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 March 31, 2023

or

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

For the transition period from ______________ to ______________

Commission file number: 001-39432

Rocket Companies, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**84-4946470**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1050 Woodward Avenue, Detroit, MI	**48226**
(Address of principal executive offices)	(Zip Code)

(313) 373-7990

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value $0.00001 per share	RKT	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

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

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

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

As of May 3, 2023, 127,004,706 shares of the registrant's Class A common stock, $0.00001 par value, and 1,848,879,483 shares of the registrant's Class D common stock, $0.00001 par value, were outstanding.

Rocket Companies, Inc.

Form 10-Q
For the period ended March 31, 2023

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

Rocket Companies, Inc.
Condensed Consolidated Balance Sheets
(In Thousands, Except Shares and Per Share Amounts)

	March 31, 2023	December 31, 2022
Assets	(Unaudited)	
Cash and cash equivalents	**$ 893,383**	$ 722,293
Restricted cash	**64,307**	66,806
Mortgage loans held for sale, at fair value	**8,438,714**	7,343,475
Interest rate lock commitments ("IRLCs"), at fair value	**182,112**	90,635
Mortgage servicing rights ("MSRs"), at fair value	**6,669,939**	6,946,940
Notes receivable and due from affiliates	**8,073**	10,796
Property and equipment, net of accumulated depreciation and amortization of $486,940 and $463,262, respectively	**267,320**	274,192
Deferred tax asset, net	**541,248**	537,963
Lease right of use assets	**391,897**	366,189
Forward commitments, at fair value	**5,101**	22,444
Loans subject to repurchase right from Ginnie Mae	**1,626,587**	1,642,392
Goodwill and intangible assets, net	**1,253,309**	1,258,928
Other assets	**860,289**	799,159
Total assets	**$ 21,202,279**	$ 20,082,212
Liabilities and equity		
Liabilities		
Funding facilities	**5,236,034**	$ 3,548,699
Other financing facilities and debt		
Senior Notes, net	**4,029,339**	4,027,970
Early buy out facility	**423,831**	672,882
Accounts payable	**135,039**	116,331
Lease liabilities	**448,331**	422,769
Forward commitments, at fair value	**87,918**	25,117
Investor reserves	**107,134**	110,147
Notes payable and due to affiliates	**30,451**	33,463
Tax receivable agreement liability	**577,996**	613,693
Loans subject to repurchase right from Ginnie Mae	**1,626,587**	1,642,392
Other liabilities	**390,274**	393,200
Total liabilities	**$ 13,092,934**	$ 11,606,663
Equity		
Class A common stock, $0.00001 par value - 10,000,000,000 shares authorized, 125,761,073 and 123,491,606 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively.	**$ 1**	$ 1
Class B common stock, $0.00001 par value - 6,000,000,000 shares authorized, none issued and outstanding as of March 31, 2023 and December 31, 2022.	**—**	—
Class C common stock, $0.00001 par value - 6,000,000,000 shares authorized, none issued and outstanding as of March 31, 2023 and December 31, 2022.	**—**	—
Class D common stock, $0.00001 par value - 6,000,000,000 shares authorized, 1,848,879,483 shares issued and outstanding as of March 31, 2023 and December 31, 2022.	**19**	19
Additional paid-in capital	**294,718**	276,221
Retained earnings	**280,997**	300,394
Accumulated other comprehensive (loss) income	**(32)**	69
Non-controlling interest	**7,533,642**	7,898,845
Total equity	**8,109,345**	8,475,549
Total liabilities and equity	**$ 21,202,279**	$ 20,082,212

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

Rocket Companies, Inc.
Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(In Thousands, Except Shares and Per Share Amounts)
(Unaudited)

	Three Months Ended March 31,	
	2023	**2022**
Revenue		
Gain on sale of loans		
Gain on sale of loans excluding fair value of MSRs, net	**$ 265,003**	$ 687,170
Fair value of originated MSRs	**204,560**	796,616
Gain on sale of loans, net	**469,563**	1,483,786
Loan servicing (loss) income		
Servicing fee income	**366,385**	366,214
Change in fair value of MSRs	**(398,279)**	454,380
Loan servicing (loss) income, net	**(31,894)**	820,594
Interest income		
Interest income	**66,744**	90,540
Interest expense on funding facilities	**(29,060)**	(41,696)
Interest income, net	**37,684**	48,844
Other income	**190,715**	317,372
Total revenue, net	**666,068**	2,670,596
Expenses		
Salaries, commissions and team member benefits	**603,775**	853,915
General and administrative expenses	**195,390**	275,857
Marketing and advertising expenses	**181,604**	328,058
Depreciation and amortization	**30,685**	21,042
Interest and amortization expense on non-funding debt	**38,333**	38,664
Other expenses	**32,268**	90,603
Total expenses	**1,082,055**	1,608,139
(Loss) income before income taxes	**(415,987)**	1,062,457
Benefit from (provision for) income taxes	**4,504**	(25,849)
Net (loss) income	**(411,483)**	1,036,608
Net loss (income) attributable to non-controlling interest	**392,960**	(982,896)
Net (loss) income attributable to Rocket Companies	**$ (18,523)**	$ 53,712
(Loss) earnings per share of Class A common stock		
Basic	**$ (0.15)**	$ 0.44
Diluted	**$ (0.16)**	$ 0.40
Weighted average shares outstanding		
Basic	**124,732,722**	122,691,728
Diluted	**1,974,629,808**	1,975,379,132
Comprehensive income (loss)		
Net (loss) income	**$ (411,483)**	$ 1,036,608
Cumulative translation adjustment	**7**	588
Unrealized loss on investment securities	**(1,589)**	(1,495)
Comprehensive (loss) income	**(413,065)**	1,035,701
Comprehensive loss (income) attributable to non-controlling interest	**394,441**	(982,049)
Comprehensive (loss) income attributable to Rocket Companies	**$ (18,624)**	$ 53,652

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

Rocket Companies, Inc.
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	Accumulated Other Comprehensive Income (Loss)	Total Non-controlling Interest	Total Equity
Balance, December 31, 2021	126,437,703	$ 1	1,848,879,483	$ 19	$ 287,558	$ 378,005	$ 81	$ 9,093,868	$ 9,759,532
Net income	—	—	—	—	—	53,712	—	982,896	1,036,608
Cumulative translation adjustment	—	—	—	—	—	—	31	557	588
Unrealized loss on investment securities	—	—	—	—	—	—	(92)	(1,403)	(1,495)
Share-based compensation, net	186,891	—	—	—	3,288	—	—	50,093	53,381
Distributions for state taxes on behalf of unit holders (members), net	—	—	—	—	—	(2,171)	—	(33,536)	(35,707)
Distributions to unit holders (members) from subsidiary investment, net	—	—	—	—	725	—	—	(1,856,575)	(1,855,850)
Special Dividend to Class A Shareholders, net of forfeitures	—	—	—	—	—	(123,752)	—	(31,830)	(155,582)
Taxes withheld on employees' restricted share award vesting	—	—	—	—	(77)	—	—	(1,220)	(1,297)
Issuance of Class A common Shares under stock compensation and benefit plans	1,018,875	—	—	—	930	—	—	12,743	13,673
Repurchase of Class A common Shares	(8,016,465)	—	—	—	(100,162)	—	—	—	(100,162)
Change in controlling interest of investment, net	—	—	—	—	49,196	—	2	(61,591)	(12,393)
Balance, March 31, 2022	119,627,004	$ 1	1,848,879,483	$ 19	$ 241,458	$ 305,794	$ 22	$ 8,154,002	$ 8,701,296
Balance, December 31, 2022	123,491,606	1	1,848,879,483	19	276,221	300,394	69	7,898,845	8,475,549
Net loss	—	—	—	—	—	(18,523)	—	(392,960)	(411,483)
Cumulative translation adjustment	—	—	—	—	—	—	—	7	7
Unrealized loss on investment securities	—	—	—	—	—	—	(101)	(1,488)	(1,589)
Share-based compensation, net	1,390,650	—	—	—	3,217	—	—	47,596	50,813
Distributions for state taxes on behalf of unit holders (members), net	—	—	—	—	—	(209)	—	326	117
Special Dividend to Class A Shareholders, net of forfeitures	—	—	—	—	—	23	—	347	370
Taxes withheld on employees' restricted share award vesting	—	—	—	—	(444)	—	—	(6,550)	(6,994)
Issuance of Class A common Shares under stock compensation and benefit plans	878,817	—	—	—	456	—	—	6,794	7,250
Change in controlling interest of investment, net	—	—	—	—	15,268	(688)	—	(19,275)	(4,695)
Balance, March 31, 2023	125,761,073	$ 1	1,848,879,483	$ 19	$ 294,718	$ 280,997	$ (32)	$ 7,533,642	$ 8,109,345

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

Rocket Companies, Inc.
Condensed Consolidated Statements of Cash Flows
(In Thousands)
(Unaudited)

	Three Months Ended March 31,	
	2023	**2022**
Operating activities		
Net (loss) income	**$ (411,483)**	$ 1,036,608
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Depreciation and amortization	**30,685**	21,042
(Benefit from) provision for deferred income taxes	**(8,505)**	1,786
Origination of mortgage servicing rights	**(204,560)**	(796,616)
Change in fair value of MSRs, net	**397,681**	(478,655)
Gain on sale of loans excluding fair value of MSRs, net	**(265,003)**	(687,170)
Disbursements of mortgage loans held for sale	**(16,785,731)**	(54,173,353)
Proceeds from sale of loans held for sale	**15,994,526**	63,189,908
Share-based compensation expense	**51,960**	55,593
Change in assets and liabilities		
Due from affiliates	**2,722**	(1,044)
Other assets	**(61,435)**	(37,034)
Accounts payable	**18,708**	17,316
Due to affiliates	**(3,187)**	(4,168)
Premium recapture and indemnification losses paid	**(50,318)**	(515)
Other liabilities	**(31,753)**	628,602
Total adjustments	**$ (914,210)**	$ 7,735,692
Net cash (used in) provided by operating activities	**$ (1,325,693)**	$ 8,772,300
Investing activities		
Proceeds from sale of MSRs	**$ 81,539**	$ 253,946
Net purchase of MSRs	**(3,285)**	(15,581)
Decrease in mortgage loans held for investment	**3,190**	7,107
Purchases of investment securities, available for sale	**(5,472)**	—
Sales of investment securities, available for sale	**6,479**	—
Purchase and other additions of property and equipment, net of disposals	**(23,822)**	(26,742)
Net cash provided by investing activities	**$ 58,629**	$ 218,730
Financing activities		
Net borrowings (payments) on funding facilities	**$ 1,687,335**	$ (6,281,985)
Net payments on lines of credit	**—**	(75,000)
Net payments on early buy out facility	**(249,051)**	(198,617)
Net borrowings on notes payable from unconsolidated affiliates	**174**	174
Stock issuance	**6,122**	11,575
Share repurchase	**—**	(100,162)
Taxes withheld on employees' restricted share award vesting	**(6,994)**	(1,297)
Distributions to other unit holders (members) of Holdings, net	**(1,938)**	(2,170,216)
Net cash provided by (used in) financing activities	**$ 1,435,648**	$ (8,815,528)
Effects of exchange rate changes on cash and cash equivalents	**7**	589
Net increase in cash and cash equivalents and restricted cash	**168,591**	176,091
Cash and cash equivalents and restricted cash, beginning of period	**789,099**	2,211,597
Cash and cash equivalents and restricted cash, end of period	**$ 957,690**	$ 2,387,688
Non-cash activities		
Loans transferred to other real estate owned	**$ 726**	$ 435
Supplemental disclosures		
Cash paid for interest on related party borrowings	**$ 2,452**	$ 1,231

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

1. Business, Basis of Presentation and Accounting Policies

Rocket Companies, Inc. (the "Company", and together with its consolidated subsidiaries, "Rocket Companies", "we", "us", "our") was incorporated in Delaware on February 26, 2020 as a wholly owned subsidiary of Rock Holdings Inc. ("RHI") for the purpose of facilitating an initial public offering ("IPO") of its Class A common stock, $0.00001 par value (the “Class A common stock”) and other related transactions in order to carry on the business of RKT Holdings, LLC ("Holdings") and its wholly owned subsidiaries.

We are a Detroit-based fintech holding company consisting of tech-driven mortgage, real estate and financial services businesses - including Rocket Mortgage, Rocket Homes, Rocket Loans, and Rocket Money. We are committed to providing an industry-leading client experience powered by our simple, fast and trusted digital solutions. In addition to Rocket Mortgage, one of the nation’s largest mortgage lenders, we have expanded into complementary industries, such as, real estate services, personal finance, and personal and solar lending. Through these industries, we seek to deliver innovative client solutions leveraging our Rocket platform. Our business operations are organized into the following two segments: (1) Direct to Consumer and (2) Partner Network, as described in *Note 11, Segments.*

Rocket Companies, Inc. is a holding company. Its primary material asset is the equity interest in Holdings which, including through its direct and indirect subsidiaries, conducts a majority of the Company's operations. Holdings is a Michigan limited liability company and wholly owns the following entities, with each entity's subsidiaries identified in parentheses: Rocket Mortgage, LLC, Amrock Holdings, LLC (“Amrock”, "Amrock Title Insurance Company" ("ATI") and "Nexsys Technologies LLC"), LMB HoldCo LLC (“Core Digital Media”), RCRA Holdings LLC (“Rock Connections” and “Rocket Auto”), Rocket Homes Real Estate LLC (“Rocket Homes”), RockLoans Holdings LLC (“Rocket Loans” and "Rocket Solar"), Rock Central LLC dba Rocket Central ("Rocket Money, Inc."), EFB Holdings Inc. (“Rocket Mortgage Canada”), Lendesk Canada Holdings Inc. ("Lendesk Technologies"), RockTech Canada Inc., Woodward Capital Management LLC, and Rocket Card, LLC. As used herein, “Rocket Mortgage” refers to either the Rocket Mortgage brand or platform, or the Rocket Mortgage business, as the context allows.

Basis of Presentation and Consolidation

As the sole managing member of Holdings, the Company operates and controls all of the business affairs of Holdings, and through Holdings and its subsidiaries, conducts its business. Holdings is considered a variable interest entity (“VIE”) and we consolidate the financial results of Holdings under the guidance of ASC 810, Consolidation. A portion of our Net (loss) income is allocated to Net loss (income) attributable to non-controlling interest. For further details, refer below to *Variable Interest Entities* and *Note 12*, *Non-controlling Interest.*

All significant intercompany transactions and accounts between the businesses comprising the Company have been eliminated in the accompanying condensed consolidated financial statements.

The Company's derivatives, IRLCs, MSRs, mortgage and non-mortgage loans held for sale, and available for sale investment securities are measured at fair value on a recurring basis. Additionally, other assets may be required to be measured at fair value in the condensed consolidated financial statements on a nonrecurring basis. Examples of such measurements are mortgage loans transferred between held for investment and held for sale, certain impaired loans, and other real estate owned. For further details of the Company's transactions refer to *Note 2, Fair Value Measurements.*

All transactions and accounts between RHI and other related parties with the Company have a history of settlement or will be settled for cash and are reflected as related party transactions. For further details of the Company’s related party transactions refer to *Note 6, Transactions with Related Parties*.

Our condensed consolidated financial statements are unaudited and presented in U.S. dollars. They have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). The interim financial information should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022, as filed with the SEC. 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.

Management 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, disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although management is not currently aware of any factors that would significantly change its estimates and assumptions, actual results may differ from these estimates.

Subsequent Events

In preparing these condensed consolidated financial statements, the Company evaluated events and transactions for potential recognition or disclosure through the date these condensed consolidated financial statements were issued. Refer to the *Cash, Cash Equivalents and Restricted Cash* section later in this footnote regarding the release of the restricted cash associated with the bond and *Note 5, Borrowings* for disclosures on changes to the Company's debt agreements that occurred subsequent to March 31, 2023.

Share Repurchase Authorization

On November 1, 2022, the Company's board of directors approved the renewal of the share repurchase program effective November 11, 2022 (the "Share Repurchase Program". The share repurchase program renews and extends the previously approved share repurchase program and authorizes the Company to repurchase shares of the Company’s common stock in an aggregate value, not to exceed $1 billion, from time to time, in the open market or through privately negotiated transactions, in accordance with applicable securities laws. The share repurchase program will remain in effect for a two-year period terminating in November 2024. The share repurchase program does not obligate the Company to make any repurchases at any specific time. The timing and extent to which the Company repurchases its shares will depend upon, among other things, market conditions, share price, liquidity targets, regulatory requirements and other factors. As of March 31, 2023 approximately $590.7 million remain available under the Share Repurchase Program.

