

Ellington Financial Inc. Completes \$226.9 Million Non-QM Loan Securitization

June 24, 2019

OLD GREENWICH, Conn.--(BUSINESS WIRE)--Jun. 24, 2019-- Ellington Financial Inc. (NYSE: EFC) (the "Company") announced today that it closed a \$226.9 million securitization backed by a pool of non-qualified residential mortgage ("non-QM") loans. The Company originally acquired the non-QM loans pursuant to a flow purchase agreement with LendSure Mortgage Corp., a mortgage originator in which the Company holds a strategic equity investment.

"We are very pleased with the execution of our third securitization of non-QM loans, and with the steady growth of LendSure," said JR Herlihy, Chief Financial Officer of the Company. "Securitizations continue to represent an important component of our financing strategy, as they provide long-term, non-mark-to-market financing while diversifying and enhancing our earnings. In addition, we see considerable upside in our investment in LendSure given the strong growth of the non-QM loan sector."

The securitization was rated by both S&P and Morningstar, with the senior tranche receiving AAA ratings. The Company retained certain tranches of the securitization in order to comply with credit risk retention rules, and also retained the option to call the securitization at any time following the optional redemption date.

About Ellington Financial Inc.

Ellington Financial invests in a diverse array of financial assets, including residential and commercial mortgage-backed securities, residential and commercial mortgage loans, consumer loans and asset-backed securities backed by consumer loans, collateralized loan obligations, non-mortgage and mortgage-related derivatives, equity investments in loan origination companies, and other strategic investments. Ellington Financial is externally managed and advised by Ellington Financial Management LLC, an affiliate of Ellington Management Group, L.L.C.

About LendSure Mortgage Corp.

LendSure is a privately held financial services company primarily engaged in the origination of residential mortgage loans. LendSure is led by a team of seasoned mortgage professionals who have many years of experience in the mortgage industry. LendSure is currently licensed (or not required to be licensed) to originate mortgage loans in 36 states, and operates primarily on a wholesale basis. LendSure was founded in March 2015 and maintains its corporate headquarters in San Diego, CA.

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