent and non-contingent obligations, including expected losses, expected frequency, the overall potential remaining exposure, as well as an estimate for a market participant's potential readiness to stand by to perform on such obligations. See *Note 8 - Commitments and Contingencies* to the condensed consolidated financial statements for further information.

Interest rate lock commitments, loan sale and forward commitments

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

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

(\$ in thousands)	June 30, 2022	December 31, 2021
Interest rate lock commitments—fixed rate (a)	\$ 11,026,179	\$ 13,402,401
Interest rate lock commitments—variable rate (a)	110,013	48,566
Commitments to sell loans	1,535,817	3,130,203
Forward commitments to sell mortgage-backed securities	13,789,784	25,756,975

(a) Adjusted for pullthrough rates of 75% and 86%, respectively.

As of June 30, 2022, we had sold \$1.6 billion of loans to a global insured depository institution and assigned the related trades to deliver the applicable loans into securities for end investors for settlement in July 2022.

Critical Accounting Estimates and Use of Significant Estimates

Preparation of financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. We have identified certain accounting estimates as being critical because they require management's judgement to make difficult, subjective or complex judgements about matters that are uncertain. Actual results could differ and the use of other assumptions or estimates could result in material differences in our condensed consolidated financial statements. Our critical accounting policies and estimates relate to accounting for mortgage loans held at fair value and revenue recognition, mortgage servicing rights, derivative financial instruments and representations and warranties reserve. There were no significant changes to our policies, methodologies, or processes used in applying our critical accounting estimates from what was described in our 2021 Annual Report on Form 10-K.

Cautionary Note Regarding Forward-Looking Statements

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

- the future financial performance of our business;
- changes in the market for our services;
- expansion plans and opportunities;
- our future growth, including our pace of loan originations;
- our current infrastructure, client-based business strategies, strategic initiatives and product pipeline;
- expectations regarding the impact and timing of discontinuation of LIBOR on our warehouse facilities;
- the impact of interest rate risk on our business;
- our ability to renew our sale and repurchase agreements;
- our accounting policies and recent amendments to the FASB rules regulations;
- macroeconomic conditions that may affect our business and the mortgage industry in general;

- political and geopolitical conditions that may affect our business and the mortgage industry in general;
- the impact of litigation on our financial position;
- other statements preceded by, followed by or that include the words “may,” “can,” “should,” “will,” “estimate,” “plan,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “seek,” “target” or similar expressions.

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

- our dependence on macroeconomic and U.S. residential real estate market conditions, including changes in U.S. monetary policies that affect interest rates;
- the impact of inflation on housing pricing, demand for mortgages and the ability of borrowers to qualify for mortgages;
- our reliance on our warehouse facilities to fund mortgage loans and otherwise operate our business, leveraging of assets under these facilities and the risk of a decrease in the value of the collateral underlying certain of our facilities causing an unanticipated margin call;
- our ability to sell loans in the secondary market, including to government sponsored enterprises, and to securitize our loans into mortgage-backed securities through the GSEs and Ginnie Mae;
- our dependence on the GSEs and the risk of changes to these entities and their roles, including, as a result of GSE reform, termination of conservatorship or efforts to increase the capital levels of the GSEs;
- changes in the GSEs’, FHA, USDA and VA guidelines or GSE and Ginnie Mae guarantees;
- our dependence on licensed residential mortgage officers or entities, including brokers that arrange for funding of mortgage loans, or banks, credit unions or other entities that use their own funds or warehouse facilities to fund mortgage loans, but in any case do not underwrite or otherwise make the credit decision with regard to such mortgage loans to originate mortgage loans;
- our inability to continue to grow, or to effectively manage the growth of, our loan origination volume;
- our ability to continue to attract and retain our Independent Mortgage Advisor relationships;
- the occurrence of a data breach or other failure of our cybersecurity;
- loss of key management;
- reliance on third-party software and services;
- reliance on third-party sub-servicers to service our mortgage loans or our mortgage servicing rights;
- intense competition in the mortgage industry;
- our ability to implement technological innovation;
- our exposure to risk relating to the transition from LIBOR and the volatility of LIBOR or any replacement reference rate, which can result in higher than market interest rates;
- our ability to continue to comply with the complex state and federal laws regulations or practices applicable to mortgage loan origination and servicing in general, including maintaining the appropriate state licenses, managing the costs and operational risk associated with material changes to such laws;
- errors or the ineffectiveness of internal and external models or data we rely on to manage risk and make business decisions;
- risk of counterparty terminating servicing rights and contracts;
- the risk that we may become subject to legal actions that if decided adversely, could be detrimental to our business; and
- those risks described in Item 1A - Risk Factors in our 2021 10-K Report, as well as those described from time to time in our other filings with the SEC.

All forward-looking statements speak only as of the date of this report and should not be relied upon as representing our views as of any subsequent date. We do not undertake any obligation to update forward-looking statements to reflect events

or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, we are subject to a variety of risks which can affect our operations and profitability. We broadly define these areas of risk as interest rate, credit and counterparty risk.

Interest rate risk

We are subject to interest rate risk which may impact our origination volume and associated revenue, MSR valuations, IRLCs and mortgage loans at fair value valuations, and the net interest margin derived from our funding facilities. The fair value of MSRs is driven primarily by interest rates, which impact expected prepayments. In periods of rising interest rates, the fair value of the MSRs generally increases as expected prepayments decrease, consequently extending the estimated life of the MSRs resulting in expected increases in cash flows. In a declining interest rate environment, the fair value of MSRs generally decreases as expected prepayments increase consequently truncating the estimated life of the MSRs resulting in expected decreases in cash flows. Because origination volumes tend to increase in declining interest rate environments and decrease in increasing rate environments, we believe that servicing provides a natural hedge to our origination business. We do not specifically hedge MSRs but manage the economic risk through partially offsetting impact of servicing and mortgaging originations.

Our IRLCs and mortgage loans at fair value are exposed to interest rate volatility. During the origination, pooling, and delivery process, this pipeline value rises and falls with changes in interest rates. Because substantially all of our production is deliverable to Fannie Mae, Freddie Mac, and Ginnie Mae, we predominately utilize forward agency or Ginnie Mae To Be Announced ("TBA") securities as our primary hedge instrument. The TBA market is a secondary market where FLSCs or TBAs are sold by lenders seeking to hedge the risk that market interest rates may change and lock in a price for the mortgages they are in the process of originating.

Interest rate risk also occurs in periods where changes in short-term interest rates result in mortgage loans being originated with terms that provide a smaller interest rate spread above the financing terms of our warehouse facilities, which can negatively impact our net interest income. This is primarily mitigated through expedited sale of our loans.

We assess our market risk based on changes in interest rates utilizing a sensitivity analysis. The sensitivity analysis measures the potential impact on fair values based on hypothetical changes (increases and decreases) in interest rates. Our total market risk is influenced by a wide variety of factors including market volatility and the liquidity of the markets. There are certain limitations inherent in the sensitivity analysis presented, including the necessity to conduct the analysis based on a single point in time and the inability to include the complex market reactions that normally would arise from the market shifts modeled. We used June 30, 2022 market rates on our instruments to perform the sensitivity analysis. These sensitivities are hypothetical and presented for illustrative purposes only. Changes in fair value based on variations in assumptions generally cannot be extrapolated to our performance because the relationship of the change in fair value may not be linear nor does it factor ongoing operations. The following table summarizes the estimated change in the fair value of our mortgage loans at fair value, MSRs, IRLCs and FLSCs as of June 30, 2022 given hypothetical instantaneous parallel shifts in the yield curve. Actual results could differ materially.

(\$ in thousands)	June 30, 2022	
	Down 25 bps	Up 25 bps
Increase (decrease) in assets		
Mortgage loans at fair value	\$ 44,979	\$ (47,283)
MSRs	(77,201)	71,395
IRLCs	79,942	(92,513)
Total change in assets	\$ 47,720	\$ (68,401)
Increase (decrease) in liabilities		
FLSCs	\$ (131,432)	\$ 138,645
Total change in liabilities	\$ (131,432)	\$ 138,645

Credit risk

We are subject to credit risk, which is the risk of default that results from a borrower's inability or unwillingness to make contractually required mortgage payments. While our loans are sold into the secondary market without recourse, we do have repurchase and indemnification obligations to investors for breaches under our loan sale agreements. For loans that were repurchased or not sold in the secondary market, we are subject to credit risk to the extent a borrower defaults and the proceeds upon ultimate foreclosure and liquidation of the property are insufficient to cover the amount of the mortgage loan plus expenses incurred. We believe that this risk is mitigated through the implementation of stringent underwriting standards, strong fraud detection tools and technology designed to comply with applicable laws and our standards. In addition, we believe that this risk is mitigated through the quality of our loan portfolio. For the three and six months ended June 30, 2022, our originated loans had a weighted average loan to value ratio of 80.06% and 77.24%, and a weighted average FICO score of 737 and 740, respectively. For the three and six months ended June 30, 2021, our originated loans had a weighted average loan to value ratio of 71.78% and 70.87%, and a weighted average FICO score of 752 and 754, respectively.

Counterparty risk

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

In accordance with the best practices outlines by The Treasury Market Practices Group, we execute Securities Industry and Financial Markets Association trading agreements with all material trading partners. Each such agreement provides for an exchange of margin money should either party's exposure exceed a predetermined contractual limit. Such margin requirements limit our overall counterparty exposure. The master netting agreements contain a legal right to offset amounts due to and from the same counterparty. We incurred no losses due to nonperformance by any of our counterparties during the three and six months ended June 30, 2022 or June 30, 2021.

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

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Principal Executive Officer and Principal Financial Officer, to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Principal Executive Officer and Principal Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2022. Based upon their evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings

We operate in a heavily regulated industry that is highly sensitive to consumer protection, and we are subject to numerous federal, state and local laws. We are routinely involved in consumer complaints, regulatory actions and legal proceedings in the ordinary course of our business. We are also routinely involved in state regulatory audits and examinations, and occasionally involved in other governmental proceedings arising in connection with our respective business. The resolution of these matters, including the matters specifically described below, is not currently expected to have a material adverse effect on our financial position, financial performance or cash flows.

On December 11, 2020, a complaint was filed against UWM (f/k/a United Shore Financial Services, LLC) in the U.S. District Court for the Eastern District of Michigan by three independent mortgage brokers. The plaintiffs in this matter seek class certification and monetary damages for alleged unpaid origination fees arising from a change in UWM's commission policy. Following the Court's opinion granting in part and denying in part UWM's motion to dismiss, UWM filed its answer to the complaint on April 11, 2022. UWM denies the claims and intends to vigorously defend the matter.

On April 23, 2021, a complaint was filed in the U.S. District Court for the Middle District of Florida against the Company and Mat Ishbia, individually by The Okavage Group, LLC ("Okavage") on behalf of itself and all other mortgage brokers who are, or have been clients of UWM and either Fairway Independent Mortgage or Rocket Pro TPO. After the Company and Mat Ishbia filed a motion to dismiss the complaint, Okavage filed a motion for leave to amend its complaint on August 2, 2021, and on August 3, 2021, the Court granted Okavage's motion and ordered the clerk to file Plaintiff's First Amended Class Action Complaint with its corresponding attachments. In its amended complaint, Okavage dropped the Company as a defendant and added UWM as a defendant. Okavage purports to represent the same set of mortgage brokers as in its original complaint and alleges that UWM's new policy to no longer enter into new transactions with independent mortgage brokers who also sold mortgage loans to these two market participants amounted to anticompetitive conduct under federal and Florida antitrust laws. Okavage seeks class certification, treble damages, attorneys' fees and injunctive relief. Our renewed motion to dismiss this action was filed on September 7, 2021. On July 27, 2022, the magistrate judge assigned to consider our motion to dismiss recommended that the amended complaint be dismissed in its entirety without prejudice, and that plaintiff be given fourteen days to file a second amended complaint if it so chooses.

On July 27, 2021, a complaint was filed against UWM in the U.S. District Court for the Eastern District of Michigan by a former employee of UWM. The complaint alleges that the former employee and similarly situated employees were required to work beyond a forty-hour work week and were not paid overtime in violation of the Fair Labor Standards Act. The former employee sought class certification and monetary damages for unpaid overtime wages, interest, liquidated damages, attorneys' fees and costs. The parties entered into an agreement to settle all claims which was approved by the court on May 6, 2022. The amount of the settlement, which was immaterial, was previously reserved.

On February 3, 2022, UWM filed a complaint against America's Moneyline, Inc. ("AML"), a former client, in the U.S. District Court for the Eastern District of Michigan. The complaint alleges that AML breached the parties' wholesale broker agreement by submitting mortgage loans and mortgage loan applications to certain select retail lenders. On February 25, 2022, AML filed its answer to the complaint and included certain counterclaims, including fraud and misrepresentation, against UWM. Our motion to dismiss the counterclaims is currently pending.

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

Share Repurchase Program

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

There were no repurchases of the Company's shares of its outstanding Class A common stock during the three and six months ended June 30, 2022. As of June 30, 2022, the remaining amount authorized under the share repurchase program was \$218.4 million.

Item 5. Other Information

Item 1.01 Entry into a Material Definitive Agreement.

On August 8, 2022, UWM entered into the Revolving Credit Agreement, (the "Revolving Credit Agreement"), between UWM, as the borrower, and SFS Corp., as the lender. The Revolving Credit Agreement provides for, among other things, a \$500.0 million unsecured revolving credit facility (the "Revolving Credit Facility"). The Revolving Credit Facility has

an initial maturity date of August 8, 2023. Amounts borrowed under the Revolving Credit Facility may be borrowed, repaid and reborrowed from time to time, and accrue interest at the Applicable Prime Rate (as defined in the Revolving Credit Agreement). UWM may utilize the Revolving Credit Facility in connection with: (i) operational and investment activities, including but not limited to funding and/or advances related to (a) servicing rights, (b) 'scratch and dent' loans, (c) margin requirements, and (d) equity in loans held for sale; and (ii) general corporate purposes.

The term of the Revolving Credit Facility shall automatically extend for an additional one year, unless notice for termination is provided by us or the Lender at least 60 days prior to the applicable Maturity Date (as defined in the Revolving Credit Agreement). Additionally, either we or the Lender may terminate all or any portion of the unutilized commitment under the Revolving Credit Facility upon 30 days prior notice, provided that any Revolving Loans outstanding upon the termination of Revolving Credit Facility shall mature on the Maturity Date.

The Revolving Credit Agreement contains certain financial and operating covenants and restrictions, subject to a number of exceptions and qualifications, and the availability of funds under the Revolving Credit Facility is subject to our continued compliance with these covenants. The covenants include restrictions on our ability to (1) incur additional non-funding indebtedness unless either (y) the Fixed Charge Coverage Ratio (as defined in the Revolving Credit Agreement) is no less than 3.0 to 1.0 or (z) the Debt-to-Equity Ratio (as defined in the Revolving Credit Agreement) does not exceed 2.0 to 1.0, (2) merge, consolidate or sell assets, (3) make restricted payments, including distributions, (4) enter into transactions with affiliates, (5) enter into sale and leaseback transactions and (6) incur liens securing indebtedness.

UWM is a wholly owned subsidiary of UWM Holdings, LLC. SFS Corp. currently holds approximately 94% of the Class B Common Units in UWM Holdings, LLC and controls approximately 79% of the combined voting power of our common stock. Mat Ishbia, our Chief Executive Officer and Chairman, is the President and sole director of SFS Corp. All of the voting stock of SFS Corp. is held by the Mat Ishbia South Dakota Trust, a directed trust (the "Trust"). The trustee of the Trust takes direction from Mat Ishbia, as trust advisor of the Trust, with respect to the voting and disposition of our common stock held by SFS Corp.

Item 6. Exhibits and Financial Statement Schedules

Exhibit Number	Description
10.21#	Revolving Credit Agreement, dated August 8, 2022, between United Wholesale Mortgage, LLC, as borrower, and SFS Holding Corp., as lender.
31.1	Certification of CEO, pursuant to SEC Rule 13a-14(a) and 15d-14(a)
31.2	Certification of CFO, pursuant to SEC Rule 13a-14(a) and 15d-14(a)
32.1	Certification by the CEO, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification by the CFO, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.0 INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104.0	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).
#	Certain confidential portions of this exhibit were omitted by means of marking such portions with brackets and asterisks because the identified confidential portions (i) are not material and (ii) would be competitively harmful if publicly disclosed, or constituted personally identifiable information that is not material.

REVOLVING CREDIT AGREEMENT

Dated August 8, 2022

among

UNITED WHOLESALE MORTGAGE, LLC
as Borrower,

and

SFS HOLDING CORP.
as Lender

⁽¹⁾ Certain portions of this exhibit have been redacted in accordance with Item 601(b)(10) of Regulation S-K. This information is not material and would likely cause competitive harm to the registrant if publicly disclosed. “[***]” indicates that information has been redacted.

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REVOLVING CREDIT AGREEMENT

This **REVOLVING CREDIT AGREEMENT** is made and entered into as of August 8, 2022 by and among **UNITED WHOLESALE MORTGAGE, LLC**, a Michigan limited liability company (the "Borrower"), and **SFS HOLDING CORP.**, a Michigan corporation (the "Lender").

WITNESSETH:

WHEREAS, the Borrower has requested that the Lender provide, in its favor, a \$500,000,000 revolving credit facility, the proceeds of which may be used in connection with: (i) operational and investment activities of the Borrower and its subsidiaries, including, but not limited to, funding and/or advances related to (a) servicing rights, (b) 'scratch and dent' loans, (c) margin requirements, and (d) equity in loans held for sale; or (ii) general corporate purposes of the Borrower and its wholly owned subsidiaries; and

WHEREAS, subject to the terms and conditions of this Agreement, the Lender is willing to establish the requested revolving credit facility in favor of the Borrower.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and the Lender agree as follows:

ARTICLE I.

DEFINITIONS AND TERMS

Section 1.1 **Definitions and Terms**. For purposes of this Agreement, the terms defined in Annex A hereto shall have the meanings provided therein.

Section 1.2 **Accounting Terms and Determinations**. Unless otherwise specified or provided herein, all accounting terms used herein shall be interpreted, all determinations with respect to accounting matters hereunder shall be made, and all financial statements and certificates and reports as to financial matters required to be delivered hereunder shall be prepared, in accordance with Generally Accepted Accounting Principles as in effect from time to time, applied on a consistent basis.

Section 1.3 **Changes in GAAP**. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Lender shall so request, the Lender and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP.

Section 1.4 **Terms in Loan Documents**. All of the terms defined in this Agreement, including as provided in Annex A hereto, shall have such defined meanings when used in the other Loan Documents and any certificates, reports or other documents issued under or delivered pursuant to this Agreement unless the context shall require otherwise.

Section 1.5 **Computation of Time Periods**. In this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

ARTICLE II.

CREDIT FACILITIES

Section 2.1 Revolving Loans.

(a) Amount. Subject to the terms and conditions of this Agreement, the Lender hereby agrees to make loans to the Borrower from time to time (each such loan, a “Revolving Loan”) in an aggregate amount not to exceed the Revolving Commitment at any time (the “Revolving Credit Facility”). Within the limits of the Revolving Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow, repay and reborrow Revolving Loans.

(b) Use of Proceeds and Purpose. The proceeds of Revolving Loans may be used in connection with: (i) operational and investment activities of the Borrower and its wholly owned subsidiaries, including but not limited to funding and/or advances related to (a) servicing rights, (b) ‘scratch and dent’ loans, (c) margin requirements, and (d) equity in loans held for sale; or (ii) general corporate purposes of the Borrower and its wholly owned subsidiaries not in contravention of any applicable law or any Loan Document.

(c) Interest. Subject to Section 2.2(b) hereof, any principal balance outstanding under a Revolving Loan shall bear interest at the Applicable Rate. Accrued interest on the outstanding principal balance of the Revolving Loans shall be due and payable monthly, in arrears, on the first Business Day of each calendar month, commencing September 1, 2022, as applicable.

(d) Principal Repayment. On the Maturity Date (or such earlier date as may be required under this Agreement), the Borrower shall repay any principal and accrued interest amounts under Revolving Loans then outstanding in full and shall additionally pay to the Lender all other sums, if any, then owing or accrued by it under this Agreement.

(e) Borrowing Procedure. Subject to Section 2.1(a) hereof, the Borrower shall give the Lender written notice (or telephonic notice promptly confirmed in writing) of each request for advances with respect to Revolving Loans (a “Notice of Borrowing”). Each Notice of Borrowing shall specify: (i) the aggregate principal amount of such requested borrowing and (ii) the date of such Revolving Loan advance (which shall be a Business Day).

Section 2.2 General Provisions.

(a) Manner of Payment. Each payment of interest, principal (including any prepayment), and any other amount required to be paid to the Lender with respect to this Agreement or pursuant to the Loan Documents, shall be made to the Lender at the address designated by the Lender in immediately available funds on or before 5:00 p.m., Eastern Time on the date such payment is due. Any such payment shall not be deemed to be received by the Lender until the time such funds become available funds.

(b) Default Rate. While an Event of Default exists, the Lender may elect to charge interest with respect to the Revolving Loans at the Default Rate.

(c) Payments on Business Days. In the event that any payment under the Loan Documents becomes due and payable on a day other than a Business Day, then such due date shall be extended to the next succeeding Business Day; provided that interest shall continue to accrue during the period of any such extension.

(d) Computation of Interest and Fees. Computations of the Applicable Rate shall be made by the Lender on the basis of a year of 360 days for the actual number of days elapsed.