Special Dividends

On February 24, 2022, our board of directors authorized and declared a cash dividend (the "2022 Special Dividend") of $1.01 per share to the holders of our Class A common stock. The 2022 Special Dividend was paid on March 22, 2022 to holders of the Class A common stock of record as of the close of business on March 8, 2022. The Company funded the 2022 Special Dividend from cash distributions of approximately $2.0 billion by Holdings to all of its members, including the Company.

Revenue Recognition

Gain on sale of loans, net — includes all components related to the origination and sale of mortgage loans, including (1) net gain on sale of loans, which represents the premium we receive in excess of the loan principal amount and certain fees charged by investors upon sale of loans into the secondary market, (2) loan origination fees (credits), points and certain costs, (3) provision for or benefit from investor reserves, (4) the change in fair value of interest rate locks and loans held for sale, (5) the gain or loss on forward commitments hedging loans held for sale and interest rate lock commitments (IRLCs), and (6) the fair value of originated MSRs. An estimate of the Gain on sale of loans, net is recognized at the time an IRLC is issued, net of a pull-through factor. Subsequent changes in the fair value of IRLCs and mortgage loans held for sale are recognized in current period earnings. 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 in Gain on sale of loans, net. Included in Gain on sale of loans, net is the Fair value of originated MSRs, which represents the estimated fair value of MSRs related to loans which we have sold and retained the right to service. Refer to *Note 3, Mortgage Servicing Rights* for information related to the gain/(loss), net in the fair value of MSRs.

Loan servicing (loss) income, net — includes income from servicing, sub-servicing and ancillary fees, and is recorded to income as earned, which is upon collection of payments from borrowers. This amount also includes the Change in fair value of MSRs, which is the adjustment for the fair value measurement of the MSR asset as of the respective balance sheet date.

Interest income, net — includes interest earned on mortgage loans held for sale and mortgage loans held for investment net of the interest expense paid on our loan funding facilities. Interest income is recorded as earned and interest expense is recorded as incurred. Interest income is accrued and credited to income daily based on the unpaid principal balance outstanding. The accrual of interest is generally discontinued when a loan becomes 90 days past due.

Other income — is derived primarily from closing fees, net appraisal revenue, net title insurance fees, personal finance subscription revenue, deposit interest income, real estate network referral fees, contact center revenue, personal loans business, professional service fees, and lead generation revenue.

The following revenue streams fall within the scope of ASC Topic 606 — Revenue from Contracts with Customers and are disaggregated hereunder:

Amrock closing fees — The Company recognizes closing fees for non-recurring services provided in connection with the origination of the loan. These fees are recognized at the time of loan closing for purchase transactions or at the end of a client's three-day rescission period for refinance transactions, which represents the point in time the loan closing services performance obligation is satisfied. The consideration received for closing services is a fixed fee per loan that varies by state and loan type. Closing fees were $17,488 and $76,978 for the three months ended March 31, 2023 and 2022, respectively.

Amrock appraisal revenue, net — The Company recognizes appraisal revenue when the appraisal service is completed. The Company may choose to deliver appraisal services directly to its client or subcontract such services to a third-party licensed and/or certified appraiser. In instances where the Company performs the appraisal, revenue is recognized as the gross amount of consideration received at a fixed price per appraisal. The Company is an agent in instances where a third-party appraiser is involved in the delivery of appraisal services and revenue is recognized net of third-party appraisal expenses. Appraisal revenue, net of intercompany eliminations, were $11,866 and $22,022 for the three months ended March 31, 2023 and 2022, respectively.

Rocket Money subscription revenue — The Company recognizes subscription revenue ratably over the contract term beginning on the commencement date of each contract. We have determined that subscriptions represent a stand-ready obligation to perform over the subscription term. These performance obligations are satisfied over time as the customer simultaneously receives and consumes the benefits. Contracts are one month to one year in length. Subscription revenues were $39,185 and $25,754 for the three months ended March 31, 2023 and 2022, respectively.

Rocket Homes real estate network referral fees — The Company recognizes real estate network referral fee revenue based on arrangements with partner agencies contingent on the closing of a transaction. As this revenue stream is variable, and is contingent on the successful transaction close, the revenue is constrained until the occurrence of the transaction. At this point, the constraint on recognizing revenue is deemed to have been lifted and revenue is recognized for the consideration expected to be received. Real estate network referral fees, net of intercompany eliminations, were $6,971 and $11,398 for the three months ended March 31, 2023 and 2022, respectively.

Rock Connections and Rocket Auto contact center revenue — The Company recognizes contact center revenue for communication services including client support and sales. Consideration received mainly includes a fixed base fee and/or a variable contingent fee. The fixed base fee is recognized ratably over the period of performance, as the performance obligation is considered to be satisfied equally throughout the service period. The variable contingent fee related to car sales is constrained until the sale of the car is completed. Contact center revenues, net of intercompany eliminations, were $522 and $9,315 for the three months ended March 31, 2023 and 2022, respectively.

Professional service fees — The Company recognizes professional service fee revenue based on the delivery of services (e.g., human resources, technology, training) over the term of a contract. Consideration for the promised services is received through a combination of a fixed fee for the period and incremental fees paid for optional services that are available at an incremental rate determined at the time such services are requested. The Company recognizes the annual fee ratably over the life of the contract, as the performance obligation is satisfied equally over the term of the contract. For the optional services, revenue is only recognized at the time the services are requested and delivered and pricing is agreed upon. Professional service fee revenues were $2,187 and $3,004 for the three months ended March 31, 2023 and 2022, respectively, and were rendered entirely to related parties.

(In Thousands, Except Shares and Per Share Amounts)

Core Digital Media lead generation revenue — The Company recognizes online consumer acquisition revenue based on successful delivery of marketing leads to a client at a fixed fee per lead. This service is satisfied at the time the lead is delivered, at which time revenue for the service is recognized. Online consumer acquisition revenue, net of intercompany eliminations, were $1,064 and $4,464 for the three months ended March 31, 2023 and 2022, respectively.

Cash, Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. We maintain our bank accounts with a relatively small number of high-quality financial institutions.

Restricted cash as of March 31, 2023 and 2022 consisted of cash on deposit for a repurchase facility and client application deposits, title premiums collected from the insured that are due to the underwritten, principal and interest received in collection accounts for purchased assets, and a $25,000 bond which subsequent to March 31, 2023 was no longer restricted.

	March 31,	
	2023	**2022**
Cash and cash equivalents	**$ 893,383**	$ 2,310,661
Restricted cash	**64,307**	77,027
Total cash, cash equivalents, and restricted cash in the statement of cash flows	**$ 957,690**	$ 2,387,688

Loans subject to repurchase right from Ginnie Mae

For certain loans sold to Ginnie Mae, the Company as the servicer has the unilateral right to repurchase any individual loan in a Ginnie Mae securitization pool if that loan meets defined criteria, including being delinquent more than 90 days. Once the Company has the unilateral right to repurchase the delinquent loan, the Company has effectively regained control over the loan and must re-recognize the loan on the Condensed Consolidated Balance Sheets and establish a corresponding finance liability regardless of the Company's intention to repurchase the loan. The asset and corresponding liability are recorded at the unpaid principal balance of the loan, which approximates its fair value.

Variable Interest Entities

Rocket Companies, Inc. is the managing member of Holdings with 100% of the management and voting power in Holdings. In its capacity as managing member, Rocket Companies, Inc. has the sole authority to make decisions on behalf of Holdings and bind Holdings to signed agreements. Further, Holdings maintains separate capital accounts for its investors as a mechanism for tracking earnings and subsequent distribution rights. Accordingly, management concluded that Holdings is a limited partnership or similar legal entity as contemplated in ASC 810, *Consolidation*.

Furthermore, management concluded that Rocket Companies, Inc. is Holdings' primary beneficiary. As the primary beneficiary, Rocket Companies, Inc. consolidates the results and operations of Holdings for financial reporting purposes under the variable interest consolidation model guidance in ASC 810.

Rocket Companies, Inc.'s relationship with Holdings results in no recourse to the general credit of Rocket Companies, Inc. Holdings and its consolidated subsidiaries represents Rocket Companies, Inc.'s sole investment. Rocket Companies, Inc. shares in the income and losses of Holdings in direct proportion to Rocket Companies, Inc.'s ownership percentage. Further, Rocket Companies, Inc. has no contractual requirement to provide financial support to Holdings.

Rocket Companies, Inc.'s financial position, performance and cash flows effectively represent those of Holdings and its subsidiaries as of and for the period ended March 31, 2023.

Recently Adopted Accounting Standards

There are no recently issued accounting pronouncements adopted for the period.

2. Fair Value Measurements

Fair value is 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 internal models using assumptions at the measurement date that a market participant would use.

In determining fair value measurement, 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 March 31, 2023 or December 31, 2022.

Mortgage loans held for sale: Loans held for sale that trade in active secondary markets are valued using Level 2 measurements derived from observable market data, including market prices of securities backed by similar mortgage loans adjusted for certain factors to approximate the fair value of a whole mortgage loan, including the value attributable to mortgage servicing and credit risk. Loans held for sale for which there is little to no observable trading activity of similar instruments are valued using Level 3 measurements based upon dealer price quotes and internal models.

IRLCs: The fair value of IRLCs is based on current market prices of securities backed by similar mortgage loans (as determined above under mortgage loans held for sale), net of costs to close the loans, subject to the estimated loan funding probability, or "pull-through factor". Given the significant and unobservable nature of the pull-through factor, IRLCs are classified as Level 3.

MSRs: The fair value of MSRs is determined using an internal valuation model that calculates the present value of estimated net future cash flows. The model includes estimates of prepayment speeds, discount rate, cost to service, float earnings, contractual servicing fee income, and ancillary income among others. MSRs are classified as Level 3.

Forward commitments: The Company's forward commitments are valued based on quoted prices for similar assets in an active market with inputs that are observable and are classified within Level 2 of the valuation hierarchy.

Investment Securities: Investment securities are available for sale debt securities that are recorded at fair value using observable market prices for similar securities or identical securities that are traded in less active markets, which are classified as Level 2 and include highly rated municipal, government, and corporate bonds.

(In Thousands, Except Shares and Per Share Amounts)

Non-mortgage loans held for sale: Non-mortgage loans held for sale are personal loans including loans to finance solar panel installation projects. The fair value of non-mortgage loans is determined using an internal valuation model that calculates the present value of estimated net future cash flows. Non-mortgage loans are classified as Level 3.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The table below shows a summary of financial statement items that are measured at estimated fair value on a recurring basis, including assets measured under the fair value option. There were no material transfers of assets or liabilities recorded at fair value on a recurring basis between Levels 1, 2 or 3 during the three months ended March 31, 2023 or the year ended December 31, 2022.

	Level 1	Level 2	Level 3	Total
Balance at March 31, 2023				
Assets:				
Mortgage loans held for sale (1)	**$ —**	**$ 7,674,953**	**$ 763,761**	**$ 8,438,714**
IRLCs	**—**	**—**	**182,112**	**182,112**
MSRs	**—**	**—**	**6,669,939**	**6,669,939**
Forward commitments	**—**	**5,101**	**—**	**5,101**
Investment securities (2)	**—**	**38,201**	**—**	**38,201**
Non-mortgage loans held for sale (2)	**—**	**—**	**32,490**	**32,490**
Total assets	**$ —**	**$ 7,718,255**	**$ 7,648,302**	**$ 15,366,557**
Liabilities:				
Forward commitments	**$ —**	**$ 87,918**	**$ —**	**$ 87,918**
Total liabilities	**$ —**	**$ 87,918**	**$ —**	**$ 87,918**
Balance at December 31, 2022				
Assets:				
Mortgage loans held for sale (1)	$ —	$ 6,260,745	$ 1,082,730	$ 7,343,475
IRLCs	—	—	90,635	90,635
MSRs	—	—	6,946,940	6,946,940
Forward commitments	—	22,444	—	22,444
Total assets	$ —	$ 6,283,189	$ 8,120,305	$ 14,403,494
Liabilities:				
Forward commitments	$ —	$ 25,117	$ —	$ 25,117
Total liabilities	$ —	$ 25,117	$ —	$ 25,117

(1) As of March 31, 2023 and December 31, 2022, $315.2 million and $314.4 million of unpaid principal balance of the level 3 mortgage loans held for sale were 90 days or more delinquent and were in non-accrual status.

(2) These assets are included in Other assets on the Condensed Consolidated Balance Sheets.

(In Thousands, Except Shares and Per Share Amounts)

The following tables present the quantitative information about recurring Level 3 fair value financial instruments and the fair value measurements as of:

	March 31, 2023		December 31, 2022	
Unobservable Input	**Range**	**Weighted Average**	**Range**	**Weighted Average**
Mortgage loans held for sale				
Model pricing	**65% - 100%**	**88 %**	67% - 100%	86 %
IRLCs				
Loan funding probability	**0% - 100%**	**71 %**	0% - 100%	68 %
MSRs				
Discount rate	**9.5% - 12.5%**	**9.9 %**	9.5% - 12.5%	9.9 %
Conditional prepayment rate	**6.2% - 28.6%**	**7.1 %**	6.1% - 26.6%	6.9 %
Non-mortgage loans held for sale				
Discount rate	**6.2% - 8.5%**	**8.2 %**	N/A	N/A

The table below presents a reconciliation of Level 3 assets measured at fair value on a recurring basis for the three months ended March 31, 2023 and 2022. Mortgage servicing rights are also classified as a Level 3 asset measured at fair value on a recurring basis and its reconciliation is found in *Note 3, Mortgage Servicing Rights.*

	Mortgage Loans Held for Sale	**IRLCs**	**Non-Mortgage Loans Held for Sale**
Balance at December 31, 2022	**$ 1,082,730**	**$ 90,635**	**$ —**
Transfers in (1)	**211,058**	**—**	**32,838**
Transfers out/principal reductions (1)	**(600,454)**	**—**	**—**
Net transfers and revaluation gains	**—**	**91,477**	**—**
Total gains (losses) included in net income	**70,427**	**—**	**(348)**
Balance at March 31, 2023	**$ 763,761**	**$ 182,112**	**$ 32,490**
Balance at December 31, 2021	$ 2,309,366	$ 538,861	$ —
Transfers in (1)	522,640	—	—
Transfers out/principal reductions (1)	(618,320)	—	—
Net transfers and revaluation losses	—	(325,651)	—
Total losses included in net income	(34,924)	—	—
Balance at March 31, 2022	$ 2,178,762	$ 213,210	$ —

(1) Transfers in represent loans repurchased from investors or loans originated for which an active market currently does not exist. Transfers out primarily represent loans sold to third parties and loans paid in full.

Investment Securities

Investment securities consist of debt securities that are classified as available for sale. For any available for sale debt securities in an unrealized loss position, the Company assesses the intent and ability to sell and whether it is more likely than not we will be required to sell the security before recovery of its amortized cost basis. If either criteria regarding intent or requirement to sell is met, the securities' unrealized losses are written down through Other income. As of March 31, 2023 neither of those criteria were met for any of the securities in an unrealized loss position, as the losses are a result of market rate conditions, but continue to pay as scheduled and accordingly do not effect the Company's intent or ability to sell.

(In Thousands, Except Shares and Per Share Amounts)

The amortized cost and estimated fair value of available for sale investment securities as of March 31, 2023 consisted of the following:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Debt Securities:				
U.S. Treasury	$ 23,902	$ 1	$ (1,231)	$ 22,672
Corporate and Other	15,888	36	(395)	15,529
Total	$ 39,790	$ 37	$ (1,626)	$ 38,201

Net unrealized losses on available for sale debt securities of $1,589 are recorded in Accumulated Other Comprehensive Income (Loss) within Condensed Consolidated Statements of Changes in Equity as of March 31, 2023. There were no transfers of available for sale debt securities during the three months ended March 31, 2023. There were no securities classified as held to maturity as of March 31, 2023.

The amortized cost and estimated fair value of investment in debt securities as of March 31, 2023 by contractual maturity is as follows:

	U.S. Treasury		Corporate and Other	
	Amortized Costs	Fair Value	Amortized Costs	Fair Value
Less than 1 year	$ —	$ —	$ 5,957	$ 5,838
1-5 years	23,902	22,672	8,955	8,716
5-10 years	—	—	976	975
10 years and beyond	$ —	$ —	$ —	$ —

Fair Value Option

The following is the estimated fair value and unpaid principal balance ("UPB") of mortgage and non-mortgage loans held for sale that have contractual principal amounts and for which the Company has elected the fair value option. The fair value option was elected for mortgage and non-mortgage loans held for sale as the Company believes fair value best reflects their expected future economic performance:

	Fair Value	Principal Amount Due Upon Maturity	Difference (1)
Balance at March 31, 2023			
Mortgage loans held for sale	**$ 8,438,714**	**$ 8,429,074**	**$ 9,640**
Non-mortgage loans held for sale	**$ 32,490**	**$ 32,838**	**$ (348)**
Balance at December 31, 2022	$ 7,343,475	$ 7,424,223	$ (80,748)
Mortgage loans held for sale			

(1) Represents the amount of gains (losses) included in Gain on sale of loans, net for Mortgage loans held for sale and Other income for Non-mortgage loans held for sale, due to changes in fair value of items accounted for using the fair value option.

Disclosures of the fair value of certain financial instruments are required when it is practical to estimate the value. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques.

(In Thousands, Except Shares and Per Share Amounts)

The following table presents the carrying amounts and estimated fair value of financial liabilities that are not recorded at fair value on a recurring or nonrecurring basis. This table excludes cash and cash equivalents, restricted cash, warehouse borrowings, and line of credit borrowing facilities as these financial instruments are highly liquid or short-term in nature and as a result, their carrying amounts approximate fair value:

	March 31, 2023		December 31, 2022	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Senior Notes, due 10/15/2026	**$ 1,142,003**	**$ 1,029,606**	$ 1,141,432	$ 984,963
Senior Notes, due 1/15/2028	**61,363**	**58,700**	61,330	57,039
Senior Notes, due 3/1/2029	**744,066**	**645,188**	743,815	595,493
Senior Notes, due 3/1/2031	**1,239,296**	**1,043,550**	1,238,958	961,450
Senior Notes, due 10/15/2033	**842,611**	**681,258**	842,435	625,175
Total Senior Notes, net	**$ 4,029,339**	**$ 3,458,302**	$ 4,027,970	$ 3,224,120

The fair value of Senior Notes was calculated using the observable bond price at March 31, 2023 and December 31, 2022, respectively. The Senior Notes are classified as Level 2 in the fair value hierarchy.

3. Mortgage Servicing Rights

Mortgage servicing rights are recognized as assets on the Condensed Consolidated Balance Sheets when loans are sold, and the associated servicing rights are retained. The Company maintains one class of MSRs asset and has elected the fair value option. These MSRs are recorded at fair value, which is determined using an internal valuation model that calculates the present value of estimated future net servicing fee income. 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.

The following table summarizes changes to the MSR assets:

	Three Months Ended March 31,	
	2023	2022
Fair value, beginning of period	**$ 6,946,940**	$ 5,385,613
MSRs originated	**204,560**	796,616
MSRs sales	**(81,538)**	(253,997)
Changes in fair value:		
Due to changes in valuation model inputs or assumptions (1)	**(217,802)**	767,271
Due to collection/realization of cash flows	**(182,221)**	(285,215)
Total changes in fair value	**(400,023)**	482,056
Fair value, end of period	**$ 6,669,939**	$ 6,410,288

(1) Reflects changes in assumptions including discount rates and prepayment speed assumptions, mostly due to changes in market interest rates. Does not include the change in fair value of derivatives that economically hedge MSRs identified for sale or the effects of contractual prepayment protection resulting from sales of MSRs.

The total UPB of mortgage loans serviced, excluding subserviced loans, at March 31, 2023 and December 31, 2022 was $481,325,241 and $486,540,840, respectively. The portfolio primarily consists of high-quality performing agency and government (FHA and VA) loans. As of March 31, 2023, delinquent loans (defined as 60-plus days past-due) were 1.10% of our total portfolio.

(In Thousands, Except Shares and Per Share Amounts)

The following is a summary of the weighted average discount rate and prepayment speed assumptions used to determine the fair value of MSRs as well as the expected life of the loans in the servicing portfolio:

	March 31, 2023	December 31, 2022
Discount rate	**9.9 %**	9.9 %
Prepayment speeds	**7.1 %**	6.9 %
Life (in years)	**7.97**	8.08

The key assumptions used to estimate the fair value of MSRs are prepayment speeds and the discount rate. Increases in prepayment speeds generally have an adverse effect on the value of MSRs as the underlying loans prepay faster. In a declining interest rate environment, the fair value of MSRs generally decreases as prepayments increase and therefore, the estimated life of the MSRs and related cash flows decrease. Decreases in prepayment speeds generally have a positive effect on the value of MSRs as the underlying loans prepay less frequently. In a rising interest rate environment, the fair value of MSRs generally increases as prepayments decrease and therefore, the estimated life of the MSRs and related cash flows increase. Increases in the discount rate result in a lower MSRs value and decreases in the discount rate result in a higher MSRs value. MSRs uncertainties are hypothetical and do not always have a direct correlation with each assumption. Changes in one assumption may result in changes to another assumption, which might magnify or counteract the uncertainties.

The following table stresses the discount rate and prepayment speeds at two different data points:

	Discount Rate		Prepayment Speeds	
	100 BPS Adverse Change	200 BPS Adverse Change	10% Adverse Change	20% Adverse Change
March 31, 2023				
Mortgage servicing rights	**$ (282,637)**	**$ (539,918)**	**$ (171,374)**	**$ (334,669)**
December 31, 2022				
Mortgage servicing rights	$ (295,754)	$ (565,704)	$ (171,297)	$ (334,664)

4. Mortgage Loans Held for Sale

The Company sells substantially all of its originated mortgage loans into the secondary market. The Company retains the right to service a majority of these loans upon sale through ownership of servicing rights. A reconciliation of the changes in mortgage loans held for sale to the amounts presented on the Condensed Consolidated Statements of Cash Flows is below:

	Three Months Ended March 31,	
	2023	2022
Balance at the beginning of period	**$ 7,343,475**	$ 19,323,568
Disbursements of mortgage loans held for sale	**16,785,731**	54,173,353
Proceeds from sales of mortgage loans held for sale (1)	**(15,987,171)**	(63,180,565)
Gain on sale of mortgage loans excluding fair value of other financial instruments, net (2)	**296,679**	368,788
Balance at the end of period	**$ 8,438,714**	$ 10,685,144

(1) The proceeds from sales of loans held for sale on the Condensed Consolidated Statements of Cash Flows includes amounts related to the sale of personal loans.

(2) The Gain on sale of loans excluding fair value of MSRs, net on the Condensed Consolidated Statements of Cash Flows includes amounts related to the sale of personal loans, interest rate lock commitments, forward commitments, and provisions for investor reserves.

Credit Risk

The Company is subject to credit risk associated with mortgage loans that it purchases and originates during the period of time prior to the sale of these loans. The Company considers credit risk associated with these loans to be insignificant as it holds the loans for a short period of time, which for the three months ended March 31, 2023 is, on average, approximately 35 days from the date of borrowing, and the market for these loans continues to be highly liquid. The Company is also subject to credit risk associated with mortgage loans it has repurchased as a result of breaches of representations and warranties during the period of time between repurchase and resale.

5. Borrowings

The Company maintains various funding facilities and other non-funding debt as shown in the tables below. Interest rates typically have two main components; a base rate most commonly SOFR or LIBOR, which is sometimes subject to a minimum floor plus a spread. Some facilities have a commitment fee, which can be up to 50 basis points per year. The commitment fee charged by lenders is calculated based on the committed line amount multiplied by a negotiated rate. The Company is required to maintain certain covenants, including minimum tangible net worth, minimum liquidity, maximum total debt or liabilities to net worth ratio, pretax net income requirements, and other customary debt covenants, as defined in the agreements. The Company was in compliance with all covenants as of March 31, 2023.

The amount owed and outstanding on the Company’s loan funding facilities fluctuates based on its origination volume, the amount of time it takes the Company to sell the loans it originates, and the Company’s ability to use its cash to self-fund loans. In addition to self-funding, the Company may from time to time use surplus cash to “buy-down” the effective interest rate of certain loan funding facilities or to self-fund a portion of our loan originations. Buy-down funds are included in Cash and cash equivalents on the Condensed Consolidated Balance Sheets. We have the ability to withdraw these funds at any time, unless a margin call has been made or a default has occurred under the relevant facilities. We will also deploy cash to self-fund loan originations, a portion of which can be transferred to a warehouse line or the early buy out line, provided that such loans meet the eligibility criteria to be placed on such lines. The remaining portion will be funded in normal course over a short period of time, generally less than 45 days.

The terms of the Senior Notes restrict our ability and the ability of our subsidiary guarantors among other things to: (1) merge, consolidate or sell, transfer or lease assets, and; (2) create liens on assets.

(In Thousands, Except Shares and Per Share Amounts)

Mortgage Funding Facilities

Facility Type	Collateral	Maturity	Line Amount	Committed Line Amount	Outstanding Balance as of March 31, 2023	Outstanding Balance as of December 31, 2022
Mortgage Loan funding:						
1) Master Repurchase Agreement (6)	Mortgage loans held for sale (5)	10/20/2023	$ 250,000	$ 50,000	**$ —**	$ 49,381
2) Master Repurchase Agreement (6)	Mortgage loans held for sale (5)	11/30/2023	1,000,000	100,000	**550,258**	138,057
3) Master Repurchase Agreement (6)	Mortgage loans held for sale (5)	8/9/2024	2,000,000	250,000	**255,281**	702,128
4) Master Repurchase Agreement (1)(6)	Mortgage loans held for sale (5)	1/26/2024	1,500,000	550,000	**754,210**	917,621
5) Master Repurchase Agreement (6)	Mortgage loans held for sale (5)	5/4/2024	1,000,000	250,000	**649,929**	493,029
6) Master Repurchase Agreement (2)(6)	Mortgage loans held for sale (5)	9/9/2024	1,500,000	250,000	**87,888**	101,152
7) Master Repurchase Agreement (6)	Mortgage loans held for sale (5)	9/22/2023	1,250,000	250,000	**181,107**	186,707
8) Master Repurchase Agreement (6)	Mortgage loans held for sale (5)	9/27/2024	750,000	100,000	**544,729**	171,642
			$ 9,250,000	$ 1,800,000	**$ 3,023,402**	$ 2,759,717
Mortgage Loan Early Funding:						
9) Early Funding Facility (3)(6)	Mortgage loans held for sale (5)	(3)	$ 5,000,000	$ —	**$ 1,262,204**	$ 561,874
10) Early Funding Facility (4)(6)	Mortgage loans held for sale (5)	(4)	2,000,000	—	**932,128**	227,108
			7,000,000	—	**2,194,332**	788,982
Total Mortgage Funding Facilities			$ 16,250,000	$ 1,800,000	**$ 5,217,734**	$ 3,548,699

(1) This facility has a 12-month initial term, which can be extended for 3-months at each subsequent 3-month anniversary from the initial start date. Subsequent to March 31, 2023, this facility was extended to April 26, 2024.

(2) This facility has an overall line size of $1,500,000. This facility also includes a $1,500,000 sublimit for MSR financing; Capacity is fully fungible and is not restricted by these allocations.

(3) This facility is an evergreen agreement with no stated termination or expiration date. This agreement can be terminated by either party upon written notice.

(4) This facility has an overall line size of $2,000,000, which is reviewed every 90 days. This facility is an evergreen agreement with no stated termination or expiration date. This agreement can be terminated by either party upon written notice.

(5) The Company has multiple borrowing facilities in the form of asset sales under agreements to repurchase. These borrowing facilities are secured by mortgage loans held for sale at fair value as the first priority security interest.

(6) The interest rates charged by lenders on funding facilities included the applicable base rate plus a spread ranging from 1.00% to 1.80% for the three months ended March 31, 2023, and the applicable base rate plus a spread ranging from 1.00% to 1.85% for the year ended December 31, 2022.

(In Thousands, Except Shares and Per Share Amounts)

Other Funding Facilities

Facility Type	Collateral	Maturity	Line Amount	Committed Line Amount	Outstanding Balance Outstanding Balance as of March 31, 2023	Outstanding Balance Outstanding Balance as of December 31, 2022
Personal Loan funding:						
1) Revolving Credit and Security Agreement (1)	Personal loans held for sale	1/30/2025	$ 75,000	$ 75,000	**$ 18,300**	$ —
Total Other Funding Facilities			75,000	75,000	**18,300**	—
Total Funding Facilities			$ 16,325,000	$ 1,875,000	**$ 5,236,034**	$ 3,548,699

(1) The interest rates charged by lenders on funding facilities included the applicable base rate plus a spread ranging from 1.00% to 1.80% for the three months ended March 31, 2023, and the applicable base rate plus a spread ranging from 1.00% to 1.85% for the year ended December 31, 2022.

Financing Facilities

Facility Type	Collateral	Maturity	Line Amount	Committed Line Amount	Outstanding Balance Outstanding Balance as of March 31, 2023	Outstanding Balance Outstanding Balance as of December 31, 2022
Line of Credit Financing Facilities						
1) Unsecured line of credit (1)	—	7/27/2025	$ 2,000,000	$ —	**$ —**	$ —
2) Unsecured line of credit (1)	—	7/31/2025	100,000	—	**—**	—
3) Revolving credit facility (3)	—	8/10/2025	1,000,000	1,000,000	**—**	—
4) MSR line of credit (3)	MSRs	10/20/2023	200,000	—	**—**	—
5) MSR line of credit (2)(3)	MSRs	9/9/2024	1,500,000	250,000	**—**	—
			$ 4,800,000	$ 1,250,000	**$ —**	$ —
Early Buyout Financing Facility						
6) Early buy out facility (3)	Loans/ Advances	3/13/2024	$ 1,500,000	$ —	**$ 423,831**	$ 672,882

(1) Refer to *Note 6, Transactions with Related Parties* for additional details regarding this unsecured line of credit.

(2) This facility is a sublimit of *Master Repurchase Agreement 6*, found above in *Mortgage Funding Facilities.* Refer to *Subfootnote 2, Mortgage Funding Facilities* for additional details regarding this financing facility.

(3) The interest rates charged by lenders on the financing facilities included the applicable base rate, plus a spread ranging from 1.45% to 4.00% for the three months ended March 31, 2023 and the year ended December 31, 2022.

Unsecured Senior Notes

Facility Type	Maturity	Interest Rate	Outstanding Principal March 31, 2023	Outstanding Principal December 31, 2022
Unsecured Senior Notes (1)	10/15/2026	2.875 %	**$ 1,150,000**	$ 1,150,000
Unsecured Senior Notes (2)	1/15/2028	5.250 %	**61,985**	61,985
Unsecured Senior Notes (3)	3/1/2029	3.625 %	**750,000**	750,000
Unsecured Senior Notes (4)	3/1/2031	3.875 %	**1,250,000**	1,250,000
Unsecured Senior Notes (5)	10/15/2033	4.000 %	**850,000**	850,000
Total Senior Notes			**$ 4,061,985**	$ 4,061,985
Weighted Average Interest Rate			**3.59 %**	3.59 %

(1) The 2026 Senior Notes are unsecured obligation notes with no asset required to pledge for this borrowing. Unamortized debt issuance costs are presented net against the Senior Notes reducing the $1,150,000 carrying amount on the Condensed Consolidated Balance Sheets by $7,997 and $8,569 as of March 31, 2023 and December 31, 2022, respectively.

(2) The 2028 Senior Notes are unsecured obligation notes with no asset required to pledge for this borrowing. Unamortized debt issuance costs and discounts are presented net against the Senior Notes reducing the $61,985 carrying amount on the Condensed Consolidated Balance Sheets by $339 and $282 as of March 31, 2023, respectively, and $358 and $298, as of December 31, 2022, respectively.

(3) The 2029 Senior Notes are unsecured obligation notes with no asset required to pledge for this borrowing. Unamortized debt issuance costs are presented net against the Senior Notes reducing the $750,000 carrying amount on the Condensed Consolidated Balance Sheets by $5,934 and $6,185 as of March 31, 2023 and December 31, 2022, respectively.

(4) The 2031 Senior Notes are unsecured obligation notes with no asset required to pledge for this borrowing. Unamortized debt issuance costs are presented net against the Senior Notes reducing the $1,250,000 carrying amount on the Condensed Consolidated Balance Sheets by $10,705 and $11,040 as of March 31, 2023 and December 31, 2022, respectively.

(5) The 2033 Senior Notes are unsecured obligation notes with no asset required to pledge for this borrowing. Unamortized debt issuance costs are presented net against the Senior Notes reducing the $850,000 carrying amount on the Condensed Consolidated Balance Sheets by $7,389 and $7,565 as of March 31, 2023 and December 31, 2022, respectively.

Refer to *Note 2, Fair Value Measurements* for information pertaining to the fair value of the Company’s debt as of March 31, 2023 and December 31, 2022.

6. Transactions with Related Parties

The Company has entered into various transactions and agreements with RHI, its subsidiaries, certain other affiliates and related parties (collectively, “Related Parties”). These transactions include providing financing and services as well as obtaining financing and services from these Related Parties.