(e) **Intent to Limit Charges to Maximum Lawful Rate.** In no event shall the interest rate or rates payable under this Agreement, plus any other amounts paid in connection herewith, exceed the highest rate permissible under any law that a court of competent jurisdiction shall, in a final determination, deem applicable. Borrower and the Lender, in executing and delivering this Agreement, intend legally to agree upon the rate or rates of interest and manner of payment stated within it; provided, that, anything contained herein to the contrary notwithstanding, if such rate or rates of interest or manner of payment exceeds the maximum allowable under applicable law, then, *ipso facto*, as of the date of this Agreement, Borrower is and shall be liable only for the payment of such maximum amount as is allowed by applicable law, and payment received from Borrower in excess of such legal maximum, whenever received, shall be applied to reduce the principal balance of the Revolving Loans to the extent of such excess.

Section 2.3 Payments Free of Taxes. Any and all payments by or on account of any obligations of the Borrower hereunder or under any other Loan Document shall to the extent permitted by applicable law be made free and clear of and without reduction or withholding for any taxes.

Section 2.4 Prepayments.

(f) **Voluntary Prepayments.** The Borrower may at any time voluntarily prepay any Revolving Loans then outstanding in whole or in part without premium or penalty.

(g) **Application of Payments.** With respect to all amounts prepaid pursuant to Section 2.4(a), all payments remitted to the Lender shall be applied to the outstanding Revolving Loans as follows:

- (i) first, to pay any expense reimbursement amounts (including cost or expense reimbursements) or indemnities then due to the Lender under the Loan Documents, until paid in full,
- (ii) second, to pay interest accrued in respect of Revolving Loans until paid in full; and
- (iii) third, to pay the principal of all outstanding Revolving Loans until paid in full.

Maturity. This Agreement and the Lender's Revolving Commitments shall continue in full force and effect for a term ending on the Maturity Date (unless terminated earlier in accordance with the terms hereof).

Reduction of Commitments. Either the Borrower or the Lender may, upon 30 days prior notice, terminate all or any portion of the unutilized Revolving Commitments under the Revolving Credit Facility (a "Commitments Reduction"), provided that any Revolving Loans outstanding upon such Commitments Reduction shall continue in full force and mature on the Maturity Date.

ARTICLE III.

CONDITIONS PRECEDENT

Section 3.1 Conditions to Closing. This Agreement shall become effective upon, and the obligations of the Lender to make available its Revolving Commitment hereunder is subject to, receipt by the Lender of the following items, all in form and substance satisfactory to the Lender and to the satisfaction of the following conditions precedent:

- (a) Loan Documents. The Loan Documents properly executed and delivered by the parties thereto.
- (b) Resolutions. Resolutions, delivered by the Secretary or other authorized officer of the Borrower, authorizing and approving the execution and delivery of the Loan Documents and the performance of the transactions contemplated thereby.
- (c) Certificate of Good Standing. Certificates of the Secretary of State of the Borrower's jurisdiction of incorporation or organization as to the existence and good standing, as applicable, of the Borrower.
- (d) Transaction Costs. Payment to the Lender (or the Person entitled thereto) of all reasonable and documented out-of-pocket costs and expenses, including Lender's attorneys' fees, and recording or other similar taxes, if any, relating to the execution and delivery of this Agreement and the other Loan Documents and the transactions contemplated thereby and the arrangements therefor.
- (e) Other Matters. Such other documents and information as the Lender shall reasonably request.

Section 3.2 Conditions to all Revolving Loans. The obligation of the Lender to honor any request for a Revolving Loan is subject to the following conditions precedent:

- (a) The representations and warranties of the Borrower contained in Article IV or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct (or, in the case of any representation or warranty not qualified as to materiality, true and correct in all material respects) on and as of the date of such Revolving Loan, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct (or, in the case of any representation or warranty not qualified as to materiality, true and correct in all material respects) as of such earlier date, and except that for purposes of this Section 3.2, the representations and warranties contained in Section 4.3 shall be deemed to refer to the most recent statements furnished pursuant to Section 5.1.
- (b) No Default or Event of Default shall have occurred and be continuing.

Each Notice of Borrowing submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Section 3.2 have been fulfilled on and as of the date of the applicable Revolving Loan to the satisfaction of the Lender.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES

In order to induce the Lender to enter into this Agreement and to make Revolving Loans, the Borrower represents and warrants to the Lender, as of the Closing Date, as follows:

Section 4.1 Organization, etc. The Borrower (a) is duly organized or formed, validly existing and in good standing under the laws of the state of its incorporation or organization, (b) has the requisite power to own its properties and to carry on its business as now being conducted and (c) is duly qualified and is licensed and in good standing to do business in each jurisdiction in which the nature of its business makes such qualification or license necessary other than in such jurisdictions where the failure to be so qualified or licensed could not be reasonably expected to have a Material Adverse Effect.

Section 4.2 Power and Authority. The Borrower is authorized to execute, deliver and perform this Agreement and the other Loan Documents to which it is a party, and all necessary corporate

or limited liability company action on the part of the Borrower required for the lawful execution, delivery and performance thereof has been duly taken; and each of the Loan Documents to which it is a party, upon the due execution and delivery thereof, will be the valid and binding obligation or agreement of the Borrower, in accordance with its respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting generally the enforcement of creditor's rights and by such principles of equity as may generally affect the availability of equitable remedies. Neither the execution of the Loan Documents to which it is a party, nor the fulfillment of or compliance with their provisions and terms, will constitute a violation of or default under, or conflict with or result in a breach of, the terms, conditions or provisions of any material agreement or instrument to which the Borrower is a party or the bylaws or operating agreement (or equivalent documents) of the Borrower or any law, regulation, writ, judgment, order or decree applicable to the Borrower, or create any lien, charge or encumbrance upon any of the property or assets of the Borrower pursuant to the terms of any agreement or instrument to which the Borrower is a party or by which it is bound other than the liens, charges and encumbrances arising under and contemplated in the Loan Documents.

Section 4.3 Financial Condition.

(a) The audited consolidated balance sheet of the Borrower have been delivered pursuant to Section 5.1(a) for the most recent fiscal year ended, and the related audited consolidated statements of operations, changes in stockholder's equity and cash flows for such fiscal year, including the notes thereto, (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (ii) fairly present in all material respects the financial condition of the Borrower as of the date thereof and the results of operations for the period covered thereby.

(b) The unaudited consolidated balance sheet of the Borrower delivered pursuant to Section 5.1(a) for the most recent fiscal quarter ended, and the related consolidated statements of operations, changes in stockholder's equity and cash flows for such fiscal quarter (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present in all material respects the financial condition of the Borrower as of the date thereof and the results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

Section 4.4 Litigation. There are no pending or, to the knowledge of the Borrower, threatened (in writing) actions or proceedings before any court, arbitrator or governmental or administrative body or agency which could reasonably be expected to have a Material Adverse Effect which have not been disclosed in reports filed with the SEC via the EDGAR filing system (or any successor system).

Section 4.5 Taxes. The Borrower has filed (taking into account valid extensions that have been obtained) all federal, state and/or local income tax returns and all other material tax returns that are required to be filed by it, such filings are accurate in all material respects and all taxes shown thereon to be due have been paid, except taxes that are being contested in good faith and appropriate reserves have been set aside therefor. No tax claim or assessment in respect of additional income taxes, state, federal or foreign taxes, of the Borrower is pending, or, to the knowledge of the Borrower, threatened in writing.

Section 4.6 No Default. The Borrower is not aware of any ongoing default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which it is a party relating to any Debt, the effect of which default could reasonably be expected to have a Material Adverse Effect.

Section 4.7 Governmental Authority. No written approval of any foreign, federal, state or local governmental authorities is necessary to enter into and to carry out the terms of the Loan Documents, and no consents or approvals are required in connection with the making of the Borrower's performance under the Loan Documents that have not been obtained. The Borrower has obtained permits from all applicable federal, state and local government authorities necessary to conduct its operations as

presently conducted, except to the extent that the failure to so obtain could not reasonably be expected to have a Material Adverse Effect.

Section 4.8 No Untrue Statements. Neither this Agreement nor any other material agreements, reports, schedules, certificates or instruments heretofore or simultaneously with the execution of this Agreement delivered to the Lender by or on behalf of the Borrower contains any intentional misrepresentation or untrue statement of a material fact or omits to state any material fact necessary to make any of such agreements, reports, schedules, certificates or instruments, in the light of the circumstances under which they were made or delivered, not misleading.

Section 4.9 Compliance with Laws. The Borrower is in compliance with all laws, statutes, ordinances and regulations applicable to any of its properties, assets and operations, except where the failure to so comply, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

Section 4.10 Sanctions and Anti-Corruption Laws.

(c) **Sanctions.** The Borrower is not, nor is any director or officer, and, to the knowledge of the Borrower, its employees and agents, an individual or entity that is, or is owned or controlled by one or more individuals or entities that are (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals or HMT's Consolidated List of Financial Sanctions Targets, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction. The Borrower has conducted its businesses in compliance with all applicable Sanctions and have instituted and maintained policies and procedures designed to promote and achieve compliance with such Sanctions.

(d) **Anti-Corruption Laws.** The Borrower has conducted its business in compliance in all material respects with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other applicable anti-corruption legislation in other jurisdictions and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

Section 4.11 Subsidiaries. The Borrower has provided the Lender a complete and accurate list as of the Closing Date of each Subsidiary of the Borrower.

Section 4.12 Solvency. The Borrower, on a consolidated basis with its Restricted Subsidiaries, is Solvent.

**ARTICLE V.
AFFIRMATIVE COVENANTS**

So long as the Lender shall have any commitment to make any Revolving Loans hereunder or any Revolving Loan or other obligation remains unpaid or unsatisfied, the Borrower shall:

Section 5.1 Financial Reports and Other Data. Deliver to the Lender, in form and detail reasonably satisfactory to the Lender:

(a) annual consolidated financial statements audited by the Borrower's independent public accountants within 90 days after the end of the Borrower's fiscal year (120 days for the first fiscal year ended after the Closing Date), and unaudited quarterly consolidated financial statements (including a balance sheet, income statement and cash flow statement for the fiscal quarter or quarters then ended and the corresponding fiscal quarter or quarters from the prior year) within 60 days of the end of each of the first three fiscal quarters of each fiscal year (90 days for the first two fiscal quarters ended after the Closing Date). Such annual and quarterly financial statements will be prepared in accordance with GAAP and be accompanied by a management's discussion and analysis of the results of operations and liquidity

and capital resources of the Borrower for the periods presented all in reasonable detail and in the case of such consolidated statements certified by the principal executive officer, principal financial officer, treasurer or controller of the Borrower as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of the Borrower in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes;

(b) [reserved];

(c) the occurrence of any event concerning the Borrower that would be required to be reported on Form 8-K if the Borrower were required to file such reports pursuant to Items 1.01, 1.02 (it being understood that the Borrower shall only be required to disclose events under Items 1.01 and 1.02 of Form 8-K to the extent that such events relate to the entry into, or termination or amendment of, any material definitive agreement in respect of a financing other than Permitted Debt, 1.03, 2.01, 4.01, 4.02, and 5.01, in each case, within 10 days of the occurrence of such event);

(d) notwithstanding the foregoing, with respect to the information provided in clause (a) and (c), (A) such information shall not be required to include (1) as an exhibit, or to include a summary of the terms of, any employment or compensatory arrangement, agreement, plan or understanding between the Borrower and any director, manager or officer, of the Borrower, (2) any information regarding the occurrence of any of the events set forth in clause (A)(2) if the Borrower determines in its good faith judgment that the event that would otherwise be required to be disclosed is not material to the Lender or the business, assets, operations, financial positions or prospects of the Borrower taken as a whole, (B) no such report shall be required to comply with the Exchange Act, (C) no such report shall be required to comply with Regulation S-K or Regulation S-X including, without limitation, Rules 3-05, 3-09, 3-10, 13-01, 13-02 or Article 11 thereof, (D), in no event shall such reports be required to include as an exhibit copies of any agreements, financial statements or other items that would be required to be filed as exhibits under the SEC rules; (E) trade secrets and other information that could cause competitive harm to the Borrower may be excluded from any disclosures; (F) such financial statements or information shall not be required to contain any "segment reporting"; (G) the Borrower may elect to change its fiscal year end, (H) no acquired business financial statements or pro forma financial statements shall be required to be disclosed; and (I) the Borrower may include any information of the information required above in the quarterly report for the quarter in which the event occurred as permitted by the "safe-harbor" provisions of Form 8-K;

(e) notwithstanding the foregoing, the Borrower will be deemed to have furnished such reports referred to above to the Lender if the Borrower, or a Parent Entity reporting on a consolidated basis (which, for the avoidance of doubt, shall include UWM Holdings Corporation), has furnished or filed such reports with the SEC via the EDGAR filing system (or any successor system) and such reports are publicly available;

(f) as soon as possible and in any event within 30 days after the Borrower becomes aware of a Default, a notice setting forth the details of the Default, and the action which the Borrower proposes to take with respect thereto; and

(g) with reasonable promptness, deliver such additional financial or other data as the Lender may reasonably request regarding the Borrower's operations, business affairs and financial condition.

Section 5.2 Taxes and Liens. Pay or discharge, and cause each of its Subsidiaries to pay or discharge before the same become delinquent (i) all material taxes, assessments and governmental charges levied or imposed upon the Borrower or any Subsidiary or its income or profits or property, and (ii) all material lawful claims for labor, materials and supplies that, if unpaid, might by law become a Lien (other than a Permitted Lien) upon the property of the Borrower or any Subsidiary, other than any such tax, assessment, charge or claim the amount, applicability or validity of which is being contested in good faith by appropriate proceedings and for which adequate reserves have been established.

Section 5.3 Business and Existence. Do or cause to be done all things necessary to preserve and keep in full force and effect its existence and the existence of each of its Restricted Subsidiaries in accordance with their respective organizational documents, and the material rights, licenses and franchises of the Borrower and each Restricted Subsidiary, provided that the Borrower is not required to preserve any such right, license or franchise, or the existence of any Restricted Subsidiary, if the maintenance or preservation thereof is no longer desirable in the conduct of the business of the Borrower and its Restricted Subsidiaries taken as a whole; and provided, further, that this Section does not prohibit any transaction otherwise permitted by Section 6.3 or Section 6.5.

Section 5.4 Insurance. Provide or cause to be provided, for itself, insurance (including appropriate self-insurance) against loss or damage of the kinds customarily insured against by corporations similarly situated and owning like properties, including, but not limited to, products liability insurance and public liability insurance, with reputable insurers, in such amounts, with such deductibles and by such methods as are customary for corporations similarly situated in the industry in which the Borrower is then conducting business.

Section 5.5 Maintain Property. Cause all material properties used or useful in the conduct of its business or the business to be maintained and kept in good condition, repair and working order as in the judgment of the Borrower may be necessary so that the business of the Borrower may be properly and advantageously conducted at all times; provided that nothing in this Section prevents the Borrower from discontinuing the use, operation or maintenance of any of such properties or disposing of any of them, if such discontinuance or disposal is, in the judgment of the Borrower, desirable in the conduct of the business of the Borrower, taken as a whole.

Section 5.6 Further Assurances. Upon the reasonable request of the Lender, execute and deliver or cause to be duly executed and delivered to the Lender such further instruments and do and cause to be done such further acts that may be reasonably necessary or proper in the opinion of the Lender to carry out more effectively the provisions and purposes of the Loan Documents.

Section 5.7 Observe All Laws. Comply with all laws, regulations and other valid requirements of any regulatory authority with respect to the conduct of its businesses, the failure of which could reasonably be expected to have a Material Adverse Effect.

Section 5.8 Payment of Obligations. Pay when due all obligations and liabilities, except where the same may be contested in good faith and the Borrower maintain appropriate reserves for the accrual of the same in amounts satisfactory to the Lender or the failure to pay could not reasonably be expected to cause a Material Adverse Effect. An installment of principal or interest will be considered paid on the date due if, not later than 2:00 P.M. Eastern Time on such date the installment is due is made sufficient in the amount by wire transfer of immediately available funds to the accounts specified by the Lender.

Section 5.9 Most Favored Lender.

(a) If at any time that the Lender shall have any commitment to make any Revolving Loans hereunder:

(i) the Borrower shall enter into any unsecured revolving credit facility with a non-affiliate party (an “Other Debt Document”), which Other Debt Document (A) provides for unused or commitment fees or interests rates in excess of those amounts set forth in this Agreement or that are not provided for in this Agreement or (B) includes or provides for one or more covenants or events of default (whether articulated as a covenant, an event of default or otherwise) that are more restrictive than those contained in this Agreement or are not provided for in this Agreement (each such pricing, covenant or event of default referred to herein as a “Most Favored Provision”), then

(1) each such Most Favored Provision shall immediately and automatically be incorporated by reference into the Agreement as if set forth fully therein, *mutatis*

mutandis, effective as of the date when such Most Favored Provision became effective under such Other Debt Document, and

(2) the Borrower shall promptly after such incorporated Most Favored Provision becoming effective under such Other Debt Document, so advise Lender, and provide a copy of such incorporated Most Favored Provision (including all defined terms used therein); or

(ii) If the Lender shall enter into a back-to-back facility to secure its obligations under this Agreement, in whole or in part, (a “Back-to-Back Facility”) and such Back-to-Back Facility provides for unused or commitment fees or interests rates in excess of those amounts set forth in this Agreement or that are not otherwise provided for in this Agreement (each such pricing provision, a “BBF Most Favored Pricing Provision”), then the BBF Most Favored Pricing Provision shall immediately and automatically be incorporated by reference into this Agreement as if set forth fully herein, *mutatis mutandis*, effective as of the date when such BBF Most Favored Pricing Provision became effective under such Back-to-Back Facility.

(b) Upon the request of the Lender, the Borrower shall enter into an additional agreement or an amendment to this Agreement or another Loan Document (as the Lender may request) evidencing the incorporation of any applicable Most Favored Provisions or BBF Most Favored Pricing Provisions substantially as those provided for in the applicable Other Debt Document or Back-to-Back Facility.

ARTICLE VI.

NEGATIVE COVENANTS

So long as the Lender shall have any commitment to make any Revolving Loans hereunder or any Revolving Loan or other Obligation remains unpaid or unsatisfied:

Section 6.1 Limitation on Debt and Disqualified or Preferred Stock.

(a) The Borrower:

(i) will not, and will not permit any Restricted Subsidiary to, Incur any Non-Funding Indebtedness; and;

(ii) will not, and will not permit any Restricted Subsidiary to, Incur any Disqualified Stock, and will not permit any of its Restricted Subsidiaries to Incur any Preferred Stock (other than Disqualified Stock or Preferred Stock of Restricted Subsidiaries held by the Borrower or a Restricted Subsidiary, so long as it is so held);

provided that the Borrower or any Restricted Subsidiary may Incur Non-Funding Indebtedness or Disqualified Stock and any Restricted Subsidiary may Incur Preferred Stock if, on the date of the Incurrence, after giving effect to the Incurrence and the receipt and application of the proceeds therefrom as if the same had occurred at the beginning of the most recently ended fiscal quarter of the Borrower for which internal financial statements are available, either (x) the Fixed Charge Coverage Ratio is no less than 3.0 to 1.0, or (y) the Debt-to-Equity Ratio does not exceed 2.0 to 1.0.