Financing Arrangements

On June 9, 2017, Rocket Mortgage and RHI entered into an unsecured line of credit, as further amended and restated on September 16, 2021 (“RHI Line of Credit”), pursuant to which Rocket Mortgage has a borrowing capacity of $2,000,000. The RHI Line of Credit matures on July 27, 2025. Borrowings under the line of credit bear interest at a rate per annum of the applicable base rate, plus a spread of 1.25%. The line of credit is uncommitted and RHI has sole discretion over advances. The RHI Line of Credit also contains negative covenants which restrict the ability of the Company to incur debt and create liens on certain assets. It also requires Rocket Mortgage to maintain a quarterly consolidated net income before taxes if adjusted tangible net worth meets certain requirements. Rocket Mortgage made no repayments during the three months ended March 31, 2023 and repaid $762, all attributable to accrued interest, during the three months ended March 31, 2022. There were no outstanding principal or interest amounts due to RHI as of March 31, 2023 and December 31, 2022, respectively.

RHI and ATI are parties to a surplus debenture, effective as of December 28, 2015, and as further amended and restated on December 31, 2019 (the “RHI/ATI Debenture”), pursuant to which ATI is indebted to RHI for an aggregate principal amount of $21,500. The RHI/ATI Debenture matures on December 31, 2030. Interest under the RHI/ATI Debenture accrues at an annual rate of 8%. Principal and interest under the RHI/ATI Debenture are due and payable quarterly, in each case subject to ATI achieving a certain amount of surplus and payments of all interest before principal payments begin. Any unpaid amounts of principal and interest shall be due and payable upon the maturity of the RHI/ATI Debenture. ATI repaid an aggregate of $250 for the three months ended March 31, 2023 and 2022, respectively. The total amount of interest accrued was $424 for the three months ended March 31, 2023 and 2022, respectively. The aggregate amount due to RHI was $30,255 and $30,081 as of March 31, 2023 and December 31, 2022, respectively.

On July 31, 2020, Holdings and RHI entered into an agreement for an uncommitted, unsecured revolving line of credit ("RHI 2nd Line of Credit”), which will provide for financing from RHI to the Company of up to $100,000. The RHI 2nd Line of Credit matures on July 31, 2025. Borrowings under the line of credit will bear interest at a rate per annum of the applicable base rate plus a spread of 1.25%. The negative covenants of the line of credit restrict the ability of the Company to incur debt and create liens on certain assets. The line of credit also contains customary events of default. There were no draws on the RHI 2nd Line of Credit and no amounts outstanding as of March 31, 2023 and December 31, 2022, respectively.

The Notes receivable and due from affiliates was $8,073 and $10,796 as of March 31, 2023 and December 31, 2022, respectively. The Notes payable and due to affiliates was $30,451 and $33,463 as of March 31, 2023 and December 31, 2022, respectively.

Services, Products and Other Transactions

We have entered into transactions and agreements to provide certain services to Related Parties. We recognized revenue of $2,316 and $3,017 for the three months ended March 31, 2023 and 2022, respectively, for the performance of these services, which was included in Other income. We have also entered into transactions and agreements to purchase certain services, products and other transactions from Related Parties. We incurred expenses of $14,061 and $38,994 for the three months ended March 31, 2023 and 2022, respectively, for these products, services and other transactions, which are included in General and administrative expenses.

The Company has also entered into a Tax Receivable Agreement with RHI and our Chairman as described further in *Note 7, Income Taxes*. The Company has also guaranteed the debt of a related party as described further in *Note 9, Commitments, Contingencies, and Guarantees*.

Promotional Sponsorships

The Company incurred marketing and advertising costs related to the Rocket Mortgage Field House Naming Rights Contract, which is with a related party. The company incurred expenses of $2,169 and $2,477 for the three months ended March 31, 2023 and 2022, respectively, related to this arrangement.

Lease Transactions with Related Parties

The Company is a party to lease agreements for certain offices, including our headquarters in Detroit, with various affiliates of Bedrock Management Services LLC (“Bedrock”), a related party, and other related parties of the Company. The Company incurred expenses of $17,897 and $19,253 for the three months ended March 31, 2023 and 2022, respectively, related to these arrangements.

7. Income Taxes

The Company had an income tax benefit of $4,504 on Loss before income taxes of $415,987 for the three months ended March 31, 2023. The Company had income tax expense of $25,849 on Income before income taxes of $1,062,457 for the three months ended March 31, 2022.

The Company’s income tax expense varies from the expense that would be expected based on statutory rates due principally to its organizational structure. Rocket Companies owns a portion of the units of Holdings, which is treated as a partnership for U.S. federal tax purposes and in most applicable jurisdictions for state and local income tax purposes. The remaining portion of Holdings is owned by RHI and our Chairman ("LLC Members"). As a partnership, Holdings is not subject to U.S. federal and certain state and local income taxes. Any taxable income or loss generated by Holdings is passed through and included in the taxable income or loss of its members, including Rocket Companies, in accordance with the terms of the operating agreement of Holdings (the "Holdings Operating Agreement"). Rocket Companies is a C Corporation and is subject to U.S. federal, state, and local income taxes with respect to its allocable share of any taxable income of Holdings.

Several subsidiaries of Holdings, such as Rocket Mortgage, Amrock and other subsidiaries, are single member LLC entities. As single member LLCs of Holdings, all taxable income or loss generated by these subsidiaries will pass through and be included in the income or loss of Holdings. A provision for state and local income taxes is required for certain jurisdictions that tax single member LLCs as regarded entities. Other subsidiaries of Holdings, such as Amrock Title Insurance Co., LMB Mortgage Services and others, are treated as C Corporations and will separately file and pay taxes apart from Holdings in various jurisdictions including U.S. federal, state, local and Canada.

Tax Receivable Agreement

The Company expects to obtain an increase in its share of the tax basis in the net assets of Holdings when Holdings Units are redeemed from or exchanged by the LLC Members. The Company intends to treat any redemptions and exchanges of Holdings Units as direct purchases of Holdings Units for U.S. federal income tax purposes. These increases in tax basis may reduce the amounts that the Company would otherwise pay in the future to various tax authorities. They may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets.

In connection with the reorganization completed prior to our IPO in 2020, the Company entered into a Tax Receivable Agreement (the "Tax Receivable Agreement") with the LLC Members that will obligate the Company to make payments to the LLC Members generally equal to 90% of the applicable cash tax savings that the Company actually realizes or in some cases is deemed to realize as a result of the tax attributes generated by (i) certain increases in our allocable share of the tax basis in Holdings' assets resulting from (a) the purchases of Holdings Units (along with the corresponding shares of our Class D common stock or Class C common stock) from the LLC Members (or their transferees of Holdings Units or other assignees) using the net proceeds from our initial public offering or in any future offering, (b) exchanges by the LLC Members (or their transferees of Holdings Units or other assignees) of Holdings Units (along with the corresponding shares of our Class D common stock or Class C common stock) for cash or shares of our Class B common stock or Class A common stock, as applicable, or (c) payments under the Tax Receivable Agreement; (ii) tax benefits related to imputed interest deemed arising as a result of payments made under the Tax Receivable Agreement and (iii) disproportionate allocations (if any) of tax benefits to Holdings as a result of section 704(c) of the Code that relate to the reorganization transactions. The Company will retain the benefit of the remaining 10% of these tax savings.

A payment of $35,697 was made to the LLC Members pursuant to the Tax Receivable Agreement during the three months ended March 31, 2023. A payment of $40,721 was made to the LLC Members pursuant to the Tax Receivable Agreement during the three months ended March 31, 2022.

The amounts payable under the Tax Receivable Agreement will vary depending upon a number of factors, including the amount, character, and timing of the taxable income of Rocket Companies in the future. Any such changes in these factors or changes in the Company's determination of the need for a valuation allowance related to the tax benefits acquired under the Tax Receivable Agreement could adjust the Tax receivable agreement liability recognized and recorded within earnings in future periods.

Tax Distributions

The holders of Holdings' Units, including Rocket Companies Inc., incur U.S. federal, state and local income taxes on their share of any taxable income of Holdings. The Holdings Operating Agreement provides for pro rata cash distributions ("tax distributions") to the holders of the Holdings Units in an amount generally calculated to provide each holder of Holdings Units with sufficient cash to cover its tax liability in respect of the Holdings Units. In general, these tax distributions are computed based on Holdings' estimated taxable income, multiplied by an assumed tax rate as set forth in the Holdings Operating Agreement.

For the three months ended March 31, 2023, Holdings paid no tax distributions to holders of Holdings Units other than Rocket Companies. For the three months ended March 31, 2022, Holdings paid tax distributions totaling $160,629 to holders of Holdings Units other than Rocket Companies.

(In Thousands, Except Shares and Per Share Amounts)

8. Derivative Financial Instruments

The Company enters into interest rate lock commitments ("IRLCs"), forward commitments to sell mortgage loans and forward commitments to purchase loans, which are considered derivative financial instruments. These items are accounted for as free-standing derivatives and are included in the Condensed Consolidated Balance Sheets at fair value. The Company treats all of its derivative instruments as economic hedges; therefore, none of its derivative instruments qualify for designation as accounting hedges. Changes in the fair value of the IRLCs and forward commitments to sell mortgage loans are recorded in current period earnings and are included in Gain on sale of loans, net in the Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) . Forward commitments to purchase mortgage loans are recognized in current period earnings and are included in Gain on sale of loans, net in the Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) . Additional detail regarding derivative financial instruments is provided in *Note 13, Derivative Financial Instruments* in our 2022 10-K report.

Net hedging gains and losses were as follows:

	Three Months Ended March 31,	
	2023	**2022**
Hedging (losses) gains (1)	**$ (79,133)**	$ 1,533,145

(1) Includes the change in fair value related to derivatives economically hedging MSRs identified for sale.

Refer to *Note 2, Fair Value Measurements,* for additional information on the fair value of derivative financial instruments.

Notional and Fair Value

The notional and fair values of derivative financial instruments not designated as hedging instruments were as follows:

	Notional Value	**Derivative Asset**	**Derivative Liability**
Balance at March 31, 2023:			
IRLCs, net of loan funding probability (1)	**$ 7,105,543**	**$ 182,112**	**$ —**
Forward commitments (2)	**$ 13,494,056**	**$ 5,101**	**$ 87,918**
Balance at December 31, 2022:			
IRLCs, net of loan funding probability (1)	$ 4,373,465	$ 90,635	$ —
Forward commitments (2)	$ 10,963,989	$ 22,444	$ 25,117

(1) IRLCs are also discussed in *Note 9, Commitments, Contingencies, and Guarantees.*

(2) Includes the fair value and net notional value related to derivatives economically hedging MSRs identified for sale.

Counterparty agreements for forward commitments contain master netting agreements. The table below presents the gross amounts of recognized assets and liabilities subject to master netting agreements. Margin cash is cash that is exchanged by counterparties to be held as collateral related to these derivative financial instruments. Margin cash held on behalf of counterparties is recorded in Cash and cash equivalents, and the related liability is classified in Other liabilities in the Condensed Consolidated Balance Sheets. Margin cash pledged to counterparties is excluded from cash and cash equivalents and instead recorded in Other assets as a margin call receivables from counterparties in the Condensed Consolidated Balance Sheets. The Company had $41,178 and $24,102 of margin cash pledged to counterparties related to these forward commitments at March 31, 2023 and December 31, 2022, respectively. As of March 31, 2023 and December 31, 2022, there was zero and $959 of margin cash held on behalf of counterparties, respectively.

(In Thousands, Except Shares and Per Share Amounts)

	Gross Amount of Recognized Assets or Liabilities	Gross Amounts Offset in the Condensed Consolidated Balance Sheets	Net Amounts Presented in the Condensed Consolidated Balance Sheets
Offsetting of Derivative Assets			
Balance at March 31, 2023:			
Forward commitments	**$ 9,978**	**$ (4,877)**	**$ 5,101**
Balance at December 31, 2022:			
Forward commitments	$ 71,484	$ (49,040)	$ 22,444
Offsetting of Derivative Liabilities			
Balance at March 31, 2023:			
Forward commitments	**$ (144,984)**	**$ 57,066**	**$ (87,918)**
Balance at December 31, 2022:			
Forward commitments	$ (69,007)	$ 43,890	$ (25,117)

Counterparty Credit Risk

Credit risk is defined as the possibility that a loss may occur from the failure of another party to perform in accordance with the terms of the contract, which exceeds the value of existing collateral, if any. The Company attempts to limit its credit risk by dealing with creditworthy counterparties and obtaining collateral where appropriate.

The Company is exposed to credit loss in the event of contractual nonperformance by its trading counterparties and counterparties to its various over-the-counter derivative financial instruments noted in the above *Notional and Fair Value* discussion. The Company manages this credit risk by selecting only counterparties that it believes to be financially strong, spreading the credit risk among many such counterparties, placing contractual limits on the amount of unsecured credit extended to any single counterparty, and entering into netting agreements with the counterparties as appropriate.

Certain counterparties have master netting agreements. The master netting agreements contain a legal right to offset amounts due to and from the same counterparty. Derivative assets in the Condensed Consolidated Balance Sheets represent derivative contracts in a gain position, net of loss positions with the same counterparty and, therefore, also represent the Company's maximum counterparty credit risk. The Company incurred no credit losses due to nonperformance of any of its counterparties during the three months ended March 31, 2023 and 2022.

9. Commitments, Contingencies, and Guarantees

Interest Rate Lock Commitments

IRLCs are agreements to lend to a client as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The Company evaluates each client's creditworthiness on a case-by-case basis.

The number of days from the date of the IRLC to expiration of fixed and variable rate lock commitments outstanding at March 31, 2023 and December 31, 2022 was approximately 44 days and 48 days on average, respectively.

The UPB of IRLCs was as follows:

	March 31, 2023		December 31, 2022	
	Fixed Rate	Variable Rate	Fixed Rate	Variable Rate
IRLCs	**$ 9,518,644**	**$ 421,972**	$ 6,108,132	$ 326,638

Commitments to Sell Mortgage Loans

In the ordinary course of business, the Company enters into contracts to sell existing mortgage loans held for sale into the secondary market at specified future dates. The amount of commitments to sell existing loans at March 31, 2023 and December 31, 2022 was $1,370,185 and $20,618, respectively.

Commitments to Sell Loans with Servicing Released

In the ordinary course of business, the Company enters into contracts to sell the MSRs of certain newly originated loans on a servicing released basis. In the event that a forward commitment is not filled and there has been an unfavorable market shift from the date of commitment to the date of settlement, the Company is contractually obligated to pay a pair-off fee on the undelivered balance. There were $256,632 and $223,314 of loans committed to be sold servicing released at March 31, 2023 and December 31, 2022, respectively.

Investor Reserves

The maximum exposure under the Company's representations and warranties would be the outstanding principal balance and any premium received on all loans ever sold by the Company, less (i) loans that have already been paid in full by the mortgagee, (ii) loans that have defaulted without a breach of representations and warranties, (iii) loans that have been indemnified via settlement or make-whole, or (iv) loans that have been repurchased. Additionally, the Company may receive relief of certain representation and warranty obligations on loans sold to Fannie Mae or Freddie Mac on or after January 1, 2013 if Fannie Mae or Freddie Mac satisfactorily concludes a quality control loan file review or if the borrower meets certain acceptable payment history requirements within 12 or 36 months after the loan is sold to Fannie Mae or Freddie Mac. Investor reserves as of March 31, 2023 and December 31, 2022 were $107,134 and $110,147, respectively.

Escrow Deposits

As a service to its clients, the Company administers escrow deposits representing undisbursed amounts received for payment of property taxes, insurance, funds for title services, principal, and interest on mortgage loans held for sale. Escrow deposits for property taxes, insurance and settlement funds for title services was $4,594,238 and $3,471,913, and for principal and interest was $4,380,117 and $2,529,326 at March 31, 2023 and December 31, 2022, respectively. These amounts are not considered assets of the Company and, therefore, are excluded from the Condensed Consolidated Balance Sheets. The Company remains contingently liable for the disposition of these deposits.

Guarantees

As of March 31, 2023 and December 31, 2022, the Company guaranteed the debt of a related party consisting of three separate guarantees totaling $3,062 and $3,495, respectively. As of March 31, 2023 and December 31, 2022, the Company did not record a liability on the Condensed Consolidated Balance Sheets for these guarantees because it was not probable that the Company would be required to make payments under these guarantees.

Tax Receivable Agreement

As indicated in *Note 7, Income Taxes,* the Company is party to a Tax Receivable Agreement.

Legal

Rocket Companies' subsidiaries, among other things, engage in mortgage lending, title and settlement services, and other financial technology services. Rocket Companies and its subsidiaries operate in highly regulated industries and are routinely subject to various legal and administrative proceedings concerning matters that arise in the normal and ordinary course of business, including inquiries, complaints, subpoenas, audits, examinations, investigations and potential enforcement actions from regulatory agencies and state attorney generals; state and federal lawsuits and putative class actions; and other litigation. Periodically, we assess our potential liabilities and contingencies in connection with outstanding legal and administrative proceedings utilizing the latest information available. While it is not possible to predict the outcome of any of these matters, based on our assessment of the facts and circumstances, we do not believe any of these matters, individually or in the aggregate, will have a material adverse effect on our financial position, results of operations or cash flows. However, actual outcomes may differ from those expected and could have a material effect on our financial position, results of operations, or cash flows in a future period. Rocket Companies accrues for losses when they are probable to occur and such losses are reasonably estimable. Legal costs are expensed as they are incurred.

As of March 31, 2023 and December 31, 2022, the Company had reserves related to potential damages in connection with any legal proceedings of $15,000. The ultimate outcome of these or other actions or proceedings, including any monetary awards against us, is uncertain and there can be no assurance as to the amount of any such potential awards. Rocket Companies will incur defense costs and other expenses in connection with the lawsuits. Plus, if a judgment for money that exceeds specified thresholds is rendered against us and we fail to timely pay, discharge, bond or obtain a stay of execution of such judgment, it is possible that we could be deemed in default of loan funding facilities and other agreements governing indebtedness. If the final resolution of any such litigation is unfavorable in one or more of these actions, it could have a material adverse effect on our business, liquidity, financial condition, cash flows and results of operations.

10. Minimum Net Worth Requirements

Certain secondary market investors and state regulators require the Company to maintain minimum net worth and capital requirements. To the extent that these requirements are not met, secondary market investors and/or the state regulators may utilize a range of remedies including sanctions, and/or suspension or termination of selling and servicing agreements, which may prohibit the Company from originating, securitizing or servicing these specific types of mortgage loans.

Rocket Mortgage is subject to certain minimum net worth, minimum capital ratio and minimum liquidity requirements established by the Federal Housing Finance Agency ("FHFA") for Fannie Mae and Freddie Mac Seller/Servicers, and Ginnie Mae for single family issuers. Furthermore, refer to *Note 5, Borrowings* for additional information regarding compliance with all covenant requirements.

The most restrictive of the minimum net worth and capital requirements require the Company to maintain a minimum adjusted net worth balance of $1,500,000 as of March 31, 2023 and December 31, 2022. As of March 31, 2023 and December 31, 2022, the Company was in compliance with this requirement.

11. Segments

The Company's Chief Executive Officer, who has been identified as its Chief Operating Decision Maker ("CODM"), has evaluated how the Company views and measures its performance. ASC 280, *Segment Reporting* establishes the standards for reporting information about segments in financial statements. In applying the criteria set forth in that guidance, the Company has determined that it has two reportable segments - Direct to Consumer and Partner Network. The key factors used to identify these reportable segments are the Company's internal operations and the nature of its marketing channels, which drive client acquisition into the mortgage platform. This determination reflects how its CODM monitors performance, allocates capital and makes strategic and operational decisions. The Company's segments are described as follows:

Direct to Consumer

In the Direct to Consumer segment, clients have the ability to interact with Rocket Mortgage online and/or with the Company's mortgage bankers. The Company markets to potential clients in this segment through various brand campaigns and performance marketing channels. The Direct to Consumer segment derives revenue from originating, closing, selling and servicing predominantly agency-conforming loans, which are pooled and sold to the secondary market. The segment also includes title insurance, appraisals and settlement services complementing the Company's end-to-end mortgage origination experience. Servicing activities are fully allocated to the Direct to Consumer segment and are viewed as an extension of the client experience. Servicing enables Rocket Mortgage to establish and maintain long term relationships with our clients, through multiple touchpoints at regular engagement intervals.

Revenues in the Direct to Consumer segment are generated primarily from the gain on sale of loans, which includes loan origination fees, revenues associated with title insurance, appraisals and settlement services, and revenues from sales of loans into the secondary market, as well as the fair value of originated MSRs and hedging gains and losses. Loan servicing (loss) income consists of the contractual fees earned for servicing loans and other ancillary servicing fees, as well as changes in the fair value of MSRs due to changes in valuation assumptions and realization of cash flows.

Partner Network

The Rocket Professional platform supports our Partner Network segment, where we leverage our superior client service and widely recognized brand to grow marketing and influencer relationships, and our mortgage broker partnerships through Rocket Pro TPO ("third party origination"). Our marketing partnerships consist of well-known consumer-focused companies that find value in our award-winning client experience and want to offer their clients mortgage solutions with our trusted, widely recognized brand. These organizations connect their clients directly to us through marketing channels and a referral process. Our influencer partnerships are typically with companies that employ licensed mortgage professionals that find value in our client experience, technology and efficient mortgage process, where mortgages may not be their primary offering. We also enable clients to start the mortgage process through the Rocket platform in the way that works best for them, including through a local mortgage broker.

Revenues in the Partner Network segment are generated primarily from the gain on sale of loans, which includes loan origination fees, revenues associated with title insurance, appraisals and settlement services, and revenues from sales of loans into the secondary market, as well as the fair value of originated MSRs and hedging gains and losses.

Other Information About Our Segments

The Company measures the performance of the segments primarily on a contribution margin basis. The accounting policies applied by our segments are described in *Note 1, Business, Basis of Presentation and Accounting Policies*. Directly attributable expenses include Salaries, commissions and team member benefits, General and administrative expenses and Other expenses, such as servicing costs and origination costs.

The Company does not allocate assets to its reportable segments as they are not included in the review performed by the CODM for purposes of assessing segment performance and allocating resources. The Condensed Consolidated Balance Sheets is managed on a consolidated basis and is not used in the context of segment reporting.

The Company also reports an "All Other" category that includes operations from Rocket Homes, Rock Connections, Rocket Auto, Core Digital Media, Rocket Loans, Rocket Money and includes professional service fee revenues from related parties. These operations are neither significant individually nor in aggregate and therefore do not constitute a reportable segment.

(In Thousands, Except Shares and Per Share Amounts)

Key operating data for our business segments for the periods ended:

Three Months Ended March 31, 2023	**Direct to Consumer**	**Partner Network**	**Segments Total**	**All Other**	**Total**
Revenues					
Gain on sale	**$ 390,342**	**$ 71,993**	**$ 462,335**	**$ 7,228**	**$ 469,563**
Interest income	**38,123**	**27,672**	**65,795**	**949**	**66,744**
Interest expense on funding facilities	**(16,808)**	**(12,198)**	**(29,006)**	**(54)**	**(29,060)**
Servicing fee income	**365,217**	**—**	**365,217**	**1,168**	**366,385**
Changes in fair value of MSRs	**(398,279)**	**—**	**(398,279)**	**—**	**(398,279)**
Other income	**116,520**	**3,618**	**120,138**	**70,577**	**190,715**
Total U.S. GAAP Revenue, net	**495,115**	**91,085**	**586,200**	**79,868**	**666,068**
Change in fair value of MSRs due to valuation assumptions, net of hedges	**216,058**	**—**	**216,058**	**—**	**216,058**
Adjusted revenue	**711,173**	**91,085**	**802,258**	**79,868**	**882,126**
Less: Directly attributable expenses	**505,583**	**65,359**	**570,942**	**76,843**	**647,785**
Contribution margin	**$ 205,590**	**$ 25,726**	**$ 231,316**	**$ 3,025**	**$ 234,341**

Three Months Ended March 31, 2022	**Direct to Consumer**	**Partner Network**	**Segments Total**	**All Other**	**Total**
Revenues					
Gain on sale	$ 1,217,103	$ 258,056	$ 1,475,159	$ 8,627	$ 1,483,786
Interest income	57,601	32,168	89,769	771	90,540
Interest expense on funding facilities	(26,727)	(14,969)	(41,696)	—	(41,696)
Servicing fee income	365,499	—	365,499	715	366,214
Changes in fair value of MSRs	454,380	—	454,380	—	454,380
Other income	167,027	16,477	183,504	133,868	317,372
Total U.S. GAAP Revenue, net	2,234,883	291,732	2,526,615	143,981	2,670,596
Change in fair value of MSRs due to valuation assumptions, net of hedges	(739,217)	—	(739,217)	—	(739,217)
Adjusted revenue	1,495,666	291,732	1,787,398	143,981	1,931,379
Less: Directly attributable expenses	869,210	120,034	989,244	118,872	1,108,116
Contribution margin	$ 626,456	$ 171,698	$ 798,154	$ 25,109	$ 823,263

(In Thousands, Except Shares and Per Share Amounts)

The following table represents a reconciliation of segment contribution margin to consolidated U.S. GAAP income before taxes for the three months ended:

	Three Months Ended March 31,	
	2023	**2022**
Contribution margin, excluding change in MSRs due to valuation assumptions	**$ 234,341**	$ 823,263
Change in fair value of MSRs due to valuation assumptions, net of hedges	**(216,058)**	739,217
Contribution margin, including change in MSRs due to valuation assumptions	**18,283**	1,562,480
Less expenses not allocated to segments:		
Salaries, commissions and team member benefits	**220,883**	244,044
General and administrative expenses	**143,113**	192,457
Depreciation and amortization	**30,685**	21,042
Interest and amortization expense on non-funding debt	**38,333**	38,664
Other expenses	**1,256**	3,816
(Loss) income before income taxes	**$ (415,987)**	$ 1,062,457

12. Non-controlling Interest

The non-controlling interest balance represents the economic interest in Holdings held by our Chairman and RHI. The following table summarizes the ownership of Holdings Units in Holdings as of March 31, 2023 and December 31, 2022:

	March 31, 2023		December 31, 2022	
	Holdings Units	**Ownership Percentage**	**Holdings Units**	**Ownership Percentage**
Rocket Companies, Inc.'s ownership of Holdings Units	**125,761,073**	**6.37 %**	123,491,606	6.26 %
Holdings Units held by our Chairman	**1,101,822**	**0.06 %**	1,101,822	0.06 %
Holdings Units held by RHI	**1,847,777,661**	**93.57 %**	1,847,777,661	93.68 %
Balance at end of period	**1,974,640,556**	**100.00 %**	1,972,371,089	100.00 %

The non-controlling interest holders have the right to exchange Holdings Units, together with a corresponding number of shares of our Class D common stock or Class C common stock (together referred to as "Paired Interests"), for, at our option, (i) shares of our 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 our Class A common stock). As such, future exchanges of Paired 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 when Holdings has positive or negative net assets, respectively. As of March 31, 2023, our Chairman has not exchanged any Paired Interests.

As of March 31, 2023, Rocket Companies has repurchased 32,140,667 shares of Class A common stock under the Share Repurchase Program extended and renewed in November 2022.

(In Thousands, Except Shares and Per Share Amounts)

13. Share-based Compensation

Restricted stock units and stock options are granted to team members and directors of the Company and its affiliates under the 2020 Omnibus Incentive Plan. Share-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, with forfeitures recognized as they occur.

During the three months ended March 31, 2023, the Company granted approximately 4,000,000 restricted stock units with an estimated future expense of $34,700 that vest in December 2023 and granted approximately 2,500,000 restricted stock units with an estimated future expense of $21,500 that vest annually over a three-year period subject to the grantee's employment or service with the Company through each applicable vesting date.

The Company has an employee stock purchase plan, also referred to as the Team Member Stock Purchase Plan ("TMSPP"), under which eligible team members may direct the Company to withhold up to 15% of their gross pay to purchase shares of common stock at a price equal to 85% of the closing market price on the exercise date. The TMSPP is a liability classified compensatory plan and the Company recognizes compensation expense over the offering period based on the fair value of the purchase discount. The number of shares purchased by team members through the TMSPP was 878,817 and 1,018,875, during the three months ended March 31, 2023 and 2022, respectively.

Additionally, we allocated costs associated with awards granted by Rock Holdings, Inc. ("RHI") in the years prior to the reorganization and IPO and certain of our subsidiaries have individual compensation plans that include equity awards and stock appreciation rights.

The components of share-based compensation expense included in Salaries, commissions and team member benefits on the Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) is as follows:

	Three Months Ended March 31,	
	2023	**2022**
Rocket Companies, Inc. sponsored plans		
Restricted stock units	**$ 42,598**	$ 42,492
Stock options	**8,229**	9,576
Team Member Stock Purchase Plan	**1,128**	2,098
Subtotal Rocket Companies, Inc. sponsored plans	**$ 51,955**	$ 54,166
RHI restricted stock units	**—**	12,775
Subsidiary plans	**5**	169
Total share-based compensation expense	**$ 51,960**	$ 67,110

14. Earnings Per Share

The Company applies the two-class method for calculating and presenting earnings per share by separately presenting 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 dividends as may be declared by the board of directors. Holders of the Class A and Class B common stock also have equal priority in liquidation. Shares of Class C and Class D common stock do not participate in earnings of Rocket Companies, Inc. As a result, the shares of Class C and Class D common stock are not considered participating securities and are not included in the weighted-average shares outstanding for purposes of earnings per share. Restricted stock units awarded as part of the Company's compensation program are included in the weighted-average Class A shares outstanding in the calculation of basic earnings per share once the units are fully vested.

(In Thousands, Except Shares and Per Share Amounts)

Basic earnings per share of Class A common stock is computed by dividing Net (loss) income attributable to Rocket Companies by the weighted-average number of shares of Class A common stock outstanding during the period. Diluted earnings per share of Class A common stock is computed by dividing Net (loss) income attributable to Rocket Companies by the weighted-average number of shares of Class A common stock outstanding adjusted to give effect to potentially dilutive securities. There was no Class B common stock outstanding as of March 31, 2023 or 2022. See *Note 12, Non-controlling Interest* for a description of Paired Interests and their potential impact on Class A and Class B share ownership.

The following table sets forth the calculation of the basic and diluted earnings per share for the period:

	Three Months Ended March 31,	
	2023	**2022**
Net (loss) income	**$ (411,483)**	$ 1,036,608
Net loss (income) attributable to non-controlling interest	**392,960**	(982,896)
Net (loss) income attributable to Rocket Companies	**(18,523)**	53,712
Add: Reallocation of Net income attributable to vested, undelivered stock awards	**—**	32
Net (loss) income attributable to common shareholders	**$ (18,523)**	$ 53,744
Numerator:		
Net (loss) income attributable to Class A common shareholders - basic	**$ (18,523)**	$ 53,744
Add: Reallocation of net income attributable to dilutive impact of pro-forma conversion of Class D shares to Class A shares (1)	**(295,767)**	744,379
Add: Reallocation of net (loss) income attributable to dilutive impact of share-based compensation awards (2)	**(163)**	1,418
Net (loss) income attributable to Class A common shareholders - diluted	**$ (314,453)**	$ 799,541
Denominator:		
Weighted average shares of Class A common stock outstanding - basic	**124,732,722**	122,691,728
Add: Dilutive impact of conversion of Class D shares to Class A shares	**1,848,879,483**	1,848,879,483
Add: Dilutive impact of share-based compensation awards (3)	**1,017,603**	3,807,921
Weighted average shares of Class A common stock outstanding - diluted	**1,974,629,808**	1,975,379,132
(Loss) earnings per share of Class A common stock outstanding - basic	**$ (0.15)**	$ 0.44
(Loss) earnings per share of Class A common stock outstanding - diluted	**$ (0.16)**	$ 0.40

(1) Net (loss) income calculated using the estimated annual effective tax rate of Rocket Companies, Inc.

(2) Reallocation of net (loss) income attributable to dilutive impact of share-based compensation awards for the three months ended March 31, 2023 and 2022 comprised of $(155) and $1,356 related to restricted stock units and $(8) and $62 related to TMSPP, respectively.

(3) Dilutive impact of share-based compensation awards for the three months ended March 31, 2023 and 2022 comprised of 969,848 and 3,640,391 related to restricted stock units and 47,755 and 167,530 related to TMSPP, respectively.

For the three months ended March 31, 2023 and 2022, 20,943,673 and 23,941,259 stock options, respectively, each weighted for the portion of the period for which they were outstanding, were excluded from the computation of diluted earnings per share as the effect was determined to be anti-dilutive.

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 unaudited 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") and our audited consolidated financial statements included in our Annual Report on Form 10-K (the "Form 10-K") filed with the Securities and Exchange Commission (the "SEC"). 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 "Special Note Regarding Forward-Looking Statements," and in Part I. Item 1A. "Risk Factors" in our Form 10-K and elsewhere in this Form 10-Q and in our Form 10-K.

Special Note Regarding Forward-Looking Statements

This Form 10-Q contains forward-looking statements, which involve risks and uncertainties. These forward-looking statements are generally identified by the use of forward-looking terminology, including the terms "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," "would" and, in each case, their negative or other various or comparable terminology. All statements other than statements of historical facts contained in this Form 10-Q, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans, objectives of management and expected market growth are forward-looking statements. As you read this Form 10-Q, you should understand that these statements are not guarantees of performance or results. They involve known and unknown risks, uncertainties and assumptions, including those described under the heading "Risk Factors" in this Form 10-Q. Although we believe that these forward-looking statements are based upon reasonable assumptions, you should be aware that many factors, including those described under the heading "Risk Factors" in this Form 10-Q, could affect our actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements.