(b) Notwithstanding the foregoing, the Borrower and, to the extent provided below, any Restricted Subsidiary may Incur the following (“Permitted Debt”):

(i) Debt of the Borrower and any Restricted Subsidiaries under any Credit Facilities in an aggregate principal amount at any one time outstanding not to exceed the greater of (A) \$500,000,000 and (B) 7.0% of Consolidated Total Assets;

(ii) Debt owed to and held by the Borrower or any Restricted Subsidiary so long as such Debt continues to be owed to the Borrower or a Restricted Subsidiary and which, if the obligor is the Borrower or a Guarantor of the Notes, is subordinated in right of payment to the Notes upon bankruptcy, insolvency or similar event;

(iii) Debt pursuant to the Notes and the Note Guarantees;

(iv) Debt constituting an extension or renewal of, replacement of, or substitution for, or issued or Incurred in exchange for, or the net proceeds of which are used to repay, prepay, defease, retire, redeem, repurchase, extend, refinance or refund, including by way of any defeasance or discharge mechanism (all of the above, for purposes of this clause, "refinance") ("Permitted Refinancing Debt") in whole or in part then outstanding Debt in an amount (after deduction of any original issue discount) not to exceed the principal amount of the Debt so refinanced, plus premiums, defeasance costs, tender premiums, accrued interest, fees and expenses including Debt that refinance Permitted Refinancing Debt; *provided that*:

(1) in case the Debt (and any Guarantees in respect thereof) to be refinanced is Subordinated Debt, the new Debt (and the corresponding guarantees in respect thereof), by its terms or by the terms of any agreement or instrument pursuant to which it is outstanding, is expressly made subordinate in right of payment to the Notes (and the Guarantees in respect thereof) at least to the extent that the Debt to be refinanced is subordinated to the Notes (and the Guarantees in respect thereof);

(2) (i) the new Debt does not have a stated maturity prior to the earlier of (x) the stated maturity of the Debt to be refinanced and (y) 91 days following the respective maturity of each of the Notes, and (ii) the average life of the new Debt is at least equal to the remaining average life of the Debt to be refinanced;

(3) in no event may Debt of the Borrower be refinanced pursuant to this clause by means of any Debt of any Restricted Subsidiary that is not a Guarantor of the Notes or Debt of the Borrower or any Restricted Subsidiary be refinanced pursuant to this clause by means of any Debt of any Unrestricted Subsidiary; and

(4) Debt Incurred pursuant to clauses (1), (2), (5), (6), (10), (11), (14) (to the extent such Debt continues to be Non-Recourse Debt), (15), (16) and (18) through (25) of this Section 6.1(b) may not be refinanced pursuant to this clause but shall instead be refinanced pursuant to Debt incurred under such clauses or another clause hereunder;

(5) Debt Incurred under a Regulatory Debt Facility;

(6) Debt of the Borrower or any Restricted Subsidiary with respect to (i) performance, bid, appeal, customs or surety bonds and completion guarantees in the ordinary course of business or in connection with judgments that do not result in an Event of Default, obligations in respect of any workers' compensation claims, early retirement or termination obligations, deferred compensatory or employee or director equity plans, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage taxes, payment obligations in connection with self-insurance, or similar requirements, including letters of credit and bankers' acceptances supporting any of the foregoing or anything else that is not Debt, or supporting any of the following items in clauses (ii) or (iii), (ii) financing insurance premiums or (iii) indemnification, adjustment of purchase price or similar obligations incurred in connection with the acquisition or disposition of any business or assets;

(7) Debt Incurred by the Borrower or any Restricted Subsidiary in connection with an acquisition or other purchase of assets (including Financeable Assets) by the Borrower, any Restricted Subsidiary or any Parent Entity or Acquired Debt (including in each case through a merger otherwise permitted under this Agreement) not otherwise permitted in an aggregate principal amount at any time outstanding under this clause provided that any assets acquired or purchased by a Parent Entity pursuant to this Section 6.1(b)(iv)(7) are contributed to the Borrower or any Restricted

Subsidiary, in any event not to exceed (1) together with the aggregate principal amount of any outstanding Permitted Refinancing Debt in respect thereof, the greater of (x) \$245,000,000 and (y) 3.5% of Consolidated Total Assets or (2) an amount that after giving effect to such acquisition or merger or other transaction the Fixed Charge Coverage Ratio of the Borrower would be no less than immediately prior to the Incurrence of such Debt;

(8) Debt of the Borrower or any Restricted Subsidiary pursuant to agreements outstanding on the Closing Date (and any Permitted Refinancing thereof), including pursuant to the 2025 Senior Notes Indenture, the 2027 Senior Notes Indenture and the 2029 Senior Notes Indenture in an aggregate principal amount at any time outstanding not to exceed the maximum amount available under such agreements as in effect on the Closing Date (and for purposes of clause (iv)(4) of this Section 6.1(b), not otherwise constituting Permitted Debt, it being understood that Debt otherwise constituting Permitted Debt pursuant to another clause of this Section 6.1(b) shall be incurred thereunder);

(9) Debt (including Capital Leases) Incurred to finance the development, construction, acquisition, purchase, lease, repairs, maintenance or improvement of assets (whether in the nature of real property or personal property, including, but not limited to, assets consisting of Financeable Assets, mortgage related securities or derivatives, consumer receivables, and other similar assets (or any interests in any of the foregoing)) by the Borrower or any Restricted Subsidiary (including the acquisition or purchase of any assets through the acquisition of any Person that becomes a Restricted Subsidiary or by the merger of a Person with or into the Borrower or any Restricted Subsidiary) which Debt is Incurred on or after the Closing Date and no later than 270 days after the date of completion of the development, construction, acquisition, purchase, lease, repair, maintenance or improvement of such assets; provided that the amount of such Debt does not exceed the Fair Market Value on the date that such Debt is incurred of the assets or property developed, constructed, acquired, purchased, leased, repaired, maintained or improved with the proceeds of such Debt;

(10) to the extent otherwise constituting Debt, Debt deemed to exist as a result of Standard Securitization Undertakings or Credit Enhancement Agreements;

(11) Debt of the Borrower or any Restricted Subsidiary consisting of Guarantees of Debt or other Obligations of the Borrower or any Restricted Subsidiary Incurred under any other clause of this Section 6.1 or Guarantees of Funding Indebtedness;

(12) Debt of the Borrower or any Restricted Subsidiary Incurred on or after the Closing Date not otherwise permitted in an aggregate principal amount at any time outstanding not to exceed (a) the greater of \$245,000,000 and 3.5% of Consolidated Total Assets less (b) the aggregate outstanding amount of Permitted Refinancing Debt Incurred to refinance Debt Incurred pursuant to this clause;

(13) Debt or Disqualified Stock of the Borrower or any Restricted Subsidiary in an aggregate principal amount or liquidation preference up to 100% of the net cash proceeds and the fair market value, as determined in good faith by an Officer, of marketable securities or other property received by the Borrower since the Closing Date from any Equity Offering of the Borrower or cash contributed to the capital of the Borrower to the extent that such net cash proceeds has not been applied to permitted payments under Section 6.4 (such contributed equity, "Capital Stock Proceeds");

(14) Non-Recourse Debt;

(15) to the extent otherwise constituting Debt, obligations arising from agreements providing for indemnification, adjustment of purchase price, earn-outs or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or a Subsidiary, including, but not limited to, any Servicing Advances, Mortgage Servicing Rights, Receivables, mortgage related securities or derivatives, consumer receivables, REO Assets, Residual Interests, other Financeable Assets and other similar assets (or any interests in any of the foregoing) purchased or originated by the Borrower or any Restricted Subsidiary arising in the ordinary course of business;

(16) to the extent constituting Debt, Debt under Excess Spread Sales incurred in the ordinary course of business;

(17) Debt arising out of or to fund purchases of all remaining outstanding asset-backed securities of any Securitization Entity in the ordinary course of business for the purpose of relieving the Borrower or any Restricted Subsidiary of the administrative expense of servicing such Securitization Entity;

(18) Debt consisting of Debt from the repurchase, retirement or other acquisition or retirement for value by the Borrower of Equity Interests of the Borrower or any Parent Entity from any future, current or former officer, director, manager or employee (or any spouses, successors, executors, administrators, heirs or legatees of any of the foregoing) of the Borrower or any of its Subsidiaries or any Parent Entity to the extent described in Section 6.4(b)(7);

(19) Debt in respect of netting services, overdraft protections, automated clearing house transactions, and otherwise in connection with treasury and/or cash management services, including, but not limited to, controlled disbursement services, overdraft facilities, foreign exchange facilities, deposit and other accounts and merchant services;

(20) Guarantees by the Borrower or any Restricted Subsidiaries to owners of servicing rights in the ordinary course of business;

(21) Debt under Currency Agreements; provided that in the case of Currency Agreements which relate to Debt, such Currency Agreements do not increase the Debt of the Borrower and its Restricted Subsidiaries outstanding other than as a result of fluctuations in foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder;

(22) Debt arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, provided that such Debt is extinguished within five business days of its incurrence;

(23) Debt to the extent that the net proceeds thereof are promptly deposited to defease or to satisfy and discharge the Notes (and the Guarantees in respect thereof);

(24) Debt of any foreign Subsidiary, the proceeds of which are used for ordinary course business purposes, in an aggregate principal amount, at any time outstanding, not to exceed the greater of (x) \$245,000,000 and (y) 3.5% of Consolidated Total Assets; and

(25) Debt of a joint venture Incurred since the Closing Date or the guarantee by the Borrower or a Restricted Subsidiary of the same in an aggregate principal amount, taken together with all other Debt incurred pursuant to this clause, at any time outstanding not to exceed (x) \$245,000,000 and (y) 3.5% of Consolidated Total Assets.

(c) Notwithstanding any other provision of this Section 6.1, for purposes of determining compliance with this Section 6.1, increases in Debt solely due to fluctuations in the exchange rates of currencies will not be deemed to exceed the maximum amount that the Borrower or a Restricted Subsidiary may Incur under this Section 6.1. For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Debt, the U.S. dollar-equivalent principal amount of Debt denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Debt was Incurred; provided that if such Debt is Incurred to refinance other Debt denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Debt does not exceed the principal amount of such Debt being refinanced. The principal amount of any Debt Incurred to refinance other Debt, if Incurred in a different currency from the Debt being refinanced, shall be calculated based on the currency

exchange rate applicable to the currencies in which such respective Debt is denominated that is in effect on the date of such refinancing.

(d) In the event that an item of Debt meets the criteria of more than one of the types of Debt described in this Section 6.1, the Borrower, in its sole discretion, will classify items of Debt and will only be required to include the amount and type of such Debt in one of such clauses and the Borrower will be entitled to divide and classify an item of Debt in more than one of the types of Debt described in this Section 6.1. Further, any Debt originally classified as incurred pursuant to clause (a) or one of the clauses in paragraph (b) of this Section 6.1 may later be reclassified by the Borrower at any time and from time to time at the Borrower's discretion such that it will be deemed as having been incurred pursuant to paragraph (a) of this Section 6.1 or another clause in paragraph (b) of this Section 6.1, as applicable, to the extent that such reclassified Debt could be incurred pursuant to such paragraph at the time of such reclassification.

(e) For the avoidance of doubt, nothing in this Section 6.1 shall prohibit the Incurrence of Funding Indebtedness by the Borrower or any Restricted Subsidiary of the Borrower; provided that to the extent that any Funding Indebtedness of the Borrower or a Restricted Subsidiary ceases to constitute Funding Indebtedness in accordance with the definition thereof, such Debt shall be deemed to be Incurred by the Borrower or such Restricted Subsidiary, as the case may be, at such time.

(f) the principal amount of any Disqualified Stock of the Borrower or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary that is not a Guarantor of the Notes, will be deemed to be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) and the liquidation preference thereof, exclusive of any accrued dividends.

(g) Accrual of interest, accrual of dividends, the accretion of accreted value or original issue discount, the amortization of debt discount, the payment of interest in the form of additional Debt, fees, expenses, charges, additional contingent interest and the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock will not be deemed to be an Incurrence of Debt for purposes of this Section 6.1. The amount of any Debt outstanding as of any date shall be (i) the accreted value thereof in the case of any Debt issued with original issue discount or the aggregate principal amount outstanding in the case of Debt issued with interest payable in kind and (ii) the principal amount or liquidation preference thereof in the case of any other Debt.

Section 6.2 **Limitation on Liens.** The Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly, incur or permit to exist any Lien of any nature whatsoever on any of its properties or assets (including Capital Stock of a Restricted Subsidiary), whether owned at the Closing Date or thereafter acquired, other than Permitted Liens.

Section 6.3 **Consolidation, Merger or Sale of Assets.**

(a) The Borrower will not:

(i) consolidate with or merge with or into any Person; or

(ii) sell, convey, transfer, or otherwise dispose of all or substantially all of its assets as an entirety or substantially an entirety, in one transaction or a series of related transactions, to any Person; or

(iii) permit any Person to merge with or into the Borrower,

unless:

(1) either (x) the Borrower is the continuing Person or (y) the resulting, surviving or transferee Person is a corporation organized and validly existing under the laws of

the United States of America or any state thereof (or, if a limited liability company, then an entity organized as a corporation is added as a co-issuer of the Notes) and expressly assumes by supplemental indenture all of the obligations of the Borrower under this Agreement;

(2) immediately after giving effect to the transaction, no Default has occurred and is continuing;

(3) immediately after giving effect to the transaction on a pro forma basis, the Borrower or the resulting, surviving or transferee Person has a Total Shareholders' Equity equal to or greater than the Total Shareholders' Equity of the Borrower immediately prior to such transaction;

(4) immediately after giving effect to the transaction on a pro forma basis, the Borrower or the resulting surviving or transferee Person (i) could incur at least \$1.00 of additional Debt under Section 6.1(a), or (ii) has a Debt-to-Equity Ratio equal to or better than the Debt-to-Equity Ratio of the Borrower immediately prior to such transaction or (iii) has a Fixed Charge Coverage Ratio no less than the Fixed Charge Coverage Ratio of the Borrower immediately prior to such transaction;

provided that clauses (2) through (4) do not apply (i) to the consolidation or merger of the Borrower with or into a Restricted Subsidiary or the consolidation or merger of a Restricted Subsidiary with or into the Borrower or (ii) if, in the good faith judgment of the Board of Managers of the Borrower, whose determination is evidenced by a Board of Managers Resolution, the sole purpose of the transaction is to change the jurisdiction of incorporation of the Borrower (provided that such jurisdiction remains within the United States of America).

(b) The Borrower shall not lease all or substantially all of its assets, whether in one transaction or a series of transactions, to one or more other Persons.

(c) Upon the consummation of any transaction effected in accordance with these provisions, if the Borrower is not the continuing Person, the resulting, surviving or transferee Person will succeed to, and be substituted for, and may exercise every right and power of, the Borrower under this Agreement with the same effect as if such successor Person had been named as the Borrower in this Agreement. Upon such substitution, except in the case of a sale, conveyance, transfer or disposition of less than substantially all of its assets, the Borrower will be released from its obligations under this Agreement.

Section 6.4 Limitation on Restricted Payments

(a) The Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments and other actions described in the following clauses being collectively "Restricted Payments"):

(i) declare or pay any dividend or make any distribution on its Equity Interests (other than dividends or distributions paid in the Borrower or any Parent Entity's Qualified Equity Interests) held by Persons other than the Borrower or any of its Restricted Subsidiaries;

(ii) purchase, redeem or otherwise acquire or retire for value any Equity Interests of the Borrower or any Parent Entity held by Persons other than the Borrower or any of its Restricted Subsidiaries;

(iii) repay, redeem, repurchase, defease or otherwise acquire or retire for value, or make any payment on or with respect to, any Subordinated Debt (except (i) a payment of interest or principal at stated maturity, in each case, due within one year of the date of repayment, redemption, repurchase or defeasance or (ii) any Debt Incurred pursuant to Section 6.1(b)(ii)); or

(iv) make any Investment other than a Permitted Investment;

unless, at the time of, and after giving effect to, the proposed Restricted Payment:

- (1) No Event of Default has occurred and is continuing or would occur as a consequence thereof,
- (2) either of the Relevant Conditions are satisfied at the time thereof, or the Borrower could Incur at least \$1.00 of Debt under Section 6.1(a), and
- (3) the aggregate amount expended for all Restricted Payments made on or after the Closing Date would not, subject to paragraph (c), exceed the sum of:

(A) (i) in the event that either of the Relevant Conditions are not satisfied at the time thereof and after giving effect thereto, 50% of the aggregate amount of the Consolidated Net Income (or, if the Consolidated Net Income is a loss, minus 100% of the amount of the loss) accrued on a cumulative basis during the period, taken as one accounting period, beginning on October 1, 2020 and ending on the last day of the Borrower's most recently completed fiscal quarter for which internal financial statements are available; or (ii) in the event that both of the Relevant Conditions are satisfied at the time thereof and after giving effect thereto, 100% of the aggregate amount of the Consolidated Net Income (or, if the Consolidated Net Income is a loss, minus 100% of the amount of the loss) accrued on a cumulative basis during the period, taken as one accounting period, beginning on October 1, 2020 and ending on the last day of the Borrower's most recently completed fiscal quarter for which internal financial statements are available; plus

(B) subject to paragraph (c), the aggregate net cash proceeds received by the Borrower (other than (x) from a Subsidiary or (y) constituting Capital Stock Proceeds to the extent used to incur Debt under Section 6.1(b)(13) ("Excluded Equity")) after the first date after the first fiscal quarter ended after the Closing Date from: (i) the issuance and sale of its or any Parent Entity's Qualified Equity Interests, including by way of issuance of its or any Parent Entity's Disqualified Equity Interests or Debt to the extent since converted into Qualified Equity Interests of the Borrower or Parent Entity; or (ii) as a contribution to its common equity; plus

(C) an amount equal to the sum, for all Unrestricted Subsidiaries, of the following: (x) 100% of cash dividends or cash distributions received directly or indirectly by the Borrower or any Guarantor of the Notes from any Unrestricted Subsidiary or the cash return on Investments in an Unrestricted Subsidiary made after the first day of the first fiscal quarter ended after the Closing Date pursuant to this paragraph (a) as a result of any sale for cash, repayment, redemption, liquidating distribution or other cash realization (not included in Consolidated Net Income); *plus* (y) the portion (proportionate to the Borrower's equity interest in such Subsidiary) of the fair market value of the assets less liabilities of an Unrestricted Subsidiary at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary (as determined in good faith by the Borrower);

not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments made after the first day of the first fiscal quarter ended after the Closing Date by the Borrower and its Restricted Subsidiaries in such Unrestricted Subsidiary pursuant to this paragraph (a) *plus*

(D) the amount equal to the net reduction in Investments (other than Permitted Investments) made by the Borrower or any of its Restricted Subsidiaries in any Person resulting from: (x) the repurchases or redemptions of such Investments by such Person, proceeds realized upon the sale of such Investment, or repayments of loans or advances or other transfers of property or assets (including by way of dividend or distribution) by such Person to the Borrower or any Restricted Subsidiary (other than for reimbursement of tax payments) or (y) the release of any Guarantee (except to the extent any amounts are paid under such Guarantee), in either case which amount was included in the calculation of the amount of Restricted Payments; provided, however, that no amount will be included under this clause to the extent it is already included in Consolidated Net Income.

The amount expended in any Restricted Payment, if other than in cash, will be deemed to be the fair market value of the relevant non-cash assets, as determined in good faith by the Board of Managers.

(b) The foregoing will not prohibit:

(i) the payment of any dividend or other distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration thereof or the giving of the redemption notice if, at the date of declaration, as the case may be, such payment, distribution or redemption would comply with paragraph (a);

(ii) dividends or distributions by a Restricted Subsidiary payable, on a pro rata basis or on a basis more favorable to the Borrower, to all holders of any class of Capital Stock of such Restricted Subsidiary a majority of which is held, directly or indirectly through Restricted Subsidiaries, by the Borrower;

(iii) the repayment, redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Debt with the proceeds of, or in exchange for, Permitted Refinancing Debt;

(iv) the purchase, redemption or other acquisition or retirement for value of Equity Interests of the Borrower or any Parent Entity in exchange for, or out of the proceeds of a substantially concurrent offering of, Qualified Equity Interests of the Borrower or any Parent Entity (to the extent contributed by the Borrower) or of a cash contribution to the common equity of the Borrower (other than Excluded Equity);

(v) the repayment, redemption, repurchase, defeasance or other acquisition or retirement of Subordinated Debt of the Borrower in exchange for, or out of the proceeds of, a substantially concurrent offering of, Qualified Equity Interests of the Borrower or any Parent Entity (to the extent contributed to the Borrower) or of a cash contribution to the common equity of the Borrower (other than Excluded Equity);

(vi) any Investment made in exchange for, or out of the net cash proceeds of, a substantially concurrent offering of Qualified Equity Interests of the Borrower or any Parent Entity (to the extent contributed to the Borrower) or of a cash contribution to the common equity of the Borrower (other than Excluded Equity);

(vii) purchases, redemptions or other acquisition or retirement for value by the Borrower to permit the purchase, redemption or other acquisition or retirement for value by the Borrower of Equity Interests held by officers, directors or employees or former officers, directors or employees of the Borrower or any Parent Entity (or their estates or beneficiaries under their estates), upon death, disability, retirement, severance or termination of employment or pursuant to any agreement under which the Equity Interests were issued; provided that the aggregate cash consideration paid therefor in any twelve-month period does not exceed an aggregate amount of (i) \$50,000,000, plus (ii) the cash proceeds of any "key-man" life insurance policies received by the Borrower or any of its Restricted Subsidiaries that are used to make such purchase, redemption or other acquisition or retirement for value, plus (iii) the cash proceeds received by the Borrower or any of its Restricted Subsidiaries from the sale of Qualified Equity Interests of the Borrower or any Parent Entity of the Borrower (to the extent contributed to the Borrower) to officers, directors or employees of the Borrower and its Restricted Subsidiaries or any Parent Entity of the Borrower that occurs after the Closing Date; provided, however, that the amount of such cash proceeds utilized for any such purchase, redemption or other acquisition or retirement for value will not increase the amount available for Restricted Payments under Section 6.4(a)(3); provided that if any amounts under clauses (i), (ii) and (iii) are not utilized during any twelve-month period they may be carried forward and utilized in any subsequent twelve-month period; provided, further, that cancellation of Debt owing to the Borrower or its Restricted Subsidiary or any Parent Entity of the Borrower from any such Person in connection with a purchase, redemption or other acquisition or retirement for value of Equity Interests will not be deemed to constitute a Restricted Payment;

(viii) (a) the repurchase of any Subordinated Debt at a purchase price not greater than (i) 101% of the principal amount thereof in the event of a change of control pursuant to a provision no more favorable to the holders thereof than as provided in Section 4.11 of the 2027 Senior Notes Indenture, or (ii) 100% of the principal amount thereof in the event of an Asset Sale pursuant to a provision no more favorable to the holders thereof than as provided in Section 4.12 of the 2027 Senior Notes Indenture and (b) any other Restricted Payments made with Net Cash Proceeds from Asset Sales remaining after completion of the required Offer to Purchase as required by Section 6.5;

(ix) Restricted Payments not otherwise permitted hereby in an aggregate amount following the Closing Date not to exceed the greater of \$245,000,000 and 3.5% of Consolidated Total Assets;

(x) any payments or distributions made by the Borrower to HoldCo to fund tax distributions required to be made under the LLC Agreement or payments required to be made by UWM Holdings Corporation under the Tax Receivable Agreement;

(xi) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Borrower or any Restricted Subsidiary issued or incurred in accordance with Section 6.1.

(xii) payments in lieu of the issuance of fractional shares;

(xiii) payments or distributions to dissenting shareholders pursuant to applicable law in connection with any merger, consolidation or disposition in accordance with the terms of this Agreement;

(xiv) the purchase, redemption, acquisition, cancellation or other retirement of any Equity Interests of the Borrower or a Restricted Subsidiary to the extent necessary, in the good faith judgment of the Borrower, to prevent the loss or secure the renewal or reinstatement of any license, permit or other authorization held by the Borrower or any of its Subsidiaries issued by any governmental or regulatory authority or to comply with government contracting regulations;

(xv) the declaration and payment of dividends or distributions on the Qualified Equity Interests of the Borrower (or the payment of dividends to any Parent Entity to fund a payment of dividends on such entity's Equity Interests) in an amount not to exceed the sum of (A) up to 6.0% per annum of the net cash proceeds received by or contributed to the Borrower in or from any public offering of the Borrower's Qualified Equity Interests or the Equity Interests of any Parent Entity, other than public offerings with respect to common equity registered on Form S-4 or Form S-8 and other than any public sale the proceeds of which were used to finance a Restricted Payment pursuant to clause (1) above and (B) an aggregate amount per annum not to exceed 7.0% of Market Capitalization;

(xvi) any Restricted Payments to current or former employees, officers, or directors of the Borrower or any Restricted Subsidiaries or any Parent Entity (or any spouses, ex-spouses, or estate of any of the foregoing) solely in the form of forgiveness of Debt of such Persons owing to the Borrower or any Restricted Subsidiaries or any Parent Entity on account of repurchases of the stock options, restricted stock units, purchased shares or other Equity Interests of the Borrower held by such Persons; provided that such Debt was incurred by such Persons solely to acquire Equity Interests of the Borrower;

(xvii) any Restricted Payment made in connection with the Transactions including the payment of fees and expenses related thereto; and

(xviii) Permitted Payments to Parent;

provided that, in the case of clauses (ii), (vii) and (ix), no Default has occurred and is continuing or would occur as a result thereof

(c) Proceeds of the issuance of Qualified Equity Interests will be included under clause (3) of Section 6.4(a) only to the extent they are not applied as described in clause (iv), (v) or (vi) of Section 6.4(b). Restricted Payments permitted pursuant to clause (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv) and (xvi) of Section 6.4(b) will not be included in making the calculations under clause (3) of Section 6.4(a).

Section 6.5 Limitation on Asset Sales. The Borrower will not make any Asset Sale, upon consummation of which, would result in an event of default due to violation of the Borrower's applicable covenant obligations under the 2025 Senior Notes Indenture, the 2027 Senior Notes Indenture or the 2029 Senior Notes Indenture.

Section 6.6 Limitation on Transactions with Affiliates.

(a) The Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction or arrangement (including, but not limited to, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with any Affiliate of the Borrower or any Restricted Subsidiary (a "Related Party Transaction"), involving an aggregate payment or consideration in excess of \$15,000,000, except upon terms taken as a whole that, in the good faith judgment of the Borrower or the applicable Restricted Subsidiary, are not materially less favorable to the Borrower or the Restricted Subsidiary than could be obtained at the time in a comparable arm's-length transaction with a Person that is not an Affiliate of the Borrower (or, in the event that there are no comparable transaction involving Persons who are not Affiliates to apply for comparative purposes, is otherwise on terms that, taken as a whole, the Borrower has determined to be fair to the Borrower and its Restricted Subsidiaries, taken as a whole), and (i) with respect to any Related Party Transaction or series of Related Party Transactions involving an aggregate payment or consideration in excess of \$30,000,000, the Borrower delivers to the Lender an Officers' Certificate certifying that such Related Party Transaction complies with clause (i) above or (ii) with respect to any Related Party Transaction or series of Related Party Transactions involving an aggregate payment or consideration in excess of \$50,000,000, the Borrower delivers to the Lender a resolution adopted in good faith by the majority of the Board of Managers of the Borrower, approving such Related Party Transaction and set forth in an Officer's Certificate certifying that such Related Party Transaction complies with Section 6.6(a)(i).

(b) The foregoing paragraphs do not apply to:

- (i) any transaction between the Borrower and any of its Restricted Subsidiaries or between Restricted Subsidiaries of the Borrower;
- (ii) the payment of reasonable and customary regular fees to directors of the Borrower who are not employees of the Borrower and the provision of customary indemnities to directors, officers or employees of the Borrower and its Restricted Subsidiaries in their capacities as such;
- (iii) any Restricted Payments under Section 6.4 if permitted by that covenant or any Permitted Investment (other than pursuant to clauses (1) or (3) of the definition thereof);
- (iv) transactions, agreements, plans, arrangements, payments to, and indemnities and reimbursements and employment and severance arrangements provided to or on behalf of, or for the benefit of, former, current or future officers, directors, managers, employees or consultants of the Borrower, any Restricted Subsidiary of the Borrower or any Parent Entity;
- (v) transactions in connection with any Securitization or Funding Indebtedness;
- (vi) transactions pursuant to any contract, agreement or Investment (including Guarantee) in effect on the date of this Agreement, as amended, modified or replaced from time to time so long as the amended, modified or new agreements, taken as a whole, are no more disadvantageous to the Holders in any material respect than those in effect on the date of this Agreement (as determined by the Borrower in good faith);

(vii) services provided to Affiliates in the ordinary course of business and consistent with past practice;

(viii) the provision of mortgage servicing, mortgage loan origination, real estate logistics, brokerage and management and similar services to Affiliates in the ordinary course of business and consistent with past practice and otherwise not prohibited by this Agreement which are fair to the Borrower and its Restricted Subsidiaries (as determined by the Borrower in good faith), or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party (as determined by the Borrower in good faith);

(ix) mortgage loans provided to officers, directors or employees on terms consistent with past practice;

(x) licensing of intellectual property rights (whether as licensor or licensee);

(xi) transactions (including pursuant to joint venture agreements) with (i) customers, clients, suppliers, any Person in which the Borrower or any Restricted Subsidiary has made an Investment or holds an interest as a joint venture partner (and such Person is an Affiliate solely because of such Investment or interest) or (ii) others that are Affiliates of the Borrower, in each case in the ordinary course of business and consistent with past practice and otherwise not prohibited by this Agreement which are fair to the Borrower and its Restricted Subsidiaries (as determined by the Borrower in good faith), or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party (as determined by the Borrower in good faith);

(xii) leases of real property entered into in the ordinary course of business on terms not materially less favorable to the Borrower and its Restricted Subsidiaries than could be obtained at the time in an arm's length transaction with a Person who was not an Affiliate (as determined in good faith by management of the Borrower);

(xiii) any Co-Investment Transaction;

(xiv) sales or issuances of Qualified Equity Interests by the Borrower or any Restricted Subsidiary to any Affiliate and capital contributions to the Borrower from Affiliates or the granting and performing of customary registration rights to any Parent Entity or to any Permitted Holder or to any former, current or future director, manager, officer, employee or consultant (or any Affiliate or Immediate Family Members of any of the foregoing, or any permitted transferee thereof) of the Borrower or any of its Subsidiaries or any Parent Entity and directors' qualifying shares and shares issued to foreign nationals as required by applicable law;

(xv) any transaction in which the Borrower or any Restricted Subsidiary delivers to the Lender a written opinion from a nationally or regionally recognized investment banking, accounting or appraisal firm as to (i) the fairness of the transaction to the Borrower and its Restricted Subsidiaries from a financial point of view or (ii) that such transaction is not materially less favorable to the Borrower and its Restricted Subsidiaries than could be obtained at the time in an arm's length transaction with a Person who was not an Affiliate; provided that with respect to the modification, amendment or replacement of any Related Party Transaction in existence as of the Closing Date on substantially comparable terms, such threshold shall be calculated only with respect to the amount of any net increase in the value of such Related Party Transaction as a result of such modification, amendment or replacement rather than the aggregate value;

(xvi) any agreement between a Person and an Affiliate of such Person existing at the time such Person is acquired by, or merged into, the Borrower or a Restricted Subsidiary, as such agreement may be amended, modified, supplemented, extended or renewed from time to time; provided that such agreement was not entered into contemplation of such acquisition, merger or consolidation, and so long as any such amendment, modification, supplement, extension or renewal, when taken as a whole, is not materially more disadvantageous to the Holders, in the reasonable determination of an Officer of

the Borrower, than the applicable agreement as in effect on the date of such acquisition, merger or consolidation and not entered into in contemplation of such acquisition or merger;

(xvii) loans or advances (or cancellation of loans) to future, current or former officers, directors, employees or consultants of the Borrower or any Restricted Subsidiary or Parent Entity in an aggregate not to exceed \$10,000,000 outstanding at any time;

(xviii) transaction complying with the covenant described under Section 6.3;

(xix) the Transactions and the payment of all fees and expenses related to the Transactions;

(xx) Permitted Payments to Parent;

(xxi) (A) investments by Permitted Holders in securities or loans of the Borrower or any of its Restricted Subsidiaries (and any payment of out-of-pocket expenses incurred by such Permitted Holders in connection therewith) so long as the investment is being offered generally to other investors on the same or more favorable terms, and (B) payments to Permitted Holders in respect of securities or loans of the Borrower or any of its Restricted Subsidiaries contemplated in the foregoing subclause (A) or that were acquired from Persons other than the Borrower and its Restricted Subsidiaries, in each case, in accordance with the terms of such securities or loans;

(xxii) transactions between the Borrower or any Restricted Subsidiary and any other Person that would constitute a Related Party Transaction solely because a director of such other Person is also a director of the Borrower or any Parent Entity; provided, however, that such director abstains from voting as a director of the Borrower or such Parent Entity, as the case may be, on any matter including such other Person;

(xxiii) the sale, conveyance or other disposition of mortgages or other loans, customer receivables, mortgage related securities or derivatives or other assets (or any interests in any of the foregoing) to Affiliates in the ordinary course of business and consistent with past practice and otherwise not prohibited by this Agreement which are fair to the Borrower and its Restricted Subsidiaries (as determined by the Borrower in good faith), or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party (as determined by the Borrower in good faith);

(xxiv) any payments made, actions taken or transactions entered into pursuant to the LLC Agreement as amended, modified or replaced from time to time so long as the amended, modified or new agreements, taken as a whole, are no more disadvantageous to the holders in any material respect than those in effect on the date of this Agreement (as determined by the Borrower in good faith);

(xxv) the payment of tax distributions and the entering into of any tax sharing agreement or arrangement or any tax receivable agreement with any Parent Entity, including the Tax Receivable Agreement, and the making of any payments or taking of any action, thereunder; and

(xxvi) transactions between the Borrower and its Restricted Subsidiaries or any Affiliates thereof in connection with the lease of real property used in the business of the Borrower, and related leasehold improvements (excluding, for the avoidance of doubt, any leasehold improvements payable to non-Affiliates that are of the type of lease improvements that would typically be paid for by the tenant in an arm's length transaction), provided, that with respect to any related leasehold improvements, such leasehold improvements (i) are in furtherance of real property improvements already commenced prior to the Closing Date or (ii) annually do not exceed an aggregate amount of \$10,000,000; provided, that if any amounts under clause (ii) are not utilized during any twelve-month period they may be carried forward and utilized in any subsequent twelve-month period.

Section 6.7 Limitation on Dividend and Other Payment Restrictions.

(a) Except as provided in paragraph (b), the Borrower will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any encumbrance or restriction of any kind on the ability of any Restricted Subsidiary to:

(i) pay dividends or make any other distributions on any Equity Interests of the Restricted Subsidiary owned by the Borrower or any other Restricted Subsidiary;

(ii) pay any Debt or other obligation owed to the Borrower or any other Subsidiary;

(iii) make loans or advances to the Borrower or any other Restricted Subsidiary; or

(iv) transfer any of its property or assets to the Borrower or any other Restricted Subsidiary.

(b) The provisions of paragraph (a) do not apply to any encumbrances or restrictions:

(i) existing on the Closing Date or in any other agreements in effect on the Closing Date (including the 2025 Senior Notes Indenture, the 2027 Senior Notes Indenture and the 2029 Senior Notes Indenture), and any amendment, extensions, renewals, replacements or refinancings of any of the foregoing; provided that the encumbrances and restrictions in the extension, renewal, replacement or refinancing are, taken as a whole, no less favorable in any material respect to the holders of the Notes than the encumbrances or restrictions being extended, renewed, replaced or refinanced;

(ii) existing under or by reason of applicable law;

(iii) existing (A) with respect to any Person, or to the property or assets of any Person, at the time the Person is acquired by the Borrower or any Restricted Subsidiary; or (B) with respect to any Unrestricted Subsidiary at the time it is designated or is deemed to become a Restricted Subsidiary;

which encumbrances or restrictions (i) are not applicable to any other Person or the property or assets of any other Person and (ii) were not put in place in anticipation of such event and any extensions, renewals, replacements or refinancings of any of the foregoing, provided the encumbrances and restrictions in the extension, renewal, replacement or refinancing are, taken as a whole, no less favorable in any material respect to the holders of the Notes than the encumbrances or restrictions being extended, renewed, replaced or refinanced;

(iv) of the type described in clause (a)(iv) of this Section 6.7 arising or agreed to (i) in the ordinary course of business that restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease or license or (ii) by virtue of any Lien on, or agreement to transfer, option or similar right with respect to any property or assets of, the Borrower or any Restricted Subsidiary;

(v) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary that is permitted by Section 6.5;

(vi) pursuant to the requirements of any Securitization, Warehousing Facility, Funding Indebtedness with respect to any Securitization Entity, special purpose Subsidiary of the Borrower or any Restricted Subsidiary formed in connection therewith, in each case that are exclusively applicable to any Securitization Warehousing Facility, Funding Indebtedness or Financeable Assets of the Borrower or any Restricted Subsidiary formed in connection therewith or that are, in the good faith judgment of the Borrower, not reasonably expected to materially affect the Borrower's ability to make principal or interest payments on the Notes;

(vii) contained in an instrument governing or relating to Debt that is customary, based on general market conditions, and that are, in the good faith judgment of the Borrower's senior management, not reasonably expected to materially affect the Borrower's ability to make principal or interest payments on the Notes;

(viii) required pursuant to this Agreement; or

(ix) customary provisions in joint venture agreements and other similar agreements (in each case relating solely to the respective joint venture or similar entity, its assets or the equity interests therein) entered in the ordinary course of business.

ARTICLE VII.

EVENTS OF DEFAULT AND REMEDIES

Section 7.1 **Events of Default.** An Event of Default shall exist if any of the following shall occur:

(a) **Non-Payment.** The Borrower fails to pay (i) when due any amount of principal on any Revolving Loan or (ii) within 30 days of the date when due, any interest on any Revolving Loan or any other amount payable hereunder or under any of the Loan Document, either by the terms hereof or thereof or otherwise as herein or therein provided; or

(b) **Certain Covenants.** The Borrower defaults in the performance of or breaches any other covenant or agreement of the Borrower in this Agreement and such default or breach continues for a period of 60 consecutive days (or in the case of Section 5.1, 90 consecutive days) after written notice to the Borrower by the Lender; or

(c) **Payment of Other Indebtedness.** There occurs with respect to any Debt of the Borrower having an outstanding principal amount of \$250,000,000 for the most recently ended fiscal quarter for which financial statements were delivered to the Lender (other than Non-Recourse Debt) or more in the aggregate for all such Debt of all such Persons (i) an event of default that results in such Debt being accelerated prior to its scheduled maturity or (ii) failure to make a principal payment, interest or premium, if any, when due and such defaulted payment is not made, waived or extended within the applicable grace period; or

(d) **Material Judgments.** One or more final judgments or orders for the payment of money in the aggregate for all such Persons are rendered against the Borrower and are not paid, bonded or discharged when due, and there is a period of 60 consecutive days following entry of the final judgment or order by a court of competent jurisdiction that causes the aggregate amount for all such final judgments or orders outstanding and not paid, bonded or discharged when due against all such Persons to exceed \$250,000,000 for the most recently ended fiscal quarter for which financial statements were delivered to the Lender (in excess of amounts covered by valid and binding insurance policies which the Borrower's insurance carriers have not declined to pay) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect; *provided, however*, that any such judgment or order for the payment of money shall not result in an Event of Default if such judgment or order would not be material to the Borrower and would not reasonably be expected to affect its ability to make principal or interest payments as due under this Agreement; or

(e) **Involuntary Liquidation or Dissolution.** An involuntary case or other proceeding is commenced against the Borrower with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 days; or an order for relief is entered against the Borrower under the federal bankruptcy laws as now or hereafter in effect; *provided*,

that it shall not be an Event of Default under this Section 7.1(e) if the Borrower engages in a solvent reconstruction or reorganization not otherwise prohibited by this Agreement; or

(f) Bankruptcy, Etc. The Borrower (i) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (ii) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Borrower or for all or substantially all of the property and assets of the Borrower or (iii) effects any general assignment for the benefit of creditors (an event of default specified in clause (7) or (8) a “bankruptcy default”); *provided*, that it shall not be an Event of Default under this Section 7.1(f) if the Borrower engages in a solvent reconstruction or reorganization not otherwise prohibited by this Agreement.

Section 7.2 Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Lender may take any or all of the following actions:

(a) declare the commitment of the Lender to make Loans to be terminated, whereupon such commitments and obligation shall be terminated;

(b) if an Event of Default, other than a bankruptcy default with respect to the Borrower, occurs and is continuing under this Agreement, the Lender, by written notice to the Borrower, may, declare the principal of and accrued interest on the Revolving Loans then outstanding to be immediately due and payable. Upon a declaration of acceleration, such principal and interest will become immediately due and payable. If a bankruptcy default occurs with respect to the Borrower, the principal of and accrued interest on the Revolving Loans then outstanding will become immediately due and payable without any declaration or other act on the part of the Lender.

(c) by written notice to the Borrower, the Lender may waive all past defaults and rescind and annul a declaration of acceleration and its consequences if:

(i) all existing Events of Default, other than the nonpayment of the principal of, and interest on the Revolving Loans that has become due solely by the declaration of acceleration, have been cured or waived; and

(ii) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

(g) In the event of any Event of Default specified in Section 7.1(c), such Event of Default and all consequences thereof shall be annulled, waived and rescinded, automatically and without any action by the Lender, if within 60 days after the Borrower received notice of such acceleration or failed to make a principal payment:

(iii) the Debt that is the basis for such Event of Default has been discharged; or

(iv) the Holders thereof have rescinded, annulled or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default; or

(v) the default that is the basis for such Event of Default has been cured.

Other Remedies. If an Event of Default occurs and is continuing the Lender may pursue any available remedy by proceeding at law or in equity to collect the payment of principal of and interest on the Revolving Loans or to enforce the performance of any provision of this Agreement.

Section 7.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lender is intended to be exclusive of any other available remedy or remedies, but each and every such

remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

ARTICLE VIII.

MISCELLANEOUS

Section 8.1 **Waivers, Amendments, Etc.** The provisions of this Agreement and the other Loan Documents may, subject to the provisions of this Section 8.1, from time to time be amended, modified or waived, provided such amendment, modification or waiver is in writing and consented to by the Borrower and the Lender. No failure or delay on the part of the Lender in exercising any power or right under this Agreement or the other Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or the exercise of any other power or right. No notice to or demand on the Borrower in any case shall entitle it to any notice or demand in similar or other circumstances. No waiver or approval hereunder shall require any similar or dissimilar waiver or approval thereafter to be granted hereunder.

Section 8.2 **Waiver of Default.** The Lender may, by written notice to the Borrower, at any time and from time to time, waive any default in the performance or observance of any condition, covenant or other term hereof or any Default or Event of Default which shall have occurred hereunder and its consequences. Any such waiver shall be for such period and subject to such conditions as shall be specified in any such notice. In the case of any such waiver, the Borrower and the Lender shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default so waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

Section 8.3 **Notices.** All notices, requests and demands to or upon the respective parties hereto shall be deemed to have been given or made when (a) delivered personally to the recipient, (b) on the third day following deposit in the mail, postage prepaid by registered or certified mail, return receipt requested, (c) one business day after being sent to the recipient by reputable overnight courier service (charges prepaid), or (d) when sent by email during normal business hours of the recipient with customary confirmation or receipt or with a copy sent to the recipient by reputable overnight courier service (charges prepaid) for delivery on the next Business Day, in each case addressed as follows or to such other address as may be hereafter designated in writing by the respective parties hereto:

Borrower: United Wholesale Mortgage, LLC
585 South Blvd E.
Pontiac, Michigan 48341

Lender: SFS Holding Corp.
[***]
[***]

Section 8.4 **Governing Law and Jurisdiction.** THIS AGREEMENT, THE LOAN DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. The Borrower hereby submit to the jurisdiction of the state and federal courts located in the State of New York and agree that the Lender may, at its option, enforce its rights under the Loan Documents in such courts.

Section 8.5 Enforceability of Agreement. Should any one or more of the provisions of this Agreement or other Loan Documents be determined to be illegal or unenforceable as to one or more of the parties, all other provisions nevertheless shall remain effective and binding on the parties hereto.

Section 8.6 Counterparts and Effectiveness. This Agreement may be executed by the parties hereto in any number of counterparts and each counterpart shall be deemed to be an original but all shall constitute together but one and the same Agreement.