Our forward-looking statements made herein are made only as of the date of this Form 10-Q. We expressly disclaim any intent, obligation or undertaking to update or revise any forward-looking statements made herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in this Form 10-Q.

Objective

The following discussion provides an analysis of the Company's financial condition, cash flows and results of operations from management's perspective and should be read in conjunction with the consolidated financial statements and notes thereto included in Part I, Item 1 of this Quarterly Report on Form 10-Q. Our objective is to provide a discussion of events and uncertainties known to management that are reasonably likely to cause the reported financial information not to be indicative of future operating results or of future financial condition and to also offer information that provides an understanding of our financial condition, cash flows and results of operations.

Executive Summary

We are a Detroit-based fintech holding company consisting of tech-driven mortgage, real estate, and financial services businesses - including Rocket Mortgage, Rocket Home, Rocket Loans and Rocket Money. We are committed to providing an industry-leading client experience powered by our simple, fast and trusted digital solutions. In addition to Rocket Mortgage, one of the nation's largest mortgage lenders, we have expanded into complementary industries, such as, real estate services, personal finance, and personal and solar lending. Through these industries, we seek to deliver innovative client solutions leveraging our Rocket platform and being the best at creating certainty in life's most complex moments so that our clients can live their dreams.

Recent Developments

Business Trends

The U.S. Federal Reserve has raised the Federal Funds rate multiple times throughout 2022 and 2023, and is also expected to continue to raise interest rates throughout the year to mitigate inflationary pressures. The resulting mortgage interest rate increases have driven a significant decline in the size of the mortgage origination market from the first quarter of 2022 to the first quarter of 2023. The increase in mortgage interest rates, coupled with uncertainty in the economy, have reduced demand for mortgage originations and particularly refinance transactions.

Three months ended March 31, 2023 summary

For the three months ended March 31, 2023, we originated $16.9 billion in residential mortgage loans, which was a $37.0 billion, or 69% decrease compared to the three months ended March 31, 2022. Our Net loss for the period was $411.5 million compared to Net income of $1.0 billion for the same period in 2022. We generated Adjusted EBITDA loss of $79.0 million which was a decrease of $529.0 million, or 118%, compared to Adjusted EBITDA of $450.1 million for the same period in 2022. For more information on Adjusted EBITDA, please see “Non-GAAP Financial Measures” below.

Non-GAAP Financial Measures

To provide investors with information in addition to our results as determined by GAAP, we disclose Adjusted Revenue, Adjusted Net Income (Loss), Adjusted Diluted Earnings (Loss) Per Share and Adjusted EBITDA (collectively “our non-GAAP financial measures”) as non-GAAP measures which management believes provide useful information to investors. We believe that the presentation of our non-GAAP financial measures provides useful information to investors regarding our results of operations because each measure assists both investors and management in analyzing and benchmarking the performance and value of our business. Our non-GAAP financial measures are not calculated in accordance with GAAP and should not be considered as a substitute for revenue, net income (loss), or any other operating performance measure calculated in accordance with GAAP. Other companies may define our non-GAAP financial measures differently, and as a result, our measures of our non-GAAP financial measures may not be directly comparable to those of other companies. Our non-GAAP financial measures provide indicators of performance that are not affected by fluctuations in certain costs or other items. Accordingly, management believes that these measurements are useful for comparing general operating performance from period to period, and management relies on these measures for planning and forecasting of future periods. Additionally, these measures allow management to compare our results with those of other companies that have different financing and capital structures.

We define “Adjusted Revenue” as total revenues net of the change in fair value of mortgage servicing rights (“MSRs”) due to valuation assumptions (net of hedges). We define “Adjusted Net Income (Loss)” as tax-effected earnings (losses) before share-based compensation expense, the change in fair value of MSRs due to valuation assumptions (net of hedges), and the tax effects of those adjustments as applicable. We define “Adjusted Diluted Earnings (Loss) Per Share” as Adjusted Net Income (Loss) divided by the diluted weighted average number of Class A common stock outstanding for the applicable period, which assumes the pro forma exchange and conversion of all outstanding Class D common stock for Class A common stock. We define “Adjusted EBITDA” as earnings (losses) before interest and amortization expense on non-funding debt, income tax, depreciation and amortization, share-based compensation expense, and change in fair value of MSRs due to valuation assumptions (net of hedges).

We exclude from each of our non-GAAP financial measures the change in fair value of MSRs due to valuation assumptions (net of hedges) as this represents a non-cash non-realized adjustment to our total revenues, reflecting changes in assumptions including discount rates and prepayment speed assumptions, mostly due to changes in market interest rates, which is not indicative of our performance or results of operation. We also exclude effects of contractual prepayment protection associated with sales of MSRs. Adjusted EBITDA includes Interest expense on funding facilities, which are recorded as a component of Interest income, net, as these expenses are a direct cost driven by loan origination volume. By contrast, interest and amortization expense on non-funding debt is a function of our capital structure and is therefore excluded from Adjusted EBITDA.

Our definitions of each of our non-GAAP financial measures allow us to add back certain cash and non-cash charges, and deduct certain gains that are included in calculating Total revenues, net, Net income (loss) attributable to Rocket Companies or Net income (loss). However, these expenses and gains vary greatly, and are difficult to predict. From time to time in the future, we may include or exclude other items if we believe that doing so is consistent with the goal of providing useful information to investors.

Although we use our non-GAAP financial measures to assess the performance of our business, such use is limited because they do not include certain material costs necessary to operate our business. Our non-GAAP financial measures can represent the effect of long-term strategies as opposed to short-term results. Our presentation of our non-GAAP financial measures should not be construed as an indication that our future results will be unaffected by unusual or nonrecurring items. Our non-GAAP financial measures have limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. Because of these limitations, our non-GAAP financial measures should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to meet our obligations.

Limitations to our non-GAAP financial measures included, but are not limited to:

(a) they do not reflect every cash expenditure, future requirements for capital expenditures or contractual commitments;

(b) Adjusted EBITDA does not reflect the significant interest expense or the cash requirements necessary to service interest or principal payment on our debt;

(c) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced or require improvements in the future, and Adjusted Revenue, Adjusted Net Income (Loss) and Adjusted EBITDA do not reflect any cash requirement for such replacements or improvements; and

(d) they are not adjusted for all non-cash income or expense items that are reflected in our Condensed Consolidated Statements of Cash Flows.

We compensate for these limitations by using our non-GAAP financial measures along with other comparative tools, together with U.S. GAAP measurements, to assist in the evaluation of operating performance. See below for reconciliation of our non-GAAP financial measures to their most comparable U.S. GAAP measures. Additionally, our U.S. GAAP-based measures can be found in the condensed consolidated financial statements and related notes included elsewhere in this Form 10-Q.

Reconciliation of Adjusted Revenue to Total Revenue, net

	Three Months Ended March 31,	
($ in thousands)	**2023**	**2022**
Total revenue, net	**$ 666,068**	$ 2,670,596
Change in fair value of MSRs due to valuation assumptions (net of hedges) (1)	**216,058**	(739,217)
Adjusted Revenue	**$ 882,126**	$ 1,931,379

(1) Reflects changes in assumptions including discount rates and prepayment speed assumptions, mostly due to changes in market interest rates, and the effects of contractual prepayment protection associated with sales of MSRs.

Reconciliation of Adjusted Net Income (Loss) to Net Income Attributable to Rocket Companies

($ in thousands)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net (loss) income attributable to Rocket Companies	**$ (18,523)**	$ 53,712
Net (loss) income impact from pro forma conversion of Class D common shares to Class A common shares (1)	**(392,357)**	983,505
Adjustment to the benefit from (provision for) income tax (2)	**96,393**	(242,150)
Tax-effected net (loss) income (2)	**$ (314,487)**	$ 795,067
Share-based compensation expense	**51,960**	67,110
Change in fair value of MSRs due to valuation assumptions (net of hedges) (3)	**216,058**	(739,217)
Tax impact of adjustments (4)	**(65,099)**	169,438
Other tax adjustments (5)	**973**	1,000
Adjusted Net (Loss) Income	**$ (110,595)**	$ 293,398

(1) Reflects net (loss) income to Class A common stock from pro forma exchange and conversion of corresponding shares of our Class D common shares held by non-controlling interest holders as of March 31, 2023 and 2022.

(2) Rocket Companies is subject to U.S. Federal income taxes, in addition to state, local and Canadian taxes with respect to its allocable share of any net taxable (loss) income of Holdings. The Adjustment to the benefit from (provision for) income tax reflects the difference between (a) the income tax computed using the effective tax rates below applied to the (Loss) income before income taxes assuming Rocket Companies, Inc. owns 100% of the non-voting common interest units of Holdings and (b) the (Benefit from) provision for income taxes.

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net (loss) income attributable to Rocket Companies	**$ (18,523)**	$ 53,712
Net (loss) income impact from pro forma conversion of Class D common shares to Class A common shares	**(392,357)**	983,505
(Benefit from) provision for income taxes	**(4,504)**	25,849
Adjusted (loss) income before income taxes	**(415,384)**	1,063,066
Effective Income Tax Rate for Adjusted Net (Loss) Income	**24.29 %**	25.21 %
Adjusted (benefit from) provision for income taxes	**(100,897)**	267,999
(Benefit from) provision for income taxes	**(4,504)**	25,849
Adjustment to the benefit from (provision for) income tax	**$ 96,393**	$ (242,150)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Statutory U.S. Federal Income Tax Rate	**21.00 %**	21.00 %
Canadian taxes	**0.01**	0.01
State and Local Income Taxes (net of federal benefit)	**3.28**	4.20
Effective Income Tax Rate for Adjusted Net Income (Loss)	**24.29 %**	25.21 %

(3) Reflects changes in assumptions including discount rates and prepayment speed assumptions, mostly due to changes in market interest rates, and the effects of contractual prepayment protection associated with sales of MSRs.

(4) Tax impact of adjustments gives effect to the income tax related to share-based compensation expense and change in fair value of MSRs due to valuation assumptions at the effective tax rates for each quarter.

(5) Represents tax benefits due to the amortization of intangible assets and other tax attributes resulting from the purchase of Holdings units, net of payment obligations under Tax Receivable Agreement.

Reconciliation of Adjusted Diluted Weighted Average Shares Outstanding to Diluted Weighted Average Shares Outstanding

($ in thousands, except shares and per share)	Three Months Ended March 31, 2023		Three Months Ended March 31, 2022	
Diluted weighted average Class A Common shares outstanding		**1,974,629,808**		1,975,379,132
Assumed pro forma conversion of Class D shares (1)		**—**		—
Adjusted diluted weighted average shares outstanding		**1,974,629,808**		1,975,379,132
Adjusted Net (Loss) Income	**$**	**(110,595)**	$	293,398
Adjusted Diluted (Loss) Earnings Per Share	**$**	**(0.06)**	$	0.15

(1) Reflects the pro forma exchange and conversion of non-dilutive Class D common stock to Class A common stock. For the three months ended March 31, 2023 and 2022, Class D common shares were dilutive and are included in the diluted weighted average Class A common shares outstanding in the table above.

Reconciliation of Adjusted EBITDA to Net (Loss) Income

($ in thousands)	Three Months Ended March 31, 2023		Three Months Ended March 31, 2022	
Net (loss) income	**$**	**(411,483)**	$	1,036,608
Interest and amortization expense on non-funding debt		**38,333**		38,664
Income tax (benefit) provision		**(4,504)**		25,849
Depreciation and amortization		**30,685**		21,042
Share-based compensation expense		**51,960**		67,110
Change in fair value of MSRs due to valuation assumptions (net of hedges) (1)		**216,058**		(739,217)
Adjusted EBITDA	**$**	**(78,951)**	$	450,056

(1) Reflects changes in assumptions including discount rates and prepayment speed assumptions, mostly due to changes in market interest rates, and the effects of contractual prepayment protection associated with sales of MSRs.

Key Performance Indicators

We monitor a number of key performance indicators to evaluate the performance of our business operations. Our loan production key performance indicators enable us to monitor our ability to generate gain on sale revenue as well as understand how our performance compares to the total mortgage origination market. Our servicing portfolio key performance indicators enable us to monitor the overall size of our servicing portfolio of business, the related value of our mortgage servicing rights, and the health of the business as measured by the average MSR delinquency rate. Other key performance indicators for other Rocket Companies, besides Rocket Mortgage ("Other Rocket Companies"), allow us to monitor both revenues and unit sales generated by these businesses. We also include Rockethomes.com average unique monthly visits, as we believe traffic on the site is an indicator of consumer interest.

The following summarizes key performance indicators of the business:

	Three Months Ended March 31,	
(Units and $ in thousands)	**2023**	**2022**
Loan Production Data		
Closed loan origination volume	**$ 16,929,332**	$ 53,976,815
Direct to Consumer origination volume	**$ 9,809,699**	$ 33,126,537
Partner Network origination volume	**$ 7,119,633**	$ 20,850,278
Gain on sale margin (1)	**2.39 %**	3.01 %

	March 31,	
	2023	**2022**
Servicing Portfolio Data		
Total serviced UPB (includes subserviced)	**$ 524,794,688**	$ 545,763,625
MSRs UPB of loans serviced	**$ 481,325,241**	$ 492,368,318
UPB of loans subserviced and temporarily serviced	**$ 43,469,447**	$ 53,395,307
Total loans serviced (includes subserviced)	**2,516.1**	2,554.6
Number of MSRs loans serviced	**2,407.6**	2,411.4
Number of loans subserviced and temporarily serviced	**108.5**	143.2
MSR fair value multiple (2)	**4.81**	4.59
Total serviced MSR delinquency rate (60+)	**1.10 %**	1.31 %
Net client retention rate (trailing twelve months) (3)	**96 %**	92 %

	Three Months Ended March 31,	
	2023	**2022**
Other Rocket Companies		
Amrock closings (units)	**35.9**	168.3
Rocket Homes real estate transactions	**4.6**	8.2
Rockethomes.com average unique monthly visitors (4)	**1,112.0**	2,591.4
Rocket Loans closed (units)	**8.5**	5.3
Total Other Rocket Companies gross revenue	**$ 82,112**	$ 264,260
Total Other Rocket Companies net revenue (5)	**$ 80,352**	$ 261,915

(1) Gain on sale margin is calculated by dividing Gain on sale of loans, net by the net rate lock volume for the period. Gain on sale of loans, net includes the net gain on sale of loans, fair value of originated MSRs, fair value adjustments on originated loans held for sale and IRLC's, and revaluation of forward commitments economically hedging loans held for sale and IRLCs. This metric is a measure of gain on sale revenue and excludes revenues from Rocket Loans, changes in the loan repurchase reserve and fair value adjustments on repurchased loans held on our balance sheet, such as early buyouts.

(2) MSRs fair market value multiple is a metric used to determine the relative value of the MSRs asset in relation to the annualized retained servicing fee, which is the cash that the holder of the MSRs asset would receive from the portfolio over such period. It is calculated as the quotient of (a) the MSRs fair market value as of a specified date divided by (b) the weighted average annualized retained servicing fee for our MSRs portfolio as of such date. The weighted average annualized retained servicing fee for our MSRs portfolio was 0.29% and 0.28% as of March 31, 2023 and 2022, respectively. The vast majority of our portfolio consists of originated MSRs and consequently, the impact of purchased MSRs does not have a material impact on our weighted average service fee.

(3) This metric measures our retention across a greater percentage of our client bases versus our recapture rate. We define "net client retention rate" as the number of clients that were active at the beginning of a period and which remain active at the end of the period, divided by the number of clients that were active at the beginning of the period. This metric excludes clients whose loans were sold during the period as well as clients to whom we did not actively market to due to contractual prohibitions or other business reasons. We define "active" as those clients who do not pay-off their mortgage with us and originate a new mortgage with another lender during the period.

(4) Rockethomes.com average unique monthly visits is calculated by a third party service that monitors website activity. This metric doesn't necessarily have a direct correlation to revenues and is used primarily to monitor consumer interest in the Rockethomes.com site.

(5) Net revenue presented above is calculated as gross revenues less intercompany revenue eliminations. A portion of the Other Rocket Companies revenues is generated through intercompany transactions. These intercompany transactions take place with entities that are part of our platform. Consequently, we view gross revenue of individual Other Rocket Companies as a key performance indicator, and we consider net revenue of Other Rocket Companies on a combined basis.

Description of Certain Components of Financial Data

Components of Revenue

Our sources of revenue include Gain on sale of loans, net, Loan servicing (loss) income, net, Interest income, net, and Other income.

Gain on sale of loans, net

Gain on sale of loans, net includes all components related to the origination and sale of mortgage loans, including (1) net gain on sale of loans, which represents the premium we receive in excess of the loan principal amount and certain fees charged by investors upon sale of loans into the secondary market, (2) loan origination fees, credits, points and certain costs, (3) provision for or benefit from investor reserves, (4) the change in fair value of interest rate locks ("IRLCs" or "rate lock") and loans held for sale, (5) the gain or loss on forward commitments hedging loans held for sale and IRLCs, and (6) the fair value of originated MSRs. MSR assets are created at the time Mortgage Loans Held for Sale are securitized and sold to investors for cash, while the Company retains the right to service the loan.