Section 8.7 Fees and Expenses. The Borrower agrees to pay, or reimburse the Lender, for (a) all expenses, including reasonable and documented attorneys' fees incurred by the Lender in connection with the preparation, negotiation and delivery of this Agreement and the other Loan Documents and (b) all expenses, including reasonable and documented attorneys' fees incurred by the Lender in connection with the enforcement of this Agreement and the other Loan Documents, and the preservation of any rights under this Agreement and the other Loan Documents. In addition, the Borrower shall pay any and all stamps and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of the Loan Documents and such other documents, and agrees to save the Lender harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees.

Section 8.8 Right of Setoff.

(a) Upon the occurrence of any Event of Default, the Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Lender to or for the credit or the account of the Borrower against any and all of the Obligations, irrespective of whether or not the Lender shall have made any demand hereunder and although such Obligations may be contingent or unmatured.

(b) The Lender agrees promptly to notify the Borrower after any such set-off and application referred to in subsection (a) above, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Lender under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Lender may have.

Section 8.9 Assignment. The terms hereof shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto; provided, however, that the Borrower shall not assign this Agreement or any of its rights, interests, duties or obligations hereunder in whole or in part without the prior written consent of the Lender and that any such assignment (whether voluntary or by operation of law) without said consent shall be void. The Lender may at any time assign to one (1) or more assignees all, or a portion, of its rights and obligations under this Agreement (including all, or a portion, of its Revolving Commitments and Revolving Loans at the time owing to it); *provided*, that, notwithstanding anything to the contrary in the foregoing, so long as no Event of Default has occurred and is continuing, the Borrower's prior written consent (in its sole discretion) shall be required with respect to any assignments to any non-affiliate third party lender.

Section 8.10 Indemnity. The Borrower agrees to defend, protect, indemnify and hold harmless the Lender, and all directors, officers, employees, attorneys, and agents of the Lender (collectively, the "Indemnitees"), from and against all claims, actions, liabilities, damages, costs and expenses (including, without limitation, all reasonable attorneys', legal assistants', and experts' fees, costs and expenses reasonably incurred in the investigation or defense of any matter) asserted against, imposed upon or incurred by such Indemnitee, as a result of or arising from or relating to this Agreement, the Loan Documents or the transactions contemplated hereby or the proposed use of the proceeds of the Loans, except to the extent such claims, actions, liabilities, damages, costs and expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, willful misconduct or bad faith of such Indemnitee.

Section 8.11 Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or “printouts,” if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, “electronic signature” means a manually-signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e-mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

Section 8.12 USA Patriot Act Notice. The Lender hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Patriot Act”), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Lender to identify the Borrower in accordance with the Patriot Act. The Borrower shall, promptly following a request by the Lender, provide all such other documentation and information that the Lender requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act.

Section 8.13 Limitation on Damages. EACH OF THE LENDER AND THE BORROWER EXPRESSLY AND IRREVOCABLY WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY ACTION RELATING TO THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY LOAN ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOSS OF BUSINESS PROFITS OR REVENUE).

Section 8.14 WAIVER OF JURY TRIAL. UNLESS EXPRESSLY PROHIBITED BY APPLICABLE LAW, THE BORROWER HEREBY WAIVES THE RIGHT TO TRIAL BY JURY OF ANY MATTERS OR CLAIMS ARISING OUT OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR OUT OF THE CONDUCT OF THE RELATIONSHIP BETWEEN THE BORROWER AND BANK, IN EACH CASE WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE. THE BORROWER AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT BANK MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THE RIGHT TO TRIAL BY JURY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER TO ENTER INTO THIS AGREEMENT AND MAKE ANY LOAN(S) UNDER THIS AGREEMENT. FURTHER, THE BORROWER HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF THE LENDER, NOR THE LENDER’S COUNSEL, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BANK WOULD NOT SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION. NO REPRESENTATIVE OR AGENT OF THE LENDER, NOR THE LENDER’S COUNSEL, HAS THE AUTHORITY TO WAIVE, CONDITION OR MODIFY THIS PROVISION. THE BORROWER ACKNOWLEDGES THAT IT HAS HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL REGARDING THIS PARAGRAPH, THAT THE BORROWER FULLY UNDERSTANDS ITS TERMS, CONTENT AND EFFECT, AND THAT IT VOLUNTARILY AND KNOWINGLY AGREES TO THE TERMS OF THIS PARAGRAPH.

Section 8.15 Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to its subject matter and supersedes all prior and contemporaneous agreements and understandings of the parties in connection with it.

[Signature Pages to follow]

IN WITNESS WHEREOF, the Borrower has caused this Agreement to be duly executed by a duly authorized officer on the date first above written.

UNITED WHOLESALE MORTGAGE, LLC

By: /s/ Andrew Hubacker

Name: Andrew Hubacker

Title: Senior Vice President, Interim Principal
Financial Officer and Chief Accounting Officer

[Signature Page to Revolving Credit Agreement]

IN WITNESS WHEREOF, the Lender has caused this Agreement to be duly executed by a duly authorized officer on the date first above written.

SFS HOLDING CORP.

By: /s/ Mathew Ishbia
Name: Mathew Ishbia
Title: President and Chairman

[Signature Page to Revolving Credit Agreement]

ANNEX A

Certain Defined Terms

“2025 Senior Notes Indenture” means the Indenture, dated November 3, 2020, by and between United Shore Financial Services, LLC (d/b/a United Wholesale Mortgage, LLC) and U.S. Bank National Association, as trustee.

“2027 Senior Notes Indenture” means the Indenture, dated November 22, 2021, by and between United Wholesale Mortgage, LLC and U.S. Bank National Association, as trustee.

“2029 Senior Notes Indenture” means the Indenture, dated April 7, 2021, by and between United Wholesale Mortgage, LLC and U.S. Bank National Association, as trustee.

“Acquired Debt” means, with respect to any specified Person, (a) Debt of any Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary or merges with or into the Borrower or a Restricted Subsidiary or (b) assumed in connection with the acquisition of property or assets from such Person, in each case whether or not Incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary or such merger or acquisition, and Debt secured by a Lien encumbering any property or asset acquired by such specified Person. Acquired Debt shall be deemed to have been Incurred, with respect to clause (a) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary or merges with or into the Borrower or a Restricted Subsidiary and, with respect to clause (b) of the preceding sentence, on the date of consummation of such acquisition of property or assets. The term “Acquired Debt” does not include Debt of a Person that is redeemed, defeased, retired or otherwise repaid at the time of or immediately upon consummation of the transactions by which such Person becomes a Restricted Subsidiary or merges with or into the Borrower or a Restricted Subsidiary or such property or assets are acquired, which Debt of such Person will not be deemed to be Debt of the Borrower or any Restricted Subsidiary.

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”) with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Agreement” means this Revolving Credit Agreement.

“Applicable Rate” means the highest rate published on the first Business Day of each month by the Wall Street Journal as the “WSJ Prime Rate” for the applicable month.

“Asset Sale” means any sale, lease, transfer or other disposition of any assets by the Borrower or any Restricted Subsidiary, including by means of a merger, consolidation or similar transaction and including any sale or issuance of the Equity Interests of any Restricted Subsidiary (each of the above referred to as a “disposition”), provided that the following are not included in the definition of “Asset Sale”:

- (1) a sale, conveyance, disposition or other transfer (in one or more transactions) by a Restricted Subsidiary to the Borrower or another Restricted Subsidiary or by the Borrower to a Restricted Subsidiary, including the sale or issuance by the Borrower or any Restricted Subsidiary of any Equity Interests of any Restricted Subsidiary to the Borrower or any Restricted Subsidiary;
- (2) the sale, conveyance, dispositions or other transfer (in one or more transactions) by the Borrower or any Restricted Subsidiary (A) of (i) cash, Cash Equivalents and cash management investments, (ii) inventory and other assets (including REO Assets, Receivables, Securitization Assets,

Residual Interests or other Financeable Assets) and any interests in any of the foregoing in the ordinary course of business, (iii) damaged, worn out or obsolete assets or other assets no longer useful, or economically practicable to maintain, in the conduct of the business, or (iv) rights granted to others pursuant to leases or licenses or (B) of Servicing Advances, mortgage loans and Mortgage Servicing Rights or any interests therein;

- (3) a transaction covered by Section 6.3 or any disposition that constitutes a Change of Control;
- (4) a Restricted Payment permitted under Section 6.4, including, but not limited to, any Permitted Investment;
- (5) the issuance of Disqualified Stock or Preferred Stock pursuant to Section 6.1.
- (6) sales, conveyances, dispositions or other transfers (in one or more transactions) of assets pursuant to the terms of Funding Indebtedness;
- (7) sale, conveyance, disposition or other transfer (in one or more transactions) of Investments or other assets and disposition or compromise of receivables (including, but not limited to, Receivables), contract rights or claims, in each case, in connection with the workout, modification, compromise, settlement or collection thereof or exercise of remedies with respect thereto, in the ordinary course of business or in bankruptcy, foreclosure or similar proceedings, including foreclosure, repossession and disposition of REO Assets and other collateral for loans serviced and/or originated by the Borrower or any of its Subsidiaries;
- (8) foreclosures, condemnation, expropriation, forced dispositions, eminent domain or any similar action (whether by deed of condemnation or otherwise) with respect to assets, and the creation of a Lien (but not the sale or other disposition of the property subject to such Lien) permitted by Section 6.2;
- (9) transactions pursuant to repurchase agreements entered into in the ordinary course of business;
- (10) any sale, conveyance, disposition or other transfer in a transaction or series of related transactions of assets with a fair market value of less than the greater of (A) \$70,000,000 and (B) 1.0% of Consolidated Total Assets; provided that the amount shall not exceed \$80,000,000 in any calendar year;
- (11) sales, conveyances, dispositions or other transfers (in one or more transactions) of Equity Interests in, or Debt or other securities of, an Unrestricted Subsidiary;
- (12) licensing, sub-licensing or cross-licensing of intellectual property;
- (13) any Co-Investment Transaction;
- (14) sales, conveyances, dispositions or other transfers (in one or more transactions) pursuant to Non-Recourse Debt;
- (15) any sale-leaseback transaction;
- (16) any sale, conveyance, disposition or other transfer (in one or more transactions) of a minority interest in any Person that is not a Subsidiary, that constituted a Restricted Payment or a Permitted Investment; provided that (x) the majority interests in such Person shall also be concurrently sold or transferred on the same terms and (y) the Net Cash Proceeds from the sale or transfer of such minority interest are applied in accordance with Section 6.5;
- (17) the sale, conveyance, disposition or other transfer (in one or more transactions) of any assets or rights required or advisable as a result of statutory or regulatory changes or requirements (including any settlements with any regulatory agencies) as determined in good faith by the Board of

Managers; provided that any cash or Cash Equivalents received must be applied as Net Cash Proceeds in accordance with Section 6.5;

(18) the sale, conveyance or other disposition of advances, Mortgage Servicing Rights, mortgages, other loans, customer receivables, mortgage related securities or derivatives or other assets (or any interests in any of the foregoing) in the ordinary course of business, the sale, transfer or discount in the ordinary course of business of accounts receivable or other assets that by their terms convert into cash, any sale of Mortgage Servicing Rights in connection with the origination of the associated mortgage loan in the ordinary course of business or any sale of securities in respect of additional fundings under reverse mortgage loans in the ordinary course of business;

(19) the modification of any mortgages or other loans owned or serviced by the Borrower or any of its Restricted Subsidiaries in the ordinary course of business;

(20) a sale, conveyance or other disposition (in one or more transactions) of Servicing Advances, mortgage loans or Mortgage Servicing Rights or any part thereof in the ordinary course of business (x) in connection with the transfer or termination of the related Mortgage Servicing Rights or (y) in connection with any Excess Spread Sales;

(21) the unwinding of any Hedging Obligations;

(22) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(23) the lapse, abandonment or invalidation of intellectual property rights, which in the reasonable determination of the Board of Managers of the Borrower or the senior management thereof are not material to the conduct of the business of the Borrower and its Restricted Subsidiaries taken as a whole or are no longer used or useful or economically practicable or commercially reasonable to maintain;

(24) the disposition of any assets (including Equity Interests) (i) acquired in a transaction permitted under this Agreement, which assets are not used or useful in the core or principal business of the Borrower and its Restricted Subsidiaries, or (ii) made in connection with the approval of any applicable antitrust authority;

(25) dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) an amount equal to the net proceeds of such disposition are promptly applied to the purchase price of such replacement property; and

(26) transactions contemplated by the LLC Agreement.

“Board of Managers” means with respect to a Person means the managers, board of directors (or similar body) of such Person or any committee thereof duly authorized to act on behalf of such managers, board of directors (or similar body).

“Business Day” means a day upon which commercial banks are open for the transaction of business of the nature contemplated by this Agreement in New York, New York.

“Capital Lease” means any lease of property which is required to be classified as a capital lease in conformity with GAAP and the amount of Debt represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined in accordance with GAAP, and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty, in each case. For the avoidance of doubt, Capital Lease shall exclude all operating lease and non-finance lease liabilities that are required to be capitalized and reflected as liabilities on the balance sheet in accordance with GAAP.

“Capital Stock” means, with respect to any Person, any and all shares of stock of a corporation, partnership interests or other equivalent interests (however designated, whether voting or non-voting) in such Person’s equity, entitling the holder to receive a share of the profits and losses, and a distribution of assets, after liabilities, of such Person.

“Cash Equivalents” means:

- (1) United States Dollars, or money in other currencies received in the ordinary course of business;
- (2) U.S. Government Obligations with maturities not exceeding one year from the date of acquisition;
- (3) (i) demand deposits, (ii) time deposits and certificates of deposit with maturities of one year or less from the date of acquisition, (iii) bankers’ acceptances with maturities not exceeding one year from the date of acquisition, and (iv) overnight bank deposits, in each case with any bank or trust company organized or licensed under the laws of the United States or any state thereof having capital, surplus and undivided profits in excess of \$500,000,000;
- (4) repurchase obligations with a term of not more than 60 days for underlying securities of the type described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;
- (5) commercial paper rated at least P-1 by Moody’s or A-1 by S&P (or an equivalent rating by Fitch) and maturing within six months after the date of acquisition;
- (6) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody’s (or an equivalent rating by Fitch);
- (7) securities with maturities of one year or less from the date of acquisition backed by standby letters of credit issued by any financial institution meeting the qualifications specified in clause (3) above;
- (8) securities held in the Borrower’s accounts (or in the account of any Restricted Subsidiary), less any margin or other debt secured by any of such accounts; and
- (9) shares of money market mutual or similar funds.

“Change of Control” means:

- (a) the merger or consolidation of the Borrower with or into another Person or the merger of another Person with or into the Borrower or the merger of any Person with or into a subsidiary of the Borrower if Capital Stock of the Borrower is issued in connection therewith, or the sale of all or substantially all the assets (net of any associated non-recourse or secured obligations) of the Borrower to another Person (in each case, unless such other Person is a Permitted Holder), other than any asset sale that is a result of a repurchase right or obligation or a mandatory sale right or obligation, unless the direct or indirect holders of a majority of the aggregate voting power of the Voting Stock of the Borrower, immediately prior to such transaction, hold directly or indirectly securities of the surviving or transferee Person that represent, immediately after such transaction, at least a majority of the aggregate voting power of the Voting Stock of the surviving Person;
- (b) any “person” or “group” (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act), other than Permitted Holders, is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 under the Exchange Act), directly or indirectly, of more than 50% of the

total voting power of the Voting Stock of the Borrower, and thereafter, the Permitted Holders are the beneficial owners, directly or indirectly, of less than 50% of the total voting power of the Voting Stock of the Borrower or any Parent Entity; or

- (c) the adoption of a plan relating to the liquidation or dissolution of the Borrower.

“Closing Date” means the date this Agreement is signed by the parties hereto and the conditions of Article IV are fulfilled to the satisfaction of the Lender.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Co-Investment Transaction” means a transaction pursuant to which a portion of Mortgage Servicing Rights or the right to receive fees in respect of Mortgage Servicing Rights are transferred for fair value to another Person.

“Consolidated Net Income” means, for any period, the aggregate net income (or loss) of the Borrower and its Restricted Subsidiaries for such period determined on a consolidated basis in conformity with GAAP; provided that the following (without duplication) will be excluded in computing Consolidated Net Income:

- (1) the net income or loss of any Person that is not a Restricted Subsidiary, except to the extent of in the case of net income, the dividends or other distributions actually paid in cash to the Borrower or any of its Restricted Subsidiaries (subject to clause (2) below) by such Person during such period;

- (2) the net income (but not loss) of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income would not have been permitted for the relevant period by charter or by any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;

- (3) any net after-tax gains or losses attributable to Asset Sales (other than, for purposes of the calculation described in clause (a)(3) under Section 6.4 where such gains or losses shall be included) or the extinguishment of Debt;

- (4) any valuation allowance for mortgage loans held-for-investment and/or any change in fair value of mortgage loans held for sale and corresponding debt in relation to securitized loans in accordance with GAAP that require no additional capital or equity contributions to such Person;

- (5) any change in fair value of Mortgage Servicing Rights and reverse mortgage loans or the amortization of Mortgage Servicing Rights;

- (6) any gain or loss related to the fair market value of economic hedges related to Mortgage Servicing Rights or other mortgage related assets or securities, to the extent that such other mortgage related assets or securities are valued at fair market value and gains and losses with respect to such related assets or securities have been excluded pursuant to another clause of this provision;

- (7) any net after-tax extraordinary gains or losses;

- (8) the cumulative effect of a change in accounting principles;

- (9) impairment charges or reversals;

- (10) Public Company Costs; and

- (11) any equity-based or non-cash compensation or similar charge or expense or reduction of revenue, including any such charge, expense or amount arising from grants of stock appreciation or similar rights, stock options, restricted stock, profits interests or other rights or equity or equity-based incentive programs (“equity incentives”), any cash charges associated with the equity incentives or other

long-term incentive compensation plans (including under deferred compensation arrangements of the Borrower, any Restricted Subsidiary or any Parent Entity), rollover, acceleration, or payout of Equity Interests by management, other employees or business partners of such Person or of a Restricted Subsidiary or any Parent Entity

“Consolidated Total Assets” means the total assets of the Borrower and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP, as shown on the balance sheet as of the end of the most recent fiscal quarter for which internal financial statements are available, adjusted on a pro forma basis to reflect any acquisition or dispositions of assets that have been completed or are subject to a definitive agreement from the date of such balance sheet to the date of such event giving rise to the requirement to determine Consolidated Total Assets.

“Credit Enhancement Agreements” means, collectively, any documents, instruments, guarantees or agreements entered into by the Borrower, any of its Restricted Subsidiaries or any Securitization Entity for the purpose of providing credit support (that is customary) with respect to any Funding Indebtedness or Permitted Securitization Indebtedness.

“Credit Facilities” means one or more debt facilities, credit agreements, commercial paper facilities, note purchase agreements, indentures, or other agreements, in each case with banks, lenders, purchasers, investors, trustees, agents or other representatives of any of the foregoing, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables or interests in receivables to such lenders or other persons or to special purpose entities formed to borrow from such lenders or other persons against such receivables or sell such receivables or interests in receivables), letters of credit, notes or other borrowings or other extensions of credit, including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, in each case, as amended, restated, modified, renewed, refunded, restated, restructured, increased, supplemented, replaced or refinanced in whole or in part from time to time, including any replacement, refunding or refinancing facility or agreement that increases the amount permitted to be borrowed thereunder or alters the maturity thereof or adds entities as additional borrowers or guarantors thereunder and whether by the same or any other agent, lender, group of lenders, or otherwise.

“Currency Agreement” means, with respect to any specified Person, any foreign exchange contract, currency swap agreement, futures contracts, options on futures contracts or other similar agreement or arrangement designed to protect such Person or any of its Restricted Subsidiaries against fluctuations in currency values.

“Debt” means, with respect to any Person, without duplication,

- (a) all indebtedness of such Person for borrowed money;
- (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (c) all obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments, excluding obligations in respect of trade letters of credit or bankers’ acceptances issued in respect of trade payables to the extent not drawn upon or presented, or, if drawn upon or presented, the resulting obligation of the Person is paid within 10 Business Days;
- (d) all obligations of such Person to pay the deferred and unpaid purchase price of property or services which are recorded as liabilities under GAAP, excluding trade payables arising in the ordinary course of business;
- (e) all obligations of such Person as lessee under Capital Leases;
- (f) all Debt of other Persons Guaranteed by such Person to the extent so Guaranteed;
- (g) all Debt of other Persons secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such

Person;

- (h) all obligations of such Person under Speculative Hedging Obligations;
- (i) all obligations in respect of Securitization Securities issued by such Person in a Securitization transaction (regardless of whether denominated as debt or equity securities); and
- (j) to the extent not otherwise included in this definition, all Funding Indebtedness of such Person;

provided, however, that notwithstanding the foregoing, in no event shall the following constitute Debt: (i) obligations under or in respect of the financing of accounts receivable incurred in the ordinary course of business, (ii) intercompany liabilities that would be eliminated on the consolidated balance sheet of the Borrower, (iii) prepaid or deferred revenue arising in the ordinary course of business, (iv) mortgage-backed securities guaranteed or insured by a GSE, the Federal Housing Administration, the Veterans Administration or any similar governmental agencies or government sponsored programs, owned, invested in, or sold by such Person, (v) the sale by the Borrower or any Guarantor to a third party of a partial interest in an asset, which sale is not deemed to be an Asset Sale and (vi) operating leases.

The amount of Debt of any Person will be deemed to be:

- (A) with respect to contingent obligations, the amount of the corresponding liability shown on the balance sheet calculated in accordance with GAAP;
- (B) with respect to Debt secured by a Lien on an asset of such Person but not otherwise the obligation, contingent or otherwise, of such Person, the lesser of (x) the fair market value of such asset on the date of determination and (y) the amount of such Debt;
- (C) with respect to any Debt issued with original issue discount, the face amount of such Debt less the remaining unamortized portion of the original issue discount of such Debt;
- (D) with respect to any Speculative Hedging Obligations, the net amount payable if such Speculative Hedging Obligations terminated at that time due to default by such Person;
- (E) with respect to any Warehousing Indebtedness, the amount of any particular Warehousing Indebtedness as of any date of determination shall be the greater of (x) the consideration received by the Borrower or any Restricted Subsidiary under such Warehousing Facility and not previously repaid to the holder of such Warehousing Indebtedness and (y) in the case of a purchase facility, the book value of the Receivables financed under such Warehousing Facility until such time as such Receivables are (i) securitized, (ii) repurchased by the Borrower or any Restricted Subsidiary or (iii) sold to a Person who is not an Affiliate of the Borrower; and
- (F) otherwise, the outstanding principal amount thereof.

For purposes of clause (c) of Section 7.1 the principal amount of any Funding Indebtedness that is accelerated at any date shall be:

- (i) the amount by which the aggregate principal amount of such Debt exceeds the fair market value of the liquid assets exclusively securing such Debt on a first-lien basis (after taking into account any paydown of such Debt or posting of additional liquid assets as collateral), provided that notwithstanding the acceleration of such Debt and the cessation or limitation of availability under other facilities in respect of Funding Indebtedness, (A) the Borrower and its Restricted Subsidiaries have \$500,000,000 or more in an aggregate amount available for borrowing (including committed and uncommitted amounts) under facilities for Funding Indebtedness, and (B) the Borrower and its Restricted Subsidiaries can continue to conduct their respective business as otherwise conducted; or
- (ii) if paragraph (i) does not apply at any date, the principal amount of any such accelerated Debt shall be deemed to be the principal amount thereof.

Notwithstanding anything in this definition to the contrary, Debt shall not include obligations under any Permitted Hedging Obligations.

For all purposes during the term of this Agreement, each lease in existence on the Closing Date that as of the Closing Date would be treated as an operating lease under GAAP shall have the same characterization as an operating lease.

“Debt-to-Equity Ratio” means, on any date of determination, the ratio of (1) (x) the aggregate amount of Non-Funding Indebtedness of the Borrower and its Restricted Subsidiaries on a consolidated basis on such date of determination less (y) the amount of cash and Cash Equivalents (but excluding in all cases cash proceeds from Indebtedness incurred on the date of determination) of the Borrower and its Restricted Subsidiaries (for such purpose, excluding all cash and Cash Equivalents listed as restricted cash on the financial statements of the Borrower and its Restricted Subsidiaries (other than cash and Cash Equivalents listed as restricted cash on the financial statements of the Borrower and its Restricted Subsidiaries securing Non-Funding Indebtedness included in clause (x) of this clause (1))) to (2) Total Shareholders’ Equity on such date of determination.

“Default” means any event which constitutes an Event of Default or which, with the giving of notice, lapse of time permitted by an applicable grace period, or both, would become an Event of Default.

“Default Rate” means a per annum interest rate equal to two percent (2.00%) above the otherwise applicable interest rate under this Agreement.

“Designated Jurisdiction” means any country or territory to the extent that such country or territory is the subject of any Sanction.

“Disqualified Equity Interests” means Equity Interests that by their terms or upon the happening of any event are:

- (1) required to be redeemed or redeemable at the option of the holder on or prior to the date 91 days after the earlier of the stated maturity or the date the Notes are no longer outstanding other than Qualified Equity Interests; or
- (2) convertible at the option of the holder into Disqualified Equity Interests or exchangeable for Debt on or prior to the date 91 days after the earlier of the stated maturity or the date the Notes are no longer outstanding;

provided that Equity Interests will not constitute Disqualified Equity Interests solely because of provisions giving holders thereof the right to require repurchase or redemption upon an “asset sale” or “change of control” occurring prior to the stated maturity of the Notes if those provisions;

(A) are no more favorable to the holders of the Notes than Section 6.5, and

(B) specifically state that repurchase or redemption pursuant thereto will not be required prior to the Borrower’s repurchase of the Notes as required by this Agreement.

or if such Equity Interests are issued pursuant to any plan for the benefit of future, current or former employees, directors, officers, managers, members of management, consultants or independent contractors of the Borrower or its Subsidiaries or any Parent Entity or by any such plan to such employees, directors, officers, managers, members of management, consultants or independent contractors if the redemption or repurchase provisions of such Equity Interests specifically provide that the it may be required to be repurchased by the Issuer or its Subsidiaries solely in order to satisfy applicable statutory or regulatory obligations or as a result of such employee’s, director’s, officer’s, manager’s, management member’s, consultant’s or independent contractor’s termination, death or disability.

“Disqualified Stock” means Capital Stock constituting Disqualified Equity Interests.

“EBITDA” means, for any period, the sum of:

- (1) Consolidated Net Income; plus
- (2) Fixed Charges, to the extent deducted in calculating Consolidated Net Income; plus
- (3) to the extent included in calculating Consolidated Net Income and as determined on a consolidated basis for the Borrower and its Restricted Subsidiaries in conformity with GAAP:
 - a. income taxes;
 - b. depreciation, amortization and all other non-cash items reducing Consolidated Net Income (not including non-cash charges in a period which reflect accrued expenses paid or to be paid in another period in cash), less all non-cash items increasing Consolidated Net Income (but excluding any such amortization or non-cash items in respect of Funding Indebtedness);
 - c. all non-recurring losses (and minus all non-recurring gains);
 - d. costs associated with exit and disposal activities incurred in connection with a restructuring as defined in ASC 420-10;
 - e. non-controlling interest income (loss); and
 - f. all losses (and minus all gains) resulting from any change in fair value of Mortgage Servicing Rights due to (i) collection/realization of cash flows in respect of Mortgage Servicing Rights and (ii) changes in model inputs and assumptions; minus
- (4) the fair value of Mortgage Servicing Rights capitalized by the Borrower and its Restricted Subsidiaries during such period;

provided that, with respect to any Restricted Subsidiary, such items will be added only to the extent and in the same proportion that the relevant Restricted Subsidiary’s net income was included in calculating Consolidated Net Income.

“Equity Interests” means all Capital Stock and all warrants or options with respect to, or other rights to purchase, Capital Stock, but excluding Debt convertible into equity.

“Equity Offering” means any private or underwritten public offering, after the Closing Date, of Qualified Stock of the Borrower or any Parent Entity where the proceeds are contributed as equity to the Borrower other than an issuance registered on Form S-4 or S-8 or any successor thereto or any issuance pursuant to employee benefit plans or otherwise in compensation to officers, directors or employees.

“Event of Default” has the meaning assigned to such term in Section 7.1 hereof.

“Excess Spread Sale” means any sale in the ordinary course of business and for Fair Market Value of any excess servicing fee spread under any Mortgage Servicing Right.

“Fair Market Value” means, with respect to any asset (including any Equity Interests of any Person), the price at which a willing buyer that is not an Affiliate of the seller and a willing seller, would reasonably be expected to agree to purchase and sell such asset, as determined in good faith by the Borrower or the Restricted Subsidiary purchasing or selling such asset. For the avoidance of doubt, any sale, contribution, assignment or other transfer shall not be deemed to be for less than Fair Market Value solely because such sale, contribution, assignment or transfer was made at a discount to par.

“Financeable Assets” means (a) Receivables, (b) Mortgage Servicing Rights, (c) Residual Interests, (d) Servicing Advances, (e) Securitization Assets, (f) REO Assets, and (g) to the extent not otherwise included, any assets related thereto that are of the type transferred in connection with

Securitization transactions involving assets such as, or similar to, such Receivables, Residual Interests, Servicing Advances, Securitization Assets, or REO Assets, as the case may be, including, but not limited to, related Securitization Securities, mortgage related securities and derivatives, other mortgage related receivables or other similar assets, interests in any of the foregoing and any collections or proceeds of any of the foregoing.

“Fixed Charge Coverage Ratio” means, on any date (the “transaction date”), the ratio of: (x) the aggregate amount of EBITDA for the four fiscal quarters immediately prior to the transaction date for which internal financial statements are available (the “reference period”); to (y) the aggregate Fixed Charges during such reference period.

In making the foregoing calculation,

(1) pro forma effect will be given to any Debt, Disqualified Stock or Preferred Stock Incurred during or after the reference period to the extent the Debt, Disqualified Stock or Preferred Stock is outstanding or is to be Incurred on the transaction date as if the Debt, Disqualified Stock or Preferred Stock had been Incurred on the first day of the reference period;

(2) pro forma calculations of interest on Debt bearing a floating interest rate will be made as if the rate in effect on the transaction date (taking into account any Hedging Obligation applicable to the Debt if the Hedging Obligation has a remaining term of at least 12 months) had been the applicable rate for the entire reference period;

(3) Fixed Charges related to any Debt, Disqualified Stock or Preferred Stock no longer outstanding or to be repaid or redeemed, defeased or otherwise discharged on the transaction date, except for Interest Expense accrued during the reference period under a revolving credit to the extent of the commitment thereunder (or under any successor revolving credit) in effect on the transaction date, will be excluded;

(4) pro forma effect will be given to:

(A) the creation, designation or redesignation of Restricted and Unrestricted Subsidiaries;

(B) the acquisition or disposition of companies, divisions or lines of businesses or other Investments or purchases of Mortgage Servicing Rights or Servicing Advances by the Borrower and its Restricted Subsidiaries, including any such action since the beginning of the reference period by a Person that became a Restricted Subsidiary after the beginning of the reference period; and

(C) the discontinuation of any discontinued operations but, in the case of Fixed Charges, only to the extent that the obligations giving rise to the Fixed Charges will not be obligations of the Borrower or any Restricted Subsidiary following the transaction date.

that have occurred since the beginning of the reference period as if such events had occurred, and, in the case of any disposition, the proceeds thereof applied, on the first day of the reference period. To the extent that pro forma effect is to be given to an acquisition or disposition of a company, division or line of business, the pro forma calculation will be based upon the most recent four full fiscal quarters for which the relevant financial information is available. The pro forma calculations shall be made by a responsible accounting officer of the Borrower in good faith based on the information reasonably available to it at the time of such calculation and may include cost savings and operating expense reductions resulting from such Investment, acquisition or purchase (whether or not such cost savings or expense reductions would be allowable under Regulation S-X promulgated under the Securities Act or any other regulation or policy of the SEC related thereto).

“Fixed Charges” means, for any period, the sum of:

(1) Interest Expense for such period; and

(2) cash and non-cash dividends paid, declared, accrued or accumulated on any Disqualified Stock or Preferred Stock of the Borrower or a Restricted Subsidiary, except for dividends payable in the Borrower's Qualified Stock or paid to the Borrower or to a Restricted Subsidiary.

“Funding Indebtedness” means (i) any Permitted Servicing Advance Facility Indebtedness, (ii) any Permitted Warehousing Indebtedness, (iii) any MSR Indebtedness, (iv) any Permitted Residual Indebtedness, (v) any Permitted Securitization Indebtedness, (vi) any Debt of the type set forth in clauses (i) through (v) of this definition that is acquired by the Borrower or any of its Restricted Subsidiaries in connection with an acquisition permitted under this Agreement, (vii) Debt under any Credit Enhancement Agreements, (viii) any facility that combines any Debt under clauses (i), (ii), (iii), (iv), (v), (vi) or (vii) of this definition and (ix) any refinancing of the Debt under clauses (i), (ii), (iii), (iv), (v), (vi), (vii) or (viii) of this definition existing on the Closing Date or created thereafter, *provided, however*, solely as of the date of the incurrence of such Funding Indebtedness, the amount of the excess (determined as of the most recent date for which internal financial statements are available), if any, of (1) the amount of any Debt incurred in accordance with this clause (ix) for which the holder thereof has contractual recourse to the Borrower or its Restricted Subsidiaries to satisfy claims with respect thereto (excluding recourse for carve-out matters such as fraud, misappropriation, breaches of representations, warranties and covenants and misapplication and customary indemnities in connection with such transactions) over (2) the aggregate (without duplication of amounts) Realizable Value of the assets that secure such Debt shall not be Funding Indebtedness (but shall not be deemed to be a new Incurrence of Debt subject to the provisions of Section 6.1, except with respect to, and solely to the extent of, any such excess that exists upon the initial incurrence of such Debt incurred under this clause (ix)).

“GAAP” or “Generally Accepted Accounting Principles” means generally accepted accounting principles in the United States of America as in effect as of the Closing Date, including those set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as approved by a significant segment of the accounting profession. All ratios and computations based on GAAP contained in this Agreement will be computed in conformity with GAAP, except that in the event the Borrower is acquired in a transaction that is accounted for using purchase accounting, the effects of the application of purchase accounting shall be disregarded in the calculation of such ratios and other computations contained in this Agreement. Notwithstanding the foregoing, for purposes of this Agreement, GAAP shall be determined, all terms of an accounting or financial nature shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any change in accounting for leases pursuant to GAAP resulting from the implementation of Financial Accounting Standards Board ASU No. 2016-02, Leases (Topic 842), to the extent such adoption would require treating any lease (or similar arrangement conveying the right to use) as a capitalized asset with a corresponding lease liability where such lease (or similar arrangement) would not have been required to be so treated under GAAP prior to the effective date of ASU No. 2016-02.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“GSE” means a government sponsored enterprise of the United States of America, including, but not limited to, Federal National Mortgage Association (“Fannie Mae”), Federal Home Loan Mortgage Corporation (“Freddie Mac”), Government National Mortgage Association (“GNMA”), any Federal Home Loan Bank (“FHLB”), and any public or privately owned successor entity to any of the foregoing.

“Guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or

otherwise) or (ii) entered into for purposes of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof, in whole or in part; provided that the term “Guarantee” does not include endorsements for collection or deposit in the ordinary course of business. The term “Guarantee” used as a verb has a corresponding meaning.

“Guarantor” means each Restricted Subsidiary that has executed a supplemental indenture providing for the guaranty of the payment of the Notes, unless and until such Guarantor is released from such note guaranty.

“Hedging Obligations” means, with respect to any Person, (1) the obligations of such Person under any interest rate swap agreement, interest rate cap agreement, interest rate floor agreement, interest rate collar agreement, forward hedge and TBA contracts, mortgage sale contracts, “interest only” mortgage derivative assets or other mortgage derivative products, future contracts and options on future contracts on the Eurodollar, Federal Funds, Treasury bills and Treasury rates, foreign exchange contract, currency swap agreement or similar agreement providing for the transfer, modification or mitigation of interest rate or currency, either generally or under specific contingencies and (2) any and all transactions of any kind, and the related confirmations.

“HoldCo” means UWM Holdings, LLC, a Delaware limited liability company.

“Immediate Family Members” means with respect to any individual, such individual’s child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law (including adoptive relationships), and any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

“Incur”, “Incurred” or “Incurrence” means, with respect to any Debt or Capital Stock, to incur, create, issue, assume or Guarantee such Debt or Capital Stock. If any Person becomes a Restricted Subsidiary on any date after the date of this Agreement (including by redesignation of an Unrestricted Subsidiary or failure of an Unrestricted Subsidiary to meet the qualifications necessary to remain an Unrestricted Subsidiary), the Debt and Capital Stock of such Person outstanding on such date will be deemed to have been Incurred by such Person on such date for purposes of Section 6.1, but will not be considered the sale or issuance of Equity Interests for purposes of Section 6.5. The accretion of original issue discount or payment of interest in kind will not be considered an Incurrence of Debt.

“Interest Expense” means, for any period, (a) the consolidated interest expense of the Borrower and its Restricted Subsidiaries, plus, to the extent not included in such consolidated interest expense, and to the extent incurred, accrued or payable by the Borrower or its Restricted Subsidiaries, without duplication, (i) interest expense attributable to Capital Leases, (ii) amortization of debt discount and debt issuance costs, (iii) capitalized interest, (iv) non-cash interest expense, (v) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing, (vi) net costs associated with Hedging Obligations hedging interest rates in respect of Debt for borrowed money (including the amortization of fees), (vii) any of the above expenses with respect to Debt of another Person Guaranteed by the Borrower or any of its Restricted Subsidiaries to the extent paid by the Borrower or any Restricted Subsidiary and (viii) any premiums, fees, discounts, expenses and losses on the sale of accounts receivable (and any amortization thereof) payable by the Borrower or any Restricted Subsidiary in connection with a Securitization, but (b) excluding any commissions, discounts and other fees and charges, including interest, on Funding Indebtedness or Non-Recourse Debt of the Borrower or its Restricted Subsidiaries, as determined on a consolidated basis and in accordance with GAAP.

“Investment” means:

- (a) any direct or indirect advance, loan or other extension of credit to another Person;
- (b) any capital contribution to another Person, by means of any transfer of cash or other property or in any other form;

(c) any purchase or acquisition of Equity Interests, bonds, notes or other Debt, or other instruments or securities issued by another Person, including the receipt of any of the above as consideration for the disposition of assets or rendering of services; or

(d) any Guarantee of any obligation of another Person.

If the Borrower or any Restricted Subsidiary (x) sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary so that, after giving effect to that sale or disposition, such Person is no longer a Subsidiary of the Borrower, or (y) designates any Restricted Subsidiary as an Unrestricted Subsidiary (in accordance with the applicable provisions under the 2027 Senior Notes Indenture), all remaining Investments of the Borrower and the Restricted Subsidiaries in such Person shall be deemed to have been made at such time.

“Lien” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or Capital Lease); provided that in no event shall an operating lease or a transfer of assets pursuant to a Co-Investment Transaction be deemed to constitute a Lien.

“LLC Agreement” means that certain Second Amended and Restated Limited Liability Company Agreement of UWM Holdings, LLC, as may be modified or amended from time to time.

“Loan Documents” means this Agreement and any other agreement or instrument related thereto.

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect upon, the business, properties, financial condition or results of operations of the Borrower and its Subsidiaries taken as a whole; or (b) a material impairment of the rights and remedies of the Lender under any Loan Document to which it is a party, or of the ability of the Borrower to perform any of their material obligations under any Loan Document to which it is a party.

“Maturity Date” means the earlier of (i) the one-year anniversary of the Closing Date, provided, however, that the Maturity Date shall automatically renew for an additional one-year period unless the Borrower or the Lender has delivered notice of non-renewal at least 60 days prior to such date, or (ii) upon the consummation of a Change of Control.

“Mortgage Servicing Right” means, with respect to any Person, the right of such Person to receive cash flows in its capacity as servicer of any Receivable or pool of Receivables, and any interests in such right including, but not limited to, participation certificates or excess fee strips, together with any assets related thereto that are of the type transferred in connection with Securitization transactions involving assets such as, or similar to, Mortgage Servicing Rights, and any collections or proceeds thereof, including all contracts and contract rights, security interests, financing statements or other documentation in respect of such Mortgage Servicing Rights, all general intangibles under or arising out of or relating to such Mortgage Servicing Rights and any guarantees, indemnities, warranties or other obligations in respect of such Mortgage Servicing Rights. For purposes of determining the amount of a Mortgage Servicing Right at any time, such amount shall be determined in accordance with GAAP, consistently applied, as of the most recent practicable date.

“MSR Facility” means any financing arrangement of any kind, including, but not limited to, financing arrangements in the form of purchase facilities, repurchase facilities, early purchase facilities, re-pledge facilities, loan agreements, note issuance facilities and commercial paper facilities, with a financial institution or other lender (including, but not limited to, any GSE) or purchaser, in each case, primarily to finance or refinance the purchase, origination, pooling or funding by the Borrower or a Restricted Subsidiary of Mortgage Servicing Rights originated, purchased or owned by the Borrower or any Restricted Subsidiary of the Borrower, including, for the avoidance of doubt, any arrangement secured by Mortgage Servicing Rights or any interest therein held by the Borrower or any Restricted Subsidiary.

“MSR Facility Trust” means any Person (whether or not a Subsidiary of the Borrower) established for the purpose of issuing notes or other securities, including, but not limited to, Securitization

Securities, or holding, pledging or re-pledging Mortgage Servicing Rights or pledges thereof, or interests in other MSR Facility Trusts or entering into a MSR Facility with the Borrower or a Restricted Subsidiary, in each case in connection with a MSR Facility, which (i) notes and securities are backed by, or represent interests in, Mortgage Servicing Rights originated or purchased by, and/or contributed to, such Person from the Borrower or any of its Restricted Subsidiaries or interests in other MSR Facility Trusts or (ii) notes and securities are backed by, or represent interests in, specified Mortgage Servicing Rights purchased by, and/or contributed to, such Person from the Borrower or any of its Restricted Subsidiaries or interests in other MSR Facility Trusts.

“MSR Indebtedness” means Debt in connection with a MSR Facility.