Loan servicing (loss) income, net

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

Interest income, net

Interest income, net is interest earned on mortgage loans held for sale net of the interest expense paid on our loan funding facilities.

Other income

Other income includes revenues generated from Amrock (title insurance services, property valuation, and settlement services), Rocket Homes (real estate network referral fees), Rocket Auto (auto marketplace sales revenues), Core Digital Media (third party lead generation revenues), Rock Connections (third party sales and support revenues), Rocket Money (personal finance subscription revenue), Rocket Loans (personal loans), deposit interest income and professional service fees. The professional service fees represent amounts received in exchange for professional services provided to affiliated companies. Services are provided primarily in connection with technology, facilities, human resources, accounting, training, and security functions. Other income also includes revenues from investment interest income and other miscellaneous income items.

Components of operating expenses

Our operating expenses as presented in the statement of operations data include Salaries, commissions and team member benefits, General and administrative expenses, Marketing and advertising expenses, and Other expenses.

Salaries, commissions and team member benefits

Salaries, commissions and team member benefits include all payroll, benefits, and share-based compensation expenses for our team members.

General and administrative expenses

General and administrative expenses primarily include occupancy costs, professional services, loan processing expenses on loans that do not close or that are not charged to clients on closed loans, commitment fees, fees on loan funding facilities, license fees, office expenses and other operating expenses.

Marketing and advertising expenses

Marketing and advertising expenses are primarily related to performance and brand marketing.

Other expenses

Other expenses primarily consist of depreciation and amortization on property and equipment, and mortgage servicing related expenses.

Income taxes

In calculating the provision for interim income taxes, in accordance with ASC Topic 740 Income Taxes, we apply an estimated annual effective tax rate to year-to-date ordinary income. At the end of each interim period, we estimate the effective tax rate expected to be applicable for the full year. Tax-effects of significant, unusual or infrequently occurring items are excluded from the estimated annual effective tax rate calculation and recognized in the interim period in which they occur.

Tax Receivable Agreement
Refer to *Note 7*, *Income Taxes* for more information on Tax Receivable Agreement.

Share-based compensation
Share-based compensation is comprised of both equity and liability awards and is measured and expensed accordingly under Accounting Standards Codification ("ASC") 718 *Compensation - Stock Compensation*. As indicated above, share-based compensation expense is included as part of salaries, benefits and team member benefits.

Non-controlling interest

We are the sole managing member of Holdings and consolidate the financial results of Holdings. Therefore, we report a non-controlling interest based on the Holdings Units of Holdings held by Dan Gilbert, our founder and Chairman (our "Chairman") and RHI on our Condensed Consolidated Balance Sheets. Income or loss is attributed to the non-controlling interests based on the weighted average Holdings Units outstanding during the period and is presented on the Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) . Refer to *Note 12, Non-controlling Interest* for more information on non-controlling interests.

Results of Operations for the Three Months Ended March 31, 2023 and 2022

Summary of Operations

Condensed Statement of Operations Data	**Three Months Ended March 31,**	
($ in thousands)	**2023**	**2022**
Revenue		
Gain on sale of loans, net	**$ 469,563**	$ 1,483,786
Servicing fee income	**366,385**	366,214
Change in fair value of MSRs	**(398,279)**	454,380
Interest income, net	**37,684**	48,844
Other income	**190,715**	317,372
Total revenue, net	**$ 666,068**	$ 2,670,596
Expenses		
Salaries, commissions and team member benefits	**603,775**	853,915
General and administrative expenses	**195,390**	275,857
Marketing and advertising expenses	**181,604**	328,058
Interest and amortization expense on non-funding-debt	**38,333**	38,664
Other expenses	**62,953**	111,645
Total expenses	**$ 1,082,055**	$ 1,608,139
(Loss) income before income taxes	**(415,987)**	1,062,457
Benefit from (provision for) income taxes	**4,504**	(25,849)
Net (loss) income	**(411,483)**	1,036,608
Net loss (income) attributable to non-controlling interest	**392,960**	(982,896)
Net (loss) income attributable to Rocket Companies	**$ (18,523)**	$ 53,712

Gain on sale of loans, net

The components of gain on sale of loans for the periods presented were as follows:

	Three Months Ended March 31,	
($ in thousands)	**2023**	**2022**
Net gain (loss) on sale of loans (1)	**$ 207,972**	$ (125,594)
Fair value of originated MSRs	**204,560**	796,616
Provision for investor reserves	**(47,305)**	(2,386)
Fair value adjustment on loans held for sale and IRLCs	**177,132**	(743,501)
Revaluation from forward commitments economically hedging loans held for sale and IRLCs	**(72,796)**	1,558,651
Gain on sale of loans, net	**$ 469,563**	$ 1,483,786

(1) Net gain (loss) on sale of loans represents the premium received in excess of the UPB, plus net origination fees.

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

	Three Months Ended March 31,	
($ in thousands)	**2023**	**2022**
Loan origination volume by type:		
Conventional Conforming	**$ 10,625,235**	$ 41,379,684
FHA/VA	**5,065,626**	9,086,995
Non-Agency	**1,238,471**	3,510,136
Total mortgage loan origination volume	**$ 16,929,332**	$ 53,976,815
Portfolio metrics:		
Average loan amount	**$ 273**	$ 281
Weighted average loan-to-value ratio	**74.98 %**	69.15 %
Weighted average credit score	**731**	737
Weighted average loan rate	**6.14 %**	3.34 %
Percentage of loans sold:		
To GSEs and government	**91.71 %**	91.51 %
To other counterparties	**8.29 %**	8.49 %
Servicing-retained	**99.35 %**	98.96 %
Servicing-released	**0.65 %**	1.04 %
Net rate lock volume (1)	**$ 19,534,883**	$ 49,613,500
Gain on sale margin (2)	**2.39 %**	3.01 %

(1) Net rate lock volume includes the UPB of loans subject to IRLCs, net of the pull-through factor as described in the “Description of Certain Components of Financial Data” section of our most recently filed 10-K.

(2) Gain on sale margin is calculated by dividing Gain on sale of loans, net by the net rate lock volume for the period. Gain on sale of loans, net includes the net gain on sale of loans, fair value of originated MSRs, fair value adjustments on originated loans held for sale and IRLC’s, and revaluation of forward commitments economically hedging loans held for sale and IRLCs. This metric is a measure of gain on sale revenue and excludes revenues from Rocket Loans, changes in the loan repurchase reserve and fair value adjustments on repurchased loans held on our balance sheet, such as early buyouts. See the table above for each of the components of gain on sale of loans, net.

Overview of the Gain on sale of loans, net table

At the time an IRLC is issued, an estimate of the *Gain on sale of loans, net* is recognized in the *Fair value adjustment on loans held for sale and IRLCs* component in the table above. Subsequent changes in the fair value of IRLCs and mortgage loans held for sale are recognized in this same component as the loan progresses through closing, which is the moment that loans move from an IRLC to a loan held for sale, and ultimately through the sale of the loan. We deploy a hedge strategy to mitigate the impact of interest rate changes from the point of the IRLC through the sale of the loan. The changes to the *Fair value adjustment on loans held for sale and IRLCs* in each period is dependent on several factors, including mortgage origination volume, how long a loan remains at a given stage in the origination process and the movement of interest rates during that period as compared to the immediately preceding period. Loans originated during an increasing rate environment generally decrease in value, and loans originated during a decreasing rate environment generally increase in value. 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 and moves from the *Fair value adjustment on loans held for sale and IRLCs* component in the *Net (loss) gain on sale of loans* component in the table above. The *Revaluation from forward commitments economically hedging loans held for sale and IRLCs* component reflects the forward hedge commitments intended to offset the various fair value adjustments that impact the *Fair value adjustment on loans held for sale and IRLCs* and the *Net (loss) gain on sale of loans* components. As a result, these three components should be evaluated in combination when evaluating *Gain on sale of loans, net*, as the sum of these components are primarily driven by net rate lock volume. Furthermore, at the point of sale of the loan, the *Fair value of originated MSRs* and the *(Provision for) benefit from investor reserves* are recognized each in their respective components shown above.

Three months ended March 31, 2023 summary

Gain on sale of loans, net was $469.6 million, a decrease of $1.0 billion, or 68%, when compared to $1.5 billion for the same period in 2022, caused in part by the changes in Net gain (loss) on sale of loans, Fair value adjustment on loans held for sale and IRLCs and Revaluation from forward commitments economically hedging loans held for sale and IRLCs. Increased interest rates during the period led to a 61% decrease in net rate lock volume, which drove a 55% combined decrease in these three components for the same period in 2022.

In addition, the fair value of MSRs originated was $204.6 million, a decrease of $592.1 million, or 74%, when compared to $796.6 million for the same period in 2022. The decrease was primarily due to a reduction in sold loan volume of $46.8 billion, or 75%, to $15.4 billion in 2023 from $62.2 billion in 2022.

The provision for investor reserves is related to the provision to establish our estimated liabilities associated with the potential repurchase or indemnity of purchasers of loans previously sold due to representation and warranty claims by investors, as well as gains or losses incurred on repurchased loans. The $44.9 million change was primarily due to losses incurred from an increase in sales of repurchased loans when compared to the same period in 2022.

Loan servicing (loss) income, net

For the periods presented, Loan servicing (loss) income, net consisted of the following:

	Three Months Ended March 31,	
($ in thousands)	**2023**	**2022**
Retained servicing fee	**$ 353,861**	$ 356,551
Subservicing income	**2,288**	2,320
Ancillary income	**10,236**	7,343
Servicing fee income	**366,385**	366,214
Change in valuation model inputs or assumptions (1)	**(218,473)**	764,723
Change in fair value of MSRs hedge	**2,415**	(25,506)
Collection / realization of cash flows	**(182,221)**	(284,837)
Change in fair value of MSRs	**(398,279)**	454,380
Loan servicing (loss) income, net	**$ (31,894)**	$ 820,594

(1) Includes the effect of contractual prepayment protection resulting from sales of MSRs prepayment protection

	March 31,	
($ in thousands)	**2023**	**2022**
MSRs UPB of loans serviced	**$ 481,325,241**	$ 492,368,318
Number of MSRs loans serviced	**2,407,623**	2,411,386
UPB of loans subserviced and temporarily serviced	**$ 43,469,447**	$ 53,395,307
Number of loans subserviced and temporarily serviced	**108,469**	143,231
Total serviced UPB	**$ 524,794,688**	$ 545,763,625
Total loans serviced	**2,516,092**	2,554,617
MSRs fair value	**$ 6,669,939**	$ 6,410,288
Total serviced delinquency count (60+) as % of total	**1.10%**	1.31%
Weighted average credit score	**735**	737
Weighted average LTV	**71.13%**	70.51%
Weighted average loan rate	**3.45%**	3.18%
Weighted average service fee	**0.29%**	0.28%

Three months ended March 31, 2023 summary

Loan servicing loss, net was $31,894, which compares to loan servicing income, net of $820,594 for the same period in 2022. The changes in valuation model inputs or assumptions was a $218,473 decrease compared to a $764,723 increase for the same period in 2022, driven by lower prepayment speed assumptions caused by the increase in mortgage interest rates. Additionally, the collection/ realization of cash flows was a loss of $182,221, which compares to a loss of $284,837 for the same period in 2022. The change was due to a decrease in the number of loans that were paid off during the first three months ended 2023 compared to the same period in 2022.

Interest income, net

The components of Interest income, net for the periods presented were as follows:

	Three Months Ended March 31,	
($ in thousands)	**2023**	**2022**
Interest income	**$ 66,744**	$ 90,540
Interest expense on funding facilities	**(29,060)**	(41,696)
Interest income, net	**$ 37,684**	$ 48,844

Three months ended March 31, 2023 summary

Interest income, net was $37.7 million, a decrease of $11.2 million, or 23%, compared to $48.8 million for the same period in 2022. The decrease in interest income, net in 2023 was primarily attributable to less sold loan volume.

Other income

	Three Months Ended March 31,	
($ in thousands)	**2023**	**2022**
Deposit interest income	**$ 69,155**	$ 8,007
Amrock revenue	**58,996**	225,946
Rocket Money revenue	**45,382**	33,011
Rocket Homes revenue	**7,008**	11,406
Rocket Loans revenue	**3,438**	24,564
Other (1)	**6,736**	14,438
Total Other income	**$ 190,715**	$ 317,372

(1) Other consists of revenue from additional entities and other miscellaneous income.

Three months ended March 31, 2023 summary

Other income was $317.4 million, a decrease of $126.7 million, or 40%, compared to $190.7 million for the same period in 2022. The decrease was primarily a result of a reduction in revenues at Amrock of $165.4 million, driven by lower mortgage origination volume, partially offset by an increase in deposit interest income of $61.1 million, attributable to additional higher interest earnings rates.

Expenses

Expenses for the periods presented were as follows:

	Three Months Ended March 31,	
($ in thousands)	**2023**	**2022**
Salaries, commissions and team member benefits	**$ 603,775**	$ 853,915
General and administrative expenses	**195,390**	275,857
Marketing and advertising expenses	**181,604**	328,058
Interest and amortization expense on non-funding debt	**38,333**	38,664
Other expenses	**62,953**	111,645
Total expenses	**$ 1,082,055**	$ 1,608,139

Three months ended March 31, 2023 summary

Total expenses were $1.1 billion, a decrease of $526.1 million or 33%, compared with $1.6 billion for the same period in 2022. The decrease was driven by our cost saving measures affecting Salaries, commissions, and team member benefits, General and administrative expenses, Marketing and advertising expenses and Other expenses, including production and other vendor-related costs. Salaries, commissions, and team member benefits were $603.8 million in 2023, a decrease of $250.1 million or 29%, compared with $853.9 million for the same period in 2022, primarily due to a decrease in team members in production roles and lower variable compensation associated with lower production levels. General and administrative expenses were $195.4 million, a decrease of $80.5 million or 29%, compared with $275.9 million for the same period in 2022, driven primarily by a decrease in loan processing costs. Market and advertising expenses were $181.6 million, a decrease of $146.5 million, or 45%, compared with $328.1 million for the same period in 2022, which was driven by a decrease in performance marketing in 2023. Other expenses were $63.0 million, a decrease of $48.7 million, or 44%, compared with $111.6 million for the same period in 2022, primarily due to decreases in title related expenses at Amrock.

Summary Results by Segment for the Three Months Ended March 31, 2023 and 2022

Our operations are organized by distinct marketing channels which promote client acquisition into our platform and include two reportable segments: Direct to Consumer and Partner Network. In the Direct to Consumer segment, clients have the ability to interact with the Rocket Mortgage app and/or with our mortgage bankers, consisting of sales team members across our platform. We market to potential clients in this segment through various performance marketing channels. The Direct to Consumer segment derives revenue from originating, closing, selling and servicing predominantly agency-conforming loans, which are pooled and sold to the secondary market. This also includes providing title insurance services, appraisals and settlement services to these clients as part of our end-to-end mortgage origination experience. Servicing activities are fully allocated to the Direct to Consumer segment as they are viewed as an extension of the client experience with the primary objective to establish and maintain positive, regular touchpoints with our clients, which positions us to have high retention and recapture the clients' next refinance, purchase, and personal loan transactions. These activities position us to be the natural choice for clients' next refinance or purchase transaction.

The Rocket Professional platform supports our Partner Network segment, where we leverage our superior client service and widely recognized brand to grow marketing and influencer relationships, and our mortgage broker partnerships through Rocket Pro TPO. Our marketing partnerships consist of well-known consumer-focused companies that find value in our award-winning client experience and want to offer their clients mortgage solutions with our trusted, widely recognized brand. These organizations connect their clients directly to us through marketing channels and a referral process. Our influencer partnerships are typically with companies that employ licensed mortgage professionals that find value in our client experience, technology and efficient mortgage process, where mortgages may not be their primary offering. We also enable clients to start the mortgage process through the Rocket platform in the way that works best for them, including through a local mortgage broker. Rocket Pro TPO works exclusively with mortgage brokers, community banks and credit unions. Rocket Pro TPO's partners provide the face-to-face service their clients desire, while tapping into the expertise, technology and award-winning process of Rocket Mortgage.