“Net Cash Proceeds” means, with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash (including (i) payments in respect of deferred payment obligations to the extent corresponding to principal, but not interest, when received in the form of cash, and (ii) proceeds from the conversion of other consideration received when converted to cash), net of:

- (1) brokerage commissions and other fees and expenses related to such Asset Sale, including fees and expenses of counsel, accountants and investment bankers;
- (2) survey costs, title and recordation expenses, title insurance premiums, payments made in order to obtain a necessary consent or required by applicable law and brokerage and sales commissions and any relocation expenses incurred as a result thereof;
- (3) provisions for taxes as a result of such Asset Sale taking into account the consolidated results of operations of the Borrower and its Restricted Subsidiaries;
- (4) any costs associated with unwinding any related Hedging Obligations in connection with such transaction;
- (5) payments or distributions required to be made to holders of minority interests in Restricted Subsidiaries as a result of such Asset Sale or to repay Debt outstanding at the time of such Asset Sale that is secured by a Lien on the property or assets sold or which must by its terms, or in order to obtain a necessary consent to such Asset Sale, or by applicable law, be repaid from the proceeds thereof;
- (6) appropriate amounts to be provided as a reserve against liabilities associated with such Asset Sale, including pension and other post-employment benefit liabilities, liabilities related to environmental matters and indemnification obligations associated with such Asset Sale, and any amounts placed in escrow (whether as a reserve for an adjustment of the purchase price, satisfaction of indemnities or otherwise), in each case with any subsequent reduction of the reserve (other than by payments made and charged against the reserved amount), and any subsequent release from escrow deemed to be a receipt of cash; and
- (7) without duplication, any reserves that the Board of Managers determines in good faith should be made in respect of the sale price of such asset or assets for post-closing adjustments. .

“Non-Funding Indebtedness” means all Debt other than Funding Indebtedness of the Borrower or a Restricted Subsidiary.

“Non-Recourse Debt” means with respect to any specified Person, Debt that is:

- (1) specifically advanced to finance the acquisition of investment assets and secured only by the assets to which such Debt relates without recourse to such Person or any of its Restricted Subsidiaries (other than subject to such customary carve-out matters for which such Person or its Restricted Subsidiaries acts as a guarantor in connection with such Debt, such as fraud, misappropriation, breach of representation and warranty and misapplication, unless, until and for so long as a claim for payment or performance has been made thereunder against such Person (which has not been satisfied) at which time

the obligations with respect to any such customary carve-out shall not be considered Non-Recourse Debt, to the extent that such claim is a liability of such Person for GAAP purposes);

(2) advanced to (i) such Person or its Restricted Subsidiaries that holds investment assets or (ii) any of such Person's Subsidiaries or group of such Person's Subsidiaries formed for the sole purpose of acquiring or holding investment assets, in each case, against which a loan is obtained that is made without recourse to, and with no cross-collateralization against, such Person's or any of such Person's Restricted Subsidiaries' other assets (other than: (A) cross-collateralization against assets which serve as collateral for other Non-Recourse Debt; and (B) subject to such customary carve-out matters for which such Person or its Restricted Subsidiaries acts as a guarantor in connection with such Debt, such as fraud, misappropriation, breach of representation and warranty and misapplication, unless, until and for so long as a claim for payment or performance has been made thereunder against such Person (which has not been satisfied) at which time the obligations with respect to any such customary carve-out shall not be considered Non-Recourse Debt, to the extent that such claim is a liability of such Person for GAAP purposes) and upon complete or partial liquidation of which the loan must be correspondingly completely or partially repaid, as the case may be; or

(3) specifically advanced to finance the acquisition of real property and secured by only the real property to which such Debt relates without recourse to such Person or any of its Restricted Subsidiaries (other than subject to such customary carve-out matters for which such Person or any of its Restricted Subsidiaries acts as a guarantor in connection with such Debt, such as fraud, misappropriation, breach of representation and warranty and misapplication, unless, until and for so long as a claim for payment or performance has been made thereunder against such Person (which has not been satisfied) at which time the obligations with respect to any such customary carve-out shall not be considered Non-Recourse Debt, to the extent that such claim is a liability of such Person for GAAP purposes);

provided that (A) no Non-Recourse Debt shall be secured by Mortgage Servicing Rights, other than Mortgage Servicing Rights acquired with the proceeds of such Non-Recourse Debt, and (B) notwithstanding the foregoing, to the extent that any Non-Recourse Debt is made with recourse to other assets of a Person or its Restricted Subsidiaries, only that portion of such Non-Recourse Debt that is recourse to such other assets or Restricted Subsidiaries shall be deemed not to be Non-Recourse Debt.

"Notes" means the unsecured senior notes issued pursuant to the 2025 Senior Notes Indenture, the 2027 Senior Notes Indenture and the 2029 Senior Notes Indenture.

"Obligations" means, with respect to any Debt, all obligations (whether in existence on the Closing Date or arising afterwards, absolute or contingent, direct or indirect) for or in respect of principal (when due, upon acceleration, upon redemption, upon mandatory repayment or repurchase pursuant to a mandatory offer to purchase, or otherwise), premium, interest, penalties, fees, indemnification, reimbursement and other amounts payable and liabilities with respect to such Debt, including all interest accrued or accruing after the commencement of any bankruptcy, insolvency or reorganization or similar case or proceeding at the contract rate (including, but not limited to, any contract rate applicable upon default) specified in the relevant documentation, whether or not the claim for such interest is allowed as a claim in such case or proceeding.

"Officer" means the Chairman, the Chief Executive Officer, the Chief Financial Officer, any Vice President, the Treasurer or the Secretary of the Borrower.

"Parent Entity" means (i) UWM Holdings Corporation, a Delaware corporation, (ii) UWM Holdings, LLC, a Delaware limited liability company or (iii) any Person that is, or becomes after the Closing Date, a direct or indirect parent of the Borrower.

"Permitted Debt" has the meaning set forth in Section 6.1

"Permitted Hedging Obligations" means any Hedging Obligation entered into by the Borrower or any Restricted Subsidiary for the purpose of limiting risks associated with the business of the Borrower and its Restricted Subsidiaries and not for speculation.

“Permitted Holder” means any or all of the following:

- (a) Jeff Ishbia (together with (i) his spouse and children (natural or adopted) and (ii) the estate, heirs, executors, personal representatives, successors or administrators upon or as a result of the death, incapacity or incompetency of such person for purposes of the protection and management of such person’s assets);
- (b) Mat Ishbia (together with (i) his spouse and children (natural or adopted) and (ii) the estate, heirs, executors, personal representatives, successors or administrators upon or as a result of the death, incapacity or incompetency of such person for purposes of the protection and management of such person’s assets);
- (c) Justin Ishbia (together with (i) his spouse and children (natural or adopted) and (ii) the estate, heirs, executors, personal representatives, successors or administrators upon or as a result of the death, incapacity or incompetency of such person for purposes of the protection and management of such person’s assets); and
- (d) any Person both the Capital Stock and the Voting Stock of which are owned 50% by the Persons specified in clauses (a), (b) or (c) hereto or in the case of a trust, the beneficial interests in which are owned 50% by, or the majority of the trustees or investment advisers of which are, Persons specified in clauses (a), (b) or (c) hereto.

“Permitted Investments” means:

- (1) any Investment in the Borrower or in a Restricted Subsidiary of the Borrower;
- (2) any Investment in Cash Equivalents or Investment Grade Securities;
- (3) any Investment by the Borrower or any Subsidiary of the Borrower in a Person, if as a result of such Investment;
 - a. such Person becomes a Restricted Subsidiary of the Borrower, or
 - b. such Person is merged or consolidated with or into, or transfers or conveys substantially all its assets to, or is liquidated into, the Borrower or a Restricted Subsidiary;
- (4) Investments received as non-cash consideration in (i) an Asset Sale made pursuant to and in compliance with Section 6.5 or (ii) a transaction not constituting an Asset Sale;
- (5) Hedging Obligations otherwise permitted under this Agreement;
- (6) (i) receivables (including Receivables) owing to the Borrower or any Restricted Subsidiary if created or acquired in the ordinary course of business, (ii) customary deposits into reserve accounts related to Securitization transactions, (iii) endorsements for collection or deposit in the ordinary course of business, and (iv) securities, instruments or other obligations or Investments received in compromise or settlement of debts (including, but not limited to, by foreclosure) created in the ordinary course of business, or by reason of a composition or readjustment of debts or reorganization of another Person, or in satisfaction of claims or judgments;
- (7) (i) payroll, travel and other advances in the ordinary course of business to officers, consultants and employees and (ii) other loans, or advances to, or Guarantees issued to support the obligations of, officers, consultants and employees, provided that the amount pursuant to this clause (ii) shall not be in excess of \$50,000,000 outstanding at any time;
- (8) extensions of credit to customers and suppliers, including, but not limited to, lenders, in the ordinary course of business;

(9) (i) Investments in Residual Interests in connection with any Securitization, Warehousing Facility, other Funding Indebtedness or other Debt permitted by this Agreement and any increases in the aggregate amount thereof resulting from (A) subsequent sales or contributions to such Securitization Entity of Financeable Assets required by the terms of such Securitization, Warehousing Facility, other Funding Indebtedness or other Debt permitted by this Agreement or (B) Standard Securitization Undertakings, but excluding any other capital contribution, loan or advance to, or any other Investment in, any Securitization Entity, (ii) Investments in Guarantees of obligations of any Securitization Entity, including, but not limited to, any that may be deemed to exist pursuant to Standard Securitization Undertakings and (iii) Investments by a Securitization Entity or any other Person in connection with a Securitization, Warehousing Facility, MSR Facility or other Debt permitted by this Agreement, including investments of funds held in accounts required by the arrangements governing such Securitization, Warehousing Facility, MSR Facility or other Debt or any related Securitization Indebtedness, Funding Indebtedness or other Debt;

(10) any Investment in Receivables, REO Assets or other Financeable Assets (including, but not limited to, in the form of repurchase arrangements of any of the foregoing) and any Investment represented by Servicing Advances (other than Equity Interests of any Person);

(11) Investments in Securitization Entities, Warehousing Facility Trusts, MSR Facility Trusts, mortgage related securities or charge-off receivables in the ordinary course of business;

(12) Investments in and making or origination of Servicing Advances, residential or commercial mortgage loans and Securitization Assets (whether or not made in conjunction with the acquisition of Mortgage Servicing Rights);

(13) Investments in or Guarantees of Debt of one or more entities the sole purpose of which is to originate, acquire, securitize, finance and/or sell loans that are purchased, insured, guaranteed, financed or securitized by any GSE; provided that the aggregate amount of (i) Investments in such entities plus (ii) the aggregate principal amount of Debt of such entities that are not Restricted Subsidiaries that are wholly owned Subsidiaries which is recourse to the Borrower or any Guarantor shall not exceed an amount equal to 10.0% of the Borrower's book equity as of any date of determination;

(14) any Investment existing on the Closing Date or made pursuant to binding commitments in effect on the Closing Date or an Investment consisting of any extension, modification or renewal of any Investment existing on the Closing Date; provided that the amount of any such Investment may not be increased other than as required by the terms of such Investment as in existence on the Closing Date or as permitted by Section 6.6(b)(6);

(15) in addition to Investments listed above, (A) Investments in an aggregate amount, taken together with all other Investments made in reliance on this clause and that are outstanding at the time, not to exceed the greater of (x) \$350,000,000 and (y) 5.0% of Consolidated Total Assets (net of, with respect to the Investment in any particular Person made pursuant to this clause, the cash return thereon received after the Closing Date as a result of any sale for cash, repayment, redemption, liquidating distribution or other cash realization (not included in Consolidated Net Income) not to exceed the amount of such Investments in such Person made after the Closing Date in reliance on this clause) and (B) any other Investment if, on the date of such Investment, after giving effect thereto, the Debt-to-Equity Ratio (provided that clause (1)(y) of the foregoing definition pertaining to Cash and Cash Equivalents shall be disappplied for purposes of this clause (15)) does not exceed 1.0 to 1.0; provided that if any Investment pursuant to this clause (15) is made in any Person that is not a Restricted Subsidiary at the date of making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been pursuant to this clause (15) for so long as such Person continues to be a Restricted Subsidiary;

(16) Investments of a Person that becomes a Restricted Subsidiary due to an acquisition after the Closing Date to the extent the Investment was not made in connection with, or in contemplation of, such acquisition;

(17) Investments arising out of purchases of all remaining outstanding asset-backed securities of any Securitization Entity and/or Financeable Assets or Securitization Assets of any Securitization Entity in the ordinary course of business or for the purpose of relieving the Borrower or a Subsidiary of the Borrower of the administrative expense of servicing such Securitization Entity;

(18) any Co-Investment Transaction;

(19) any transaction to the extent it constitutes an Investment that is permitted and made in accordance with the provisions of Section 6.6(b) (except transactions described in clauses (iii), (xi), and (xv) of Section 6.6(b));

(20) Investments to the extent made in exchange for, or where the consideration paid consists of, the issuance of Equity Interests (other than Disqualified Stock) of the Borrower or any Unrestricted Subsidiary or Equity Interests of any Parent Entity;

(21) Guarantees of Debt permitted under Section 6.1;

(22) Investments in Mortgage Servicing Rights (including in the form of repurchases of Mortgage Servicing Rights) in the ordinary course of business;

(23) purchases of mortgage backed securities or similar debt instruments;

(24) repurchases of the Notes;

(25) Investments in the ordinary course of business or consistent with past practice consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers consistent with past practices;

(26) contributions to a “rabbi” trust for the benefit of employees, directors, managers, consultants, independent contractors or other service providers or other grantor trust subject to claims of creditors in the case of a bankruptcy of the Borrower or any Restricted Subsidiary; and

(27) any Investment (a) in a Similar Business having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (27) that are at that time outstanding, not to exceed the greater of (x) \$500,000,000 and (y) 7.0% of Consolidated Total Assets of the Borrower (determined as of the most recent date for which internal financial statements are available), at the time of such Investment (in each case, determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value) and (b) without duplication with clause (a), in an amount equal to the net cash proceeds from any sale or disposition of, or any distribution in respect of, Investments acquired after the Closing Date, to the extent the acquisition of such Investments was financed in reliance on clause (a) and provided that such amount will not increase the amount available for Restricted Payments; provided, however, that if any Investment pursuant to this clause (27) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (16) above and shall cease to have been made pursuant to this clause (27).

“Permitted Liens” means:

(d) Liens existing on the Closing Date (including with respect to after-acquired assets) not otherwise permitted hereby;

(e) Liens securing any Debt of the Borrower or any Restricted Subsidiary Incurred under clauses (b)(1), (b)(7) or (b)(12) of Section 6.1 (and Obligations in respect thereof);

(f) Liens on assets of a Restricted Subsidiary that is not a Guarantor of the Notes securing any Debt of a Restricted Subsidiary that is not a Guarantor of the Notes (and Obligations in respect thereof);

(g) Liens on Financeable Assets or any part thereof or interests therein, assets originated, acquired or funded with the proceeds of the Debt secured by such assets, any intangible contract rights and other accounts, documents, records and other property or rights directly related to the foregoing assets and any proceeds thereof and rights under related hedging obligations (and, in the case of any Funding Indebtedness, cash, restricted accounts or securities held in any account with the counterparty to the applicable facility pledged to secure such facility) and Standard Securitization Undertakings, securing any Funding Indebtedness of the Borrower or any Restricted Subsidiary (and Obligations in respect thereof);

(h) Liens, pledges or deposits under worker's compensation laws, unemployment insurance laws or similar legislation and other types of social security or obtaining of insurance, or Liens, pledges or deposits in connection with bids, tenders, contracts or leases, or to secure public or statutory obligations, utility deposits, surety bonds, customs duties and the like, or for the payment of rent, in each case incurred in the ordinary course of business and not securing payment of borrowed money;

(i) Liens imposed by law, such as carriers', vendors', warehousemen's and mechanics' liens, in each case incurred in the ordinary course of business;

(j) Liens in respect of taxes, assessments and governmental charges which are not yet delinquent more than 60 days or which are being contested in good faith and by appropriate proceedings;

(k) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the proceeds thereof;

(l) survey exceptions, title exceptions, encumbrances, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property, not interfering in any material respect with the conduct of the business of the Borrower and its Restricted Subsidiaries;

(m) licenses, sublicenses, leases or subleases as licensor, sublicensor, lessor or sublessor of any of its property, including intellectual property, in the ordinary course of business;

(n) customary Liens in favor of trustees and escrow agents, Liens to secure cash management services or to implement pooling arrangements and netting and setoff rights, banker's liens and the like in favor of financial institutions, depositories, securities intermediaries and counterparties to financial obligations and instruments;

(o) Liens on assets pursuant to merger agreements, stock or asset purchase agreements and similar agreements in respect of the disposition of such assets, including, but not limited to, such Liens that are the subject of an Excess Spread Sale entered into in the ordinary course of business securing obligations under such Excess Spread Sale;

(p) options, put and call arrangements, rights of first refusal and similar rights relating to Investments in joint ventures, partnerships and the like;

(q) judgment liens, and Liens securing appeal bonds or letters of credit issued in support of or in lieu of appeal bonds, so long as no Event of Default then exists as a result thereof;

(r) Liens incurred in the ordinary course of business not securing Debt and not in the aggregate materially detracting from the value of the properties or their use in the operation of the business of the Borrower and its Restricted Subsidiaries;

(s) Liens (including the interest of a lessor under a Capital Lease) on assets or property (including, but not limited to, Mortgage Servicing Rights) that secure Debt Incurred pursuant to Section 6.1(b)(9); provided that any Liens securing such Debt may not extend to any other assets or property owned by the Borrower or any of its Restricted Subsidiaries at the time the Lien is Incurred (other than assets and property affixed or appurtenant thereto) and the Debt secured by the Lien may not be Incurred more than 270 days after the latter of the acquisition, purchase, lease, or completion of the development, construction, repair, maintenance or improvement of the assets or property subject to the Lien;

(t) Liens on assets, property or Equity Interests of a Person at the time such Person becomes a Restricted Subsidiary of the Borrower, is merged with or into the Borrower or any Restricted Subsidiary, provided such Liens (other than Liens to secure Debt Incurred pursuant to Section 6.1(b)(7)) were not created in contemplation thereof and do not extend to any other property of the Borrower or any Restricted Subsidiary;

(u) Liens on assets or property at the time the Borrower or any of the Restricted Subsidiaries acquires such property, including any acquisition by means of a merger or consolidation with or into the Borrower or a Restricted Subsidiary of such Person, provided such Liens were not created in contemplation thereof and do not extend to any other property of the Borrower or any Restricted Subsidiary;

(v) Liens securing Debt or other obligations of a Restricted Subsidiary to the Borrower or another Restricted Subsidiary;

(w) Liens securing Hedging Obligations;

(x) Liens on Residual Interests, Securitization Assets, any intangible contract rights and other accounts, documents, records and assets directly related to the foregoing assets and the proceeds thereof (i) Incurred in connection with Funding Indebtedness, Standard Securitization Undertakings or permitted guarantees of any of the foregoing or (ii) Incurred in connection with any Securitization not covered by clause (i) securing obligations in respect of Securitization Securities; provided, however, that recourse to such Residual Interests, Securitization Assets, intangible contract rights and other accounts, documents, records and assets described in this clause (ii) is limited in a manner consistent with Standard Securitization Undertakings and the ratio of the amount of such Residual Interests to the amount of such Securitization Securities is not significantly greater than the ratio of sellers' retained interests to the financed portion of assets in similar Securitization transactions;

(y) any pledge of the Capital Stock of an Unrestricted Subsidiary to secure Debt of such Unrestricted Subsidiary, to the extent such pledge constitutes an Investment permitted under Section 6.4;

(z) extensions, renewals or replacements of any Liens referred to in clauses (a), (p), (q) or (r) of this definition in connection with the refinancing, refunding, extension, renewal, or replacement of the obligations secured thereby, provided that such Lien does not extend to any other property (other than improvements on such property) and, except as contemplated by the definition of "Permitted Refinancing Debt," the amount secured by such Lien is not increased;

(aa) Liens arising from the recourse that a GSE may have with respect to an alleged breach of any representation or warranty given to such GSE in respect of, and upon the sale of a Receivable;

(ab) Liens securing Non-Recourse Debt so long as such Lien shall encumber only (i) any Equity Interests of the Subsidiary which owes such Debt, (ii) the assets originated, acquired or funded with the proceeds of such Debt and (iii) any intangible contract rights and other accounts, documents, records and other property directly related to the foregoing;

(ac) Liens on client deposits securing the obligation to such client;

(ad) Liens on spread accounts and credit enhancement assets, Liens on the Equity Interests of Restricted Subsidiaries substantially all of which are spread accounts and credit enhancement assets and Liens on interests in Securitization Entities, in each case incurred in connection with Credit Enhancement Agreements;

(ae) Liens on cash, cash equivalents or other property arising in connection with the discharge of Debt;

(af) Liens with respect to obligations at any one time outstanding that do not exceed the greater of (x) \$245,000,000 and (y) 3.5% of Consolidated Total Assets;

(ag) Liens on insurance policies and the proceeds thereof securing the financing of premiums with respect thereto, provided that such Liens shall not exceed the amount of such premiums so financed;

(ah) Liens securing Debt under Currency Agreements;

(ai) Liens on Equity Interests of Unrestricted Subsidiaries; and

(aj) Liens securing Debt incurred pursuant to a Regulatory Debt Facility.

“Permitted Payments to Parent” means the declaration and payment of dividends or distributions by the Borrower or a Restricted Subsidiary to, or the making of loans or advances to, any Parent Entity in amounts required for any Parent Entity to pay, in each case without duplication:

(1) franchise, excise and similar taxes, and other fees and expenses, required to maintain its corporate or legal existence;

(2) customary salary, bonus, severance and other benefits payable to, and indemnities provided on behalf of, employees, directors, officers and managers of any Parent Entity and any payroll, social security or similar taxes thereof, to the extent such salaries, bonuses, severance, indemnities and other benefits are attributable to the ownership or operation of the Borrower and its Restricted Subsidiaries;

(3) general corporate operating, administrative, compliance and overhead costs and expenses of any Parent Entity and, following the first public offering of the Borrower’s common stock or the common stock of any Parent Entity, listing fees and other costs and expenses of such Parent Entity attributable to being a publicly traded company;

(4) fees and expenses related to any unsuccessful equity or debt offering of any Parent Entity;

(5) amounts payable pursuant to the LLC Agreement;

(6) cash payments in lieu of issuing fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of the Borrower or any Parent Entity;

(7) for the financing of Permitted Investments; provided, that (a) such Restricted Payment shall be made substantially concurrently with the closing of such Investment or other acquisition, (b) such Parent Entity shall, promptly following the closing thereof, cause (x) all property acquired (whether assets or Equity Interests) to be contributed to the capital of the Borrower or one of its Restricted Subsidiaries or (y) the merger or amalgamation of the Person formed or acquired into the Borrower or one of its Restricted Subsidiaries (to the extent not prohibited by this Agreement) in order to consummate such Investment or other acquisition, (c) such Parent Entity and its Affiliates (other than the Borrower or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Borrower or a Restricted Subsidiary could have given such consideration or made

such payment in compliance with this Agreement, (d) any property received by the Borrower shall not increase amounts available for Restricted Payments under this Agreement and (e) to the extent constituting an Investment, such Investment shall be deemed to be made by the Borrower or such Restricted Subsidiary pursuant to another provision of this Agreement or pursuant to the definition of “Permitted Investments”;

(8) to the extent constituting Restricted Payments, amounts that would be permitted to be paid by the Borrower under Section 6.4; and

(9) interest or principal on Debt the proceeds of which have been contributed to the Borrower or any Restricted Subsidiary or that has been guaranteed by, or is otherwise, considered Debt of, the Borrower or any Restricted Subsidiary incurred under Section 5.1.

“Permitted Residual Indebtedness” means any Debt of the Borrower or any of its Subsidiaries under a Residual Funding Facility; *provided* that the excess (determined as of the most recent date for which internal financial statements are available), if any of (x) the amount of any such Permitted Residual Indebtedness for which the holder thereof has contractual recourse to the Borrower or its Restricted Subsidiaries to satisfy claims with respect to such Permitted Residual Indebtedness (excluding recourse for carve-out matters such as fraud, misappropriation, breaches of representations, warranties and covenants and misapplication and customary indemnities in connection with such transactions) over (y) the aggregate (without duplication of amounts) Realizable Value of the assets that secure such Permitted Residual Indebtedness shall be deemed not to be Permitted Residual Indebtedness (but shall not be deemed to be a new incurrence of Debt subject to the provisions of Section 6.1 except with respect to, and solely to the extent of, any such excess that exists upon the initial incurrence of such Debt).

“Permitted Securitization Indebtedness” means Securitization Indebtedness; *provided* (i) that in connection with any Securitization, any Warehousing Indebtedness, MSR Indebtedness or other Funding Indebtedness used to finance the purchase, origination or pooling of any Receivables, Mortgage Servicing Rights or other asset subject to such securitization is repaid in connection with such securitization to the extent of the net proceeds received by the Borrower and its Restricted Subsidiaries from the applicable Securitization Entity or other purchaser of Receivables, Securitization Securities or other Financeable Assets, and (ii) the excess (determined as of the most recent date for which internal financial statements are available), if any, of (x) the amount of any such Securitization Indebtedness for which the holder thereof has contractual recourse to the Borrower or its Restricted Subsidiaries to satisfy claims with respect to such Securitization Indebtedness (excluding recourse for carve-out matters such as fraud, misappropriation, breaches of representations, warranties and covenants and misapplication and customary indemnities in connection with such transactions) over (y) the aggregate (without duplication of amounts) Realizable Value of the assets that secure such Securitization Indebtedness shall not be Permitted Securitization Indebtedness (but shall not be deemed to be a new Incurrence of Debt subject to the provisions of Section 6.1 except with respect to, and solely to the extent of, any such excess that exists upon the initial Incurrence of such Debt).

“Permitted Servicing Advance Facility Indebtedness” means any Debt of the Borrower or any of its Subsidiaries incurred under a Servicing Advance Facility; *provided, however*, that the excess (determined as of the most recent date for which internal financial statements are available), if any of (x) the amount of any such Permitted Servicing Advance Facility Indebtedness for which the holder thereof has contractual recourse to the Borrower or its Restricted Subsidiaries to satisfy claims with respect to such Permitted Servicing Advance Facility Indebtedness (excluding recourse for carve-out matters such as fraud, misappropriation, breaches of representations, warranties and covenants and misapplication and customary indemnities in connection with such transactions) over (y) the aggregate (without duplication of amounts) Realizable Value of the assets that secure such Permitted Servicing Advance Facility Indebtedness shall not be Permitted Servicing Advance Facility Indebtedness (but shall not be deemed to be a new Incurrence of Debt subject to the provisions of Section 6.1 except with respect to, and solely to the extent of, any such excess that exists upon the initial incurrence of such Debt).

“Permitted Warehousing Indebtedness” means Warehousing Indebtedness; *provided, however*, that the excess (determined as of the most recent date for which internal financial statements are available), if any, of (x) the amount of any such Warehousing Indebtedness for which the holder thereof

has contractual recourse to the Borrower or its Restricted Subsidiaries to satisfy claims with respect to such Warehousing Indebtedness (excluding recourse for carve-out matters such as fraud, misappropriation, breaches of representations, warranties and covenants and misapplication and customary indemnities in connection with such transactions) over (y) the aggregate (without duplication of amounts) Realizable Value of the assets which secure such Warehousing Indebtedness shall not be Permitted Warehousing Indebtedness (but shall not be deemed to be a new Incurrence of Debt subject to the provisions of Section 6.1, except with respect to, and solely to the extent of, any such excess that exists upon the initial Incurrence of such Debt).

“Person” means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity, including a government or political subdivision or an agency or instrumentality thereof.

“Preferred Stock” means, with respect to any Person, any and all Capital Stock which is preferred as to the payment of dividends or distributions, upon liquidation or otherwise, over another class of Capital Stock of such Person.

“Public Company Costs” means the initial costs relating to establishing compliance with the Sarbanes-Oxley Act of 2002, as amended, and other expenses arising out of or incidental to the Borrower or its Restricted Subsidiaries’ or any Parent Entity’s initial establishment of compliance with the obligations of a reporting company, including costs, fees and expenses (including legal, accounting and other professional fees) relating to compliance with provisions of the Securities Act of 1933, as amended, and Exchange Act of 1934, as amended.

“Qualified Equity Interests” means all Equity Interests of a Person other than Disqualified Equity Interests.

“Qualified Stock” means all Capital Stock of a Person other than Disqualified Stock.

“Realizable Value” of an asset means (i) with respect to any REO Asset, the value realizable upon the disposition of such asset as determined by the Borrower in its reasonable discretion and consistent with customary industry practice and (ii) with respect to any other asset, the lesser of (x) the face value of such asset and (y) the market value of such asset as determined by the Borrower in accordance with the agreement governing the applicable Warehousing Indebtedness or MSR Indebtedness or Permitted Residual Indebtedness, as the case may be (or, if such agreement does not contain any related provision, as determined by senior management of the Borrower in good faith); provided, however, that the Realizable Value of any asset described in clause (i) or (ii) above which an unaffiliated third party has a binding contractual commitment to purchase from the Borrower or any of its Restricted Subsidiaries shall be the minimum price payable to the Borrower or such Restricted Subsidiary for such asset pursuant to such contractual commitment.

“Receivables” means mortgage loans and other mortgage related receivables (and related Mortgage Servicing Rights) arising in the ordinary course of business, together with any assets related thereto that are of the type transferred in connection with Securitization transactions involving assets such as, or similar to, such Receivables, and any collections or proceeds of any of the foregoing, including all collateral securing such Receivables, all contracts and contract rights, security interests, financing statements or other documentation in respect of such Receivables, all general intangibles under or arising out of or relating to such Receivables and any guarantees, indemnities, warranties or other obligations in respect of such Receivables; provided, however, that (i) for purposes of determining the amount of a Receivable at any time, such amount shall be determined in accordance with GAAP, consistently applied, as of the most recent practicable date and (ii) “Receivables” shall exclude Residual Interests and Servicing Advance Receivables.

“Regulatory Debt Facility” means, with respect to the Borrower or any of the Borrower’s Subsidiaries, one or more debt facilities entered into pursuant to the laws, rules or regulations of the United States (including, for the avoidance of doubt, any agency or instrumentality of the United States, including the Federal Reserve and other federal bank regulatory agencies) promulgated under the Coronavirus Aid, Relief, and Economic Security Act or any other legislation, regulation, act or similar

law of the United States in response to, or related to the effect of, COVID-19, in each case, as amended from time to time.

“Relevant Conditions” means, at any date of determination, each of the following conditions: (1) Total Shareholders’ Equity is at least \$1,500,000,000; and (2) the aggregate amount of Cash Equivalents of the Borrower and its Restricted Subsidiaries that is unrestricted, plus the aggregate amount available for borrowing (including committed and uncommitted amounts) under facilities of the Borrower and its Restricted Subsidiaries for Funding Indebtedness and Non-Funding Indebtedness, is at least \$500,000,000.

“REO Asset” of a Person means a real estate asset owned by such Person and acquired as a result of the foreclosure or other enforcement of a Lien on such asset securing a Receivable or Servicing Advance Receivable or other mortgage-related receivable.

“Residual Funding Facility” means any funding arrangement with a financial institution or institutions or other lenders or purchasers under which advances are made to the Borrower or any Restricted Subsidiary secured by Residual Interests.

“Residual Interest” means (i) any residual, subordinated, reserve accounts and ownership, participation or equity interest held by the Borrower or a Restricted Subsidiary in Securitization Entities, Warehousing Facility Trusts and/or MSR Facility Trusts or their assets, regardless of whether required to appear on the face of the consolidated financial statements in accordance with GAAP or (ii), with respect to any Securitization Entity, the residual right (which may be represented by an equity interest or a subordinated debt obligation of such entity) owned or held by the Borrower or a Restricted Subsidiary (other than a Securitization Entity) to receive cash flows from the Financeable Assets sold to such Securitization Entity in excess of amounts needed to pay principal of, interest on and other amounts in respect of Securitization Indebtedness of such entity, servicing expenses of such entity, costs in respect of obligations under Hedging Obligations of such entity (if any) and other fees and obligations in respect of the Third-Party Securities issued by such entity and secured by such Financeable Assets.

“Restricted Subsidiary” means an entity designated as a Restricted Subsidiary pursuant to the terms of the 2027 Senior Notes Indenture.

“Revolving Commitment” means the Lender’s obligation to make Revolving Loans in an aggregate principal amount at any one time not to exceed \$500,000,000, subject to any Commitments Reduction.

“Revolving Loans” has the meaning set forth in Section 2.1(a).

“Sanctions” means any sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty’s Treasury (“HMT”) or other relevant sanctions authority.

“Securitization” means a public or private transfer, pledge, re-pledge, sale or financing, on a fixed or revolving basis, (collectively, “financing”) of (i) Servicing Advances or Mortgage Servicing Rights, (ii) mortgage loans, (iii) installment contracts, (iv) deferred servicing fees, (v) warehouse loans secured by mortgage loans, (vi) mortgage backed and other asset backed securities, including interest only securities, and Securitization Securities, (vii) dealer floorplan loans, (viii) other loans and related assets, and/or (ix) other receivables (including, but not limited to, Receivables), Residual Interests, REO Assets, other Financeable Assets, collections or proceeds of any of the foregoing or similar assets (or any interests in any of the foregoing or in Securitization Entities owning any of the foregoing, including, but not limited to, Securitization Securities) and any other asset capable of being securitized or transferred, pledged, re-pledged or sold in connection with Securitizations, (clauses (i)-(ix) above, collectively, the “Securitization Assets”), in each case where such financing of Securitization Assets is done in a manner by which the Borrower or any of its Restricted Subsidiaries directly or indirectly securitizes a pool of Securitization Assets including, but not limited to, any such transaction involving the sale, transfer, contribution, pledge or re-pledge of Securitization Assets to a Securitization Entity or the issuance by a

Securitization Entity of Securitization Securities that are used to directly or indirectly finance Securitization Assets.

“Securitization Entity” means (i) any MSR Facility Trust, any Warehousing Facility Trust, and any other Person (whether or not a Restricted Subsidiary of the Borrower but excluding the Borrower) established for the purpose of issuing asset-backed or mortgaged-backed or mortgage pass-through securities of any kind (including collateralized mortgage obligations, net interest margin securities, certificates of beneficial or participation interests or other Securitization Securities), (ii) any special purpose Subsidiary established for the purpose of selling, depositing or contributing Securitization Assets into a Person described in clause (i) or holding securities in any related Securitization Entity, regardless of whether such person is an issuer of securities; provided that such Person is not an obligor with respect to any Debt of the Borrower or any Guarantor and (iii) any special purpose Subsidiary of the Borrower formed exclusively for the purpose of satisfying the requirements of Credit Enhancement Agreements and regardless of whether such Subsidiary is an issuer of securities; provided that such Person is not an obligor with respect to any Debt of the Borrower or any Guarantor other than under Credit Enhancement Agreements.

“Securitization Indebtedness” means (i) Debt (including Securitization Securities) of the Borrower or any of its Restricted Subsidiaries Incurred pursuant to on-balance sheet Securitizations and (ii) any Debt (including Securitization Securities) consisting of advances or other loans made to the Borrower or any of its Restricted Subsidiaries based upon securities (including Securitization Securities) issued by a Securitization Entity pursuant to a Securitization, and acquired or retained by the Borrower or any of its Restricted Subsidiaries. Without limiting the foregoing, it is expressly understood and agreed that each of the following transactions are Securitization Indebtedness: (i) the sale of loans to Fannie Mae, Freddie Mac, or the FHLB, (ii) the issuance of securities by the Borrower or a Restricted Subsidiary under one of Ginnie Mae’s mortgage-backed securities programs, including a home-equity conversion mortgage program, and (iii) liabilities associated with the Borrower or its Restricted Subsidiaries’ home equity conversion mortgage loan inventory where the securitization of such loan inventory does not meet the GAAP criteria for sale treatment; provided that the foregoing transactions shall be deemed to be Securitization Indebtedness only to the extent that such transactions continue to satisfy the terms described in the first sentence of this definition.

“Securitization Securities” means, with respect to any Securitization, Funding Indebtedness or Permitted Refinancing Debt, notes, bonds or other debt instruments, beneficial interests in a trust, undivided ownership or participation interests in an entity or in a pool or pools of Financeable Assets or any interest in any of the foregoing or other securities issued, sold, pledged or re-pledged by the Borrower, the relevant Restricted Subsidiary or Securitization Entity to banks, investors, other financing sources, the Borrower or its Restricted Subsidiaries.

“Servicing Advance Facility” means any funding arrangement with lenders collateralized in whole or in part by Servicing Advances under which advances are made to the Borrower or any of its Restricted Subsidiaries based on such collateral.

“Servicing Advance Receivables” means rights to collections under mortgage related receivables of or other rights to reimbursement of Servicing Advances that the Borrower or a Restricted Subsidiary of the Borrower has made in the ordinary course of business and on customary industry terms.

“Servicing Advances” means advances made by the Borrower or any of its Restricted Subsidiaries in its capacity as servicer of any mortgage-related receivables to fund principal, interest, escrow, foreclosure, insurance, tax or other payments or advances when the borrower on the underlying receivable is delinquent in making payments on such receivable; to enforce remedies, manage and liquidate REO Assets; or that the Borrower or any of its Restricted Subsidiaries otherwise advances in its capacity as servicer.

“Solvent” or “Solvency” means, with respect to any Person as of a particular date, that on such date (a) such Person is able to pay its debts and other liabilities, contingent obligations and other commitments as they mature in the ordinary course of business, (b) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay such debts and liabilities as they mature in the ordinary course of business, (c) such Person is not engaged in a business

or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute unreasonably small capital, (d) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person and (e) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Speculative Hedging Obligation” means any Hedging Obligation other than a Permitted Hedging Obligation.

“Standard Securitization Undertakings” means all representations, warranties, covenants and indemnities (including obligations to repurchase any Financeable Assets sold in such securitization and any margin calls under any Warehousing Facilities or MSR Facilities) entered into by the Borrower or a Restricted Subsidiary (other than a Securitization Entity) in connection with Funding Indebtedness or MSR Indebtedness.

“Subordinated Debt” means (i) any Debt of the Borrower (excluding any Revolving Loans under this Agreement) which is subordinated in right of payment to the Notes pursuant to a written agreement to that effect and (ii) any Debt of a domestic Restricted Subsidiary of the Borrower that is a Guarantor of the Notes.

“Subsidiary” means with respect to any Person, (i) any corporation, association or other business entity of which more than 50% of the outstanding Voting Stock is owned, directly or indirectly, by, or, in the case of a partnership, the sole general partner or the managing partner or the only general partners of which are, such Person and one or more Subsidiaries of such Person (or a combination thereof), and (ii) any Securitization Entity established by or for the benefit of the Borrower or any Restricted Subsidiary in connection with any Funding Indebtedness. Unless otherwise specified, “Subsidiary” means a Subsidiary of the Borrower.

“Tax Receivable Agreement” means that certain Tax Receivable Agreement by and between SFS and UWM Holdings Corporation, dated January 20, 2021.

“Total Shareholders' Equity” means, at any date of determination, the consolidated shareholders' equity of the Borrower and its Restricted Subsidiaries, calculated excluding:

- (1) any amounts attributable to Disqualified Stock;
- (2) treasury stock;
- (3) the cumulative effect of a change in accounting principles; and
- (4) any non-controlling interest owned by any Person in any Subsidiary of the Borrower.

“Unrestricted Subsidiary” means an entity designated as an Unrestricted Subsidiary pursuant to the terms of the 2027 Senior Notes Indenture.

“U.S. Government Obligations” means obligations issued or directly and fully guaranteed or insured by the United States of America or by any agent or instrumentality thereof, provided that the full faith and credit of the United States of America is pledged in support thereof.

“Voting Stock” means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

“Warehousing Facility” means any financing arrangement of any kind, including financing arrangements in the form of purchase facilities, repurchase facilities, early purchase facilities, re-pledge

facilities, loan agreements, note and/or other security issuance facilities and commercial paper facilities (and excluding, in all cases, Securitizations), with a financial institution or other lender (including, but not limited to, any GSE) or purchaser, in each case exclusively to finance or refinance (i) the purchase, origination, pooling or funding of Receivables or other Financeable Assets by the Borrower or any Restricted Subsidiary prior to sale to a third party, (ii) Servicing Advances, (iii) the carrying of REO Assets related to Receivables or other Financeable Assets, (iv) funded debt draws with respect to mortgages that have not yet cleared (drafts payable) that will be funded by such facility, or (v) any other Financeable Assets; provided that such purchase, origination, pooling, funding, refinancing, carrying and/or draw is in the ordinary course of business.

“Warehousing Facility Trusts” means any Person (whether or not a Subsidiary of the Borrower) established for the purpose of issuing notes or other securities (including, but not limited to, Securitization Securities) or holding, pledging or re-pledging any of the assets described in clauses (i) through (iv) below, or interests therein or pledges thereof, or entering into a Warehousing Facility with the Borrower or a Restricted Subsidiary, in each case in connection with a Warehousing Facility, which notes and securities are backed by, or represent interests in, (i) loans, mortgage-related securities, Financeable Assets or other receivables originated or purchased by, and/or contributed to, such Person from the Borrower or any Restricted Subsidiary of the Borrower; (ii) specified Servicing Advances originated or purchased by, and/or contributed to, such Person from the Borrower or any Restricted Subsidiary of the Borrower; (iii) the carrying of REO Assets related to loans and other receivables originated or purchased by, and/or contributed to, such Person from the Borrower or any Restricted Subsidiary of the Borrower; or (iv) interests in other Warehousing Facility Trusts.

“Warehousing Indebtedness” means Debt in connection with a Warehousing Facility.

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mathew Ishbia, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of UWM Holdings Corporation (the “Registrant”)
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of Registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal controls over financial reporting.

Date: August 9, 2022

By: /s/ Mathew Ishbia

Mathew Ishbia
President, Chief Executive Officer and Chairman
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Andrew Hubacker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of UWM Holdings Corporation (the “Registrant”)
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of Registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal controls over financial reporting.

Date: August 9, 2022

By: /s/ Andrew Hubacker

Andrew Hubacker
Senior Vice President, Interim Principal Financial Officer and Chief
Accounting Officer
(Principal Financial Officer)

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

I, Mathew Ishbia, President, Chief Executive Officer and Chairman of UWM Holdings Corporation (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2022 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of the Company.

Date: August 9, 2022

By: /s/ Mathew Ishbia

Mathew Ishbia
President, Chief Executive Officer and Chairman
(Principal Executive Officer)

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

I, Andrew Hubacker, Senior Vice President, Interim Principal Financial Officer and Chief Accounting Officer of UWM Holdings Corporation (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2022 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of the Company.

Date: August 9, 2022

By: /s/ Andrew Hubacker

Andrew Hubacker

Senior Vice President, Interim Principal Financial Officer and Chief
Accounting Officer

(Principal Financial Officer)