We measure the performance of the segments primarily on a contribution margin basis. Contribution margin is intended to measure the direct profitability of each segment and is calculated as Adjusted Revenue less Directly attributable expenses. Adjusted Revenue is a non-GAAP financial measure described above. Directly attributable expenses include Salaries, commissions and team member benefits, General and administrative expenses, Marketing and advertising expenses and Other expenses, such as direct servicing costs and origination costs. For segments, we measure gain on sale margin of sold loans and refer to this metric as 'sold loan gain on sale margin.' A loan is considered sold when it is sold to investors on the secondary market. Sold loan gain on sale margin represents revenues on loans that have been sold divided by the sold UPB amount. Sold loan gain on sale margin is used specifically in the context of measuring the gain on sale margins of our Direct to Consumer and Partner Network segments. Sold loan gain on sale margin is an important metric in evaluating the revenue generating performance of our segments as it allows us to measure this metric at a segment level with a high degree of precision. By contrast, 'gain on sale margin', which we use outside of the segment discussion, measures the gain on sale revenue generation of our combined mortgage business. See below for our overview and discussion of segment results for the three months ended March 31, 2023 and 2022. For additional discussion, see *Note 11, Segments* of the notes to the unaudited condensed consolidated financial statements of this Form 10-Q.

Direct to Consumer Results

($ in thousands)	Three Months Ended March 31, 2023	2022
Sold Loan Volume	**$ 8,811,452**	$ 36,164,727
Sold Loan Gain on Sale Margin	**3.71 %**	4.00 %
Revenue		
Gain on sale	**$ 390,342**	$ 1,217,103
Interest income	**38,123**	57,601
Interest expense on funding facilities	**(16,808)**	(26,727)
Service fee income	**365,217**	365,499
Changes in fair value of MSRs	**(398,279)**	454,380
Other income	**116,520**	167,027
Total Revenue, net	**$ 495,115**	$ 2,234,883
Change in fair value of MSRs due to valuation assumptions, net of hedges	**216,058**	(739,217)
Adjusted Revenue	**$ 711,173**	$ 1,495,666
Less: Directly Attributable Expenses (1)	**505,583**	869,210
Contribution Margin	**$ 205,590**	$ 626,456

(1) Direct expenses attributable to operating segments exclude corporate overhead, depreciation and amortization, and interest and amortization expense on non-funding debt.

Three months ended March 31, 2023 summary

Direct to Consumer Adjusted Revenue was $711.2 million, a decrease of $784.5 million, or 52.5% when compared to $1.5 billion for the same period in 2022. Gain on sale revenue decreased $826.8 million, or 67.9%, due to a decline in sold loan volume and gain on sale margin. Sold loan volume was $8.8 billion, a decrease of $27.4 billion, or 75.6%. In addition, sold loan gain on sale margin was 3.71%, a decrease of 0.29%, or 7.2%, compared to 4.00% for the same period in 2022.

Direct to Consumer Directly Attributable Expenses decreased $363.6 million, or 41.8%, to $505.6 million, compared to $869.2 million in 2022. The decrease was primarily due to a decreased variable compensation and loan processing costs associated with lower volumes, fewer team members in production roles and reduced marketing spend.

Direct to Consumer Contribution Margin decreased $420.9 million, or 67.2%, to $205.6 million, compared to $626.5 million for the same period in 2022. The decrease in Contribution Margin was driven primarily by the decrease in sold loan volume noted above.

Partner Network Results

($ in thousands)	Three Months Ended March 31, 2023	2022
Sold Loan Volume	**$ 6,583,687**	$ 26,033,374
Sold Loan Gain on Sale Margin	**0.83 %**	0.91 %
Revenue		
Gain on sale	**$ 71,993**	$ 258,056
Interest income	**27,672**	32,168
Interest expense on funding facilities	**(12,198)**	(14,969)
Other income	**3,618**	16,477
Total Revenue, net	**$ 91,085**	$ 291,732
Change in fair value of MSRs due to valuation assumptions, net of hedges	**—**	—
Adjusted Revenue	**$ 91,085**	$ 291,732
Less: Directly Attributable Expenses	**65,359**	120,034
Total Contribution Margin	**$ 25,726**	$ 171,698

Three months ended March 31, 2023 summary

Partner Network Adjusted Revenue was $91.1 million, a decrease of $200.6 million, or 68.8% when compared to $291.7 million for the same period in 2022. Gain on sale revenue decreased $186.1 million, or 72.1%, due to a decline in sold loan volumes and gain on sale margin. Sold loan volume was $6.6 billion, a decrease of $19.4 billion, or 74.7%, compared to the same period in 2022. In addition, sold loan gain on sale margin was 0.83%, compared to 0.91% for the same period in 2022.

Partner Network Directly Attributable Expenses decreased $54.7 million, or 45.5%, to $65.4 million compared to $120.0 million for the same period in 2022. The decrease was driven primarily due to decreased variable compensation and loan processing costs associated with lower volumes and fewer team members in production roles.

Partner Network Contribution Margin decreased $146.0 million, or 85.0%, to $25.7 million compared to $171.7 million for the same period in 2022. The decrease in Contribution Margin was driven primarily by the decrease in sold loan volume noted above.

Liquidity and Capital Resources

Historically, our primary sources of liquidity have included:

- cash flow from our operations, including:
  - sale of whole loans into the secondary market;
  - sale of mortgage servicing rights into the secondary market;
  - loan origination fees;
  - servicing fee income; and
  - interest income on loans held for sale
- borrowings, including under our funding facilities and other secured and unsecured financing facilities; and
- cash and marketable securities on hand.

Historically, our primary uses of funds have included:

- origination of loans;

- interest expense;
- repayment of debt;
- operating expenses; and
- distributions to RHI including those to fund distributions for payment of taxes by RHI shareholders.

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

In order to originate and aggregate loans for sale into the secondary market, we use our own working capital and borrow or obtain money on a short-term basis primarily through committed and uncommitted funding facilities established with large global banks.

Our funding facilities are primarily in the form of master repurchase agreements. We also have funding facilities directly with the GSEs. Loans financed under these facilities are generally financed at approximately 97% to 98% of the principal balance of the loan (although certain types of loans are financed at lower percentages of the principal balance of the loan), which requires us to fund the balance from cash generated from operations. Once closed, the underlying residential mortgage loan that is held for sale is pledged as collateral for the borrowing or advance that was made under these funding facilities. In most cases, the loans will remain in one of the funding facilities for only a short time, generally less than one month, until the loans are pooled and sold. During the time the loans are held for sale, we earn interest income from the borrower on the underlying mortgage loan. This income is partially offset by the interest and fees we have to pay under the funding facilities.

When we sell a pool of loans in the secondary market, the proceeds received from the sale of the loans are used to pay back the amounts we owe on the funding facilities. We rely on the cash generated from the sale of loans to fund future loans and repay borrowings under our funding facilities. Delays or failures to sell loans in the secondary market could have an adverse effect on our liquidity position.

As discussed in *Note 5, Borrowings*, of the notes to the unaudited condensed consolidated financial statements included in this Form 10-Q, as of March 31, 2023, we had 16 different funding and financing facilities in different amounts and with various maturities together with the Senior Notes. At March 31, 2023, the aggregate available amount under our facilities was $21.1 billion, with combined outstanding balances of $5.7 billion and unutilized capacity of $15.5 billion.

The amount of financing actually advanced on each individual loan under our funding facilities, as determined by agreed upon advance rates, may be less than the stated advance rate depending, in part, on the market value of the mortgage loans securing the financings. Each of our funding facilities allows the bank providing the funds to evaluate the market value of the loans that are serving as collateral for the borrowings or advances being made. If the 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 those loans (e.g., initiate a margin call). Our inability or unwillingness to satisfy the request could result in the termination of the facilities and possible default under our other funding facilities. In addition, a large unanticipated margin call could have a material adverse effect on our liquidity.

The amount owed and outstanding on our funding facilities fluctuates significantly based on our origination volume, the amount of time it takes us to sell the loans it originates, and the amount of loans being self-funded with cash. We may from time to time use surplus cash to “buy-down” the effective interest rate of certain funding facilities or to self-fund a portion of our loan originations. Buy-down funds are included in Cash and cash equivalents on the Consolidated Balance Sheets. We have the ability to withdraw these funds at any time, unless a margin call has been made or a default has occurred under the relevant facilities. We will also deploy cash to self-fund loan originations, a portion of which can be transferred to a warehouse line or the early buy out line, provided that such loans meet the eligibility criteria to be placed on such lines. The remaining portion will be funded in normal course over a short period of time, generally less than 45 days.

We remain in a strong liquidity position, with total liquidity of $8.1 billion as of March 31, 2023, which includes $0.9 billion of Cash and cash equivalents, $2.4 billion of corporate cash used to self-fund loan originations, a portion of which could be transferred to funding facilities (warehouse lines) at our discretion, $3.1 billion of undrawn lines of credit from financing facilities, and $1.7 billion of undrawn MSR lines. Margin cash held on behalf of counterparties is recorded in Cash and cash equivalents, and the related liability is classified in Other liabilities in the Condensed Consolidated Balance Sheets. Margin cash pledged to counterparties is excluded from Cash and cash equivalents and instead recorded in Other assets, as a receivable, in the Condensed Consolidated Balance Sheets.

Our funding facilities, early buy out facilities, MSRs facility and unsecured lines of credit 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 (1) a certain minimum tangible net worth, (2) minimum liquidity, (3) a maximum ratio of total liabilities or total debt to tangible net worth and (4) pre-tax net income requirements. A breach of these covenants can result in an event of default under these facilities and as such allows 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 as of March 31, 2023 and December 31, 2022.

March 31, 2023 compared to March 31, 2022

Cash Flows

Our Cash and cash equivalents and Restricted cash were $1.0 billion at March 31, 2023, a decrease of $1.4 billion, or 60%, compared to $2.4 billion at March 31, 2022. The decrease was primarily driven by utilization of more cash on hand to self-fund loan originations and our net loss for the period.

Equity

Equity was $8.1 billion as of March 31, 2023, a decrease of $592.0 million, or 7%, compared to $8.7 billion as of March 31, 2022. The decrease was primarily a result of a net loss of $748.2 million, partially offset by an increase in share-based compensation of $207.9 million.

Distributions

On February 24, 2022, our board of directors declared a cash dividend (the "2022 Special Dividend") of $1.01 per share to the holders of our Class A common stock. The 2022 Special Dividend was paid on March 22, 2022 to holders of the Class A common stock of record as of the close of business on March 8, 2022. The Company funded the 2022 Special Dividend from cash distributions of approximately $2.0 billion by RKT Holdings, LLC to all of its members, including the Company. To the extent the 2022 Special Dividend exceeded our current and accumulated earnings and profits, a portion of the 2022 Special Dividend may be deemed a return of capital or a capital gain to the investors in our Class A common stock. Refer to our risks and uncertainties discussed under the heading "Special Note Regarding Forward-Looking Statements," and in Part II. Item 1A. "Risk Factors" and elsewhere in this Form 10-Q and in our Form 10-K.

During the three months ended March 31, 2023 the Company had no tax distributions. During the three months ended March 31, 2022 the Company had a $2.0 billion 2022 Special Dividend and $160.6 million in tax distributions, for a total of approximately $2.2 billion of distributions. Except for tax distributions, these distributions are at the discretion of our board of directors.

Contractual Obligations, Commercial Commitments, and Other Contingencies

There were no material changes outside the ordinary course of business to our outstanding contractual obligations as of March 31, 2023 from information and amounts previously disclosed as of December 31, 2022 in our Annual Report on Form 10-K under the caption "Contractual Obligations, Commercial Commitments, and Other Contingencies". Refer to Notes *5, Borrowings,* and *9, Commitments, Contingencies, and Guarantees*, of the notes to the condensed consolidated financial statements for further discussion of contractual obligations, commercial commitments, and other contingencies, including legal contingencies.

New Accounting Pronouncements Not Yet Effective

See *Note 1, Business, Basis of Presentation and Accounting Policies* of the notes to the unaudited condensed consolidated financial statements for details of recently issued accounting pronouncements and their expected impact on our condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes to the Company's exposure to market risks since what was disclosed in the Company's December 31, 2022 Annual Report on Form 10-K.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our CEO and CFO, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this Form 10-Q. Based on such evaluation, our CEO and CFO have concluded that as of March 31, 2023, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in our management's evaluation pursuant to Rules 13a-15(d) and 15d-15(d) of the Exchange Act during the period covered by this Form 10-Q that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Because of inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of business, we may from time to time be involved in various pending or threatened legal actions. The litigation process is inherently uncertain and it is possible that the resolution of such matters might have a material adverse effect upon our financial condition and/or results of operations. However, in the opinion of our management, matters currently pending or threatened against us are not expected to have a material adverse effect on our business, financial condition and results of operations. Refer to *Note 9 Commitments, Contingencies, and Guarantees,* to the condensed consolidated financial statements under the heading *Legal* included in this Quarterly Report on Form 10-Q for legal proceedings and related matters.

Item 1A. Risk Factors

There are certain risks and uncertainties in our business that could cause our actual results to differ materially from those anticipated. We included a detailed discussion of our risk factors in "Part I – Item 1A. – Risk Factors" of our 2022 Form 10-K. Our risk factors have not changed significantly from those disclosed in our 2022 Form 10-K. These risk factors should be read carefully in connection with evaluating our business and in connection with the forward-looking statements and other information contained in this Quarterly Report 2023 Form 10-Q. Any of the risks described in our 2022 Form 10-K could materially affect our business, condensed consolidated financial condition or future results and the actual outcome of matters as to which forward-looking statements are made. The risk factors described in our 2022 Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, also may materially adversely affect our business, condensed consolidated financial condition and/or future results.

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

Share Repurchase Authorization

On November 10, 2020, our board of directors approved a share repurchase program of up to $1.0 billion of our Common Stock, including both Class A and Class D, which repurchases may be made, from time to time, in privately negotiated transactions or in the open market, in accordance with applicable securities laws (the "Share Repurchase Program"). The Share Repurchase Program was renewed on November 11, 2022 and will remain in effect for a two-year period. The Share Repurchase Program authorizes but does not obligate the Company to make any repurchases at any specific time. The timing and extent to which the Company repurchases its shares will depend upon, among other things, market conditions, share price, liquidity targets, regulatory requirements and other factors. As of March 31, 2023 approximately $590.7 million remain available under the Share Repurchase Program. There were no share repurchases during the three months ended March 31, 2023.

As of May 03, 2023 Rocket Companies repurchased 32.1 million shares at a weighted average price of $12.73. We have returned $409.3 million to shareholders in aggregate under the $1.0 billion Share Repurchase Program which was renewed in November 2022.

Item 6. Exhibits

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of Rocket Companies, Inc. (incorporated herein by reference to Exhibit 3.1 to the Company’s Quarterly Report on Form 10-Q, filed on September 2, 2020)
3.2	Amended and Restated Bylaws of Rocket Companies, Inc. (incorporated herein by reference to Exhibit 3.2 to the Company’s Quarterly Report on Form 10-Q, filed on September 2, 2020)
10.1	Fifth Amendment to Lease, dated January 1, 2023, by and between 615 W Lafayette Master Tenant LLC, successor landlord to 615 West Lafayette LLC, and Rocket Mortgage, LLC (formerly known as Quicken Loans, LLC, successor-by-conversion to Quicken Loans Inc.), as tenant (incorporated herein by reference to Exhibit 10.65 to the Company's Form 10-K, filed on March 1, 2023)
31.1*	Certification of CEO, pursuant to SEC Rule 13a-14(a) and 15d-14(a)
31.2*	Certification of CFO, pursuant to SEC Rule 13a-14(a) and 15d-14(a)
32.1*	Certification by the CEO, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification by the CFO, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)
*	Filed herewith.
#	Certain portions of this exhibit have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K. The Company agrees to furnish supplementally an unredacted copy of the exhibit to the Securities and Exchange Commission upon its request.

Signature

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

Rocket Companies, Inc.

May 10, 2023	By:	/s/ Brian Brown
Date		Name: Brian Brown
		Chief Financial Officer and Treasurer
		(Principal Financial Officer, Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Jay Farner, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Rocket Companies, Inc. (the "Registrant") for the quarterly period ended March 31, 2023;
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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 10, 2023	By: /s/ Jay Farner
	Name: Jay Farner
	Title: Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Brian Brown, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Rocket Companies, Inc. (the "Registrant") for the quarterly period ended March 31, 2023;

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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 10, 2023	By: /s/ Brian Brown
	Name: Brian Brown
	Title: Chief Financial Officer and Treasurer

Exhibit 32.1

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

I, Jay Farner, Chief Executive Officer of Rocket Companies, Inc. (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:

- the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: May 10, 2023

By: /s/ Jay Farner
Name: Jay Farner
Title: Chief Executive Officer

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 1350 of Title 18 of the United States Code and, accordingly, is not being filed with the U.S. Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 32.2

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

I, Brian Brown, Chief Financial Officer and Treasurer of Rocket Companies, Inc. (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:

- the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: May 10, 2023

By: /s/ Brian Brown
Name: Brian Brown
Title: Chief Financial Officer and Treasurer

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 1350 of Title 18 of the United States Code and, accordingly, is not being filed with the U.S. Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).